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GLOBAL BIO-CHEM TECHNOLOGY GROUP COMPANY LIMITED

大成生化科技集團有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock code: 00809)

ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

The board (the "Board") of directors (the "Directors") of Global Bio-chem Technology Group Company Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively, the "Group") and jointly-controlled entities for the year ended 31 December 2008 (the "Year"), together with the comparative figures in the prior year as follows:

FINANCIAL HIGHLIGHTS	2008	2007	Change %
Revenue (HK$'Mn)	**8,810**	6,797	30%
Gross profit (HK$'Mn)	**1,751**	1,596	10%
Net profit attributable to shareholders excluding the gain from the spin-off of a subsidiary group (HK$'Mn)	**622**	672	(7%)
Net profit attributable to shareholders (HK$'Mn)	**622**	943	(34%)
Basic earnings per share (HK cents)	**26.8**	40.7	(34%)
Proposed final dividend per share (HK cents)	**1.0**	2.0	(50%)

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
REVENUE	5	**8,810,004**	6,796,871
Cost of sales		**(7,059,277)**	(5,201,191)
Gross profit		**1,750,727**	1,595,680
Other income and gains	5	**199,321**	121,634
Excess over the cost of a business combination		**23,703**	—
Gain on the spin-off of a subsidiary group		**—**	270,913
Selling and distribution costs		**(542,586)**	(372,376)
Administrative expenses		**(287,266)**	(222,657)
Other expenses		**(80,348)**	(32,575)
Finance costs	7	**(359,441)**	(265,771)
PROFIT BEFORE TAX	6	**704,110**	1,094,848
Tax	8	**(31,295)**	(114,994)
PROFIT FOR THE YEAR		**672,815**	979,854
Attributable to:			
Equity holders of the Company		**621,777**	943,486
Minority interests		**51,038**	36,368
		672,815	979,854
DIVIDENDS	9		
Interim		**34,783**	23,188
Proposed final		**23,188**	46,377
		57,971	69,565
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY	10		
Basic		**HK$0.268**	HK$0.407
Diluted		**N/A**	N/A

CONSOLIDATED BALANCE SHEET

As at 31 December 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**8,979,390**	7,635,769
Prepaid land premiums		**536,650**	504,706
Deposits paid for acquisition of property, plant and equipment and land premiums		**231,102**	190,236
Goodwill		**348,428**	360,889
Long term loan to a jointly-controlled entity		**40,000**	40,000
Deferred tax assets		**2,192**	—
Total non-current assets		**10,137,762**	8,731,600
CURRENT ASSETS			
Inventories	*11*	**2,277,181**	1,245,823
Trade receivables	*12*	**1,128,924**	1,078,743
Prepayments, deposits and other receivables		**358,423**	285,699
Due from jointly-controlled entities		**1,373**	19,584
Tax recoverable		**29,182**	14,299
Cash and cash equivalents	*13*	**1,509,140**	2,021,812
Total current assets		**5,304,223**	4,665,960
CURRENT LIABILITIES			
Trade payables	*14*	**1,058,869**	468,994
Other payables and accruals		**783,282**	1,079,369
Interest-bearing bank and other borrowings		**3,416,562**	1,662,435
Tax payable		**38,269**	53,406
Total current liabilities		**5,296,982**	3,264,204
NET CURRENT ASSETS		**7,241**	1,401,756
TOTAL ASSETS LESS CURRENT LIABILITIES		**10,145,003**	10,133,356

	Notes	**2008** *HK$'000*	2007 *HK$'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**2,123,441**	3,140,668
Deferred income		**27,620**	27,480
Due to a venturer of a jointly-controlled entity		**20,000**	20,000
Deferred tax liabilities		**73,467**	59,189
Total non-current liabilities		**2,244,528**	3,247,337
Net assets		**7,900,475**	6,886,019
EQUITY			
Equity attributable to equity holders of the Company			
Issued capital		**231,885**	231,885
Reserves		**7,132,648**	6,185,203
Proposed final dividend	*9*	**23,188**	46,377
		7,387,721	6,463,465
Minority interests		**512,754**	422,554
Total equity		**7,900,475**	6,886,019

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the periodic remeasurement of certain property, plant and equipment at fair value as further explained below. These financial statements are presented in Hong Kong dollars ("HK$").

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, its subsidiaries and its share of each jointly-controlled entity for the year ended 31 December 2008. The results of subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. All income, expenses and unrealised gains and losses resulting from intercompany transactions and balances within the Group are eliminated on consolidation in full.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the identifiable assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries. Acquisitions of minority interests are accounted for using the parent entity extension method whereby the difference between the consideration and the book value of the share of the net assets acquired is recognised as goodwill.

2. IMPACT OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has adopted the following new interpretations and amendments to HKFRSs for the first time for the current year's financial statements.

HKAS 39 and HKFRS 7 Amendments	Amendments to HKAS *39 Financial Instruments: Recognition and Measurement and HKFRS 7 Financial Instruments: Disclosures — Reclassification of Financial Assets*
HK(IFRIC)-Int 11	*HKFRS 2 — Group and Treasury Share Transactions*
HK(IFRIC)-Int 12	*Service Concession Arrangements*
HK(IFRIC)-Int 14	*HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) Amendments to HKAS 39 *Financial Instruments: Recognition and Measurement* and HKFRS 7 *Financial Instruments: Disclosures — Reclassification of Financial Assets*

The amendments to HKAS 39 permit an entity to reclassify a non-derivative financial asset classified as held for trading, other than a financial asset designated by an entity as at fair value through profit or loss upon initial recognition, out of the fair value through profit or loss category if the financial asset is no longer held for the purpose of selling or repurchasing in the near term, if specified criteria are met.

