Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 announcement.

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)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2020

FINANCIAL HIGHLIGHTS

	2020	2019	Change %
Revenue (HK$'Mn)	**769.0**	1,956.8	(60.7%)
Gross profit (HK$'Mn)	**77.9**	207.6	(62.5%)
Loss for the year (HK$'Mn)	**(8.7)**	(162.6)	N/A
Loss attributable to owners of the Company (HK$'Mn)	**(8.7)**	(162.6)	N/A
Basic loss per share (HK cents)	**(0.6)**	(10.6)	N/A
Proposed final dividend per share (HK cents)	—	—	N/A

* *For identification purposes only*

The board (the "**Board**") of directors (the "**Directors**") of Global Sweeteners Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2020 (the "**Year**"), together with the comparative figures in the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2020

	Notes	**2020** *HK$'000*	2019 *HK$'000*
REVENUE	*4*	**769,024**	1,956,820
Cost of sales		**(691,158)**	(1,749,180)
Gross profit		**77,866**	207,640
Other income and gains	*4*	**309,129**	18,371
Selling and distribution costs		**(61,252)**	(180,386)
Administrative expenses		**(94,741)**	(111,807)
Other expenses		**(111,413)**	(38,120)
Finance costs	*6*	**(110,103)**	(75,672)
PROFIT (LOSS) BEFORE TAX	*5*	**9,486**	(179,974)
Income tax (expenses) credit	*7*	**(18,212)**	17,404
LOSS FOR THE YEAR		**(8,726)**	(162,570)
OTHER COMPREHENSIVE (LOSS) INCOME			
Items that are reclassified or may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of operations outside Hong Kong		**(12,097)**	11,657
Reclassification adjustment in respect of exchange reserve upon deregistration of a subsidiary		**401**	—
		(11,696)	11,657
Items that will not be reclassified subsequently to profit or loss:			
Gain on properties revaluation		—	70,544
Income tax effect		—	(17,636)
		—	52,908
OTHER COMPREHENSIVE (LOSS) INCOME FOR THE YEAR, NET OF TAX		**(11,696)**	64,565
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(20,422)**	(98,005)

	Notes	**2020** *HK$'000*	2019 *HK$'000*
LOSS ATTRIBUTABLE TO:			
Owners of the Company		**(8,726)**	(162,570)
Non-controlling interests		**—**	—
		(8,726)	(162,570)
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO:			
Owners of the Company		**(19,991)**	(98,142)
Non-controlling interests		**(431)**	137
		(20,422)	(98,005)
LOSS PER SHARE	*9*		
Basic		**HK(0.6) cents**	HK(10.6) cents
Diluted		**HK(0.6) cents**	HK(10.6) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	Notes	2020 HK$'000	2019 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	*10*	**622,975**	806,693
Right-of-use assets		**68,023**	130,781
Deposits paid for acquisition of property, plant and equipment		**16**	225
Intangible assets		**1,704**	1,704
		692,718	939,403
CURRENT ASSETS			
Inventories		**61,602**	193,035
Trade and bills receivables	*11*	**96,047**	190,528
Prepayments, deposits and other receivables	*12*	**432,876**	45,188
Cash and bank balances		**21,281**	30,820
		611,806	459,571
CURRENT LIABILITIES			
Trade and bills payables	*13*	**253,200**	393,096
Other payables and accruals		**316,329**	253,740
Lease liabilities		**1,094**	2,309
Interest-bearing bank and other borrowings		**811,039**	762,526
Due to fellow subsidiaries		**90,804**	136,267
Tax payables		**24,434**	22,929
		1,496,900	1,570,867
NET CURRENT LIABILITIES		**(885,094)**	(1,111,296)
TOTAL ASSETS LESS CURRENT LIABILITIES		**(192,376)**	(171,893)

	Notes	2020 HK$'000	2019 HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**184,524**	200,000
Lease liabilities		**—**	1,094
Deferred income		**27,202**	27,567
Deferred tax liabilities		**20,756**	10,857
		232,482	239,518
NET LIABILITIES		**(424,858)**	(411,411)
CAPITAL AND RESERVES			
Share capital	*14*	**152,759**	152,759
Reserves		**(571,392)**	(558,376)
Deficit attributable to owners of the Company		**(418,633)**	(405,617)
Non-controlling interests		**(6,225)**	(5,794)
TOTAL DEFICIT		**(424,858)**	(411,411)

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 June 2006. The principal activity of the Company is investment holding. The address of the registered office of the Company is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Suites 2202-04, 22nd Floor, Tower 6, The Gateway, 9 Canton Road, Tsimshatsui, Kowloon, Hong Kong. The Group is principally engaged in the manufacture and sale of corn refined products and corn sweeteners. There were no significant changes in the nature of the Group's principal activities during the Year.

The Company is a subsidiary of Global Corn Bio-chem Technology Company Limited, a company incorporated in the British Virgin Islands. In the opinion of the Directors, the ultimate holding company is Global Bio-chem Technology Group Company Limited (the "**ultimate holding company**" or "**GBT**" and together with its subsidiaries, the "**GBT Group**"), a company incorporated in the Cayman Islands whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

2.1 BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), and accounting principles generally accepted in Hong Kong. These consolidated financial statements also comply with the applicable disclosure requirements under the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange and the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, except for certain property, plant and equipment which are measured at revalued amounts. These consolidated financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except where otherwise indicated.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 consolidated financial statements except for the adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current year as detailed in note 2.3.

2.2 GOING CONCERN

The Group recorded a loss of approximately HK$8.7 million (2019: approximately HK$162.6 million) for the year ended 31 December 2020 and as at that date, the Group had net current liabilities of approximately HK$885.1 million (31 December 2019: approximately HK$1,111.3 million) and net liabilities of approximately HK$424.9 million (31 December 2019: approximately HK$411.4 million). In addition, any potential liabilities or obligations arising from the financial guarantee contracts (the "**Financial Guarantee Contracts**") as discussed in note 15 granted by 長春帝豪食品發展有限公司 (Changchun Dihao Foodstuff Development Co., Ltd.*) ("**Dihao Foodstuff**"), a wholly-owned subsidiary of the Company, and certain subsidiaries of the GBT Group (collectively, the "**Guarantor Subsidiaries**"), for the benefit of 長春大金倉玉米收儲有限公司(Changchun Dajincang Corn Procurement Co., Ltd.*) ("**Dajincang**") for the indebtedness of Dajincang with an aggregate outstanding principal amount of RMB2.49 billion together with outstanding interest (the "**Dajincang Indebtedness**") may have a significant negative impact on the liquidity position of the Group. There is a material uncertainty related to these conditions that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. In view of these circumstances and based on the recommendations of the audit committee (the "**Audit Committee**") of the Company after its critical review of the management's position, the management of the Company has taken the following steps to improve the financial position of the Group:

(1) Active negotiations with banks and creditors for the debt restructuring plan of the Group to improve its financial position

As disclosed in the joint announcement of the Company and GBT dated 25 February 2020 and the interim report of the Company for the six months ended 30 June 2020 (the "**2020 Interim Report**"), subsequent to the completion of the transfer of all the rights and benefits of the loans of the Group and the GBT Group which included, among others, the loans of the Group in the amount of approximately RMB198.6 million, with the outstanding interest (the "**GSH Indebtedness**"), the loans of the GBT Group (excluding the Group) in the amount of approximately RMB1.3 billion with the outstanding interest (the "**GBT Indebtedness**") and the Dajincang Indebtedness (collectively, the "**BOC Transferred Loans**") from 中國銀行股份有限公司吉林省分行 (Jilin Branch of Bank of China*) ("**BOC Jilin Branch**") to 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.*) ("**China Cinda**"), the Company and GBT continued to explore the next step of the debt restructuring plan with China Cinda. At the same time, the management of the Group and the GBT Group endeavoured to facilitate similar arrangement of the BOC Transferred Loans for the outstanding debts owed to other major lending banks.

Subsequently, as announced by the Company and GBT on 23 December 2020, each of 中國農業銀行股份有限公司吉林省分行 (Jilin Branch of Agricultural Bank of China Co., Ltd.*) ("**Jilin Branch ABC**") and 中國建設銀行股份有限公司吉林省分行(Jilin Branch of China Construction Bank Corporation*) ("**Jilin Branch CCB**") announced that they have each reached transfer agreement with China Cinda to transfer all rights and benefits of certain loans. Jilin Branch ABC has transferred all of its rights and benefits of the loans owed by the Group and the GBT Group with an aggregate outstanding principal amount of approximately RMB1,400.0 million and aggregate outstanding interest of approximately RMB42.8 million (the "**ABC Transferred Loans**") to China Cinda at a consideration of approximately RMB414.7 million; and Jilin Branch CCB has transferred all of its rights and benefits of the loans owed by the GBT Group with an aggregate outstanding principal amount of approximately RMB1,983.5 million with aggregate outstanding interest of approximately RMB128.5 million (the "**CCB Transferred Loans**") to China Cinda at a consideration of approximately RMB583.6 million.

