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 2009

FINANCIAL HIGHLIGHTS

	2009	2008 (Restated)	Change %
Revenue (HK$'Mn)	**2,669**	1,694	57.5
Gross Profit (HK$'Mn)	**307**	282	8.8
Profit before tax (HK$'Mn)	**107**	176	(39.3)
Net profit from ordinary activities attributable to shareholders (HK$'Mn)	**86**	154	(44.5)
Basic earnings per share (HK cents)	**8.2**	14.8	(44.6)
Proposed final dividend per share (HK cents)	**1**	Nil	N/A

* *for identification purposes only*

The board ("Board") of directors ("Directors") of Global Sweeteners Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2009 (the "Year"), together with the comparative figures in the previous year as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	**2009** *HK$'000*	2008 *HK$'000* (Restated)
REVENUE	*4*	**2,668,767**	1,693,975
Cost of sales		**(2,361,562)**	(1,411,543)
Gross profit		**307,205**	282,432
Other income and gains	*4*	**18,624**	30,896
Excess over the cost of a business combination		**—**	23,703
Selling and distribution costs		**(108,877)**	(70,427)
Administrative expenses		**(75,928)**	(58,911)
Other expenses		**(3,259)**	1,779
Finance costs	*6*	**(34,232)**	(39,237)
Share of profits of jointly controlled entities		**3,312**	5,677
PROFIT BEFORE TAX	*5*	**106,845**	175,912
Income tax expense	*7*	**(20,643)**	(21,542)
PROFIT FOR THE YEAR		**86,202**	154,370
OTHER COMPREHENSIVE INCOME			
Gain on property revaluation		**17,461**	—
Income tax effect		**(4,365)**	—
		13,096	—
Exchange difference on translation of financial statements of operations outside Hong Kong		**1,143**	88,694
Share of other comprehensive income of jointly controlled entities		**(481)**	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**99,960**	243,064

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
Profit attributable to:			
Owners of the Company		**85,681**	154,370
Minority interests		**521**	—
		86,202	154,370
Total comprehensive income attributable to:			
Owners of the Company		**99,439**	243,064
Minority interests		**521**	—
		99,960	243,064
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic	*9*	**HK$0.082**	HK$0.148
Diluted	*9*	**HK$0.082**	HK$0.148

Details of the dividends payable and proposal for the year are disclosed in note 8.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	2009 *HK$'000*	2008 *HK$'000* (Restated)	1 January 2008 *HK$'000* (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**1,199,849**	1,243,713	503,728
Prepaid land premiums		**109,072**	110,266	22,769
Deposits paid for acquisition of property, plant and equipment and land premiums		**6,472**	5,176	2,151
Goodwill		**183,538**	183,538	149,950
Deferred tax assets		**26**	987	—
Breeding biological assets		**7,949**	—	—
Interests in jointly controlled entities		**94,465**	91,634	125,731
Total non-current assets		**1,601,371**	1,635,314	804,329
CURRENT ASSETS				
Inventories		**367,160**	241,356	40,231
Trade and bills receivables	*10*	**428,972**	237,986	204,939
Prepayments, deposits and other receivables		**79,268**	59,293	18,736
Trading biological assets		**1,219**	—	—
Due from jointly controlled entities		**484**	2,460	52,911
Due from the immediate holding company		**22,230**	21,085	21,085
Due from fellow subsidiaries		**53,380**	45,456	128,051
Tax recoverable		**3,242**	11,133	—
Cash and cash equivalents		**296,556**	423,113	887,595
Total current assets		**1,252,511**	1,041,882	1,353,548
CURRENT LIABILITIES				
Trade payables	*11*	**48,831**	65,069	32,007
Other payables and accruals		**132,670**	99,507	52,007
Interest-bearing bank borrowings		**629,775**	341,573	156,250
Due to fellow subsidiaries		**174,884**	139,753	3,328
Due to the ultimate holding company		**3,189**	168,539	54,284
Due to jointly controlled entities		**101**	86	8,411
Due to the immediate holding company		**—**	—	180,338
Tax payable		**3,995**	9,873	8,564
Total current liabilities		**993,445**	824,400	495,189
NET CURRENT ASSETS		**259,066**	217,482	858,359
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,860,437**	1,852,796	1,662,688

	Notes	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,860,437**	1,852,796	1,662,688
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings		**171,348**	280,899	368,750
Deferred tax liabilities		**53,294**	46,373	13,470
Total non-current liabilities		**224,642**	327,272	382,220
Net assets		**1,635,795**	1,525,524	1,280,468
EQUITY				
Equity attributable to owners of the Company				
Issued capital	*12*	**104,927**	104,500	104,500
Reserves		**1,514,659**	1,421,024	1,175,968
Proposed final dividend	*8*	**10,493**	—	—
		1,603,079	1,525,524	1,280,468
Minority Interests		**5,716**	—	—
Total Equity		**1,635,795**	1,525,524	1,280,468

NOTES TO CONSOLIDATED FINANCIAL INFORMATION

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 Group was involved in the manufacture and sale of corn refined products and corn based sweetener products.

The Company is a subsidiary of Global Corn Bio-chem Technology Company Limited (the "immediate holding company" or "Global Corn Bio-chem"), 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, a company incorporated in the Cayman Islands whose shares are also listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2.1 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 ("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 biological assets, and certain property, plant and equipment with periodic remeasurement at fair value as further explained in the financial statements. These financial statements are presented in Hong Kong dollars ("HK$").

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2009. 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 intercompany balances within the Group are eliminated on consolidation in full.