A debt instrument that would have met the definition of loans and receivables (if it had not been required to be classified as held for trading at initial recognition) may be classified out of the fair value through profit or loss category or (if it had not been designated as available for sale) may be classified out of the available-for-sale category to the loans and receivables category if the entity has the intention and ability to hold it for the foreseeable future or until maturity.

In rare circumstances, financial assets that are not eligible for classification as loans and receivables may be transferred from the held-for-trading category to the available-for-sale category or to the held to maturity category (in the case of a debt instrument), if the financial asset is no longer held for the purpose of selling or repurchasing in the near term.

The financial asset shall be reclassified at its fair value on the date of reclassification and the fair value of the financial asset on the date of reclassification becomes its new cost or amortised cost, as applicable. The amendments to HKFRS 7 require extensive disclosures of any financial asset reclassified in the situations described above. The amendments are effective from 1 July 2008.

As the Group has not reclassified any of its financial instruments, the amendments have had no impact on the financial position or results of operations of the Group.

(b) HK(IFRIC)-Int 11 *HKFRS 2 — Group and Treasury Share Transactions*

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group buys the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the financial position or results of operations of the Group.

(c) HK(IFRIC)-Int 12 *Service Concession Arrangements*

HK(IFRIC)-Int 12 applies to service concession operators and explains how to account for obligation undertaken and the rights received in service concession arrangements. No member of the Group is an operator and, therefore, this interpretation has had no impact on the financial position or results of operations of the Group.

(d) HK(IFRIC)-Int 14 *HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 *Employee Benefits,* on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, including situations when a minimum funding requirement exists. As the Group has no defined benefit scheme, the interpretation has had no effect on these financial statements.

3. IMPACT OF ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standard*[2]
HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs and HKAS 27 Consolidated and Separate Financial Statements — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*[1]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*[1]
HKFRS 3 (Revised)	*Business Combinations*[2]
HKFRS 7 Amendments	Amendents to HKFRS 7 *Financial Instruments: Disclosures — Improving disclosures about financial instruments*[1]
HKFRS 8	*Operating Segments*[1]
HKAS 1 (Revised)	*Presentation of Financial Statements*[1]
HKAS 23 (Revised)	*Borrowing Costs*[1]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[2]
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation* and HKAS 1 *Presentation of Financial Statements — Puttable Financial Instruments and Obligations Arising on Liquidation*[1]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*[2]

HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instruments: Recognition and Measurement — Embedded derivatives*[5]
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*[3]
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*[1]
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*[4]
HK(IFRIC)-Int 17	*Distribution of Non-cash Assets to Owners*[2]
HK(IFRIC)-Int 18	*Transfers of assets from customers*[6]

Apart from the above, the HKICPA has also issued Improvements to *HKFRSs** which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarify wording. Except for the amendment to HKFRS 5 which is effective for the annual periods on or after 1 July 2009, other amendments are effective for annual periods beginning on or after 1 January 2009 although there are separate transitional provisions for each standard.

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008
4 Effective for annual periods beginning on or after 1 October 2008
5 Effective for annual periods ending on or after 30 June 2009
6 Effective for transfers of assets from customers received on or after 1 July 2009

* Improvements to HKFRSs contains amendments to HKFRS 5, HKFRS 7, HKAS 1, HKAS 8, HKAS 10, HKAS 16, HKAS 18, HKAS 19, HKAS 20, HKAS 23, HKAS 27, HKAS 28, HKAS 29, HKAS 31, HKAS 34, HKAS 36, HKAS 38, HKAS 39, HKAS 40 and HKAS 41.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKAS 1 (Revised) may result in new or amended disclosures and the adoption of HKFRS 3 (Revised), HKAS 27 (Revised) may result in changes in accounting policies, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

4. SEGMENT INFORMATION

Segment information is presented by way of two segment formats: (i) on a primary segment reporting basis, by business segment; and (ii) on a secondary segment reporting basis, by geographical segment.

The Group's operating businesses are structured and managed separately, according to the nature of their operations and the products they provide. Each of the Group's business segments represents a strategic business unit that offers products which are subject to risks and returns that are different from those of the other business segments. Summary details of the business segments are as follows:

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

(b) the corn based biochemical products segment comprises the manufacture and sale of modified starch, corn sweeteners, amino acids and polyol chemical products.

In determining the Group's geographical segments, revenues are attributed to the segments based on the location of the customers. Summary details of the geographical segments for revenues are disclosed below.

Intersegment sales and transfers are transacted with reference to either the selling prices used for sales made to third parties at the then prevailing market prices or on a cost plus mark-up basis.

(a) Business segments

The following table presents revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2008 and 2007.

