GREENFIELD CHEMICAL HOLDINGS LIMITED
嘉輝化工控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 582)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2009

The board of directors ("Board") of Greenfield Chemical Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31st December, 2009 together with the comparative figure.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2009

	NOTES	**2009** *HK$'000*	2008 *HK$'000*
Revenue	*3*	**269,929**	335,697
Cost of sales		**(186,679)**	(291,419)
Gross profit		**83,250**	44,278
Other income		**32,358**	22,800
Distribution and selling expenses		**(23,715)**	(16,235)
Administrative expenses		**(56,452)**	(50,622)
Share of profits of associates		**42,051**	18,009
Profit before taxation	*4*	**77,492**	18,230
Taxation	*5*	**(9,068)**	(3,326)
Profit for the year		**68,424**	14,904
Other comprehensive income			
Exchange differences arising on translation of foreign operations		**295**	9,570
Total comprehensive income for the year		**68,719**	24,474
Profit for the year attributable to:			
Owners of the Company		**37,810**	4,376
Minority interests		**30,614**	10,528
		68,424	14,904
Total comprehensive income attributable to:			
Owners of the Company		**37,956**	8,941
Minority interests		**30,763**	15,533
		68,719	24,474
Earnings per share, basic	*7*	**HK13.8 cents**	HK1.5 cents

* *For identification purposes only*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER, 2009

	NOTES	**2009**	2008
		HK$'000	*HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**74,163**	83,232
Prepaid lease payments		**13,567**	13,885
Interests in associates	*8*	**105,893**	72,752
Available-for-sale investments		**10**	10
Loans receivable		**159,055**	159,055
Deferred tax assets		**163**	163
		352,851	329,097
CURRENT ASSETS			
Prepaid lease payments		**340**	340
Inventories		**21,572**	29,745
Trade and other receivables	*9*	**82,923**	84,596
Advance to an associate		**—**	10,000
Dividend receivable from an associate		**—**	4,500
Tax recoverable		**452**	511
Bank balances and cash		**165,498**	106,945
		270,785	236,637
CURRENT LIABILITIES			
Trade and other payables	*10*	**38,296**	29,439
Tax payable		**3,480**	—
		41,776	29,439
NET CURRENT ASSETS		**229,009**	207,198
TOTAL ASSETS LESS CURRENT LIABILITIES		**581,860**	536,295
CAPITAL AND RESERVES			
Share capital		**27,286**	30,000
Reserves		**378,684**	361,168
Equity attributable to owners of the Company		**405,970**	391,168
Minority interests		**175,890**	145,127
Total equity		**581,860**	536,295

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current year, the Group has applied the following new and revised standards, amendments and interpretations ("New and Revised HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

HKAS 1 (Revised 2007)	Presentation of financial statements
HKAS 23 (Revised 2007)	Borrowing costs
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an investment in a subsidiary, jointly controlled entity or associate
HKFRS 2 (Amendment)	Vesting conditions and cancellations
HKFRS 7 (Amendment)	Improving disclosures about financial instruments
HKFRS 8	Operating segments
HK(IFRIC) — INT 9 & HKAS 39 (Amendments)	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
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1st July, 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of these New and Revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

HKAS 1 (Revised 2007) Presentation of financial statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating segments

HKFRS 8 is a disclosure standard that has not resulted in a redesignation of the Group's reportable segment nor changes in the basis of measurement of segment profit or loss, segment assets and segment liabilities.