Furthermore, as announced in a joint announcement of the Company and GBT on 18 January 2021, China Cinda has transferred the BOC Transferred Loans to 長春潤德投資集團有限公司 (Changchun Rudder Investment Group Co., Ltd.*) ("**Changchun Rudder**"), a company controlled by 長春市人民政府 (The Changchun Municipal Government*) (the "**Local Government**"). After the completion of the transfer of the BOC Transferred Loans to Changchun Rudder, the management of the Group and the GBT Group actively discussed with Changchun Rudder and the Local Government on debt restructuring with an aim to achieve significant improvement of the financial position of the Group and the GBT Group. Under the applicable law in the People's Republic of China (the "**PRC**" or "**China**"), the debtors are required to purchase the loans owed by themselves in order to discharge the debts and liabilities owed to them. As such, each of the Group, the GBT Group and Dajincang (collectively, the "**BOC Borrowers**") entered into a repurchase agreement with Changchun Rudder on 26 March 2021 (collectively, the "**Repurchase Agreements**" and each, a "**Repurchase Agreement**"), pursuant to which Changchun Rudder had agreed to sell to each of the BOC Borrowers, and each of the BOC Borrowers had agreed to purchase, all of the rights and benefits of their respective portion of the BOC Transferred Loans. The considerations of the repurchases of the GSH Indebtedness and the GBT Indebtedness amounted to RMB113,510,000 and RMB701,490,000, respectively, which will be financed by the proceeds from the compensation for the resumption of the land and buildings located in Luyuan District, Changchun, the PRC (the "**Relevant Properties**"). As security for their respective payment obligations under the Repurchase Agreements upon receipts of the compensation payment from the 長春市綠園區人民政府(The People's Government of Luyuan District of Changchun City*) (the "**Luyuan Government**"), amongst others, each of the Group and the GBT Group have provided certain land and buildings owned by them respectively as collaterals under a property pledge contract executed in favour of Changchun Rudder on 26 March 2021. The Group and the GBT Group are not jointly or severally responsible for each other's obligations under the respective Repurchase Agreements, and Dajincang's obligations under the Repurchase Agreement entered into between Changchun Rudder and Dajincang.

Completion of the Repurchase Agreements took place on 31 March 2021. Upon the completion of the Repurchase Agreement entered into between Changchun Rudder and Dajincang, all the obligations of the Guarantor Subsidiaries under the Financial Guarantee Contracts have been discharged. For details of the Repurchase Agreements, please refer to the joint announcements of the Company and GBT dated 26 March 2021 and 31 March 2021.

The Board expected that upon the completion of the Repurchase Agreements, the financial position of the Group and the GBT Group will improve significantly. The Company, together with GBT, will endeavour to facilitate similar arrangement to the Repurchase Agreements for the debt restructuring plan of the ABC Transferred Loans and the CCB Transferred Loans. It is currently expected that the repurchases of the ABC Transferred Loans and the CCB Transferred Loans could be completed by the end of 2021, pending and subject to the internal approval from the respective creditors and relevant local government authorities.

(2) Resumption of land and buildings located in Luyuan District, Changchun

As detailed in the annual report of the Company for the year ended 31 December 2019 (the "**2019 Annual Report**") and the 2020 Interim Report, in respect of the sale and purchase of the Relevant Properties, the Group has received an official document dated 28 April 2018 from the relevant authorities confirming the Relevant Properties is part of the subject properties for redevelopment under the PRC's Slum Redevelopment Policy. Subsequently, an execution announcement for the redevelopment under the PRC's Slum Redevelopment Policy was also issued on 30 October 2019.

On 30 September 2020, Dihao Foodstuff entered into a compensation agreement with the Luyuan Government, pursuant to which Dihao Foodstuff shall surrender the properties owned by Dihao Foodstuff with an aggregate area of land of approximately 149,249 square metres and total gross floor area of approximately 67,000 square metres in Luyuan District (the "**Dihao Properties**") to the Luyuan Government upon the signing of the agreement (the "**Dihao Resumption**"). Dihao Foodstuff is expected to receive a total compensation of approximately RMB443.0 million (equivalent to approximately HK$497.7 million). As at the date of this announcement, all the compensation in the amount of RMB443.0 million has been received by Dihao Foodstuff. For details of the Dihao Resumption, please refer to the joint announcements made by the Company and GBT on 24 August 2020 and 30 September 2020.

It is expected that the resumption of the remaining part of the Relevant Properties by the Luyuan Government will be conducted in stages according to the relevant government policy. The Board expects that the proceeds from the resumption of the Relevant Properties will help to relieve the financial and cash flow pressure of the Group during the period of suspension and provide part of the funding for the capital expenditure for the relocation of the Group's production facilities.

(3) Monitoring of the Group's operating cash flows

The Group has taken various measures to minimise operating cash outflow and secure financial resources during market turbulence and economic slowdown as a result of, among others, the outbreak of the coronavirus disease ("**COVID-19**"). During the Year, the Group has suspended the production operation of most of the Group's production facilities and consolidated its resources in the Shanghai production site.

(4) Financial support from the indirect major shareholder of GBT

The Group has received a renewed written confirmation dated 30 March 2021 from 吉林省農業投資集團有限公司 (Jilin Agricultural Investment Group Co., Ltd.) ("**Nongtou**", together with its subsidiaries, the "**Nongtou Group**") that it would continue to provide financial support to the Group and the GBT Group in the following 24 months on a going concern basis. Such assistance received by the Group is not secured by any assets of the Group.

In addition, the Group has secured the supply of corn kernels through the execution of corn purchasing contract with the Nongtou Group during the Year to ensure a sufficient supply of corn kernels when the Group's upstream operation resumes. During the Year, the Group purchased approximately 11,000 MT of corn kernels from the Nongtou Group which aggregately accounted for approximately 21.4% of the total corn procurement of the Group.

Nongtou, being a state-owned enterprise, was established in August 2016 and its unaudited net assets value at 31 December 2020 amounted to approximately RMB2,347.4 million (31 December 2019: approximately RMB2,102.0 million). It is tasked to consolidate the state-owned investments in the agricultural sector in the Jilin Province. The management of the Company is of the view that Nongtou would be able to support the operations of the Group and the GBT Group, to provide synergistic effects among its various investments in the agricultural sector in the Jilin Province and provide adequate and sufficient financial support to the Group and the GBT Group.

The validity of the going concern assumption on which the consolidated financial statements are prepared is dependent on the successful and favourable outcomes of the steps being taken by the management of the Company and the development of the events as described above. The Directors proposed to procure additional working capital through the steps mentioned above. After taking into account the above steps, the internal resources, the present and expected banking facilities available, the Group will have sufficient working capital for at least 12 months from the date of this announcement. Therefore, the consolidated financial statements of the Group have been prepared on a going concern basis.

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 the amounts other than which they are currently recorded in the consolidated statement of financial position. 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.

2.3 CHANGES IN ACCOUNTING POLICIES

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2019 consolidated financial statements except for the adoption of the following new/revised HKFRSs that are relevant to the Group and effective from the current year.

The Group has applied, for the first time, the following new/revised HKFRSs that are relevant to the Group:

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform — Phase 1
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 16	COVID-19-Related Rent Concessions

Amendments to HKASs 1 and 8: Definition of Material

The amendments clarify the definition of material and align the definition used across HKFRSs.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKAS 39, HKFRSs 7 and 9: Interest Rate Benchmark Reform — Phase 1

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainties caused by interest rate benchmark reform (the market-wide reform of an interest rate benchmark, including the replacement of an interest rate benchmark with an alternative benchmark). In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 3: Definition of a Business

The amendments, among others, revise the definition of a business and include new guidance to evaluate whether an acquired process is substantive.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

Amendments to HKFRS 16: COVID-19-Related Rent Concessions

The amendments exempt lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications and allow lessees to account for such rent concessions as if they were not lease modifications. It applies to COVID-19-related rent concessions that reduce lease payments due on or before 30 June 2021. The amendments do not affect lessors.

The adoption of the amendments does not have any significant impact on the consolidated financial statements.

2.4 NEW AND REVISED HKFRSs NOT YET ADOPTED

At the date of authorisation of these consolidated financial statements, the HKICPA has issued the following new/revised HKFRSs that are not yet effective for the current year, which the Group has not early adopted.

