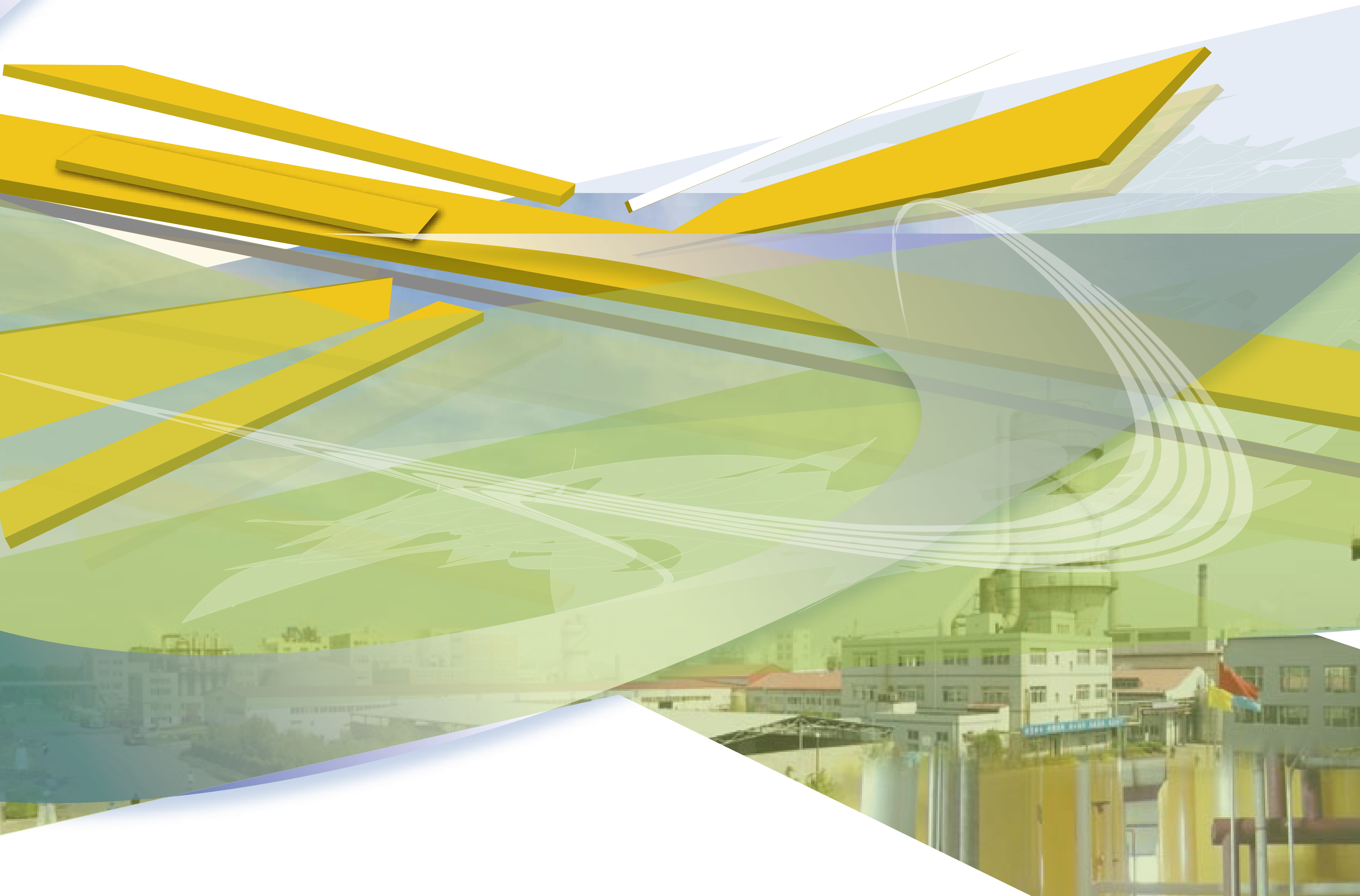
大成糖業控股有限公司*

GLOBAL Sweeteners Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03889

ANNUAL REPORT 2009



*For identification purpose only

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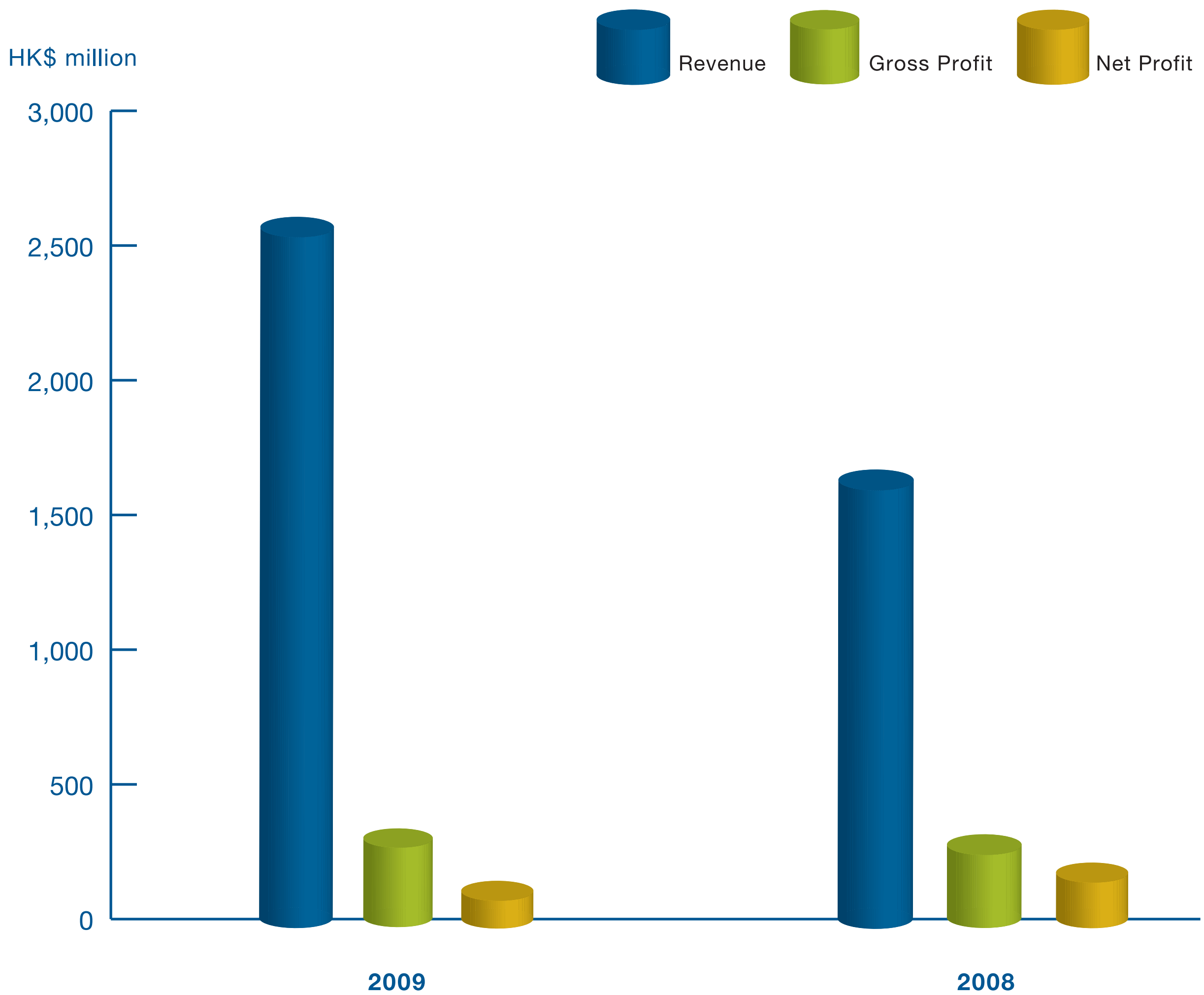
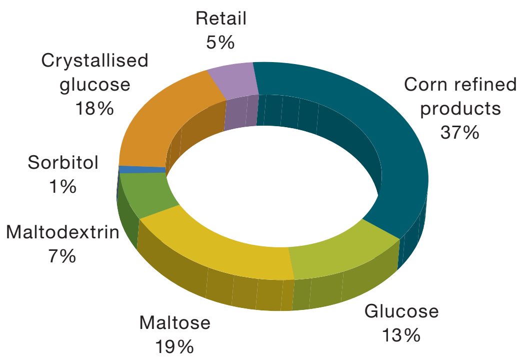
FINANCIAL HIGHLIGHTS

(HK$ million)	2009	2008 (Restated)	Change %
Revenue	**2,669**	1,694	57.5
Gross Profit	**307**	282	8.8
Profit before tax	**107**	176	(39.3)
Net profit from ordinary activities attributable to shareholders	**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