The Group has not early applied the following new and revised Standards, Amendments or Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related party disclosures[6]
HKAS 27 (Revised)	Consolidated and separate financial statements[1]
HKAS 32 (Amendment)	Classification of right issues[4]
HKAS 39 (Amendment)	Eligible hedged items[1]
HKFRS 1 (Amendment)	Additional exemptions for first-time adopters[3]
HKFRS 1 (Amendment)	Limited exemption from comparative HKFRS 7 disclosures for first-time adopters[5]
HKFRS 2 (Amendments)	Group cash-settled share-based payments transactions[3]
HKFRS 3 (Revised)	Business combinations[1]
HKFRS 9	Financial instruments[7]
HK(IFRIC) — INT 14 (Amendments)	Prepayments of a minimum funding requirement[6]
HK(IFRIC) — INT 17	Distributions of non-cash assets to owners[1]
HK(IFRIC) — INT 19	Extinguishing financial liabilities with equity instrument[5]

1 Effective for annual periods beginning on or after 1st July, 2009.
2 Amendments that are effective for annual periods beginning on or after 1st July, 2009 and 1st January, 2010, as appropriate.
3 Effective for annual periods beginning on or after 1st January, 2010.
4 Effective for annual periods beginning on or after 1st February, 2010.
5 Effective for annual periods beginning on or after 1st July, 2010.
6 Effective for annual periods beginning on or after 1st January, 2011.
7 Effective for annual periods beginning on or after 1st January, 2013.

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1st July, 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary.

HKFRS 9 "Financial instruments" introduces new requirements for the classification and measurement of financial assets and will be effective from 1st January, 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. The amendments will be effective from 1st January, 2010, with earlier application permitted. Before the amendments to HKAS 17, leases were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis.

3. REVENUE AND SEGMENTAL INFORMATION

Revenue represents the amounts received and receivable for goods sold, net of discount and sales related taxes, during the year.

The Group has adopted HKFRS 8 "Operating segments" with effect from 1st January, 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker, represented by the board of directors of the Company, in order to allocate resources to segments and to assess their performance. In contrast, the predecessor standard (HKAS 14, Segment reporting) required an entity to identify two sets of segments (business and geographical) using a risks and return approach. In the past, the Group's primary reporting format was geographical segment (based on location of customers).

The Group is principally engaged in manufacturing and trading of liquid coatings, powder coatings and solvents. The Group's chief operating decision maker makes its decision on allocation of resources and assessment of performance based on geographical segments determined on the basis of location of customers, which is the same as the geographical segment (based on location of customers) previously disclosed under HKAS 14. Therefore, the application of HKFRS 8 has not resulted in a redesignation of the Group's reportable segments as compared with the primary reportable segments determined in accordance with HKAS 14, nor has the adoption of HKFRS 8 changed the basis of measurement of segment profit or loss, assets or liabilities.

The following is an analysis of the Group's revenue, results and assets by reportable segment:

2009

	Hong Kong	**The People's Republic of China ("PRC")**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*
REVENUE			
External sales	**103,579**	**166,350**	**269,929**
RESULTS			
Segment results	**15,871**	**29,869**	**45,740**
Interest income			**16,830**
Unallocated corporate income			**8,526**
Unallocated corporate expenses			**(35,655)**
Share of profits of associates			**42,051**
Profit before taxation			**77,492**

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
TOTAL ASSETS			
Segment assets — trade receivables	**21,962**	**48,436**	**70,398**
Other assets			**553,238**
			623,636

OTHER INFORMATION

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Impairment losses on trade receivables recognised	**178**	**905**	**1,083**

2008

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
REVENUE			
External sales	178,700	156,997	335,697
RESULTS			
Segment results	12,833	5,251	18,084
Interest income			5,281
Unallocated corporate income			9,508
Unallocated corporate expenses			(32,652)
Share of profits of associates			18,009
Profit before taxation			18,230

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
TOTAL ASSETS			
Segment assets — trade receivables	27,788	51,406	79,194
Other assets			486,540
			565,734

OTHER INFORMATION

	Hong Kong	The PRC	Consolidated
	HK$'000	*HK$'000*	*HK$'000*
Impairment losses on trade receivables recognised	1,462	723	2,185

Notes:

(i) Segment results represent the profit or loss earned by each segment without allocation of interest income, management fee income, royalty fee income, unallocated central administration cost and share of profit of associates. This is the measure reported to the directors for the purpose of resource allocation and performance assessments.