Group	Corn refined products		Corn based biochemical products		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**2,737,232**	1,882,646	**6,072,772**	4,914,225	**—**	—	**8,810,004**	6,796,871
Intersegment sales	**2,762,150**	2,258,969	**—**	—	**(2,762,150)**	(2,258,969)	**—**	—
Total	**5,499,382**	4,141,615	**6,072,772**	4,914,225	**(2,762,150)**	(2,258,969)	**8,810,004**	6,796,871
Segment results	**452,813**	342,160	**558,526**	1,014,817	**—**	—	**1,011,339**	1,356,977
Unallocated revenue							**199,321**	74,433
Unallocated expenses							**(147,109)**	(70,791)
Profit from operating activities							**1,063,551**	1,360,619
Finance costs							**(359,441)**	(265,771)
Profit before tax							**704,110**	1,094,848
Tax							**(31,295)**	(114,994)
Profit for the year							**672,815**	979,854
Attributable to:								
Equity holders of the Company							**621,777**	943,486
Minority interests							**51,038**	36,368
							672,815	979,854
Assets and liabilities								
Segment assets	**3,561,180**	3,589,432	**9,429,283**	7,711,185	**—**	—	**12,990,463**	11,300,617
Due from jointly-controlled entities							**41,373**	59,584
Unallocated assets							**2,410,149**	2,037,359
Total assets							**15,441,985**	13,397,560
Segment liabilities	**329,342**	289,910	**1,174,788**	919,137	**—**	—	**1,504,130**	1,209,047
Interest-bearing bank and other borrowings							**5,540,003**	4,803,103
Unallocated liabilities							**497,377**	499,391
Total liabilities							**7,541,510**	6,511,541
Capital expenditure, including payment of land premiums	**83,424**	107,526	**1,193,943**	927,430	**—**	—	**1,277,367**	1,034,956
Depreciation	**132,229**	108,256	**325,059**	254,255	**—**	—	**457,288**	362,511
Amortisation of prepaid land premiums	**4,623**	4,458	**11,618**	11,381	**—**	—	**16,241**	15,839
Impairment/(write-back) of trade receivables	**(2,050)**	2,053	**6,072**	—	**—**	—	**4,022**	2,053
Impairment of other receivables	**—**	1,723	**—**	—	**—**	—	**—**	1,723
Write-down of inventories to net realisable value	**5,024**	842	**66,160**	13,046	**—**	—	**71,184**	13,888
Impairment of goodwill	**—**	—	**12,461**	—	**—**	—	**12,461**	—
Gain on the spin-off of a subsidiary group	**—**	—	**—**	270,913	**—**	—	**—**	270,913
Excess over the cost of a business combination	**—**	—	**23,703**	—	**—**	—	**23,703**	—

(b) Geographical segments

The following table presents revenue and certain expenditure information for the Group's geographical segments for the years ended 31 December 2008 and 2007.

Group	Mainland China		Countries other than Mainland China		Eliminations		Consolidated	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**6,731,998**	5,295,413	**2,078,006**	1,501,458	**—**	—	**8,810,004**	6,796,871
Other segment information:								
Capital expenditure, including payments of land premiums	**1,277,367**	1,034,956	**—**	—	**—**	—	**1,277,367**	1,034,956
Depreciation	**456,321**	361,896	**967**	615	**—**	—	**457,288**	362,511
Amortisation of prepaid land premiums	**15,795**	15,393	**446**	446	**—**	—	**16,241**	15,839
Impairment of trade receivables	**4,022**	2,053	**—**	—	**—**	—	**4,022**	2,053
Impairment of other receivables	**—**	1,723	**—**	—	**—**	—	**—**	1,723
Write-down of inventories to net realisable value	**71,184**	13,888	**—**	—	**—**	—	**71,184**	13,888
Impairment of goodwill	**12,461**	—	**—**	—	**—**	—	**12,461**	—
Gain on the spin-off of a subsidiary group	**—**	—	**—**	270,913	**—**	—	**—**	270,913
Excess over the cost of a business combination	**23,703**	—	**—**	—	**—**	—	**23,703**	—

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts.

An analysis of revenue, other income and gains is as follows:

	2008	2007
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**8,810,004**	6,796,871
Other income		
Bank interest income	**23,762**	34,744
Net profit arising from the sales of packing materials and by-products	**44,321**	19,926
Government grants*	**20,412**	7,707
Sales of utilities	**—**	2,474
Others	**12,817**	17,093
	101,312	81,944
Gains		
Exchange differences	**96,327**	36,461
Gain on disposal of items of property, plant and equipment	**1,682**	3,229
	199,321	121,634

* Government grants represented sundry taxes refund awarded to certain subsidiaries located in Mainland China according to the notice of local tax bureau on an annual basis.

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

	2008	2007
	HK$'000	*HK$'000*
Raw materials and consumables used	**4,795,310**	3,830,418
Depreciation	**457,288**	362,511
Amortisation of prepaid land premiums	**16,241**	15,839
Research and development costs	**9,425**	3,229
Auditors' remuneration	**4,280**	4,200
Employee benefits expenses (including directors' remuneration):		
Wages and salaries	**136,206**	136,582
Pension scheme contributions	**22,386**	17,526
	158,592	154,108
Impairment of goodwill	**12,461**	—
Impairment of trade receivables	**4,022**	2,053
Impairment of other receivables	**—**	1,723
Write-down of inventories to net realisable value#	**71,184**	13,888

Included in "Cost of sales" in the consolidated income statement.

7. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on bank loans wholly repayable within five years	**407,134**	274,663
Finance costs for discounted notes receivable	**10,479**	9,164
	417,613	283,827
Less: Interest capitalised	**(49,064)**	(15,018)
Interest subsidies*	**(9,108)**	(3,038)
	359,441	265,771

* Non-refundable interest subsidies are granted by the local government for a specific construction project carried out by a subsidiary of the Group.

8. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in the locations in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2008	2007
	HK$'000	*HK$'000*
Current — Hong Kong	**(420)**	(36)
Current — Mainland China	**22,771**	101,816
Deferred	**8,944**	13,214
Total tax charge for the year	**31,295**	114,994

A reconciliation of the tax expense applicable to profit before tax using the statutory rates for the locations in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

2008	**Hong Kong**		**Mainland China**		**Total**	
	HK$'000	***%***	***HK$'000***	***%***	***HK$'000***	***%***
Profit before tax	**(95,643)**		**799,753**		**704,110**	
Tax at the statutory rate	**(15,781)**	**16.5**	**199,938**	**25.0**	**184,157**	**26.2**
Preferential tax rate offered *(note (a))*	**—**	**—**	**(93,573)**	**(11.7)**	**(93,573)**	**(13.3)**
Lower tax rate for tax relief granted *(note (b))*	**—**	**—**	**(54,812)**	**(6.8)**	**(54,812)**	**(7.8)**
Income not subject to tax	**(1,577)**	**1.6**	**(21,363)**	**(2.6)**	**(22,940)**	**(3.3)**
Tax losses not recognised	**5,344**	**(5.6)**	**8,953**	**1.1**	**14,297**	**1.9**
Expenses not deductible for tax	**11,594**	**(12.1)**	**16,343**	**2.0**	**27,937**	**4.0**
Tax losses utilised from previous periods	**—**	**—**	**(8,018)**	**(1.0)**	**(8,018)**	**(1.1)**
Tax deduct from purchase of domestic equipments	**—**	**—**	**(21,370)**	**(2.7)**	**(21,370)**	**(3.0)**
Effect of withholding tax on the distributable profits of the Group's PRC subsidiaries	**—**	**—**	**5,617**	**0.7**	**5,617**	**0.8**
Tax charge at the Group's effective rate	**(420)**	**0.4**	**31,715**	**4.0**	**31,295**	**4.4**

2007	Hong Kong		Mainland China		Total	
	HK$'000	%	*HK$'000*	%	*HK$'000*	%
Profit before tax	84,689		1,010,159		1,094,848	
Tax at the statutory rate	14,821	17.5	333,352	33.0	348,173	31.8
Preferential tax rate offered *(note (a))*	—	—	(181,829)	(18.0)	(181,829)	(16.6)
Lower tax rate for tax relief granted *(note (b))*	—	—	(37,339)	(3.7)	(37,339)	(3.4)
Income not subject to tax	(18,647)	(22.0)	(22,317)	(2.2)	(40,964)	(3.7)
Tax losses not recognised	715	0.8	16,642	1.6	17,357	1.5
Expenses not deductible for tax	6,384	7.5	4,045	0.4	10,429	1.0
Effect on deferred tax liabilities due to changes in tax rates	—	—	13,095	1.3	13,095	1.2
Tax losses utilised from previous periods	—	—	(10,619)	(1.0)	(10,619)	(1.0)
Tax charge at the Group's effective rate	3,273	3.8	115,030	11.4	118,303	10.8
Reversal of overaccrued tax related to the prior year	(3,309)	(3.9)	—	—	(3,309)	(0.3)
Total tax charge for the year	(36)	(0.1)	115,030	11.4	114,994	10.5

As at 1 January 2008, the Enterprise Income Tax Law of the People's Republic of China (the "EITL") became effective; therefore, the statutory tax rate for all subsidiaries in Mainland China is 25% for the current year (2007: 33%).

(a) Nine (2007: five) subsidiaries and a jointly-controlled entity were subject to tax concessions in 2008. The total taxable profit of the subsidiaries and the jointly-controlled entity that are subject to tax concessions amounted to approximately HK$853,969,000 (2007: HK$560,799,000) in aggregate. They were granted tax concessions by the state tax bureau in accordance with the EITL effective from 1 January 2008 and the corresponding transitional tax concession policy under which these subsidiaries would be exempted from corporate income tax for the first two profitable years and subject to 50% of the applicable tax rate for the following three profitable years.

(b) Five (2007: five) subsidiaries, which were granted Technologically Advanced Enterprise status and were entitled to a lower applicable tax rate under Article 75 of the Detailed Rules and Regulation for the Implementation of the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises, shall be gradually transitioned to the new statutory tax rate within a period of five years. As a result, these subsidiaries enjoyed the corporate income tax rate of 15% in 2007 and are subject to the corporate income tax rates of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

9. DIVIDENDS

	2008	2007
	HK$'000	*HK$'000*
Interim — HK1.5 cents (2007: HK1.0 cent) per ordinary share	**34,783**	23,188
Proposed final — HK1.0 cent (2007: HK2.0 cents) per ordinary share	**23,188**	46,377
	57,971	69,565

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting and is calculated based on the number of shares issued by the Company at the balance sheet date. The subsequent issuance of shares by the Company up to the close of the registered date for the entitlement of a final dividend, if any, has therefore not been taken into account for the above appropriation of a final dividend.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The calculation of basic earnings per share is based on the consolidated profit for the year attributable to ordinary equity holders of the Company of approximately HK$621,777,000 (2007: HK$943,486,000), and on 2,318,849,403 (2007: 2,318,849,403) ordinary shares in issue during the year.