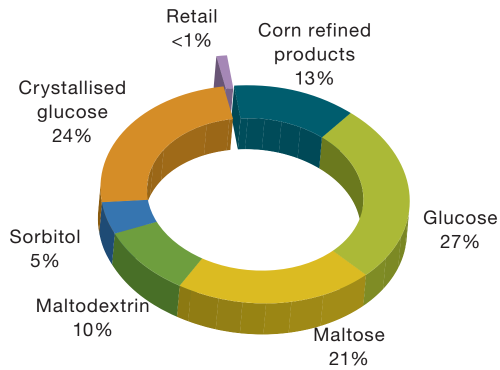


REVENUE AND SALES ANALYSIS

REVENUE

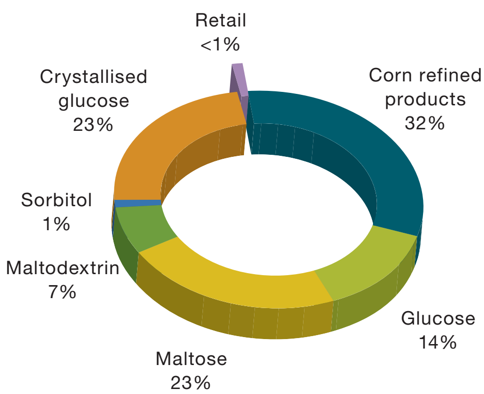


2009

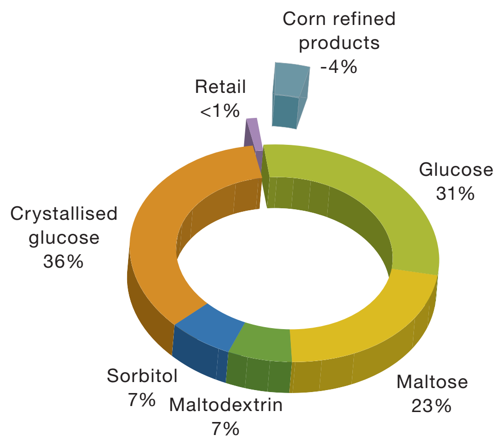


2008

GROSS PROFIT

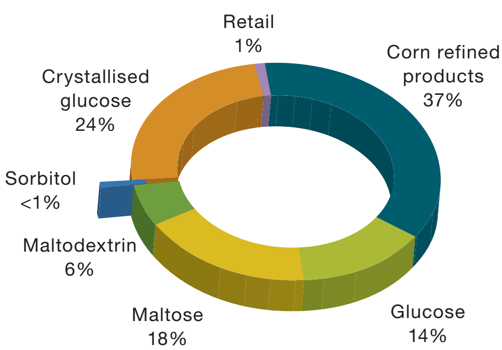


2009

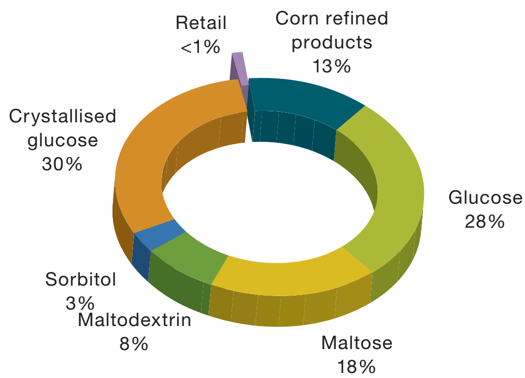


2008

SALES VOLUME



2009



2008

MESSAGE TO SHAREHOLDERS

To the Shareholders:

On behalf of the board of directors of Global Sweeteners, I hereby present the performance report of the Group for the year ended 31 December 2009.

The revenue of the Group for the year ended 31 December 2009 amounted to HK$2,669 million, representing a 57.5% increase as compared to last year. Gross profit increased by 8.8% to HK$307 million. However, as the first quarter of 2009 was still under the shadow of the financial tsunami, the product prices and sales of the Group's products for the first quarter of 2009 were under pressure. In addition, with the drop in utilisation rate of Group's facilities and the rise in raw material price during the first half of 2009, costs of production increased and hence leading to the decline in the net profit for 2009 by 44.5% to HK$86 million despite strong sales for the second half of 2009.

BUSINESS REVIEW

2009 represented a year filled with challenges as well as opportunities. It was also a year of milestone for Global Sweeteners.

Since the outbreak of the melamine tainted food incident and the financial tsunami in the second half of 2008, both the PRC and overseas economies have remained sluggish, posing hefty pressure to the average price of the Group's products during the first half of the year. Moving onto the second quarter of 2009, the recovery of the domestic consumer market in the PRC has fueled the demand of food and other industries. On the other hand, driven by global sugar shortage and the steady recovery of crude oil prices, the demand for cane sugar as food and energy source increased sharply, driving the sugar price to soar. As substitutes for sugar, sweeteners prices increased as a result.

As market sentiments improved and the stimulus measures of the PRC government began to take effect during the second half of last year, sales of the Group's products also substantially improved. In respect of the upstream business, the prices of corn starch and other corn refined products have bounced back since March last year. Revival in food-related industries generated intensive demand for corn starch and feed products, the upstream business experienced a turnaround to its previous earnings level during the second half of the year, whereas sales of various sweeteners in the downstream segment basically returned to the pre-financial tsunami level during the third quarter. Rapid recovery during the second half of the year drove significant growth of the business in the second half of the year as compared to the first half.

As consumption sentiments in the PRC picked up during the second half of the year, the number of orders and order quantity for sweeteners products from beverage and food processing industries increased significantly. Sugar shortage situation was further intensified with the occurrence of drought in China during the second half of the year, stimulating the upsurge of sweeteners prices. Accordingly, the sales volume and sales amount of the Group's corn syrup and corn syrup solid products showed strong rebound in the second half of the year, with a remarkable growth during the peak season in the fourth quarter.

Being a major player in the sweetener industry in China, the Group's aggregate production capacity for various sweeteners amounts to 1.26 million metric tonnes, with a total sales volume of 790,000 metric tonnes. During the second half of the year, the Group further increased the output of crystallised glucose in response to the market needs.