(ii) Other than trade receivables, all assets are not allocated to operating segments. Inventories could be sold to common customers of the operating segments, which cannot be allocated to respective segments on a reasonable basis. All liabilities are not allocated to operating segments, as the Group's trade payables represented payables to common suppliers of the operating segments, which cannot be allocated to respective segments on a reasonable basis.

4. PROFIT BEFORE TAXATION

	2009	2008
	HK$'000	*HK$'000*
Profit before taxation has been arrived at after charging:		
Directors' remuneration		
Fees	**300**	300
Other emoluments	**1,679**	1,711
Other employee benefits expense	**76,657**	87,269
Total employee benefits expense	**78,636**	89,280
Exchange loss, net	**14**	—
Impairment losses on trade receivables	**1,083**	2,185
Amortisation of prepaid lease payments	**340**	329
Auditor's remuneration	**660**	660
Cost of inventories recognised as an expense	**186,679**	291,419
Depreciation of property, plant and equipment	**10,790**	13,215
Loss on disposal of property, plant and equipment	**253**	230
Operating lease rentals in respect of rented premises	**1,159**	1,769
Share of taxation of associates (included in share of profits of associates)	**7,081**	4,502
and after crediting the below items, which are included in other income:		
Exchange gain, net	**—**	1,937
Management fee income	**6,709**	6,474
Royalty fee income	**5,997**	4,231
Interest income earned from:		
Advance to an associate	**572**	1,092
Bank deposits	**352**	827
Loans receivable	**15,906**	3,362

5. TAXATION

	2009	2008
	HK$'000	*HK$'000*
The charge comprises:		
Hong Kong Profits Tax:		
Current year	**4,844**	2,154
(Over)underprovision in prior year	**(595)**	133
	4,249	2,287
PRC Enterprise Income Tax:		
Current year	**4,720**	839
Underprovision in prior year	**99**	249
	4,819	1,088
Deferred tax:		
Current year	**—**	(56)
Attributable to a change in tax rate	**—**	7
	—	(49)
	9,068	3,326

Hong Kong Profits Tax is calculated at 16.5% (2008: 16.5%) on the estimated assessable profits for the year.

Pursuant to the relevant laws and regulations in the PRC, certain of the Company's PRC subsidiaries are entitled to exemption from PRC Enterprise Income Tax for two years starting from their first profit-making year, followed by a 50% reduction for the next three years. Three PRC subsidiaries continue to enjoy their tax holiday during the year.

The newly promulgated Enterprise Income Tax Law ("Tax Law'') of the PRC is effective on 1st January, 2008. In February 2008, the Ministry of Finance and the State Administration of Taxation issued several important tax circulars which clarify the implementation of the Tax Law and have an impact on certain of the Company's PRC subsidiaries. The Company has certain PRC subsidiaries which previously enjoyed the preferential tax policies in the form of a reduced tax rate. These subsidiaries will have five years from the time when the Tax Law takes effect to transition progressively to the legally prescribed tax rate of 25%. These PRC subsidiaries that previously enjoyed the 15% tax rate are subject to the 18% tax rate from 1st January, 2008 and 20% tax rate for the financial year 2009, and will be subject to 22% tax rate for the financial year 2010, 24% tax rate for the financial year 2011 and 25% tax rate for the financial year 2012. For those PRC subsidiaries which previously enjoyed the 24% tax rate, they are subject to the 25% tax rate starting from 1st January, 2008.

In the previous years, the Inland Revenue Department issued additional assessment in aggregate of approximately HK$11,001,000 to an indirect wholly-owned subsidiary of the Company disallowing its offshore claims in respect of its production activities for years of assessment 2002/03, 2003/04, 2004/05 and 2005/06. The Group had purchased tax reserve certificates totalling HK$11,001,000 and an amount of HK$10,000,000 was recognised as income tax expense against such tax reserve certificates in the previous year and the remaining amount of tax reserve certificates of HK$1,001,000 (2008: HK$1,001,000) was included in tax recoverable as at the end of the reporting period. In the opinion of the directors of the Company, the ultimate outcome of the additional assessment remains undetermined and the Group will continue to defend vigorously against the additional assessment.