Minority interests represent the interests of outside shareholders not held by the Group in the results and net assets of the Company's subsidiaries.

2.2 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements. Except for in certain cases, giving rise to new and revised accounting policies, the adoption of these new and revised HKFRSs has had no significant effect on these financial statements.

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*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 18 Amendment*	Amendment to Appendix to HKAS 18 *Revenue — Determining whether an entity is acting as a principal or as an agent*
HKAS 23 (Revised)	*Borrowing Costs*
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*
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*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*
HK(IFRIC)-Int 18	*Transfers of Assets from Customers* (adopted from 1 July 2009)
Improvements to HKFRSs (October 2008)**	Amendments to a number of HKFRSs

* Included in *Improvements to HKFRSs 2009* (as issued in May 2009).

** The Group adopted all the improvements to HKFRSs issued in October 2008 except for the amendments to HKFRS 5 *Non-current assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*, which are effective for annual periods beginning on or after 1 July 2009.

Other than as further explained below regarding the impact of HKAS 1 (Revised) and HKFRS 8, the adoption of these new and revised HKFRSs has had no significant financial effect on these financial statements, there have been no significant changes to the accounting policies applied in these financial statements.

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

(a) HKFRS 8 *Operating Segments*

HKFRS 8, which replaces HKAS 14 Segment Reporting, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group concluded that the operating segments determined in accordance with HKFRS 8 are the same as the business segments previously identified under HKAS 14. The revised disclosures, including the related revised comparative information, are shown in note 3.

(b) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present one single statement. Furthermore, when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements or when it reclassifies items in its financial statements, it shall present, as a minimum, three statements of financial position, two of each of the other statements, and related notes.

2.3 CHANGES OF ACCOUNTING POLICY

During the year, the directors elected to change the accounting policy used to account for the Group's jointly controlled entities from proportionate consolidation to equity method both of which are allowed under HKAS 31. The directors considered that the International Accounting Standards Board has published an exposure draft that proposes to eliminate the proportionate consolidation option, and require that joint arrangements be accounted for using the equity method. In addition, the directors also considered that the other countries' framework, such as United States and China, requires equity method accounting and does not allow proportionate consolidation. Given the above considerations the directors considered that the adoption of equity method will result in more reliable, relevant and comparable information about the economic activity of the Group to the readers. The effect of this change did not result in any impact on the profit and the equity attributable to owners of the company in the periods prior to the change.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has three reportable operating segments as follows:

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

(b) the corn based sweetener products segment comprises the manufacture and sale of glucose syrup, maltose syrup, high fructose corn syrup, crystallised glucose, maltodextrin and sorbitol; and

(c) the biological products segment comprises the breed of cattle and sales of beef.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income and finance costs as well as corporate gains and expenses are excluded from such measurement.

Segment assets exclude cash and cash equivalents and other unallocated corporate assets as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, the amount due to the ultimate holding company and other unallocated corporate assets as these liabilities are managed on a group basis.

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

The Group's revenue is derived from customers based in the mainland of the People's Republic of China ("Mainland China") and in regions other than Mainland China. The geographical information is another basis on which the Group reports its segment information.

(a) Business unit information

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 December 2009, 31 December 2008 and 1 January 2008.

Year ended 31 December 2009	**Corn refined products** *HK$'000*	**Corn based sweetener products** *HK$'000*	**Biological products** *HK$'000*	**Total** *HK$'000*
Segment revenue:				
Sales to external customers	**908,333**	**1,623,920**	**136,514**	**2,668,767**
Intersegment sales	**302,325**	**—**	**—**	**302,325**
	1,210,658	**1,623,920**	**136,514**	**2,971,092**
Reconciliation:				
Elimination of intersegment sales				**(302,325)**
Revenue				**2,668,767**

Year ended 31 December 2009	Corn refined products *HK$'000*	Corn based sweetener products *HK$'000*	Biological products *HK$'000*	Total *HK$'000*
Segment results	**86,967**	**57,538**	**1,909**	**146,414**
Reconciliation:				
Bank interest income				**805**
Unallocated gains				**17,819**
Corporate and other unallocated expenses				**(23,961)**
Finance costs				**(34,232)**
Profit before tax				**106,845**
Segment assets	**1,177,392**	**1,198,683**	**108,854**	**2,484,929**
Reconciliation:				
Elimination of intersegment receivables				**(233,138)**
Cash and cash equivalents				**296,556**
Corporate and other unallocated assets				**305,535**
Total assets				**2,853,882**
Segment liabilities	**138,585**	**366,468**	**94,602**	**599,655**
Reconciliation:				
Elimination of intersegment payables				**(197,039)**
Interest-bearing bank borrowings				**801,123**
Unallocated liabilities				**14,348**
Total liabilities				**1,218,087**
Other segment information:				
Capital expenditure, including payment of land premiums	**13,275**	**12,099**	**11,282**	**36,656**
Depreciation	**33,898**	**50,848**	**193**	**84,939**
Amortisation of prepaid land premiums	**593**	**4,031**	**100**	**4,724**
Impairment of trade receivables	**1,631**	**1,049**	**—**	**2,680**
Write-back of inventories to net realisable value	**(4,553)**	**—**	**—**	**(4,553)**
Share of profit of jointly controlled entities	**—**	**3,312**	**—**	**3,312**
Gain on disposal of the breeding biological assets	**—**	**—**	**213**	**213**