In 2009, the Group devoted its effort to further explore the overseas markets, and the major exports markets for its products included: Japan, Korea, Taiwan, the Philippines, Russia, Malaysia and South Africa. During the year under review, the total export volume amounted to 61,000 metric tonnes, and exports sales accounted for 4.6% of the Group's revenue.

BUSINESS REVIEW (continued)

With rapid and sustainable growth of the economy, the living standard of Chinese continues to improve, giving rise to enormous demand for quality meat. Riding on this opportunity, the Group set up a non-wholly owned subsidiary with an enterprise in Dalian which is principally engaged in beef business, for the development of the Group's beef cattle business. During the year under review, the Group has invested HK$8 million in this new business. This new business line recorded an operating profit of approximately HK$2 million during the first year of operation. The Group will tap into higher value-added cattle fattening business in 2010.

The Group has already set up cattle farms in Dalian, Liaoning Province and Pingliang, Gansu Province for the raising and fattening of Angus Beef Cattle imported from Australia and high-quality local breeds. Our beef products are now serving over four hundred chain supermarkets in 70 cities across the nation. In addition, approximately 70% of the feeds used in cattle fattening process, including corn gluten meal and corn fibre, are by-products from the Group's upstream corn refining business. Therefore, by engaging in the cattle fattening business, the Group achieves synergy with its existing business.

On 8 December 2009, Global Sweeteners submitted application to the Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange") and the Central Bank of the Republic of China for the offering and listing of TDR ("Taiwan Depositary Receipts") in Taiwan. The depositary receipts were listed on the Taiwan Stock Exchange on 25 March 2010, laying an important milestone on the development path for Global Sweeteners. The depositary receipts of the Company received good response from local investors in Taiwan. We believe the listing in Taiwan not only set up new funding platform for the Group, but also further broadened our shareholder base. The net proceeds from this transaction through the issue of new shares of Global Sweeteners provide additional financial resources for the development of the cattle fattening business.

OUTLOOK

As global economy regains its foothold, consumer market flourishes in the PRC and sugar price remains high, the Group will timely respond and hasten its pace of growth to seize the opportunities on the market.

The sugar shortage in the PRC has persisted since the end of last year. The situation was further aggravated by the drought in the nation's major sugar-producing regions such as Yunnan Province and Guangxi Province, and the domestic sugar price has rocketed up to above RMB5,000 per metric tonne in the first quarter of 2010. On the other hand, sugar consumption level in the PRC is currently at 12 kilograms per capita per year, which is far below the global average of 25 kilograms. With the economy on the track of sustainable growth, the overall living standard in China is expected to rise continuously. This will provide notable room for the growth in domestic demand for sugar and sweeteners.

By the end of 2009, the sweetener production facilities of the Group were generally running at optimal level. In view of the growing demand from the domestic beverage and food processing industries and the steady recovery of the export market, the Group has set out strategic plans for the Group's future development. The Group is planning the construction of a crystallised glucose production facility with an annual production capacity of 100,000 metric tonnes. Targeted customers include high-end food and beverage manufacturers in both domestic and overseas markets. In addition, the Group is also considering to construct a maltodextrin production line with an annual production capacity of 40,000 metric tonnes. It is expected that these new capacities will commence operation in 2011 the soonest.

OUTLOOK (continued)

The upstream business is expected to remain stable. However, considering the effect of crop failure in certain areas suffering from drought hazard in the PRC, price of grain prices including corn price is expected to surge. Nevertheless, the domestic supply of corn remains stable and the Group enjoys advantages in procuring raw materials as its production lines are located in major corn producing regions. To ensure the supply of raw materials required for its production needs, the Group has always adopted prudent corn procurement policy by increasing corn inventory during the harvest season when the supply is ample and the price is low. This ensures the adequate supply of raw materials while effectively controlling the raw material costs. In spite of a year-on-year increase in the raw material prices, increases in the price of downstream products due to persistent high sugar prices have strengthened the Group's ability to manage the increase in cost.

On the other hand, tapping into the cattle fattening industry by the Group this year will also form a new profit growth driver for the Group in future. It is expected that approximately 10,000 heads of cattle, which are mainly Angus Beef Cattle and high-quality local breeds, will be sold to the market by the end of the year. We are confident in the prospects of this business segment as the demand for quality beef products is expected to increase correspondingly with the rising living standard in the PRC.

In respect of the financial position, Global Sweeteners has always upheld a prudent approach as to its financial policies. Last year, the Group applied surplus fund to repay part of the bank borrowings before maturity in order to reduce the finance costs. On the other hand, the Group successfully broadened its shareholder base and funding platform through the issue and listing of the TDR. The listing of TDR ensures equal development pace of both the newly added cattle fattening business and the existing sweetener business, without stressing the Group's capital level.

The Group will continue to expand its business through vertical integration on its existing foundation and further diversification of its business lines, addition of new income sources and realisation of a more balanced business portfolio. Looking ahead into 2010, improvement in the overall operating environment will be beneficial to the development of the Group's various businesses. A prosperous year is expected for Global Sweeteners. I hereby express my sincere gratitude to our shareholders for the long-lasting support to the Group, and we look forward to sharing the fruitful results with our shareholders.