Amendments to HKAS 39, HKFRSs 4, 7, 9 and 16	Interest Rate Benchmark Reform — Phase 2 [1]
Amendments to HKAS 16	Proceeds before Intended Use [2]
Amendments to HKAS 37	Cost of Fulfilling a Contract [2]
Amendments to HKFRS 3	Reference to the Conceptual Framework [2]
Annual Improvements to HKFRSs	2018–2020 Cycle [2]
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current [3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture [4]

[1] Effective for annual periods beginning on or after 1 January 2021
[2] Effective for annual periods beginning on or after 1 January 2022
[3] Effective for annual periods beginning on or after 1 January 2023
[4] The effective date to be determined

Except for the amendments to HKFRS 3, the amendments to HKAS 1 and the amendments to HKFRS 10 and HKAS 28 which are explained below, the other new/revised HKFRSs are not expected to be relevant to the Group.

Amendments to HKFRS 3: Reference to the Conceptual Framework

The amendments update a reference in HKFRS 3 to the Conceptual Framework for Financial Reporting issued in 2018. The amendments also add to HKFRS 3 an exception to its requirement for an entity to refer to the Conceptual Framework to determine what constitutes an asset or a liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying HKFRS 3 should instead refer to HKAS 37. The exception has been added to avoid an unintended consequence of updating the reference.

Amendments to HKAS 1: Classification of Liabilities as Current or Non-current

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

Amendments to HKFRS 10 and HKAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in HKFRS 10 and those in HKAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The standards are amended such that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not); and a partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products and services and has two (2019: two) reportable operating segments as follows:

(a) the corn refined products segment which comprises the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products; and

(b) the corn sweeteners segment which comprises the manufacture and sale of glucose syrup, maltose syrup, high fructose corn syrup and maltodextrin.

The management, who is the chief operating decision-maker, monitors the results of the Group's operating segments separately for the purpose of making decisions in relation to resources allocation and performance assessment. Segment performance is evaluated based on reportable segment's profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs as well as corporate income and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the then prevailing selling prices used for sales made to third parties.

(a) Segment results

Year ended 31 December 2020

	Corn refined products *HK$'000*	Corn sweeteners *HK$'000*	Total *HK$'000*
Segment revenue			
Sales to external customers	**210,930**	**558,094**	**769,024**
Intersegment sales	**15,641**	**1,162**	**16,803**
	226,571	**559,256**	**785,827**
Reconciliation:			
Elimination of intersegment sales			**(16,803)**
Revenue			**769,024**
Segment results	**(73,872)**	**202,509**	**128,637**
Reconciliation:			
Unallocated bank interest income			**251**
Corporate and other unallocated expenses			**(9,299)**
Finance costs			**(110,103)**
Profit before tax			**9,486**
Income tax expenses			**(18,212)**
Loss for the year			**(8,726)**

(b) Other segment information

Year ended 31 December 2020

	Corn refined products *HK$'000*	Corn sweeteners *HK$'000*	Total *HK$'000*
Capital expenditure	**2,906**	**7,053**	**9,959**
Depreciation			
— Property, plant and equipment	**31,770**	**40,907**	**72,677**
— Right-of-use assets *(a)*	**3,637**	**3,658**	**7,295**
(Gain) Loss on disposal of property, plant and equipment, net	**(34)**	**4,479**	**4,445**
Gain on resumption of the Dihao Properties	**—**	**(289,356)**	**(289,356)**
Reversal of write-down of inventories, net	**—**	**(2,586)**	**(2,586)**
Impairment of trade and bills receivables, net	**162**	**23**	**185**
Impairment of prepayments, deposits and other receivables, net	**736**	**3,852**	**4,588**
Write-off of property, plant and equipment	**—**	**2,404**	**2,404**
Impairment of deposits paid for acquisition of property, plant and equipment	**63**	**—**	**63**
Waiver of payables	**(1,268)**	**—**	**(1,268)**

(a) Segment results

Year ended 31 December 2019

	Corn refined products HK$'000	Corn sweeteners HK$'000	Total HK$'000
Segment revenue			
Sales to external customers	1,038,430	918,390	1,956,820
Intersegment sales	192,455	101,967	294,422
	1,230,885	1,020,357	2,251,242
Reconciliation:			
Elimination of intersegment sales			(294,422)
Revenue			1,956,820
Segment results	(25,614)	(66,097)	(91,711)
Reconciliation:			
Unallocated bank interest income			427
Corporate and other unallocated expenses			(13,018)
Finance costs			(75,672)
Loss before tax			(179,974)
Income tax credit			17,404
Loss for the year			(162,570)

(b) Other segment information

Year ended 31 December 2019

	Corn refined products HK$'000	Corn sweeteners HK$'000	Total HK$'000
Capital expenditure	6,415	17,491	23,906
Depreciation			
— Property, plant and equipment	26,601	43,509	70,110
— Right-of-use assets *(a)*	3,679	5,779	9,458
Loss on disposal of property, plant and equipment, net	—	813	813
Reversal of write-down of inventories, net	(7)	—	(7)
Reversal of impairment of trade and bills receivables, net	—	(619)	(619)
Impairment of prepayments, deposits and other receivables, net	1,776	2,881	4,657
Waiver of payables	—	(1,540)	(1,540)

Remark:

(a) Depreciation of right-of-use assets that was not attributable to any of the above segments amounted to HK$1,832,000 (2019: HK$1,832,000) was included in other unallocated expenses.

(c) Geographical information

Revenue information based on locations of customers

	2020	2019
	HK$'000	*HK$'000*
The PRC	**742,085**	1,811,212
Asian region and others	**26,939**	145,608
	769,024	1,956,820

Non-current assets information based on locations of assets

	2020	2019
	HK$'000	*HK$'000*
The PRC	**691,649**	936,502
Hong Kong	**1,069**	2,901
	692,718	939,403

(d) Information about major customers

There was no revenue from transactions with a single external customer which accounted for 10% or more of the Group's total revenue for the Year (2019: Nil).

4. REVENUE, OTHER INCOME AND GAINS

	2020	2019
	HK$'000	*HK$'000*
Revenue from contracts with customers within HKFRS 15		
Sale of goods *(a)*	**769,024**	1,956,820
Other income and gains		
Amortisation of deferred income	**2,202**	3,761
Bank interest income	**251**	427
Compensation income	**462**	1,021
Foreign exchange gain, net	**130**	850
Gain on resumption of the Dihao Properties	**289,356**	—
Government grants *(b)*	**6,762**	3,309
Reversal of impairment of trade and bills receivables, net	—	619
Subcontracting income	**3,761**	3,796
Waiver of payables	**1,268**	1,540
Others	**4,937**	3,048
	309,129	18,371

Remarks:

(a) The revenue from contracts with customers within HKFRS 15 is based on fixed price and recognised at a point in time. The amount of revenue recognised for the Year that was included in the contract liabilities at the beginning of the Year was HK$54,062,000 (2019: HK$72,106,000).

(b) Government grants represent rewards to certain subsidiaries of the Company located in the PRC and Hong Kong with no further obligations and conditions to be complied with.

5. PROFIT (LOSS) BEFORE TAX

The Group's profit (loss) before tax is arrived at after charging (crediting):

	Notes	**2020** **HK$'000**	2019 HK$'000
Employee benefit expenses (excluding Directors' remuneration)			
— Wages and salaries		**72,315**	91,131
— Pension scheme contributions *(a)*		**13,241**	31,216
		85,556	122,347
Cost of inventories sold *(b)*		**691,139**	1,741,018
Auditor's remuneration		**2,200**	2,200
Foreign exchange gain, net		**(130)**	(850)
Depreciation			
— Property, plant and equipment	*10*	**72,677**	70,110
— Right-of-use assets		**9,127**	11,290
Lease payments on short-term leases		**2,226**	—
Loss on disposal of property, plant and equipment, net		**4,445**	813
Gain on resumption of the Dihao Properties		**(289,356)**	—
Reversal of write-down of inventories, net, included in cost of sales		**(2,586)**	(7)
Impairment (Reversal of impairment) of trade and bills receivables, net		**185**	(619)
Impairment of prepayments, deposits and other receivables, net		**4,588**	4,657
Impairment of deposits paid for acquisition of property, plant and equipment, net		**63**	—
Write-off of property, plant and equipment	*10*	**2,404**	—
Loss on deregistration of a subsidiary		**4,928**	—

Remarks:

(a) During the Year, the government of the PRC granted reductions or exemptions from pension scheme contributions to certain subsidiaries operating in the PRC due to the COVID-19 pandemic.