Year ended 31 December 2008	Corn refined products HK$'000 (Restated)	Corn based sweetener products HK$'000 (Restated)	Biological products HK$'000 (Restated)	Total HK$'000 (Restated)
Segment revenue:				
Sales to external customers	191,308	1,502,667	—	1,693,975
Intersegment sales	102,398	—	—	102,398
	293,706	1,502,667	—	1,796,373
Reconciliation:				
Elimination of intersegment sales				(102,398)
Revenue				1,693,975
Segment results	(24,181)	232,110	—	207,929
Reconciliation:				
Bank interest income				10,326
Unallocated gains				20,674
Corporate and other unallocated expenses				(23,780)
Finance costs				(39,237)
Profit before tax				175,912
Segment assets	878,237	1,178,162	—	2,056,399
Reconciliation:				
Elimination of intersegment receivables				(12,176)
Cash and cash equivalents				423,113
Corporate and other unallocated assets				209,860
Total assets				2,677,196
Segment liabilities	130,445	405,653	—	536,098
Reconciliation:				
Elimination of intersegment payables				(12,131)
Interest-bearing bank borrowings				622,472
Unallocated liabilities				5,233
Total liabilities				1,151,672
Other segment information:				
Capital expenditure, including payment of land premiums	11,219	141,024	—	152,243
Depreciation	8,555	44,751	—	53,306
Amortisation of prepaid land premiums	528	1,451	—	1,979
Impairment losses reversed of trade receivables	—	(1,710)	—	(1,710)

Year ended 31 December 2008	Corn refined products HK$'000 (Restated)	Corn based sweetener products HK$'000 (Restated)	Biological products HK$'000 (Restated)	Total HK$'000 (Restated)
Write-down of inventories to net realisable value	3,948	—	—	3,948
Excess over the cost of a business combination	—	23,703	—	23,703
Share of profits of jointly controlled entities	—	5,677	—	5,677
As at 1 January 2008				
Segment assets	—	2,157,877	—	2,157,877
Segment liabilities	—	877,409	—	877,409
Other segment information:				
Capital expenditure, including payment of land premiums	—	71,309	—	71,309

(b) Geographical information

Revenue from external customers

	2009 **HK$'000**	2008 HK$'000
Mainland China	**2,545,201**	1,593,578
Regions other than Mainland China	**123,566**	100,397
	2,668,767	1,693,975

The revenue information above is based on the location of the customers.

Non-current assets

	2009 **HK$'000**	2008 HK$'000	1 January 2008 HK$'000
Mainland China	**1,556,728**	1,589,878	700,529
Regions other than Mainland China	**44,643**	45,436	103,800
	1,601,371	1,635,314	804,329

The non-current asset information above is based on the location of assets.

Information about a major customer

Revenue of approximately HK$652,049,000 (2008: HK$347,970,000) during the year ended 31 December 2009 was derived from sales by the corn based sweetener products segment to group companies of the ultimate holding company.

4. 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:

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Revenue		
Sale of goods	**2,668,767**	1,693,975
Other income and gains		
Bank interest income	**805**	10,326
Net profit arising from sale of packing materials and by-products	**11,197**	8,867
Government grants*	**3,762**	9,769
Others	**2,860**	1,934
	18,624	30,896

* Government grants of 2009 represented the rewards for environmental protection, technology innovation and improvement to certain subsidiaries located in Mainland China. Government grants of 2008 represented the sundry tax refunds awarded to certain subsidiaries located in Mainland China according to the notice of local bureau on an annual basis.

5. PROFIT BEFORE TAX

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

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Raw materials and consumables used	**1,892,794**	1,193,223
Depreciation	**84,939**	53,306
Amortisation of prepaid land premiums	**4,724**	1,979
Auditors' remuneration	**1,370**	1,374
Employee benefit expenses, including		
Direct labour costs as recorded in the cost of sales:		
Wages and salaries	**41,355**	30,666
Directors' remuneration	**9,373**	8,367
Pension scheme contributions	**3,188**	939
	53,916	39,972
Foreign exchange differences, net	**813**	580
Impairment/(write-back) of trade receivables	**2,680**	(1,710)
(Write-back)/write-down of inventories to net realisable value	**(4,553)**	3,948
Gain on disposal of items of property, plant and equipment	**244**	—
Gain on disposal of the breeding biological assets	**213**	—

6. FINANCE COSTS

An analysis of finance costs is as follows:

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Interest on bank loans wholly repayable within five years	**31,129**	33,711
Finance costs for discounting bills receivable	**3,103**	5,526
	34,232	39,237

7. INCOME TAX

No Hong Kong profits tax has been provided as the Group had no assessable profits arising in Hong Kong. Taxes on profits assessable elsewhere 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.

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Current — Hong Kong	**—**	—
Current — Elsewhere	**18,087**	16,024
Deferred	**2,556**	5,518
Total tax charge for the year	**20,643**	21,542

A reconciliation of the tax expense applicable to profit/(loss) 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:

Group — 2009	**Hong Kong**		**Mainland China**		**Total**	
	HK$'000	*%*	***HK$'000***	*%*	***HK$'000***	*%*
(Loss)/profit before tax	**(29,549)**		**136,394**		**106,845**	
Tax at the statutory rate	**(4,875)**	**16.5**	**34,098**	**25.0**	**29,223**	**27.3**
Preferential tax rate offered *(note (a))*	**—**	**—**	**(3,014)**	**(2.2)**	**(3,014)**	**(2.8)**
Lower tax rate for tax relief granted *(note (b))*	**—**	**—**	**(11,962)**	**(8.8)**	**(11,962)**	**(11.2)**
Unrecognised tax losses	**4,875**	**(16.5)**	**1,119**	**0.8**	**5,994**	**5.6**
Tax return for purchase of domestic equipments	**—**	**—**	**—**	**—**	**—**	**—**
Expenses not deductible for tax	**—**	**—**	**402**	**0.3**	**402**	**0.4**
Tax charge at the Group's effective rate	**—**	**—**	**20,643**	**15.1**	**20,643**	**19.3**