6. DIVIDENDS

	2009	2008
	HK$'000	*HK$'000*
Dividends paid and recognised as distribution during the year:		
2007 Final — HK3 cents per ordinary share	**—**	9,000
2007 Special — HK3 cents per ordinary share	**—**	9,000
	—	18,000

No interim dividend for the current year was paid or proposed during 2009, nor has any final or special dividend been proposed since the date of the reporting period.

7. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the profit for the year attributable to equity holders of the Company of approximately HK$37,810,000 (2008: HK$4,376,000) and on the weighted average number of ordinary shares of 273,793,483 (2008: 300,000,000) in issue during the year.

No diluted earnings per share is presented as the Group did not have any potential ordinary shares in issue at any time during the year.

8. INTERESTS IN ASSOCIATES

	2009	2008
	HK$'000	*HK$'000*
Unlisted investments, at cost	**178**	178
Share of post-acquisition translation reserve	**7,549**	7,459
Share of post-acquisition profits, net of dividends received	**98,166**	65,115
	105,893	72,752

9. TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables from third parties	**64,441**	68,753
Trade receivables from associates	**5,957**	10,441
Interest receivables on loans receivable	**5,534**	1,380
Amount due from a company owned by former director of the Company	**2,399**	—
Other receivables	**4,592**	4,022
	82,923	84,596

The Group allows an average credit period of 30 days to 90 days to its trade customers. The following is an aged analysis of trade receivables net of allowance for doubtful debts at the end of the reporting periods:

	Trade receivables from third parties		**Trade receivables from associates**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
0 — 30 days	**21,313**	18,659	**4,885**	1,984
31 — 60 days	**19,690**	19,694	**1,072**	2,903
61 — 90 days	**12,940**	15,877	**—**	2,704
Over 90 days	**10,498**	14,523	**—**	2,850
	64,441	68,753	**5,957**	10,441

10. TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables to third parties	**19,824**	13,586
Trade payable to an associate	**658**	35
Other payables	**17,814**	15,818
	38,296	29,439

The following is an aged analysis of trade payables at the end of the reporting periods:

	Trade payables to third parties		**Trade payable to an associate**	
	2009	2008	**2009**	2008
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
0 — 30 days	**18,353**	4,282	**658**	35
31 — 60 days	**1,177**	8,264	**—**	—
61 — 90 days	**244**	1,040	**—**	—
Over 90 days	**50**	—	**—**	—
	19,824	13,586	**658**	35

11. EVENT AFTER THE REPORTING PERIOD

On 18th February, 2010, Guangzhou Springfield Chemical Company Limited ("Springfield"), a non-wholly owned subsidiary, entered into a sale and purchase agreement ("S&P Agreement") with Zengcheng City Fuheyuan Farm Limited 增城市福和園農莊有限公司 ("City Fuheyuan"), a company incorporated in the PRC and indirectly owned by Mr. Yuen Shu Wah ("Mr. Yuen"). Pursuant to the S&P Agreement, Springfield has agreed to purchase and City Fuheyuan has agreed to sell a property situated in the PRC for a consideration of RMB18,000,000 (approximately HK$20,451,000). Mr. Yuen is a former director of the Company and existing director of certain non-wholly owned subsidiaries of the Company. This transaction constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The transaction is not completed as at the date of this announcement.

FINANCIAL RESULTS

For the year ended 31st December, 2009, the Group's revenue dropped by approximately 19.59% to HK$269,929,000 (2008: HK$335,697,000). However, the net profit attributable to shareholders of the Company increased by approximately 764.03% to HK$37,810,000 in comparison with that of HK$4,376,000 in 2008. Earnings per share increased from HK1.5 cents for last year to HK13.8 cents this year.