(b) Cost of inventories sold includes employee benefit expenses, depreciation and reversal of write-down of inventories amounted to HK$33,586,000 (2019: HK$80,057,000), which are also included in the respective total amounts disclosed separately above for each of these types of income and expenses.

6. FINANCE COSTS

	Notes	2020 HK$'000	2019 HK$'000
Interest on bank and other borrowings		**62,620**	53,375
Interest on trade payables	13(a), (b)	**46,832**	20,391
Interest on lease liabilities		**92**	244
Finance costs for discounted bills receivables		**559**	1,662
		110,103	75,672

7. INCOME TAX EXPENSES (CREDIT)

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong during the Year (2019: Nil). No provision for the PRC enterprise income tax has been made as the subsidiaries operating in the PRC incurred a loss for the Year (2019: The PRC enterprise income tax has been provided at the rate of 25% on the estimated assessable profits of subsidiaries operating in the PRC).

	2020 HK$'000	2019 HK$'000
Current tax		
— The PRC enterprise income tax	**—**	301
Deferred tax		
— Origination and reversal of temporary differences, net	**18,212**	(17,705)
Income tax expenses (credit)	**18,212**	(17,404)

8. DIVIDENDS

The Board does not recommend the payment of any dividend for the Year (2019: Nil).

9. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the Year attributable to owners of the Company of approximately HK$8,726,000 (2019: HK$162,570,000) and the weighted average number of ordinary shares in issue throughout the Year of 1,527,586,000 shares (2019: 1,527,586,000 shares).

Diluted loss per share is the same as basic loss per share as there was no potential dilutive ordinary shares outstanding during the years ended 31 December 2020 and 2019.

10. PROPERTY, PLANT AND EQUIPMENT

	Notes	2020 HK$'000	2019 HK$'000
At 1 January		**806,693**	798,859
Additions		**9,959**	23,906
Disposals		**(6,236)**	(1,141)
Resumption		**(144,085)**	—
Depreciation	*5*	**(72,677)**	(70,110)
Gain on properties revaluation		**—**	70,544
Write-off	*5*	**(2,404)**	—
Exchange realignment		**31,725**	(15,365)
At 31 December		**622,975**	806,693

11. TRADE AND BILLS RECEIVABLES

	2020 HK$'000	2019 HK$'000
Trade receivables	**175,336**	261,314
Bills receivables	**—**	2,907
	175,336	264,221
Loss allowance	**(79,289)**	(73,693)
	96,047	190,528

The Group normally grants credit terms of 30 to 90 days (2019: 30 to 90 days) to established customers. The trade and bills receivables are mainly denominated in Renminbi.

Ageing analysis of the trade and bills receivables at the end of the reporting period, based on the invoice date, is as follows:

	2020 HK$'000	2019 HK$'000
Within 1 month	**59,313**	150,015
1 to 2 months	**22,942**	32,160
2 to 3 months	**6,086**	4,386
Over 3 months	**7,706**	3,967
	96,047	190,528

Trade and bills receivables are non-interest-bearing. At the end of the reporting period, the Group had a concentration of credit risk as 14.5% (2019: 15.4%) and 47.7% (2019: 42.8%) of the total trade and bills receivables that were due from the Group's largest customer and the five largest customers respectively.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2020	2019
	HK$'000	*HK$'000*
Prepayments	**7,498**	15,071
Deposits and other debtors	**1,009**	6,740
The PRC value-added tax and other tax receivables	**16,053**	23,377
Receivables from resumption of the Dihao Properties	**408,316**	—
	432,876	45,188

13. TRADE AND BILLS PAYABLES

	2020	2019
	HK$'000	*HK$'000*
Trade payables		
— To third parties *(a)*	**83,591**	222,854
— To the Nongtou Group *(b)*	**169,609**	170,242
	253,200	393,096

Remarks:

(a) At 31 December 2019, the trade payables to third parties included a balance payable to a state-owned supplier of HK$66.8 million, which was unsecured and interest-bearing at 8.0% to 9.0% per annum after the lapse of the credit periods. During the Year, a one-off interest of approximately HK$12.5 million charged at a rate of 14.7% have been charged by this state-owned supplier for the 2019 and 2018 outstanding balances.

In addition, during the Year, Nongtou acquired 100% equity interest of this state-owned supplier and the corresponding balance payable was disclosed in trade payables to the Nongtou Group at 31 December 2020.

(b) The trade payables to the Nongtou Group are unsecured and interest-bearing at 11.0% per annum (2019: 8.5%) after the lapse of the credit periods.

The Group normally obtains credit terms ranging from 30 to 90 days (2019: 30 to 90 days) from its suppliers.

Ageing analysis of the trade and bills payables at the end of the reporting period, based on the date of the receipt of goods purchased, is as follows:

	2020	2019
	HK$'000	*HK$'000*
Within 1 month	**20,267**	230,752
1 to 2 months	**62,268**	24,708
2 to 3 months	**291**	5,833
Over 3 months	**170,374**	131,803
	253,200	393,096

14. SHARE CAPITAL

	2020	2019
	HK$'000	*HK$'000*
Authorised:		
100,000,000,000 (2019: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000
Issued and fully paid:		
1,527,586,000 (2019: 1,527,586,000) ordinary shares of HK$0.10 each	**152,759**	152,759

15. FINANCIAL GUARANTEE CONTRACTS

As mentioned in note 2.2, the Guarantor Subsidiaries have jointly provided corporate guarantees in respect of financing facilities granted to Dajincang starting from year 2010. The maximum amount of the financing facilities was RMB2.5 billion at 31 December 2020 (2019: RMB2.5 billion). The Directors have tried to engage a professional valuer to assess the fair value of the Financial Guarantee Contracts. However, since the management of the Group was unable to obtain sufficient and reliable financial information of Dajincang, the professional valuer was unable to complete the valuation. Therefore, no financial guarantee liability has been recognised in the consolidated financial statements in respect of the Financial Guarantee Contracts.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is the extract of the draft independent auditor's report from Mazars CPA Limited, the external auditor of the Company (the "**Auditor**"), on the Group's consolidated financial statements for the Year:

DISCLAIMER OF OPINION

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 FOR 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.

UPDATE ON REMEDIAL MEASURES

The consolidated financial statements of the Group for the year ended 31 December 2019 was subject to the disclaimer of opinion of the Auditor in the independent auditor's report in the 2019 Annual Report. Further to the management's response and relevant remedial measures taken and to be taken by the management as set out in the paragraph headed "Update on Remedial Measures" in the 2019 Annual Report and the 2020 Interim Report, the management of the Company wishes to provide an update on the remedial measures of the Company taken and to be taken as follows, which have been considered, recommended, and agreed by the Audit Committee after its critical review of the management's position:

1. Financial Guarantee Contracts

As detailed in the 2019 Annual Report and the 2020 Interim Report, the Financial Guarantee Contracts were not recognised in the Group's consolidated financial statements for the year ended 31 December 2019 because the Group was unable to obtain reliable financial information of Dajincang for the professional valuer to conduct an accurate valuation. During the Year, the Board and the board of GBT continued to actively explore different options to resolve the Financial Guarantee Contracts.

As disclosed in the 2020 Interim Report, subsequent to the completion of the transfer of all the rights and benefits of the BOC Transferred Loans from BOC Jilin Branch to China Cinda and as announced in a joint announcement of the Company and GBT on 18 January 2021, China Cinda has transferred the BOC Transferred Loans to Changchun Rudder. After the completion of the transfer of the BOC Transferred Loans to Changchun Rudder, the management of the Group and the GBT Group continued to discuss the next step of the debt restructuring plan with Changchun Rudder and the Local Government with the aims to achieve debt restructuring and the significant improvement of the financial position of the Group and the GBT Group. Under the applicable law in the PRC, the debtors are required to purchase the loans owed by themselves in order to discharge the debts and liabilities owed to them. On 26 March 2021, each of the BOC Borrowers entered into the Repurchase Agreements with Changchun Rudder, respectively, pursuant to which Changchun Rudder had agreed to sell to each of the BOC Borrowers, and each of the BOC Borrowers had agreed to purchase, all of the rights and benefits of their respective portions of the BOC Transferred Loans. The completion of the Repurchase Agreements took place on 31 March 2021. Upon the completion of the Repurchase Agreement entered into between Changchun Rudder and Dajincang, all the obligations of the Guarantor Subsidiaries under the Financial Guarantee Contracts have been discharged. For details of the Repurchase Agreements, please refer to the joint announcements of the Company and GBT dated 26 March 2021 and 31 March 2021.