Group — 2008 (Restated)	Hong Kong *HK$'000*	*%*	Mainland China *HK$'000*	*%*	Total *HK$'000*	*%*
(Loss)/Profit before tax	(23,740)		199,652		175,912	
Tax at the statutory rate	(3,917)	16.5	49,913	25.0	45,996	26.1
Preferential tax rate offered *(note (a))*	—	—	(10,571)	(5.3)	(10,571)	(6.0)
Lower tax rate for tax relief granted *(note (b))*	—	—	(20,060)	(10.0)	(20,060)	(11.4)
Unrecognised tax losses	3,917	(16.5)	236	0.1	4,153	2.4
Tax return for purchase of domestic equipments	—	—	(9,918)	(5.0)	(9,918)	(5.7)
Expenses not deductible for tax	—	—	11,942	6.0	11,942	6.8
Tax charge at the Group's effective rate	—	—	21,542	10.8	21,542	12.2

The statutory tax rate for all subsidiaries in Mainland China is 25% for the current year (2008: 25%).

Note:

(a) Three (2008: three) subsidiaries were subject to tax concessions in 2009. The total taxable profit of the subsidiaries that are subject to tax concessions amounted to approximately HK$110,393,000 (2008: HK$158,685,000). They were granted tax concessions by the state tax bureau in accordance with the Enterprise Income Tax Law of People's Republic of China (the "PRC") 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) The tax rate of one (2008: one) subsidiary, which was granted Technologically Advanced Enterprise status and was 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, the subsidiary enjoyed the corporate income tax rates of 15% in 2007, 18% in 2008 and 20% in 2009 and is subject to the corporate income tax rates of 22% in 2010, 24% in 2011 and 25% in 2012.

8. DIVIDEND

	2009 ***HK$'000***	2008 *HK$'000*
Proposed final – HK1 cent (2008: Nil) per ordinary share	**10,493**	—

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 end of the reporting period.

9. 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 owners of the Company of approximately HK$85,681,000 (2008: HK$154,370,000) and the weighted average number of ordinary shares in issue throughout the year of 1,045,315,000 (2008: HK$1,045,000,000).

The calculation of the diluted earnings per share amount is based on the profit attributable to owners of the Company for the year of approximately HK$85,681,000 (2008:HK$154,370,000) and the weighted average number of ordinary shares of 1,045,884,000 (2008: 1,045,000,000), being the weighted average number of ordinary shares of 1,045,315,000 (2008: 1,045,000,000) in issue during the year, as used in the basic earnings per share calculation, plus the weighted average of ordinary shares of 569,000 (2008: Nil) assumed to be issued at no consideration on the deemed exercise of the share options during the year.

10. TRADE AND BILLS RECEIVABLES

	2009	2008	1 January 2008
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Trade receivables	**269,667**	186,703	203,979
Bills receivables	**161,985**	51,283	2,545
Impairment	**(2,680)**	—	(1,585)
	428,972	237,986	204,939

The Group normally allows credit terms of 90 days to established customers, and credit terms of 180 days was allowed to two major customers with long term business relationships and good credit history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade and bills receivables are non-interest-bearing. Significant concentration of risk exists where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 7% of the total trade and bills receivables as at 31 December 2009 (31 December 2008: 4%; 1 January 2008: 5%).

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

	2009	2008	1 January 2008
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Within 1 month	**174,663**	102,542	113,424
1 to 2 months	**114,686**	66,853	56,629
2 to 3 months	**95,369**	34,695	20,517
Over 3 months	**44,254**	33,896	14,369
	428,972	237,986	204,939

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

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
At 1 January	—	1,585
Impairment losses recognised	**2,680**	—
Impairment losses reversed	—	(1,710)
Exchange realignment	—	125
	2,680	—

All the above provision for impairment of trade receivables are the full provision for individually impaired trade and bills receivables. The individually impaired trade and bills 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:

			1 January
	2009	2008	2008
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Neither past due nor impaired	**413,548**	217,310	190,347
Less than 1 month past due	**9,248**	7,500	8,970
1 to 3 months past due	**4,011**	3,212	5,622
Over 3 months past due	**2,165**	9,964	—
	428,972	237,986	204,939

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 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.

11. 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 end of the reporting period, based on the receipt of goods purchased, is as follows:

	2009	2008	1 January 2008
	HK$'000	*HK$'000*	*HK$'000*
		(Restated)	(Restated)
Within 1 month	**33,115**	50,087	24,527
1 to 2 months	**5,666**	4,892	3,035
2 to 3 months	**2,516**	1,815	703
Over 3 months	**7,534**	8,275	3,742
	48,831	65,069	32,007

12. SHARE CAPITAL

Shares

	2009	2008	1 January 2008
	HK$'000	*HK$'000*	*HK$'000*
Authorised:			
100,000,000,000 (31 December 2008: 100,000,000,000; 1 January 2008: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000	10,000,000
Issued and fully paid:			
1,049,274,000 (31 December 2008: 1,045,000,000; 1 January 2008: 1,045,000,000;) ordinary shares of HK$0.10 each	**104,927**	104,500	104,500

During the year ended 31 December 2009, the subscription rights attaching to 4,274,000 option shares were exercised at the subscription price of HK$0.99 per share, resulting in the issue of 4,274,000 shares of HK$0.10 each, for a total cash consideration, before expenses, of approximately HK$4,231,000.