Since there were no significant dilutive potential ordinary shares outstanding as at 31 December 2008 and 2007, no diluted earnings per share amounts were presented for the years ended 31 December 2008 and 2007.

11. INVENTORIES

	2008	2007
	HK$'000	*HK$'000*
Raw materials	**1,506,868**	815,220
Finished goods	**770,313**	430,603
	2,277,181	1,245,823

As at 31 December 2008, certain inventories were written down to net realisable value which amounted to approximately HK$259,474,000 (2007:HK$92,981,000).

12. TRADE RECEIVABLES

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**1,144,471**	1,089,440
Impairment	**(15,547)**	(10,697)
	1,128,924	1,078,743

The Group normally allows credit terms of 90 days to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	2008	2007
	HK$'000	*HK$'000*
Within 1 month	**293,949**	615,690
1 to 2 months	**173,156**	250,522
2 to 3 months	**100,029**	92,293
Over 3 months	**561,790**	120,238
	1,128,924	1,078,743

The movements in provision for impairment of trade receivables are as follows:

	2008	2007
	HK$'000	*HK$'000*
At 1 January	**10,697**	11,538
Impairment losses recognised	**4,022**	2,053
Amount written off as uncollectible	**—**	(3,616)
Exchange realignment	**828**	722
	15,547	10,697

Included in the above provision for impairment of trade receivables is a full provision for individually impaired trade receivables of HK$15,547,000 (2007: HK$10,697,000). The individually impaired trade receivables relate to customers that were in financial difficulties and the receivables are expected to be unrecoverable. The Group does not hold any collateral or other credit enhancements over these balances.

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	2008	2007
	HK$'000	*HK$'000*
Neither past due nor impaired	**567,134**	958,505
Less than 1 month past due	**410,672**	67,071
1 to 3 months past due	**151,118**	53,167
	1,128,924	1,078,743

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been any significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

13. CASH AND CASH EQUIVALENTS

	2008	2007
	HK$'000	*HK$'000*
Cash and bank balances	**1,161,234**	1,988,328
Time deposits	**347,906**	33,484
Cash and cash equivalents	**1,509,140**	2,021,812

At the balance sheet date, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$664,251,000 (2007: HK$911,243,000). The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

14. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers.

An aged analysis of the trade payables as at the balance sheet date, based on the receipt of goods purchased, is as follows:

	2008	2007
	HK$'000	*HK$'000*
Within 1 month	**787,185**	361,509
1 to 2 months	**110,484**	28,106
2 to 3 months	**46,343**	13,108
Over 3 months	**114,857**	66,271
	1,058,869	468,994

MANAGEMENT DISCUSSION AND ANALYSIS

The Group and its jointly-controlled entities are principally engaged in the manufacture and sale of corn based refined products, categorised into upstream and downstream products. Upstream products include corn starch, gluten meal and other corn refined products. Corn starch is then further refined into a wide range of high value-added downstream products including amino acids, corn sweeteners, modified starch and polyol chemical products.

Final determination of the 337 investigation

The Company and certain of its subsidiaries had been involved in an investigation (the "337 Investigation") by the United States International Trade Commission (the "Commission") initiated by Ajinomoto Heartland LLC and Ajinomoto Co., Inc. on 25 April 2006 in respect of an allegation thereby that the Group infringed certain patents by importing certain lysine feed products to the United States of America ("US"), in violation of Section 337 of the United States Tariff Act of 1930 ("Section 337"). On 31 July 2008, an administrative law judge of the Commission issued a non-final initial determination that the said patents are invalid and unenforceable and that the Group's importation of lysine feed products into the US has not violated Section 337. On 29 September 2008, the Commission issued a final determination that the 337 Investigation was terminated with a finding of no violation of Section 337.

All estimated related legal costs arising from the 337 Investigation and other litigations have been properly accrued in the consolidated financial statements of the Group.

Business environment

Market conditions changed drastically over the course of the Year. In view of the strong demand of amino acids and polyol chemical products during the first half of the Year, both turnover and operating profit of the Group, on semi-annual basis, hit their respective record high. However, since the beginning of second half of 2008, business environment had deteriorated due to a global economic downturn. The slip of petroleum price, the shrinking of export of textile industry, the tightening of bank borrowing and fear of recession caused a consequential drop in demand and customers' stock level, which severely affected our products' prices. It resulted not only a significant decline of our selling price, but also a provision against our closing inventories, especially that of the polyol chemical products, which resulted in a significant decrease in gross profit margin.

Despite such adverse market conditions, the Group's operations remained strong in 2008 owing to the increase of lysine production and launch of polyol chemical products. The Group's turnover for the Year increased by approximately 30% as compared with that for 2007, amounted to approximately HK$8.8 billion.

In order to effect a strategic allocation of client base and in view of keen demand from overseas markets, the Group maintained its overseas sales at similar level as that in prior years. During the Year, such sales accounted for approximately 24% (2007: 22%) of the Group's revenue.