The Auditor has confirmed that the disclaimer opinion in relation to the Financial Guarantee Contracts on the Group's consolidated financial statements for the year ending 31 December 2021 will be removed upon the completion of the Repurchase Agreement entered into between Changchun Rudder and Dajincang. However, the Auditor may be unable to determine whether any adjustments in respect of the Financial Guarantee Contracts as at 31 December 2020 are necessary, which may have a significant impact on the financial position of the Group as at 31 December 2020, and on the financial performance and the elements making up the consolidated statement of cash flows of the Group for the year ending 31 December 2021.

2. Material uncertainty relating to going concern

With respect to the material uncertainty relating to the Group's ability to continue as a going concern, the Board has expressed their views and outlined the steps that have been taken by the management of the Company to improve the financial position of the Group in note 2.2.

Depending on the successful and favourable outcomes of the proposed steps as set out in note 2.2, the Board, including the Audit Committee, is of the view that the Group will have sufficient working capital for at least 12 months from the date of this announcement. Please refer to note 2.2 for details.

MANAGEMENT DISCUSSION AND ANALYSIS

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. 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).

BUSINESS REVIEW

The selling prices of the Group's products are affected by the prices of their raw materials (principally corn kernels and corn starch), the demand and supply of each of the products and their respective substitutes in the market and the variety of product specifications. During the Year, the COVID-19 pandemic continued to put pressure on the global economic environment. Suspension of business operations, disrupted supply chains and stringent lockdown measures in the first quarter of the Year have led to stagnant demand and significant economic slowdown. As a result, the gross domestic product of China shrank by 6.8% for the first quarter of 2020, which was the first decline since 1992. Starting from the second quarter of the Year, China's economy slowly recovered and recorded a growth rate of 2.3% for the full year. Nevertheless, the growth rate was far below the initial estimates before the outbreak of COVID-19. The operating environment of the Group remained challenging throughout the Year.

As disclosed in the 2020 Interim Report, the lockdown in the PRC in the first quarter of 2020 significantly lowered the demand for feed products. In addition, competition in the PRC sweeteners market intensified as market shrank. The situation escalated as the extra tariff on out-of-quota sugar imports expired in May 2020. Sugar imports in China surged from 3.39 million metric tonnes ("**MT**") in 2019 to 4.35 million MT in 2020 as a result. In light of the challenging operating environment, the Group has suspended the operations of most of its production facilities in the PRC during the Year. For details of the suspensions, please refer to the Company's announcements dated 24 September 2019, 10 February 2020 and 29 May 2020 (collectively, the "**Suspension of Operation Announcements**").

With respect to corn supply, global corn production for the year 2020/21 is estimated at 1,133.9 million MT (2019/20: 1,116.6 million MT), according to the estimates from the United States Department of Agriculture in January 2021. The high demand from China together with shrinking supply from major exporters such as Argentina have driven up the international corn price. International corn price increased from 608 US cents per bushel (equivalent to RMB1,670 per MT) at the end of 2019 to 718 US cents per bushel (equivalent to RMB1,844 per MT) by the end of 2020. In the PRC, corn harvest in 2020/21 is estimated to produce approximately 264.7 million MT (2019/20: approximately 260.8 million MT) of corn, with consumption volume estimated at 288.2 million MT for 2021 (2020: 278.3 million MT). A shortage of corn of approximately 20 million MT is expected in the PRC in 2021. In addition, the PRC grain traders have been piling up their grain reserves due to the concerns with regard to food security in light of the continued impact of the COVID-19 pandemic on the global economy. All these factors have contributed to the surge in the domestic corn price during the Year. As a result, corn price in the PRC rose to RMB2,529 per MT (end of 2019: RMB1,850 per MT) by the end of 2020. Apart from the rising corn cost, the economic slowdown and shrunken demand for the Group's products have made it not commercially viable to continue with the production operation for the upstream corn refinery. To mitigate the situation, the Group has suspended the production operation of 錦州元成生化科技有限公司 (Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*) ("**Jinzhou Yuancheng**") starting from the second quarter of 2020. Consequently, the performance of the Group's upstream business was adversely affected during the Year. The Group will continue to monitor the market conditions and be cautious in making decisions on the Group's business strategies so as to optimise the operation of the Group's production facilities to maintain relatively healthy cash flow while balancing its market presence.

As for the sugar market, global production volume for 2019/20 was about 166.2 million MT. Although the COVID-19 pandemic had an impact on sugar consumption, industry estimates still show demand growth for sugar in 2020/21. In addition, the decrease in sugar production in Thailand, the second largest sugar exporter in the world, the speculation about a possible sugar shortage and tight supply of shipment containers due to lockdowns in major ports have caused sugar price to soar since the third quarter of the Year. As a result, international sugar price increased to 15.49 US cents per pound (equivalent to RMB2,232 per MT) (end of 2019: 13.42 US cents per pound, equivalent to RMB2,070 per MT) by the end of 2020. In the PRC, domestic sugar production remained at similar level at 10.7 million MT in 2019/20 harvest, while consumption stayed at around 15.4 million MT. However, the expiry of the extra tariff on out-of-quota sugar imports in the PRC in May 2020 has led to an increase in sugar imports into China and dragged down the domestic sugar price to RMB5,356 per MT (end of 2019: RMB5,900 per MT) by the end of 2020. In addition, as a number of users in Huadong area has opted for vertical integration and expanded upstream to secure their feedstocks, the market of sweeteners has shrunk and competition has further intensified. As such, the Group has suspended the operation of the downstream sweeteners production facilities in the Jinzhou and Xinglongshan sites and consolidated its resources into the Shanghai production site which has higher operation efficiency until market recovers. The Group will continue to utilise its research and development capabilities to improve operational efficiency to lower cost and at the same time, develop products that better suit market needs to cope with market changes.

The operating environment of the Group in 2021 will continue to be challenging as the PRC corn price is expected to remain high in 2021. On top of this, the continued impact of the COVID-19 pandemic and the intensified market competition will further add pressure on the already lackluster market. In the short run, the Group will continue to monitor closely the development of the COVID-19 pandemic, the market conditions as well as the financial conditions of the Group and will ensure the operation of the Group's subsidiaries to resume as soon as possible to the extent practicable. In the long run, the Group will continue to strengthen its market position utilising its brand name, strive to provide excellent customer service and be customer-oriented to understand better their ever-changing demands and product requirements, and further improve cost effectiveness and product mix through continuous research and development efforts.

FINANCIAL PERFORMANCE

During the Year, most of the operations of the Group's subsidiaries in the PRC have been suspended. The suspension of operations was a result of (i) the impact of the COVID-19 pandemic that had led to the slowdown of economic growth in the PRC; (ii) the tight operating cash flow of the Group due to the prolonged challenging operating environments; and (iii) the lack of supply of starch slurry from the subsidiary of GBT through a pipeline transfer system in the Xinglongshan site due to the suspension of the GBT's subsidiary. The suspension of operations has led to a significant drop in the sales volume of the Group's upstream and downstream segments by approximately 79.4% and 41.8% respectively to approximately 87,000 MT and 174,000 MT (2019: 423,000 MT and 299,000 MT) respectively. As a result, the Group's consolidated revenue decreased significantly by approximately 60.7% to approximately HK$769.0 million (2019: HK$1,956.8 million), with gross profit declined by approximately 62.5% to approximately HK$77.9 million (2019: HK$207.6 million). During the Year, the Group suspended most of its operation and consolidated its resources into the Shanghai production site which has higher operational efficiency in response to the drop in the average selling price of the Group's product, stagnant demand and intensified competition of the sweeteners market. As a result, the Group's gross profit margin decreased only slightly by approximately 0.5 percentage point to approximately 10.1% (2019: 10.6%) during the Year.

The high debt level of the Group has led to a significant increase in finance cost by approximately 45.4% to approximately HK$110.1 million (2019: HK$75.7 million). However, due to the recognition of a one-off gain from resumption of the properties owned by Dihao Foodstuff in the amount of approximately HK$289.4 million during the Year, the Group recorded net loss and EBITDA (i.e. earning before interest, taxation, depreciation and amortisation) of approximately HK$8.7 million (2019: HK$162.6 million) and HK$201.4 million (2019: LBITDA (i.e. loss before interest, taxation, depreciation and amortisation): HK$22.9 million) respectively for the Year.

To improve the performance and financial position of the Group, the management of the Group will continue to focus its efforts on 1) speeding up the process of resumption of the remaining part of the Relevant Properties in order to enhance the cash flow of the Group; 2) actively negotiating with banks/creditors to push forward the debt restructuring plan to lower the debt level of the Group; and 3) closely monitoring market changes to identify the opportunity for full/partial resumption of operations to improve operating cash flow of the Group.