Subsequent to the end of the reporting period, the issued and fully paid share capital is 1,149,478,000 with ordinary shares of HK$0.10 each. The movements in share capital were as follows:

(1) On 6 January 2010, the subscription rights attaching to 204,000 option shares were exercised at the subscription price of HK$0.99 per share, resulting in the issue of 204,000 shares of HK$0.10 each, for a total cash consideration, before expenses, of approximately HK$202,000.

(2) On 12 March 2010, the Company has launched a public offering of 100 million Taiwan Depositary Receipts ("TDRs") in Taiwan representing the combination of 100 million new shares of the Company issued by the Company and 100 million of the Company's shares transferred by the immediate holding company Global Corn Bio-Chem. On 18 March 2010, the Company has entered into the underwriting agreement with the underwriters at the offer price of NT$15.5 (equivalent to approximately HK$3.79) per TDR. On 25 March 2010, TDRs of the company were listed on the Taiwan Stock Exchange. The 100,000,000 new shares of HK$0.10 each were issued by the Company on 23 March 2010.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the production 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 corn refined products. Corn starch is then refined downstream to produce various corn sweeteners which are classified into three categories: corn syrup (glucose syrup and maltose syrup), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol).

BUSINESS ENVIRONMENT

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.

The second quarter in 2009 was the turning point for the Group's business during the year under review (the "Year"). Ever since the outbreak of the melamine-tainted food incidents in China and the global financial crisis in the second half of 2008, the operating environment had been very challenging. The Group's business hit the bottom as selling prices and quantity of products sold by the Group dropped significantly. Such situation carried on till the first quarter of 2009. Starting from the second quarter of the Year, price of corn starch started to rebound from its bottom, following by the upsurge of sugar prices as a result of the drop in global sugar production. This has posed positive effects on the selling prices of the Group's upstream corn refined products and sweeteners products. On the other hand, revival in consumer market since the second quarter of the Year led to a steady and consistent growth in the demand for the Group's products. Although the average selling price of corn sweeteners for the second half of the Year rebounded by approximately 5.2% as compared to the first half of the Year, the average selling price for the full year of 2009 still decreased by approximately 4.3% while the cost of production increased by approximately 3.4% as compared to year 2008. As a result, the gross profit margin of corn sweeteners dropped by 6.5% to 13.5% (2008: 20.0%).

During the Year, the average purchasing price of corn kernels increased by approximately 9.5% while the average selling price of corn starch increased by approximately 10.8% as compared to the corresponding period last year. The corn starch market has recovered since the second quarter of 2009. The selling price of corn starch has rebounded to approximately HK$2,600 per metric tonne ("MT") by December 2009 as compared to the lowest price of the Year, approximately HK$1,960 per MT in January 2009.

FINANCIAL PERFORMANCE

The Group's consolidated revenue and gross profit for the Year increased by approximately 57.5% and 8.8% to approximately HK$2,669 million and HK$307 million respectively (2008: HK$1,694 million and HK$282 million) when compared to the previous year. Such increase was mainly attributable to the contribution from the upstream corn refinery which the Group acquired in September 2008 and a new glucose/maltose production facility with an annual production capacity of 200,000 MT in Jinzhou. This new sweeteners plant commenced commercial production since the second quarter of the Year.

Upstream products

(Sales amount: HK$988 million (2008: HK$223 million*))
(Gross profit: HK$97 million (2008: gross loss HK$12 million*))

The Group acquired a corn refinery, Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng"), from the subsidiaries of Global Bio-chem Technology Group Company Limited ("GBT" and together with its subsidiaries other than the members comprising the Group, "GBT Group") in September 2008. This corn refinery is principally engaged in the manufacture and sale of corn starch and other corn refined products.

During the Year, the sales volume of corn starch and other corn refined products were approximately 300,000 MT (2008: 69,000 MT*) and 163,000 MT (2008: 38,000 MT*) respectively. Internal consumption of corn starch was approximately 115,000 MT (2008: 41,000 MT*), which was used as raw material for the production in Jinzhou and Shanghai production sites.

The unfavourable operating environment since the second half of 2008 kept the selling prices of corn refined products low in the first quarter of 2009, especially for the price of corn starch which hit the lowest at approximately HK$1,960 per MT. However, the market started to recover since the end of March and the price of corn starch gradually got back to approximately HK$2,600 per MT by the end of the Year. The performance of the Group's upstream business in the second half of 2009 has greatly improved compared with first half of 2009. During the second half of 2009, the Group's upstream business recorded revenue and gross profit of approximately HK$573 million (first half of 2009: HK$415 million) and HK$68 million (first half of 2009: HK$29 million) respectively. As a result, the upstream business recorded gross profit margins of 12.3% (2008: gross loss 12.6%*) and 5.2% (2008: 5.8%*) for the sales of corn starch and other corn refined products respectively during the Year.

* For the period from 24 September 2008 (date of completion of acquisition) to 31 December 2008

Corn syrup

(Sales amount: HK$847 million (2008: HK$819 million))
(Gross profit: HK$114 million (2008: HK$153 million))

During the Year, the sales volume of glucose syrup decreased by approximately 23.7% while maltose syrup increased by approximately 48.2% as compared to the previous year.