Financial performance

In view of the enlarged sales volume of downstream products, particularly amino acids and polyol chemical products, the Group's consolidated revenue and gross profit increased by approximately 30% to approximately HK$8.8 billion (2007: HK$6.8 billion) and approximately 10% to approximately HK$1,751 million (2007: HK$1,596 million). However, the gross profit margin dropped to approximately 20% (2007: 24%) due to the slip of gross profit margin of our products during the second half of the Year and additional provision of inventories charged in the consolidated income statement amounting to approximately HK$71 million.

Upstream products segment

(Sales amount: HK$2,737 million (2007: HK$1,883 million))
(Gross profit: HK$354 million (2007: HK$290 million))

Increase in sales amount and gross profit of upstream products segment mainly resulted from the additional output produced by an upstream refinery in Dehui which commenced its production since the second half of the 2007.

The global financial tsunami and the keen competition of corn starch manufacturers in the PRC during the second half of 2008 had adverse impact on the Group's annual gross profit margin, with a reduction of approximately 4% as compared to last year's figure.

Downstream products segment

(Sales amount: HK$6.1 billion (2007: HK$4.9 billion))
(Gross profit: HK$1.4 billion (2007: HK$1.3 billion))

Despite the negative impact arising from the global financial tsunami, the sales amount and gross profit of our downstream products increased substantially by approximately 24% and approximately 8% respectively during the Year, which was mainly attributable to the launch of the Group's polyol chemical products at the end of 2007 in comparison with the full year of 2008.

Same as prior years, amino acids still constituted the key products of the Group. Their aggregate turnover and gross profit in 2008 amounted to approximately HK$3.5 billion (2007: HK$3.1 billion) and approximately HK$1,009 million (2007: HK$866 million), which accounted for approximately 40% (2007: 45%) and approximately 58% (2007: 54%) of the Group's total turnover and gross profit respectively.

As a new income source, polyol chemicals division generated revenue of approximately HK$1,027 million (2007: HK$258 million), with a gross profit margin (before the provision of closing inventories) of approximately 24% (2007: 5%). The gross profit contributed by this division during the Year amounted to approximately HK$163 million (2007: HK$20 million). Due to the slip of petroleum price and shrinking of export of textile industry (polyol chemicals being the raw material of textile), those related chemical products suffered operating loss since the last quarter of the Year. Although the

Directors believe that our polyol chemicals division would operate profitably in long run. As at 31 December 2008, provision of closing inventories of polyol chemical products included in the balance sheet amounting to approximately HK$81 million was made for the sake of prudence.

On the other hand, mainly due to the increased internal consumption of crystallised glucose and sorbitol for the production of polyol chemical products, the sales volume of sweeteners division dropped by approximately 24%. Meanwhile, the outbreak of melamine-tainted food incident in the PRC and global financial tsunami caused decrease in demand for sweeteners in the food and beverage industry and brought in substantial price pressure on sweeteners products during the last quarter of 2008. The sales amount and gross profit of sweetener division dropped by approximately 11% and approximately 52% respectively.

Product segments

In line with the new production capacity in the upstream division, the sales amount and gross profit of upstream products accounted for approximately 31% (2007: 28%) and approximately 20% (2007: 18%) of the Group's total turnover and gross profit, respectively.

Other revenue, operating expenses, finance costs and income tax

As announced by the Company on 10 January 2008, the Group acquired the entire equity interests held by those joint venture partners in a joint venture for the production and sale of sorbitol products. A negative goodwill arising from the acquisition amounting to approximately HK$24 million was recognised as an income.

Due to inflation and enlarged operation scale, the operating expenses other than finance costs increased by approximately 45%. Nevertheless, the ratio of total operating expenses (including other revenue) to turnover remained at similar level, resulting mainly from the continuous and stringent control over operating costs, the enhancement in operating efficiency arising from expansion and enlarged turnover as the base of calculation. During the Year, the legal expense incurred for the 337 Investigation and other infringement litigations among the other expenses was approximately HK$47 million which was the triple of the 2007's figure.

Due to the deterioration of business environment and the increases in both bank borrowings and average interest rate, the finance costs increased by approximately 35% while interest coverage (i.e. EBIDTA from normal operation over finance costs) dropped to approximately 4 times (2007: 7 times). It is also anticipated that the pressure from finance costs will remain heavy for the coming year.

With the prevailing income tax laws and regulations, certain subsidiaries established in the PRC were still entitled to income tax relief. As income arising from the polyol chemicals division, certain operating units of amino acid and upstream products enjoyed income tax relief in 2008, the overall effective tax rate of the Group reduced to 4% (2007: 11%).

Profit shared by minority shareholders

On 20 September 2007, the ordinary shares of Global Sweeteners Holdings Limited ("GSH") (stock code: 03889), an indirect non-wholly owned subsidiary of the Company, listed on the main board (the "Main Board") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). During the Year, profit shared by the minority shareholders of GSH amounted to approximately HK$51 million (2007: HK$36 million).

Financial resources and liquidity

Net borrowing position

To support additional working capital requirement and the capital expenditure on projects including the construction of facilities and/or expansion projects, the net borrowing as at 31 December 2008 increased to approximately HK$4 billion (31 December 2007: HK$3 billion).