Kong Zhanpeng
Chairman

22 April 2010

JANUARY

A non-wholly owned subsidiary in which Global Sweeteners has 62% interests, *Dalian Angus Beef Co., Ltd.*, was established in Dalian, for the development of the Group's beef cattle business.

APRIL

The new glucose/maltose syrup plant in Jinzhou, *Jinzhou Dacheng Food Development Co., Ltd.*, commenced commercial production.

JULY

Dalian Angus Beef Co., Ltd. began the beef cattle trading business in Dalian.

DECEMBER

The Company submitted application for the listing of Taiwan Depositary Receipts ("TDR") to the Taiwan Stock Exchange and the Taiwan Central Bank on 8 December 2009. The Company's TDR was listed on the Taiwan Stock Exchange on 25 March 2010, marking a corporate milestone for the Global Sweeteners.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Sweeteners Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are 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.

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

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.

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

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

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. 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 report, 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 40,000 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.

EXECUTIVE DIRECTORS

Mr. Kong Zhanpeng, aged 46, is the executive Director and Chairman of the Company and is responsible for the Group's overall corporate development and management. Mr. Kong is one of the founders of the parent company, Global Bio-chem Technology Group Company Limited ("GBT") in 1994. He has over 14 years of extensive experience in industry and corporate development and management. Mr. Kong holds a bachelor's degree in textile engineering and a diploma in international trade from the China Textile University.

Mr. Zhang Fazheng, aged 60, was appointed as an executive Director in June 2008 and was appointed as the chief executive officer of the Group on 6 February 2009. Mr. Zhang is responsible for overseeing the Group's operation management and product development. Mr. Zhang graduated from Jilin Finance and Trade College in 1992, majoring in corporate accounting and he has over 21 years of experience in the management of production plant. Mr. Zhang is the father of Mr. Zhang Fusheng, a senior management of the Group and a previous executive Director. Mr. Zhang joined the Group in 1998.

Ms. Wang Guifeng, aged 59, an executive Director, is responsible for overseeing the finance and accounting functions of the Group's business in the PRC. Ms. Wang graduated from Changchun Vocational University in 1983, majoring in industrial accountancy. She is a member of the Chinese Institute of Certified Public Accountants with over 19 years of experience in accounting and financial resources management. Ms. Wang joined the Group in June 2006.

Mr. Lee Chi Yung, aged 35, is an executive Director, financial controller and company secretary of the Company. He is responsible for overseeing the Group's financial reporting procedures, internal controls and compliance with the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") and other relevant laws and regulations. Mr. Lee has over 9 years of experience in the related fields of finance, auditing, accounting and corporate governance practices. He graduated from the City University of Hong Kong with a Bachelor's degree (with honors) in accountancy in 1996. He is a member of the Association of Chartered Certified Accountants and Hong Kong Institute of Certified Public Accountants. Mr. Lee joined the Group in August 2007 and was appointed as executive Director on 8 December 2009.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Yuk Tong, aged 47, holds a Bachelor's degree in Commerce from the University of Newcastle in Australia and a Master's degree in Business Administration from the Chinese University of Hong Kong. He has more than 20 years of experience in auditing, accounting, management consultancy and financial advisory services. Mr. Chan is a practicing fellow member of the Hong Kong Institute of Certificate Public Accountants and a member of CPA Australia. Mr. Chan was appointed as an independent non-executive Director in June 2008. Mr. Chan also holds directorship in the following publicly listed companies:

Company Name	Stock Code	Position
Asia Cassava Resources Holdings Limited	Hong Kong Stock Exchange: 00841	Executive director
Anhui Conch Cement Company Limited	Hong Kong Stock Exchange: 00914 Shanghai Stock Exchange: 600585	Independent non-executive director
Ausuntria Dairy Corporation Limited	Hong Kong Stock Exchange: 01717	Independent non-executive director (with effect from 19 September 2009)
BYD Electronics (International) Company Limited	Hong Kong Stock Exchange: 00285	Independent non-executive director

Company Name	Stock Code	Position
Daisho Microline Holdings Limited	Hong Kong Stock Exchange: 00567	Independent non-executive director
Jia Sheng Holdings Limited	Hong Kong Stock Exchange: 00729	Independent non-executive director
Kam Hing International Holdings Limited	Hong Kong Stock Exchange: 02307	Independent non-executive director
Sichuan Xinhua Winshare Chainstore Co., Limited	Hong Kong Stock Exchange: 00811	Independent non-executive director
Vitop Bioenergy Holdings Limited	Hong Kong Stock Exchange: 01178	Non-executive director (formerly acted as a executive director from September 2005 to 25 February 2008)

In addition, Mr. Chan has also been an independent non-executive director of China Pipe Group Limited (formerly known as World Trade Bun Kee Limited), which is a listed company in Hong Kong, during the period from 1 January 2007 to 3 July 2007.