Upstream products

(Sales amount: HK$211.0 million (2019: HK$1,038.4 million))
(Gross profit: HK$22.9 million (2019: HK$101.7 million))

The typhoons near the northeast part of China in the third quarter of the Year has led to an unexpected drop of corn harvest by 10%. In addition, the outbreak of COVID-19 and the clearance of the national corn reserves in the past years have raised concerns over food security in the PRC. All these factors have caused the price for corn kernel to surge during the Year. As disclosed in the 2020 Interim Report, the Group has suspended the upstream production facilities in the Jinzhou site since the second quarter of 2020. As a result, the sales volumes of corn starch and other corn refined products dropped to approximately 65,000 MT (2019: 293,000 MT) and 22,000 MT (2019: 130,000 MT), respectively, with their revenues amounted to approximately HK$163.9 million (2019: HK$760.3 million) and HK$47.1 million (2019: HK$278.1 million), respectively. As a result of the suspension, internal consumption of corn starch decreased to approximately 6,000 MT (2019: 76,000 MT) which was used for the supply of raw material for production in the Shanghai site.

Consequently, the gross profits of the corn starch segment decreased significantly by approximately 83.0% to approximately HK$18.6 million (2019: HK$109.4 million). As the average selling price of corn starch dropped by approximately 3.2% during the Year, gross profit margin of the corn starch segment dropped by 3.1 percentage points to approximately 11.3% (2019: 14.4%) during the Year.

On the other hand, due to the recovery of husbandry industry during the second half of the Year, the demand for feed-related corn refined products such as corn gluten and fibre improved. The Group's other corn refined segment recorded gross profits and gross profit margin of approximately HK$4.3 million (2019: gross loss: HK$7.7 million) and approximately 9.1% (2019: gross loss margin: 2.8%), respectively during the Year.

Corn Sweeteners

Corn syrup

(Sales amount: HK$451.4 million (2019: HK$587.3 million))
(Gross profit: HK$46.9 million (2019: HK$68.5 million))

During the Year, the revenue and gross profit of corn syrup decreased by approximately 23.1% and 31.5% respectively, to approximately HK$451.4 million (2019: HK$587.3 million) and HK$46.9 million (2019: HK$68.5 million) respectively. Such decreases were mainly attributable to the decline in sales volume by approximately 26.9% to approximately 136,000 MT (2019: 186,000 MT) as a result of the poor sentiment of the sweeteners market and the suspension of downstream production in the Group's Jinzhou and Xinglongshan sites. Nevertheless, with the Group's effort to minimise cost and cash outflow through suspension of operations and focusing its resources in the Shanghai production site which has higher operational efficiency, the gross profit margin of the corn syrup segment dropped slightly to approximately 10.4% (2019: 11.7%) during the Year.

Corn syrup solid

(Sales amount: HK$106.6 million (2019: HK$331.1 million))
(Gross profit: HK$8.1 million (2019: HK$37.4 million))

During the Year, the revenue of corn syrup solid, which was entirely the revenue of maltodextrin, dropped to approximately HK$106.6 million (2019: HK$331.1 million) as sales volume dropped to approximately 38,000 MT (2019: 113,000 MT). In addition, due to stagnant demand and keen market competition, the selling price of maltodextrin dropped by approximately 4.3%. As a result, the gross profit of maltodextrin decreased significantly by approximately 78.3% to approximately HK$8.1 million (2019: HK$37.4 million) with gross profit margin declined to approximately 7.6% (2019: 11.3%).

Export sales

During the Year, export sales accounted for approximately 3.5% (2019: 7.4%) of the Group's total revenue. The export sales of upstream products and corn sweeteners decreased by approximately 81.8% and 81.0% respectively to approximately HK$16.2 million (2019: HK$89.2 million) and HK$10.7 million (2019: HK$56.4 million) respectively. Such decreases were mainly attributable to the suspension of most of the Group's production facilities.

Other income and gains, operating expenses, finance costs and income tax expenses (credit)

Other income and gains

During the Year, other income and gains of the Group increased by approximately 1,579.9% to approximately HK$309.1 million (2019: HK$18.4 million). Such increase was mainly attributable to a one-off gain on resumption of properties owned by Dihao Foodstuff which amounted to approximately HK$289.4 million during the Year.

Selling and distribution costs

During the Year, the selling and distribution costs dropped by approximately 66.0% to approximately HK$61.3 million (2019: HK$180.4 million), accounting for approximately 8.0% (2019: 9.2%) of the Group's revenue. Such decrease was mainly attributable to the decrease in transportation and packaging costs as a result of the significant decline in sales volume during the Year.

Administrative expenses

During the Year, administrative expenses decreased by approximately 15.3% to approximately HK$94.7 million (2019: HK$111.8 million), representing approximately 12.3% (2019: 5.7%) of the Group's revenue. Such decrease was mainly attributable to the decrease in salaries and other staff benefits by approximately HK$19.9 million to approximately HK$23.4 million (2019: HK$43.3 million) as the number of headcount had been reduced during the Year.

Other expenses

Other expenses of the Group increased significantly by approximately 192.4% to approximately HK$111.4 million (2019: HK$38.1 million) during the Year. Such increase was mainly attributable to the expenses in relation to idle capacity of certain suspended production facilities which amounted to approximately HK$69.3 million (2019: HK$26.3 million) during the Year.

Finance costs

During the Year, finance costs of the Group increased by approximately 45.4% to approximately HK$110.1 million (2019: HK$75.7 million). The increase in finance costs was mainly attributable to the increase in interest on default loans and the increase in interest on trade payables, which amounted to approximately HK$62.6 million (2019: HK$53.4 million) and HK$46.8 million (2019: HK$20.4 million) respectively during the Year.

Income tax expenses (credit)

Due to the recognition of temporary differences, the Group recorded deferred tax expenses of approximately HK$18.2 million (2019: deferred tax credit: HK$17.7 million) during the Year. Meanwhile, all the subsidiaries of the Group recorded tax losses during the Year, and no income tax expenses were recorded for the Year (2019: HK$0.3 million). As a result, the Group recorded tax expenses of approximately HK$18.2 million during the Year (2019: tax credit: HK$17.4 million).

Net loss attributable to shareholders

As a result of the one-off gain on resumption of the properties owned by Dihao Foodstuff in the amount of approximately HK$289.4 million during the Year, the net loss attributable to shareholders of the Company narrowed to approximately HK$8.7 million for the Year (2019: HK$162.6 million).

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The total borrowings as at 31 December 2020 increased by approximately HK$33.1 million to approximately HK$995.6 million (31 December 2019: HK$962.5 million). The change in total borrowings was mainly attributable to exchange rate adjustment as at 31 December 2020 which amounted to approximately HK$66.8 million (2019: HK$21.9 million) and net repayment of interest-bearing bank and other borrowings by approximately HK$33.7 million. On the other hand, cash and bank balances as at 31 December 2020 decreased by approximately HK$9.5 million to approximately HK$21.3 million (31 December 2019: HK$30.8 million) as at 31 December 2020. Consequently, the net borrowings increased to approximately HK$974.3 million (31 December 2019: HK$931.7 million).

Structure of interest-bearing bank and other borrowings

As at 31 December 2020, the Group's bank and other borrowings of approximately HK$995.6 million (31 December 2019: HK$962.5 million) were all (31 December 2019: all) denominated in Renminbi. The average interest rate during the Year increased to approximately 6.5% per annum (2019: 5.6% per annum). The percentage of interest-bearing bank and other borrowings wholly repayable within one year and in the second to the fifth years were 81.5% and 18.5% (31 December 2019: 79.2% and 20.8%), respectively. As at 31 December 2020, interest-bearing bank and other borrowings amounted to approximately RMB213.0 million (31 December 2019: RMB215.0 million) have been charged at fixed interest rates of 7.0% to 8.0% for terms of one year to three years. Other than that, the rest of the Group's interest-bearing bank and other borrowings were charged with reference to floating interest rate.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 30 to 90 days, are granted to customers, depending on their credit worthiness and business relationships with the Group. During the Year, trade receivables turnover days increased to approximately 46 days (31 December 2019: 36 days) as longer credit periods were granted to a number of customers with good track records.

Trade payables turnover days increased to approximately 134 days (31 December 2019: 82 days) during the Year, as the Group had negotiated with its suppliers to extend the credit terms.

As at 31 December 2020, the Group's inventory level decreased by approximately 68.1% to approximately HK$61.6 million (31 December 2019: HK$193.0 million). Such decrease was mainly attributable to the suspension of the Jinzhou and Xinglongshan sites during the Year. Consequently, the inventory turnover days decreased to approximately 33 days (31 December 2019: 40 days) for the Year.