Structure of interest bearing borrowings

As at 31 December 2008, the Group's bank and other borrowings amounted to approximately HK$5.5 billion (31 December 2007: HK$4.8 billion), of which approximately 19% (31 December 2007: 17%) were denominated in Hong Kong dollars or US dollars while the remainder were denominated in RMB. The average interest rate during the Year was approximately 7% (2007: 6%).

The percentage of interest bearing borrowings wholly repayable within one year and beyond two years were approximately 62% (31 December 2007: 35%) and approximately 38% (31 December 2007: 65%) respectively. The change was mainly due to the maturity of certain long term borrowings that would fall within 12 months as from 31 December 2008. In view of the long term relationship with existing bankers, no material pressure in obtaining continuous financing resources is expected. As at 31 December 2008, certain borrowings were secured by the Group's fixed assets with a carrying value/aggregate net book value of approximately HK$21 million (31 December 2007: HK$21 million).

Turnover days, liquidity ratios and gearing ratios

Normally, the Group allows credit terms to established customers ranging from 30 to 90 days. Due to the commencement of operation of a new upstream refinery in the second half of 2007, the turnover days of trade receivables as at 31 December 2007 remained relatively high. As at 31 December 2008, trade receivables turnover days reduced to approximately 47 days (31 December 2007: 58 days). Meanwhile, the trade creditors turnover days increased to approximately 55 days (31 December 2007: 33 days) which was in line with the seasonal pattern of raw material acquisition. On the other hand, due to the global financial tsunami, the sales activities slowed down in the last quarter of 2008. As a result, finished good level as at 31 December 2008 became relatively high and inventory turnover days increased to approximately 118 days (31 December 2007: 87 days).

Because of additional bank borrowings and the reclassification of certain bank borrowings from long term to short term and high inventory level, the current ratio and the quick ratio as at 31 December 2008 reduced to approximately 1.0 (31 December 2007: 1.4) and 0.6 (31 December 2007: 1.0) respectively. At the same time, due to the reduction of cash inflow due to the global financial tsunami, gearing ratio in term of net debts (i.e. net balance between bank borrowings and cash and cash equivalent) to total equity (aggregate total of shareholders equity and minority interest) decreased to 51% (31 December 2007: 40%). Nevertheless, gearing ratios in terms of (i) bank borrowings to total assets and (ii) bank borrowings to total equity remained stable at approximately 36% (31 December 2007: 36%) and 70% (31 December 2007: 70%), respectively. In view of the continual support from existing bankers, the Group was able to obtain continuous financing resources for its operation.

Foreign exchange exposure

Although most of the operations were carried out in the PRC in which transactions were denominated in RMB, the Directors consider that there is no significant unfavorable exposure to foreign exchange fluctuation and there will be sufficient cash resources denominated in Hong Kong dollars for the repayment of borrowings and future dividends. During the Year, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 31 December 2008.

Change in structure of the Group

In addition to the aforesaid acquisition of the entire equity interest held by those joint venture partners in a joint venture for the production and sale of sorbitol products, as announced by the Company and GSH on 4 July 2008, the entire equity interest of an indirect wholly owned subsidiary of the Company which operated a corn refinery plant in Liaoning Province, the PRC, had been transferred to a direct wholly-owned subsidiary of GSH at a consideration of HK$520 million. The Directors believe that the transfer created not only the synergy effect arising from the vertical integration of the corn sweeteners operation, but also improved the overall profitability of those facilities of GSH and its subsidiaries in Liaoning Province and Shanghai which is in turn beneficial to the Group.

Prospect

It is the Group's mission to become one of the leading vertically integrated corn based biochemical product manufacturers in the Asia-Pacific Region and then a major player in the global market. To realise this objective, the Group will strive to enlarge its market share and diversify its product mix, and to enhance its capability by developing high value-added downstream products through research and development and through strategic business alliances with prominent international market leaders.

2009 shall be a year full of challenges. With the global financial tsunami and general slowdown of the world economy, the Group is expected to face a tough business environment in terms of economic situations in the PRC and abroad, especially in the first half of 2009. The Directors believe that those existing difficulties are considerable but surmountable. In view of various economic revitalisation proposals launched by the PRC government, the PRC is generally considered as one of the countries that will first recover from the world financial downturn, and the Directors expect that the Group's performance will be improved as over 70% of the Group's income is generated from businesses in the PRC. The Board will endeavor to manage the existing businesses and any new investment of the Group prudently in order to maximise the return and wealth to the Shareholders.

Polyol project

Polyol products include ethylene glycol, propylene glycol, glycerin and butanediols and can be used in textile, plastic, construction materials, medical, chemical and cosmetic industries. The end products from polyol include polyester fibre, polymer resin and anti-freezer, chemicals applied in the production of coatings, PVC stabilisers, detergents, paint driers, etc. Usually, polyol chemicals are refined from crude oil and thus, their prices are highly correlated. In view of the insufficient supply of crude oil in long run, the Directors believe that the use of agricultural products as raw material of polyol chemicals becomes a feasible alternative.