Mr. Gao Yunchun, aged 45, is the vice president of Jilin Petrochemical Design and Research Institute. Mr. Gao graduated from Tianjin University with a bachelor degree in chemical engineering in 1987 and has about 12 years of experience in the field of chemical engineering and corn refinery industry. Mr. Gao was appointed as an independent non-executive Director in August 2007.

Mr. Ho Lic Ki, aged 61, completed the Chinese Senior Bankers Program offered by the University of Washington, Seattle, the US in cooperation with the Bank of China (Hong Kong) in 1991 and obtained a Foundation Diploma in Management from the University of Hong Kong in 1994. He is also a holder of a Bachelor Degree in Chinese Medicine (Dispensing), Hubei University of Chinese Medicine and the registered licensee of type 9-asset management regulated activities under the Securities and Futures Ordinance. Mr. Ho is a full member of Hong Kong Securities Institute and was awarded as "Professional Manager" by the Hong Kong Management Association in 2008. Mr. Ho has about 40 years of experience in banking, finance and asset management. Mr. Ho was appointed as independent non-executive Director in August 2007. Mr. Ho was also an independent non-executive director of Karce International Holdings Company Limited, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange, from 14 January 2010 to 9 April 2010.

Mr. Yan Man Sing Frankie, aged 52, is a member of the Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants. Mr. Yan obtained a professional diploma in accountancy from the Hong Kong Polytechnic University in 1983 and has over 10 years of experience in financial management and corporate governance. Mr. Yan was appointed as an independent non-executive Director in August 2007. He ceased to be the independent non-executive Director of the Company upon his retirement by rotation from the Board at the annual general meeting of the Company held on 29 May 2009.

SENIOR MANAGEMENT

Mr. Zhang Fusheng, aged 37, is responsible for the sales and marketing of the Group. Mr. Zhang graduated from the Commerce Department of Jilin University, majoring in business administration. He was accredited as one of the Ten Outstanding Youth Entrepreneur by Changchun City in 2004. Mr. Zhang joined the Group in October 2004. Mr. Zhang is the son of Mr. Zhang Fazheng, an executive Director. Mr. Zhang resigned as executive Director with effect from 8 December 2009 due to his intention to focus his effort on the sales and marketing of the Group.

Ms. Li Xiaoming, aged 52, is the general manager of Changchun Dihao and Dihao Crystal. Ms. Li graduated from Northeast School of Engineering in 1980, majoring in metallic material. Ms. Li joined the Group in January 1999. She has over 10 years of experience in production.

Mr. Li Yingkui, aged 44, is the general manager of Jinzhou Yuancheng. Mr. Li graduated from Dalian Transport University in 1987, majoring in Professional in Machinery Manufacturing Technique. Mr. Li joined GBT in 1999 and engaged in the management of various business including corn sweeteners, modified starch and also corn refinery. Mr. Li became the general manager of Jinzhou Yuancheng in May 2007. He has over 10 years' experience in corn refinery industry.

Mr. Nie Zhiguo, aged 38, is the general manager of Jinzhou Dacheng Food Development Co., Ltd.. Mr. Nie obtained a master degree in University of Electronic Science and Technology of China, the School of Computer Science and Engineering, in 2000. He joined GBT in 1997. He has over 12 years of experience in corn refinery and sweeteners industries. Mr. Nie joined the Group in 2001, after his appointment as Production Engineer in Global Bio-chem — Cargill High Fructose (Shanghai) Co., Ltd..

Mr. Wen Gang, aged 38, is the deputy general manager of Changchun Dihao and Dihao Crystal, responsible for the operations including production planning, cost control and product development. Mr. Wen graduated from Liaoning University in 2000, majoring in Business Administration. He joined the Group in March 2005. Mr. Wen has about 10 years of experience in production and corn refinery and sweeteners industry.

CORPORATE GOVERNANCE REPORT

Global Sweeteners Holdings Limited (the "Company") is committed to ensuring high standards of corporate governance in the interests of shareholders and devoting considerable effort to identify and formalise best practices.

CODE ON CORPORATE GOVERNANCE PRACTICES

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.

THE BOARD

Members' Attendance of Board and Committee Meetings for the year 2009.

	Meetings Attended and Held		
	Board Meeting	Audit Committee	Remuneration Committee
Executive Directors			
Kong Zhanpeng	8/11		3/3
Zhang Fazheng	10/11		
Zhang Fusheng*	10/10		
Wang Guifeng	9/11		
Lee Chi Yung**	1/1		
Independent non-executive Directors			
Chan Yuk Tong	10/11	2/2	
Gao Yunchun	8/11	2/2	3/3
Ho Lic Ki	11/11	2/2	3/3
Yan Man Sing Frankie***	3/5	1/1	

* resigned on 8 December 2009
** appointed on 8 December 2009
*** retired on 29 May 2009

As of the date of this report, the Board comprises seven Directors, being four executive Directors and three independent non-executive Directors. Other than Mr. Zhang Fazheng, being the father of Mr. Zhang Fusheng who has resigned as an executive Director on 8 December 2009, there is no relationship (including financial, business, family or other material/relevant relationship) between any of the Directors. Details of the biographies of each individual Directors and their range of specialist experience and expertise are set out on page 15 to 17 of this report.