Internal consumption of glucose syrup for downstream production increased to approximately 430,000 MT (2008: 339,000 MT) or by approximately 26.8% during the Year. As a result, the sales volume of glucose syrup decreased by approximately 23.7% to approximately 178,000 MT (2008: 233,000 MT). Consequently, the revenue of glucose syrup dropped by approximately 23.6% to approximately HK$347 million (2008: HK$455 million).

The revenue of maltose syrup for the Year grew by approximately 37.3% to approximately HK$500 million (2008: HK$364 million) with increased sales volume by approximately 48.2% or approximately 73,000 MT due mainly to the commencement of a new glucose/maltose production facility in Jinzhou, which has an annual production capacity of 200,000 MT per annum ("mtpa"), in the second quarter of the Year.

With better market sentiment, the performance of corn syrup improved significantly in the second half of the Year. During the second half of 2009, the revenue and gross profit of corn syrup amounted to approximately HK$486 million and HK$80 million respectively (first half of the Year: HK$361 million and HK$34 million). Notwithstanding the strong recovery in the second half of the Year, the decrease in the average selling prices and increase in unit production cost for the whole year imposed pressure on the gross profit of the corn syrup segment for the Year. As a result, the gross profit margins of glucose syrup and maltose syrup declined from 19.4% and 17.7% to 12.0% and 14.4% respectively.

During the Year, the Group sold approximately 102,000 MT (2008: 22,000 MT) of glucose syrup to the GBT Group.

Corn syrup solid

(Sales amount: HK$677 million (2008: HK$563 million))
(Gross profit: HK$92 million (2008: HK$122 million))

The revenue of corn syrup solid increased by approximately 20.1% during the Year, as a result of the increase in sales volume of crystallised glucose and maltodextrin by approximately 23.1% and 26.0% especially in the second half of the Year. Consequently, the revenue of crystallised glucose and maltodextrin increased by approximately 18.4% and 24.4% respectively to approximately HK$480 million (2008: HK$405 million) and HK$197 million (2008: HK$158 million) respectively.

During the Year, crystallised glucose recorded gross profit of approximately HK$70 million (2008: HK$102 million) with a gross profit margin of 14.6% (2008: 25.2%). With the increased sales volume, the gross profit of maltodextrin grew by approximately 11.6% to approximately HK$22 million (2008: HK$20 million) with a gross profit margin of 11.1% (2008: 12.4%). During the second half of the Year, sales of corn syrup solid increased drastically with economic revival. As a result, during the second half of 2009, crystallised glucose recorded revenue and gross profit of approximately HK$296 million and HK$49 million respectively (first half of 2009: HK$184 million and HK$21 million), whereas the revenue and gross profit of maltodextrin for the second half of 2009 amounted to approximately HK$124 million and HK$16 million respectively (first half of 2009: HK$73 million and HK$6 million). Nevertheless, due to the drop in the average selling prices and increase in unit production cost as a result of low utilisation rate in the first quarter of the Year, gross profit margins of corn syrup solid for the Year declined compared with the previous year.

During the Year, the Group sold approximately 276,000 MT (2008: 213,000 MT) of crystallised glucose to the GBT Group.

Sugar alcohol

(Sales amount: HK$20 million (2008: HK$88 million))
(Gross profit: HK$3 million (2008: HK$20 million))

The revenue of sugar alcohol decreased by approximately 77.5% to approximately HK$20 million (2008: HK$88 million) while the gross profit decreased by approximately 83.4% to approximately HK$3 million (2008: HK$20 million). Due to the poor market sentiment of sorbitol, part of the production line was switched to produce crystallised glucose. As a result, sales volume of sorbitol was reduced to approximately 6,000 MT (2008: 27,000 MT) during the Year. With lower selling price and higher unit production cost (as a result of reduced production volume), the gross profit margin decreased to 16.7% (2008: 22.5%).

During the Year, the Group sold approximately 6,000 MT (2008: 6,000MT) of sorbitol to the GBT Group.

Retail business

(Sales amount: HK$137 million (2008: Nil)
(Gross profit: HK$2 million (2008: Nil)

During the Year, the Group started launching food related products into its retail business for product diversification. A subsidiary has been set up for launching high end beef products to customers in the PRC. During the Year, the Group has invested approximately HK$8 million in this subsidiary for trading of beef cattles and the business recorded a turnover and gross profit of HK$137 million (2008: Nil) and HK$2 million (2008: Nil) respectively. In the year of 2010, the Group will extend its business line to higher margin cattle fattening business by investing HK$100 million as working capital of the business.

Export sales

During the Year, the Group exported approximately 46,000 MT (2008: 12,000 MT) of upstream corn refined products and approximately 15,000 MT (2008: 21,000 MT) of corn sweeteners; their export sales amounted to approximately HK$80 million (2008: HK$32 million) and HK$44 million (2008: HK$69 million) respectively.

Operating expenses and income tax

Subsequent to the acquisition of Jinzhou Yuancheng in September 2008, the sales volume and number of headcounts of the Group increased. As a result, the operating expenses (other than finance costs) increased by approximately 75.3% while the ratio of such operating expenses to turnover increased to approximately 6.3% (2008: 5.7%).

Finance costs of the Group decreased to approximately HK$34 million (2008: HK$39 million) for the Year due to the restructure of bank borrowings during the first three quarters of the Year through repayment of bank borrowings with replacement of bank borrowings with lower interest rates.

During the Year, certain subsidiaries which tax concession period expired were then subject to corporate profit tax rate at 25%. Consequently, the overall effective tax rate of the Group increased to approximately 19.3% (2008: 12.2%).