The Board is of the opinion that the PRC and other regions in Asia are markets with enormous potential for the polyol chemical products. In addition to the polyol chemical plant with an annual capacity of 210,000 metric tonnes in Changchun, the Board has the intention to further expand the Group's production capacity of polyol chemicals in order to capture such huge potential market. To facilitate such development, foundation work of a new production site in Xinglongshan of Changchun is now in progress. It is expected that the success in the polyol project will generate large contribution to the Group in foreseeable future.

Amino Acids

Currently, the aggregate annual planned production capacity of amino acids is around 460,000 metric tonnes and those facilities can be interchangeable to produce different amino acids or fermentation products. Meanwhile, huge additional demand in the PRC is expected when feed producers lift up their consumption rate of lysine to follow the national or western countries' indicated additive proportion in feed industry. With the continuous and strong demand growth in lysine products, the Group is utilising almost all fermentation facilities for the production of lysine products.

In addition, the Group is also dedicated to the research and development of many other high value-added amino acids, including arginine, valine to fuel our growth momentum.

Status of infringement litigations

Apart from the 337 investigation, the Company and certain of its subsidiaries are currently proposed respondents in certain litigations in Europe in relation to the infringement of registered patents applicable in the production of lysine. Among these litigations, The Hague District Court, on 22 August 2007, handed down its judgment that two patents had been infringed by the respondents and issued orders (i) prohibiting the Group from further infringement and the offer for sale, import and/or trade of any infringing products, L-lysine products in the Netherlands with immediate effect and (ii) compensate the damages of the plaintiffs to be assessed by the court. The Directors believe the judgment to be incorrect and an appeal against the court's judgment had been lodged. For other litigations, the

Directors have been advised by the Group's legal counsel that the Group has sufficient grounds to defend against the claims. Therefore, no provision for any infringement compensation is considered necessary.

Save as disclosed above, there was no material contingent liability of the Group as at 31 December 2008.

Number and remuneration of employees

As at 31 December 2008, the Group had approximately 6,000 full time employees in Hong Kong and the PRC. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited in the production capability and development of new biochemical products. Remuneration is maintained at competitive levels with discretionary bonuses payable on a merit basis and in line with industrial practice. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance related commission.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 27 May 2009 to Friday, 29 May 2009, both days inclusive, during which period no transfer of shares will be registered in order to determine the shareholders' entitlements to the proposed final dividend and the attendance at the annual general meeting.

Shareholders are reminded that in order to qualify for the proposed final dividend and the attendance at the annual general meeting, 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 Registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 26 May 2009.

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

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

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND MODEL CODE

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalising best practices.

In the opinion of the Directors, the Company has complied throughout the Year with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). In light of various amendments to the Listing Rules, particularly Appendix 14 thereto, which became effective on 1 January 2009, on 23

April 2009, the Company adopted the code provisions set out in the Code on Corporate Governance Practices ("New CG Code") contained in Appendix 14 to the Listing Rules with retrospective effect from 1 January 2009.

In compliance with the Code, the Company has set up an audit committee and a remuneration committee of the Board. The Board considers the determination of the appointment and removal of Directors to be the Board's collective decision and thus does not intend to adopt the recommended best practice of the Code to set up a nomination committee.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") as the Company's code of conduct for dealings in securities of the Company by the directors. In light of various amendments to the Listing Rules, particularly the Model Code, on 23 April 2009, the Company adopted a revised code of conduct regarding securities transactions by Directors on terms no less exacting than the required standards under the revised Model Code. Based on specific enquiry of the Company's directors, the directors have complied with the required standard set out in the Model Code and the code of conduct throughout the Year.

AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements of the Code for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. In light of various amendments to the Listing Rules, particularly Appendix 14 thereto, which became effective on 1 January 2009, on 23 April 2009, the Company adopted a revised written terms of reference with reference to the corresponding changes made to the code provisions of the New CG Code on 1 April 2009 with retrospective effect from 1 January 2009. The Audit Committee comprises three independent non-executive Directors. The Chairman of the Audit Committee is Mr. Lee Yuen Kwong, who is a Certified Public Accountant and has been practicing since 1990. The other members of the Audit Committee are Mr. Chan Man Hon, Eric, who is a solicitor and has been practicing in Hong Kong for over 20 years and Mr. Li Defa, who is the Dean of the College of Animal Science and Technology, China Agricultural University.

The Audit Committee meets regularly with the Company's senior management and the Company's auditors to consider the Company's financial reporting process, the effectiveness of internal controls, the audit process and risk management.

The Group's annual results for the year ended 31 December 2008 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The 2008 annual general meeting ("AGM") of the Company will be held at Function Room, Level 3, JW Marriot Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Friday, 29 May 2009 at 4:00 p.m.. Notice of the 2008 AGM will be published and issued to shareholders in due course.

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 Stock Exchange (www.hkex.com.hk) and the Company (www.globalbiochem.com) in due course.

On behalf of the Board
Global Bio-chem Technology Group Company Limited
Liu Xiaoming — *Co-Chairman*
Xu Zhouwen — *Co-Chairman*

Hong Kong, 23 April 2009

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:	Mr. Liu Xiaoming, Mr. Xu Zhouwen and Mr. Wang Tieguang
Non-executive Director:	Mr. Patrick E Bowe (Mr. Steven C Wellington as his alternate)
Independent non-executive Directors:	Mr. Chan Man Hon, Eric, Mr. Lee Yuen Kwong and Mr. Li Defa

* *For identification purpose only*