As at 31 December 2020, the current ratio and quick ratio increased to approximately 0.4 (31 December 2019: 0.3) and approximately 0.4 (31 December 2019: 0.2) respectively. Gearing ratio in terms of debts (i.e. total interest-bearing bank and other borrowings) to total deficit and debts (i.e. aggregate total of shareholders deficit, non-controlling interests and total interest-bearing bank and other borrowings) was approximately 174.4% (31 December 2019: 174.7%).

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, while export sales accounting for approximately 3.5% (2019: 7.4%) of the Group's revenue in which most of these transactions were denominated in US Dollars. The management of the Company has been closely monitoring the Group's exposure to foreign exchange fluctuations in Renminbi and is of the view that there is no material unfavourable exposure to foreign exchange fluctuations. Therefore, the Group currently does not intend to hedge its exposure to foreign exchange fluctuations in Renminbi. The Group will constantly review the economic situation, development of the Group's business segments and its overall foreign exchange risk profile, and will consider appropriate hedging measures in the future as and when necessary.

IMPORTANT TRANSACTIONS DURING THE YEAR

Reference is made to the joint announcements of the Company and GBT on 24 August 2020 and 30 September 2020 in relation to the Dihao Resumption. Dihao Foodstuff entered into a compensation agreement with the Luyuan Government on 30 September 2020, pursuant to which Dihao Foodstuff shall surrender the Dihao Properties to the Luyuan Government upon the signing of the agreement. Dihao Foodstuff is expected to receive a total compensation of approximately RMB443.0 million (equivalent to approximately HK$497.7 million) as a result of the Dihao Resumption, and all the compensation in the amount of RMB443.0 million has been received by Dihao Foodstuff as at the date of this announcement.

Given that the Group was bound to follow the request of the Luyuan Government to surrender the Dihao Properties under the Dihao Resumption and there was no discretion to act in an opposite manner, the Board is of the view that the Dihao Resumption did not constitute a "transaction" under Chapter 14 of the Listing Rules.

DISCLOSURE PURSUANT TO RULES 13.19 AND 13.21 OF THE LISTING RULES

Breach of loan agreements

(1) Reference is made to the joint announcement of the Company and GBT dated 21 September 2018. Under a loan agreement (the "**Loan Agreement**") entered into between 錦州大成食品發展有限公司 (Jinzhou Dacheng Food Development Co., Ltd.) ("**Jinzhou Dacheng**"), which is an indirect wholly-owned subsidiary of the Company, and 中國銀行股份有限公司錦州港支行 (Jinzhou Port Branch of Bank of China*) (the "**Lender**") in respect of a twelve month fixed term loan due in December 2018 (the "**Loan**"), Jinzhou Dacheng was required to satisfy certain financial covenants, failure to comply with such financial covenants entitles the Lender to, among others, declare the outstanding principal amount, accrued interest and all other sums payable under the Loan immediately due and payable. The Loan has been guaranteed by the Company and certain members of the Group have also provided guarantees and securities to secure the Loan. Jinzhou Dacheng has failed to fulfill certain financial covenants under the Loan Agreement. Such breach entitles the Lender to, among others, declare the outstanding principal amount, accrued interest and all other sums payable under the Loan Agreement immediately due and payable. In addition, such breach may also trigger cross default provisions in other loan agreements entered into by the Group. As at the date of this announcement, certain financial covenants under the Loan Agreement have yet to be fulfilled, and Jinzhou Dacheng has yet to receive a waiver from the Lender in respect of the breach under the Loan Agreement and the outstanding principal amount under the Loan Agreement is approximately RMB19.8 million.

(2) Reference is made to the joint announcement of the Company and GBT dated 4 May 2020. Under the various loan agreements (collectively, the "**Yuancheng Loan Agreements**") entered into between Jinzhou Yuancheng, and each of 中國建設銀行股份有限公司錦州分行 (Jinzhou Branch of China Construction Bank*) and 中國銀行股份有限公司錦州港支行 (Jinzhou Branch of Bank of China*) (collectively, the "**Yuancheng Lenders**") for the aggregate principal amount of RMB219.9 million (collectively, the "**Yuancheng Loans**"), Jinzhou Yuancheng was required to satisfy certain financial covenants, failure to perform or comply with any of those financial covenants would entitle the Yuancheng Lenders to, among others, declare the outstanding principal amount, accrued interest and all other sums payable under the Yuancheng Loans immediately due and payable. As at the date of this announcement, Jinzhou Yuancheng has failed to fulfill certain financial covenants under the Yuancheng Loan Agreements. Such breach entitles the Yuancheng Lenders to, among others, declare the outstanding principal amount, accrued interest and all other sums payable under the Yuancheng Loan Agreements immediately due and payable. In addition, such breach may also trigger cross default provisions in other loan agreements entered into by the Group. As at the date of this announcement, Jinzhou Yuancheng has yet to receive any waiver from the Yuancheng Lenders.

(3) Reference is made to the joint announcement of the Company and GBT dated 23 December 2020 regarding the fixed-term loan under a loan agreement entered into between Dihao Foodstuff and 中國農業銀行股份有限公司農安縣支行 (Nongan Branch of Agricultural Bank of China Co., Ltd.*) ("**Nongan Branch ABC**") with aggregate outstanding principal amount of RMB180.0 million, together with respective outstanding interest have become immediately due and payable before their maturity date in June 2021 in contemplation of the debt restructuring plan of the Group and the GBT Group. Dihao Foodstuff has defaulted in the repayment of such loan. The maximum liability guaranteed by the Company is RMB250.0 million, together with all interests, liabilities, fees and penalty that may accrue under the loan agreement. Dihao Foodstuff and 長春帝豪結晶糖開發實業有限公司 (Changchun Dihao Crystal Sugar Industry Development Co., Ltd.*) have also provided collaterals to secure such loan. As at the date of this announcement, the outstanding principal under such loan agreement is RMB180.0 million.

In addition, such default in repayment of such loans by the Group may also trigger cross default of other loan agreements entered into by the Group.

As disclosed in the joint announcement of the Company and GBT dated 23 December 2020, the transfer agreement entered into between Jilin Branch ABC and China Cinda, Jilin Branch ABC (acting on behalf of Nongan Branch ABC) has agreed to sell to China Cinda, and China Cinda has agreed to purchase, all of its rights and benefits of the ABC Transferred Loans at a consideration of approximately RMB414.7 million. The ABC Transferred Loans include, among others, the loan mentioned above which amounted to RMB180.0 million.

The Company, together with GBT, will endeavour to facilitate the implementation of the debt restructuring plan for the ABC Transferred Loans under similar arrangement to the Repurchase Agreements. The Board expects that after the completion of the debt restructuring, the financial position of the Group and the GBT Group will be significantly improved.

DISCLOSURE PURSUANT TO RULE 13.20 OF THE LISTING RULES

As announced by the Company on 31 March 2015, financial guarantees were first granted by the Guarantor Subsidiaries in respect of the indebtedness of Dajincang due to 中國銀行股份有限公司長春偉峰國際支行 (Bank of China Changchun Weifeng International Branch*) ("**Weifeng BOC**") between November 2010 to March 2015.

As disclosed in the joint announcement of the Company and GBT dated 6 November 2018 and the circular of the Company dated 3 December 2018, Dajincang still did not have sufficient financial resources to repay the Dajincang Indebtedness with an aggregate outstanding principal amount of RMB2.49 billion, together with outstanding interest, that was guaranteed by the Guarantor Subsidiaries to Weifeng BOC. The maximum guaranteed amount was RMB2.5 billion.

As disclosed in the joint announcement of the Company and GBT dated 25 February 2020, the Group has been notified by BOC Jilin Branch in mid-February 2020 that it has entered into a transfer agreement with China Cinda in relation to the BOC Transferred Loans which included the Dajincang Indebtedness guaranteed by the Guarantor Subsidiaries. As further disclosed in the joint announcement of the Company and GBT dated 18 January 2021, China Cinda has transferred the BOC Transferred Loans to Changchun Rudder. Subsequently, Dajincang entered into a Repurchase Agreement with Changchun Rudder on 26 March 2021, pursuant to which Changchun Rudder had agreed to sell to Dajincang, and Dajincang had agreed to purchase, all of the rights and benefits of the Dajincang Indebtedness.

The completion of the Repurchase Agreements took place on 31 March 2021. Upon the completion of the Repurchase Agreement entered into between Dajincang and Changchun Rudder, all the obligations of the Guarantor Subsidiaries under the Financial Guarantee Contracts have been discharged. For details of the Repurchase Agreements, please refer to the joint announcements of the Company and GBT dated 26 March 2021 and 31 March 2021.