As at 31st December, 2009, the net asset value per share attributable to shareholders of the Company was HK$1.49 (2008: HK$1.30).

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31st December, 2009 (2008: Nil).

REVIEW OF OPERATIONS

The global financial tsunami in the late of 2008 hit the global economy badly and the demand for paints and petrochemical and related products dropped inevitably during the first half of 2009. Yet, with the expansionary monetary policies and various stimulus plans introduced by worldwide governments in the second half of 2009, the outlook for the market becoming increasingly positive.

In response to the challenges posed by the global financial crisis, the Group successfully consolidated its relationship with customers by providing better services, enhancing product quality and increasing the sale of high-yield products. At the same time, the Group endeavored on tighten stringent cost control, search for less expensive raw material, expand sources of supply, streamline the work and production process in order to improve operational efficiency and enhance the Group's competitiveness. In light of implementation of the policies by the management and decrease in price of crude oil, prices of other key raw materials and labour cost, the gross profit increased by approximately 88.01% to HK$83,250,000 (2008: HK$44,278,000). Combined with contribution of interest income of the loan receivable arising from consolidation and restructuring of debts as announced on 5th December, 2008, the profit for the period attributable to shareholders substantially increased by approximately 764.03% to HK$37,810,000 (2008: HK$4,376,000).

OUTLOOK

There are cautious signs that the global economy is recovering from the financial tsunami but the business environment in the year 2010 remains to be challenging. However, having a strong and healthy financial position, the Group is confident in its future business development and will continue to search for good investment opportunities in order to maximize returns for shareholders.

Meanwhile, the management has commenced a review on the existing businesses in manufacturing of paints and trading in petrochemical and related products and assets of the Group, for the purpose of formulating new business plans and strategies for the future business development of the Group. Subject to the result of review and should any suitable business opportunity arise, the Group may change its existing business activities and redeploy any assets of the Group. The management will from time to time seek for investment opportunity in promising industry that could provide investment potential and broaden the income base of the Group.

FINANCIAL RESOURCES, BORROWINGS AND CAPITAL STRUCTURE

As at 31st December, 2009, the Group's non-current assets amounted to HK$352,851,000 (2008: HK$329,097,000) and net current assets amounted to HK$229,009,000 (2008: HK$207,198,000) with a current ratio of 6.5 (2008:8.0) calculated on the basis of the Group's current assets over current liabilities.

During the year ended 31st December, 2009, the Group had no borrowings outstanding. The Group has sufficient cash surplus to finance operation from internally generated cash flow. The Group maintained a satisfactory financial position derived from the steady growth of its business. As at 31st December, 2009, the Group had bank balances and cash of HK$165,498,000 (2008: HK$106,945,000).

PLEDGE OF ASSETS

The Group has pledged certain land and buildings in Hong Kong with a carrying amount of approximately HK$2,195,000 (2008: HK$2,272,000) to secure general banking facilities of HK$10,000,000 (2008: HK$10,000,000) granted to the Group.

CAPITAL COMMITMENTS

	2009	2008
	HK$'000	*HK$'000*
Capital expenditure in respect of the acquisition of property, plant and equipment contracted but not provided for in the consolidated financial statements	**1,488**	1,023

EXPOSURE TO FOREIGN EXCHANGE RISK

Business transactions of the Group are mainly denominated in Hong Kong dollars and Renminbi. Currently, the Group does not engage in any hedging contract. In view of the fluctuation of Renminbi during the year, the Group will monitor the situation closely and will introduce suitable measures if there are likely to be any changes.