The Company (which, together with its subsidiaries, collectively referred to as the "Group") believes that its independent non-executive Directors comprise a good mix of financial management, accounting and industry experts. The Board believes that such composition is ideally qualified to advise the management team on future strategic development, financial and other statutory requirements, and to act as guardians of shareholders' interest. The Board evaluates the independence of all independent non-executive Directors on an annual basis and has received written confirmation from each independent non-executive Director regarding his independence. As of the date of this report, the Board considers that all independent non-executive Directors to be independent.

The Board meets at least four times each year at approximately quarterly intervals to discuss the Group's overall strategy, operation and financial performance. Measures were taken to ensure that the Board is supplied in a timely manner with all necessary information in a form and of quality appropriate to enable it to discharge its duties. All Board meetings adhere to a formal agenda in which a schedule of matters is specifically addressed to the Board for its decision. Specific topics discussed at these quarterly Board meetings include: overall strategy; major acquisitions and disposals; annual budgets; interim and annual results; recommendations on Directors' appointment(s) or reappointment(s); matters relating to share capital; approval of major capital projects; dividend policies; and other significant operational and financial matters. All businesses transacted at individual Board meetings are recorded in the minutes of each meeting. All Board members have access to the advice and services of the company secretary. If necessary, Directors also have recourse to external professional advice at the Group's expense. During the intervals between Board meetings, individual Directors are provided with appraisals of all major changes that may affect the Group's businesses.

The Board decides on corporate strategies, approves overall business plans and supervises the Group's financial performance, management and organisation on behalf of the shareholders. Specific tasks that the Board delegates to the Group's management include the preparation of annual and interim accounts for the Board's approval; implementation of strategies approved by the Board; monitoring of operating budgets; implementation of internal controls procedures; and ensuring of compliance with relevant statutory requirements and other rules and regulations.

All new Directors, if any, will be briefed about the duties, responsibilities and obligations as a director of a listed company. Newly-appointed Directors are also encouraged to discuss with the chairman any additional information or training they may require, to more effectively discharge their duties.

In accordance with the articles of association of the Company, every member of the Board shall retire by rotation at the annual general meeting of the Company at least once every three years. The retiring Directors shall be eligible for re-election at the same annual general meeting.

The Board considers that the Group has sufficient and appropriate liability insurance to cover its Directors and senior management team against any legal liability arising from their performance of their duties.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Kong Zhanpeng is the Chairman of the Company. He is mainly responsible for providing leadership and directions to the Board while other executive Directors and senior management are responsible for overseeing the development and operation of the Group in Mainland China. The Company did not have any officer with the title "chief executive officer" until Mr. Zhang Fazheng was appointed as the Chief Executive Officer of the Group on 6 February 2009. Since his appointment as Chief Executive Officer, Mr. Zhang has been responsible for overseeing the Group's operation management and product development.

TERM OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of the independent non-executive Directors has been appointed for an initial term of two years commencing from 1 September 2007, except for Mr. Chan Yuk Tong who was appointed as an independent non-executive Director with effect from 1 June 2008. The terms of all independent non-executive Directors are renewable automatically for successive term of two years each commencing from the next day after the expiry of the then current term of appointment, unless terminated by not less than three months' notice in writing served by either the independent non-executive Director or the Company at any time during the then existing term.

DIRECTORS' REMUNERATION

During the Year, Directors' remuneration is as follows:

	2009 HK$'000	2008 HK$'000
Fees	**820**	1,100
Other emoluments:		
Salaries, allowances and benefits in kind	**4,340**	4,275
Performance related bonuses	**4,200**	2,980
Pension scheme contributions	**13**	12
	9,373	8,367

According to the Directors' service contracts, each of the executive Directors is entitled to a basic salary to an annual increment after 1 January 2009 at the discretion of the Directors of not more than 15% of the annual salary immediately prior to such increase. In addition, each of the executive Directors is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 5% of the audited combined or consolidated audited net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of the financial year of the Company. For the year ended 31 December 2009, the aggregate amount of the bonuses payable to the executive Directors amounted to approximately 4.9% (2008: 1.9%) of the net profit from ordinary activities attributable to shareholders.

(a) Independent Non-executive Directors

The fees paid to independent non-executive Directors during the Year were as follows:

	2009 HK$'000	2008 HK$'000
Chan Yuk Tong	**240**	140
Gao Yunchun	**240**	240
Ho Lic Ki	**240**	240
Fung Siu Wan Stella*	**–**	120
Yan Man Sing Frankie**	**100**	360
	820	1,100

* retired on 22 May 2008
** retired on 29 May 2009

There were no other emoluments payable to the independent non-executive Directors during the Year (2008: Nil).