Performance of joint ventures

As at 31 December 2009, the Group has one joint venture project with Cargill Inc., which is principally engaged in the manufacture and sale of high fructose corn syrup ("HFCS"). During the Year, this joint venture recorded an operating profit of approximately HK$7 million (2008: HK$11 million).

Net profit attributable to shareholders

As a result of the decrease in gross profit in the first half of the Year and the increase in selling and distribution costs, the net profit attributable to shareholders for the Year decreased by approximately 44.5% to approximately HK$86 million (2008: HK$154 million).

IMPORTANT TRANSACTION

Listing of TDR on Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange")

The Company made an application to the Taiwan Stock Exchange and the Taiwan Central Bank on 8 December 2009, and to the Taiwan Securities and Futures Bureau on 2 February 2010, for the offering and listing of 100 million TDRs, representing 100 million new shares of the Company and 100 million shares of the Company transferred by Global Corn Bio-chem Technology Company Limited, a wholly owned subsidiary of GBT ("TDR Issue") to the depositary bank for the TDRs, on the Taiwan Stock Exchange. The Company obtained approvals from all the relevant authorities by 26 February 2010. The TDRs of the Company were listed on Taiwan Stock Exchange on 25 March 2010, with an offer price of NT$15.5 per TDR. The Company raised about HK$185 million net proceeds from the issue of the new shares pursuant to the TDR Issue.

As announced by the Company on 18 March 2010, the Board intended to use the net proceeds from the TDR Issue for the working capital for the Group's high end beef products business. The Board considered that the listing of TDR was an appropriate means of raising extra funds for the Group's future business development. Taking into account the Group's current working capital requirement, the prevailing market conditions and the cost involved in the TDR Issue when compared with other means of fund raising exercises, the Board believed the TDR Issue would be the most appropriate method as it could enhance the capital base of the Company and broaden the Company's shareholder base with a minimal dilution effect of up to approximately 8.70%, enhance the public awareness of the Group in Taiwan and provide an additional fundraising platform for the Group on one hand, and without having to incur additional interest costs nor to increase the Group's gearing ratio on the other hand.

Subsequent to the TDR Issue, GBT's interest in the Company was reduced from approximately 66.76% to approximately 52.24%.

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The Group had net borrowings of approximately HK$505 million (31 December 2008: HK$199 million) as at 31 December 2009. The increase in net borrowings was mainly due to the increase in bank borrowings of approximately HK$250 million to finance the working capital of Jinzhou Yuancheng for the purchase of corn kernels, the principal raw material for the Group, in order to secure sufficient supply of corn for production and better control of raw material cost.

Structure of interest bearing borrowings

As at 31 December 2009, the Group's bank borrowings amounted to approximately HK$801 million (31 December 2008: HK$622 million), of which approximately 12.5% (31 December 2008: 32.1%) was denominated in Hong Kong dollars while the remainder was denominated in Renminbi. The average interest rate during the Year remained at the similar level of approximately 6% (2008: 6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 78.6% (31 December 2008: 54.9%) and 21.4% (31 December 2008: 45.1%) respectively. The change in repayment pattern was mainly due to the reallocation of certain long term bank borrowings to short term bank borrowings during the Year.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 90 days, are granted to customers, depending on their credit worthiness and business relationships with the Group. As at 31 December 2009, out of the amounts due from fellow subsidiaries, approximately HK$51 million representing the trade nature portion (31 December 2008: HK$23 million) was taken into consideration in the calculation of trade receivables turnover days. During the Year, the trade receivables turnover days increased to approximately 66 days (31 December 2008: 56 days) as longer credit terms were granted to customers for the new glucose plant and beef business, and higher portion of customers to settle trade receivable by providing notes receivable issued by several major bankers in PRC amounted to HK$100 million. Subsequent to the balance sheet date, approximately HK$318 million of trade receivable was settled. Meanwhile, the outstanding balances of approximately HK$3 million (31 December 2008: HK$21 million) as at 31 December 2009 arising from the purchase transactions with the GBT Group were classified as amounts due to fellow subsidiaries. Such balances were considered as trade payables for the calculation of trade payables turnover days. During the Year, trade payables turnover days decreased to approximately 8 days (31 December 2008: 21 days) as part of the cash flow management. Notwithstanding the increase in the inventory level of corn kernels of Jinzhou Yuancheng as of 31 December 2009 to approximately 124,000 MT (31 December 2008: 43,000 MT), the inventory turnover days had remained the same at approximately 57 days for the Year.

The current ratio as at 31 December 2009 remained at approximately 1.26 (31 December 2008: 1.26) while quick ratio decreased to approximately 0.89 (31 December 2008: 0.97) due to the increase in inventories amounted to approximately HK$126 million during the Year. Gearing ratios in terms of (i) bank borrowings to total assets, (ii) bank borrowings to equity and (iii) net debts (i.e. net balance between bank borrowings and cash and cash equivalents) to equity were approximately 28.1% (31 December 2008: 23.3%), 49.0% (31 December 2008: 40.8%) and net debts 30.8% (31 December 2008: 13.1%) respectively. The gearing ratio increased during the Year since the bank borrowings increased by approximately HK$179 million and cash at bank decreased by approximately HK$127 million to finance the working capital of the Group's business in the PRC. Interest coverage (i.e. EBITDA over finance costs) remained at approximately 6.7 times (2008: 6.8 times).