SUPPLEMENTARY INFORMATION IN RELATION TO THE YEAR UNDER REVIEW

Updates on the suspension of operation of certain subsidiaries of the Group and the impact of COVID-19 on the Group's business

Reference is made to the Suspension of Operation Announcements. Due to the poor sentiment of sweeteners market in Northeast China, the COVID-19 pandemic, the significant increase in the domestic corn price, the overall demand for corn refined products has been negatively affected as downstream consumption shrank. The Board, having considered the pros and cons of continuing the upstream operation of the Group based on the then available financial information of the Group and assessed the then current market conditions, concluded that it was more favourable for the Group to suspend its upstream operation in the Jinzhou site. In addition, the suspension of the upstream operation of GBT in the Xinglongshan site has cut off the supply of corn starch since the last quarter of 2019. Together with the poor sentiments in the sweeteners market as a result of the economic slowdown and the COVID-19 pandemic, the Board concluded that it was more favourable for the Group to continue the suspension of its downstream operations. As such, the operations of Dihao Foodstuff and Jinzhou Dacheng have also been suspended.

The COVID-19 pandemic has also brought about concerns in relation to food security in China. The stockpiling of corn by grain traders in the PRC and the relaxation of extra import tariffs on out-of-quota sugar are expected to continue in 2021. As such, domestic corn price is expected to remain at high level in 2021; and domestic sugar/sweeteners producers will continue to face keen competition from importers from other countries. The delay in transportation as a result of lockdowns, the tension between China and the United States (the "**US**") and other trade restrictions may also pose challenges to the Group's export business.

As at the date of this announcement, the overall operation of the Jinzhou site and the Xinglongshan site remained suspended. The management of the Group expects that the COVID-19 pandemic will continue to put pressure on the Group's business and affect the operations of the Group. The continued suspension of operation or low facility utilisation rate had an impact on the performance and financial positions of the Group in various aspects. The management of the Group will continue to assess the impact of the COVID-19 pandemic on the financial positions of the Group and closely monitor the market conditions and the financial conditions of the Group, and will ensure that the production operation of such subsidiaries will resume as soon as possible to the extent practicable.

Relocation of production facilities to the Xinglongshan site

Reference is made to the 2020 Interim Report in relation to, among others, the suspension and relocation of the production facilities of the Group in Luyuan District in Changchun pending its relocation of production facilities to the Xinglongshan site.

Due to the challenging economic environment and the continued impact of the COVID-19 pandemic, the Group will continue to assess the changing market conditions and the progress of the resumption of the Relevant Properties so as to update and revise the feasibility studies for submission to, among others, the relevant government bodies for approval. As such, the updated time frame is revised as follows:

Products of the Group to which the production facilities relate	Production capacity of the relevant production facilities to be relocated (mtpa)	Expected time for the relocation of production facilities
Crystallised glucose*	100,000	Pending the availability of capital and favourable market condition
Corn refinery*	600,000	Pending the availability of capital and favourable market condition

* The expected time for relocation of production facilities is subject to the final decision of the management from time to time taking into account the relevant product markets and the obtaining of the approval from, among others, the relevant government bodies on the feasibility studies. The timetable may thus change accordingly and the Company will provide update to its shareholders and potential investors by way of announcement as and when appropriate.

IMPORTANT EVENT AFFECTING THE GROUP SUBSEQUENT TO THE YEAR UNDER REVIEW

As mentioned in the paragraph headed "Update on Remedial Measures" of this announcement, the BOC Transferred Loans have been transferred to Changchun Rudder and each of the BOC Borrowers entered into a Repurchase Agreement with Changchun Rudder on 26 March 2021 to purchase their respective portion of the BOC Transferred Loans so as to discharge their debts and liabilities owed to Changchun Rudder. The considerations of the GSH Indebtedness and the GBT Indebtedness will be financed by the proceeds from the compensation for the resumption of the Relevant Properties. The completion of the Repurchase Agreements took place on 31 March 2021. For details of the Repurchase Agreements, please refer to the joint announcements of the Company and GBT dated 26 March 2021 and 31 March 2021.

FUTURE PLANS AND PROSPECTS

In order to maintain the competitiveness of the Group, the Group will optimise its production while maintaining its market presence, diversify its product mix and enhance its capability in developing high value-added products and introduce strategic business alliance with prominent market leaders.

The operating environment in 2021 is expected to be challenging as the COVID-19 pandemic will continue to affect the global economy. The tension between China and the US will pose uncertainties to the economy and the pace of recovery. On top of this, the economic slowdown and the intensified market competition will further add pressure on the already lackluster market. In the short run, the Group will continue to monitor closely the development of the COVID-19 pandemic, the market conditions as well as the financial conditions of the Group and will ensure the operation of the Group's subsidiaries to resume as soon as possible to the extent practicable so that the Group could maximise the synergistic effects amongst its various production sites for the supply of raw materials and serving their respective markets.

In the long run, the Group will continue to strengthen its market position utilising its brand name, strive to provide excellent customer service and be customer-oriented to understand better their ever-changing demands and product requirements, and further improve cost effectiveness and product mix through continuous research and development efforts.

With respect to the financial position of the Group, the management will endeavour to facilitate the materialisation of the debt restructuring plan to improve the financial position of the Group and adopt a prudent approach in face of the current market condition.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2020, the Group had approximately 950 (2019: 1,000) full time employees in Hong Kong and in the PRC. The Group appreciates the correlation between human resources and its success, and recognises the value of human resources management as a source of competitive advantage in the increasingly turbulent environment. The Group places great emphasis on the selection and recruitment of new staff, on-the-job training, appraisal and rewards to its employees to align employees' performance with the Group's strategies. The Company also acknowledges the contribution of its employees and strives to maintain competitive remuneration packages and career development opportunities to retain current employees. Remuneration packages include discretionary bonuses payable on a merit basis, which are in line with industrial practice. Staff benefits provided by the Group include mandatory funds, insurance schemes and discretionary bonuses.

FINAL DIVIDEND

The Board has resolved not to recommend the payment of a final dividend for the Year (2019: Nil).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

To the best knowledge and belief of the Board, the Company has complied with all code provisions in the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Listing Rules during the Year.

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"). Having made specific enquiry of each of the Directors, all the Directors have confirmed to the Company that they have complied with the required standards set out in the Model Code and the Company's code of conduct during the Year.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the CG Code for the purposes of reviewing and providing supervision over the Group's financial reporting process, risk management and internal control systems. The Audit Committee comprises all independent non-executive Directors. As at the date of this announcement, the members of the Audit Committee are Mr. Fong Wai Ho (chairman of the Audit Committee), Mr. Fan Yeran and Mr. Lo Kwing Yu.

The Audit Committee meets regularly with the Company's senior management, internal audit team and the Auditor to review the Company's financial reporting process, the effectiveness of internal control, audit process and risk management.

The Group's annual results for the Year have been reviewed by the Audit Committee and the Audit Committee held three meetings during the Year.

FULL DETAILS OF FINANCIAL INFORMATION

The annual report of the Company, including the information required by the Listing Rules, will be published on the websites of the Company (www.global-sweeteners.com) and the Stock Exchange (www.hkexnews.hk) in due course.

ANNUAL GENERAL MEETING

The 2020 annual general meeting ("**AGM**") of the Company will be held on Thursday, 27 May 2021 at 10:30 a.m.. Notice of the AGM will be published on the websites of the Company (www.global-sweeteners.com) and the Stock Exchange (www.hkexnews.hk), and will be dispatched to shareholders of the Company in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 24 May 2021 to Thursday, 27 May 2021, both days inclusive, during which period no transfer of shares will be registered, in order to determine the shareholders' entitlements to the attendance at the AGM.

Shareholders are reminded that in order to qualify for the attendance at the AGM, they must ensure that all transfers accompanied by the relevant share certificates and the appropriate transfer forms must be lodged with the Company's Hong Kong Branch Share Registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 21 May 2021.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the Year as set out in this announcement have been agreed by the Auditor, Mazars CPA Limited ("**Mazars**"), to the amounts set out in the Group's draft consolidated financial statements for the Year. The work performed by Mazars in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Mazars on this announcement.

By order of the Board
Global Sweeteners Holdings Limited
Zhang Zihua
Acting Chairman

Hong Kong, 31 March 2021

As at the date of this announcement, the Board comprises two executive Directors namely, Mr. Zhang Zihua and Mr. Tai Shubin; and three independent non-executive Directors, namely, Mr. Fan Yeran, Mr. Fong Wai Ho and Mr. Lo Kwing Yu.