EMPLOYEE AND REMUNERATION POLICIES

As at 31st December, 2009, the Group had around 1,000 full-time employees. They included management and administrative staff and production workers. Most of them were stationed in Mainland China while the rest were in Hong Kong. The remuneration, promotion and salary increments of employees are assessed according to individual performance, as well as professional and working experience, and in accordance with prevalent industry practices.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, the Company repurchased 27,140,000 ordinary shares in the Company through The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at an aggregate consideration of approximately HK$23,154,000. The share repurchase was effected by the Board for the enhancement of shareholders' value and details of which are as follows:

Month of repurchase	**No. of ordinary shares of HK$0.1 each**	**Price per shares**		**Aggregate consideration paid**
		Highest	**Lowest**	
January 2009	27,140,000	0.85	0.84	23,154,000

The above shares were cancelled upon repurchase.

CHANGE OF CONTROL OF THE COMPANY AND MANDATORY GENERAL OFFER

i. True Focus Limited

On 4th September, 2009, True Focus Limited ("True Focus", a wholly owned subsidiary of COL Capital Limited) entered into the sales and purchase agreement with Jumbo Hill Group Limited and Mulpha Strategic Limited to acquire the entire interests of the Company's immediate holding company, Pacific Orchid Investments Limited, which owned 68.72% equity interests of the Company, with a consideration of HK$281,250,000. True Focus was required under the Hong Kong Code on Takeovers and Mergers (the "Takeovers Code") to make a mandatory general cash offer to acquire all the issued shares not already owned or agreed to be acquired by True Focus or parties acting in concert with it. The offer was closed on 30th October, 2009.

ii Hong Han Limited

On 4th December, 2009, Hong Han Limited ("Hong Han") entered into the sales and purchase agreement with Pacific Orchid Investments Limited to acquire 140,000,000 Shares, representing approximately 51.31% of the entire issued share capital of the Company, with a consideration of $294,000,000. Hong Han was required under the Takeovers Code to make a mandatory general cash offer to acquire all the issued shares not already owned or agreed to be acquired by Hong Han or parties acting in concert with it. The offer was closed on 21st January, 2010.

CORPORATE GOVERNANCE

Throughout the year ender review, the Company has complied with the Code on Corporate Governance Practices as set out in Appendix 14 of the listing Rules, except for the following deviations:

Code provision A.4.1

Code provision A.4.1 stipulates that non-executive directors should be appointed for a specific term and subject to re-election.

The Company does not fully comply with code provision A.4.1. The existing non-executive directors are not appointed for a specific term but are subject to retirement by rotation at least once every three years and re-election at the annual general meeting. The Board does not believe that arbitrary term limits on directors' service are appropriate given that directors ought to be committed to representing the long-term interests of the shareholders of the Company.

MODEL CODE FOR SECURITIES TRANSACTION BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules for securities transactions by the directors of the Company. Having made specific enquiry, all directors of the Company confirmed that they have complied with the required standard set out in the Model Code throughout the year ended 31st December, 2009.

AUDIT COMMITTEE

The Audit Committee comprises Mr. Lau Siu Ki, Mr. Wu Wing Kit and Dr. Chui Hong Sheung, the independent non-executive directors of the Company. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and has discussed auditing, internal controls and financial reporting matters including the review of the audited financial statements for the year ended 31st December, 2009.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The annual report for the year ended 31st December, 2009 containing all the information as required by the Listing Rules will be published on the websites of the Stock Exchange and the Company respectively and copies will be dispatched to shareholders of the Company in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey its sincere gratitude to our employees for their diligence and contributions to the Group. I would also like to acknowledge the continual support of our customers, suppliers and shareholders during the year of 2009.

By Order of the Board
Greenfield Chemical Holdings Limited
Li Li
Executive Director

Hong Kong, 23th April 2010

As at the date of this announcement, the Board comprises Mr. Hu Jun, Ms. Zhang Ying, Mr. Li Li and Mr. Zhang Yang as executive directors and Mr. Lau Siu Ki, Mr. Wu Wing Kit and Dr. Chui Hong Sheung, JP as independent non-executive directors.