The Group recorded net cash outflows from operating activities amounted to approximately HK$2 million during the Year (2008: net cash inflows HK$365 million). The change in cash flow position was mainly due to (1) the increase in trade and bills receivables by approximately HK$194 million; and (2) the increase in inventory level of corn kernels of Jinzhou Yuancheng by approximately HK$142 million. As of the date of this announcement, the liquidity of the Group has improved subsequent to the listing of TDR on 25 March 2010.

FOREIGN EXCHANGE EXPOSURE

Although most of the operations were carried out in the PRC in which transactions were denominated in Renminbi, the Directors consider that there is no material unfavourable exposure to foreign exchange fluctuations and there will be sufficient cash resources denominated in Hong Kong dollars for 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 2009.

FUTURE PLANS AND PROSPECTS

It is the Group's mission to become one of the leading corn sweeteners manufacturers in Asia and a major player in global market. To achieve this objective, the Group will strive to enlarge its market share and diversify its product mix, as well as enhance its capability in developing high value-added products and new applications through in-house research and development and through strategic business alliances with prominent international market leaders.

As one of the largest corn sweetener producers in the PRC in terms of production capacity and production output, the Directors believe that it is of utmost importance for the Group to maintain its leading position in the market by expanding its production capacity, and at the same time, expanding its sales network.

EXPANSION OF PRODUCTION CAPACITY

On 6 March 2009, the Company announced that, in light of the market condition and slowdown of the world economy, the Directors have resolved to change the intended use of the unutilised net proceeds of HK$331 million raised from the initial public offering of the Company's share in September 2007 to general working capital of the Company and/or repayment of bank borrowings. The Directors were of the view that such arrangement would reduce the finance cost of the Group and increase the Group's flexibility in financial management. Accordingly, the projects set out in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 10 September 2007 (the "Prospectus") has been postponed.

In view of a more favourable market sentiment of sugar and the revival of economy since the second half of the Year, the Company sees opportunity to resume some of the projects as outlined in the Prospectus. The Company is currently studying the feasibility of building a crystallised glucose production facility with 100,000 mtpa capacity and a maltodextrin production facility with 50,000 mtpa capacity in Jinzhou in 2010.

Meanwhile, the Company will continue to observe the market movements and review from time to time the need and feasibility and the timetable of capacity expansion. These expansion plans will be funded by the Group's internal resources and bank borrowings.

In the long run, the Directors intend to establish new production facilities in the existing locations of the Group's production facilities and other locations in the PRC with an ultimate goal to increase its production capacity and market share. It is currently expected that the construction of these new production facilities will be undertaken by new subsidiaries of the Company or joint ventures with third parties.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

Net proceeds of approximately HK$657 million were raised from the initial public offering of the Company's shares in September 2007. As at 31 December 2008, the Group had utilised a total of approximately HK$120 million of the proceeds for the construction of a new glucose production plant in Jinzhou, approximately HK$22 million for the construction of an additional crystallised glucose production line in Changchun and approximately HK$135 million had been utilised to repay bank borrowings. Other than that, the Group had also utilised a total of approximately HK$49 million of the proceeds for working capital in Hong Kong. The remaining proceeds were placed on short term deposits with licensed banks in Hong Kong. As announced by the Company on 6 March 2009, in order to better utilise the cash flow and to minimise unnecessary interest expenses of the Group, the Board resolved to reallocate about HK$331 million of the net proceeds from the initial public offering of the Company originally designated for construction of new production facilities in Changchun and for the acquisition and/or construction of HFCS production facilities to general working capital of the Group and/or repayment of bank borrowings. The Board is of the opinion that such arrangement of the unutilised proceeds will reduce the finance cost of the Group and increase the Company's flexibility in its financial management. During the Year, HK$331 million of the net proceeds had been utilised as general working capital of the Group and as a result, all the net proceeds of approximately HK$657 million had been fully utilised.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 31 December 2009, the Group has approximately 1,200 full time employees in Hong Kong and the PRC. The Group emphasises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for enhancing production capability and development of new 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.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK1 cent per share in respect of the year ended 31 December 2009 (2008: Nil) to shareholders whose names appear on the register of members of the Company on 31 May 2010.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 27 May 2010 to Monday, 31 May 2010, 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 Investor Services Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, 26 May 2010.

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

During the year ended 31 December 2009, the Company has fully complied with all code provisions as set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 to the Listing Rules.

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.

AUDIT COMMITTEE

The Audit Committee of the Company (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 with written terms of reference in compliance with the code provisions of the Code. The Audit Committee comprises three independent non-executive Directors. The chairman of the Audit Committee is Mr. Chan Yuk Tong. The other members of the Audit Committee are Mr. Ho Lic Ki and Mr. Gao Yunchun.

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

The Audit Committee held two meetings in 2009.

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing internal controls and financial reporting matters, and has reviewed the audited financial statements of the Group for the year ended 31 December 2009.

ANNUAL GENERAL MEETING

The 2009 annual general meeting of the Company will be held on Monday, 31 May 2010 at 2:30 p.m. Notice of the 2009 annual general meeting 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 Company (http://www.global-sweeteners.com) and the Stock Exchange (http://www.hkex.com.hk) in due course.

On behalf of the Board
Global Sweeteners Holdings Limited
Kong Zhanpeng
Chairman

Hong Kong, 22 April 2010

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. KONG Zhanpeng, Mr. ZHANG Fazheng, Ms. WANG Guifeng and Mr. LEE Chi Yung; and three independent non-executive Directors, namely, Mr. CHAN Yuk Tong, Mr. GAO Yunchun and Mr. HO Lic Ki.