(b) Executive Directors

The amount of remuneration paid to the executive Directors during the Year was as follows:

	Basic salaries, housing benefits, other allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension Scheme contributions HK$'000	Total remuneration HK$'000
2009				
Executive Directors:				
Kong Zhanpeng	2,760	3,000	12	5,772
Zhang Fazheng	471	700	—	1,171
Zhang Fusheng*	338	—	—	338
Wang Guifeng	720	—	—	720
Lee Chi Yung**	51	500	1	552
	4,340	4,200	13	8,553
2008				
Executive Directors:				
Kong Zhanpeng	2,760	2,500	12	5,272
Zhang Fazheng	210	—	—	210
Zhang Fusheng	360	—	—	360
Wang Guifeng	600	480	—	1,080
Ge Yanping***	345	—	—	345
	4,275	2,980	12	7,267

* resigned on 8 December 2009
** appointed on 8 December 2009
*** resigned on 17 December 2008

The Directors meet at least once every year to review the nomination procedures and the process and criteria adopted by the Board to select and recommend candidates for directorship.

During the meeting, the Board would review the structure, size and composition (including the skills, knowledge and experience) of the Board, identified suitable individuals to become Board members, assess the continual independence of independent non-executive Directors, having regard to the requirements under the applicable laws, rules and regulations and consider and recommend the re-election of the retiring Directors.

In selecting a suitable candidate to become a member of the Board, the Board will consider various criteria such as education, qualification, experience and reputation of such candidate.

During the Year, one Board meeting was held in relation to the nomination and appointment of Directors.

MODEL CODE FOR 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 of the Listing Rules (the ''Model Code'') set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by the Directors. Based on specific enquiry of the Directors, the Directors have complied with the required standard set out in the Model Code and the code of conduct throughout the accounting period covered by the annual report.

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.

INTERNAL CONTROL

The Board is entrusted with the overall responsibility for establishing and maintaining the Group's internal control systems and reviewing of its effectiveness. The role of the Group's management is to implement all policies on risk and control laid down by the Board.

The Group's internal control systems are designed to provide reasonable protection of the Group's assets, and to safeguard these assets against unauthorised use or disposition by ensuring that all such transactions are executed in accordance with management's authorisation. The systems also ensure that accounting records are sufficiently accurate for the preparation of financial information used for operation and for reporting purposes. The Group has adopted proper procedure with duly assigned levels of authority in areas of financial, operational and compliance controls and risk management to ensure that its assets and resources remain secure at all times.

The role of the Audit Committee is, through discussion with management and engagement of external consultants, to review the effectiveness of internal control systems, including financial, operational and compliance controls and risk management functions, and to report to the Board any significant risk issues.

In September 2009, the Board has engaged Grant Thornton Specialist Services Limited to conduct a review of the effectiveness of the system of internal control of the Group and report any weaknesses identified and recommending means for improvement to the Audit Committee. The Board has conducted a review of the effectiveness of the Group's internal control system based on the assessment of the Audit Committee and Grant Thornton Specialist Services Limited.

REMUNERATION COMMITTEE

The members of the remuneration committee include an executive Director, Mr. Kong Zhanpeng and two independent non-executive Directors, Mr. Ho Lic Ki and Mr. Gao Yunchun. Mr. Kong Zhanpeng is the chairman of the remuneration committee. The duties of the remuneration committee are, among others, to make recommendations to the Board on the Group's policy and structure for the remuneration of Directors and senior management and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

In 2009, the remuneration committee held three meetings to review and approve the remuneration packages of the Directors and the senior management.

REMUNERATION POLICY

The primary objective of the Group's remuneration policy is to retain and motivate executive Directors by linking their remuneration with the Group's performance and to evaluate their remuneration against corporate goals, so that the interests of the executive Directors are aligned with those of shareholders. No Director is allowed to approve his or her own remuneration.

CONTINUING CONNECTED TRANSACTIONS EXECUTIVE COMMITTEE

As at the date of this report, the CCT Executive Committee comprises two executive Directors, namely Mr. Lee Chi Yung and Ms. Wang Guifeng, responsible for monitoring, review and management of the continuing connected transactions (the "CCT") between the Group on one part and GBT and its subsidiaries (other than the Group and the Company's jointly controlled entities) (collectively, the "GBT Group"). The main duties of the CCT Executive Committee are to prepare continuing connected transactions report and submitted to CCT Supervisory Committee on regular basis.

In 2009, the CCT Executive Committee held twelve meetings.

CCT SUPERVISORY COMMITTEE

The CCT Supervisory Committee comprising all independent non-executive Directors was established by the Board to supervise the CCT Executive Committee. The main responsibilities of the CCT Supervisory Committee, among others, are:

(1) to devise and revise detailed rules and guidelines ("Prescribed Guidelines") from time to time for the CCT Executive Committee to follow in order to ensure that the continuing connected transactions with GBT Group will be entered into in accordance with the respective agreements ("Master Agreement") entered into between the Group and the GBT Group, on normal commercial terms and on terms that are fair and reasonable and in the interests of the shareholders as a whole;

(2) to review, on a quarterly basis, the quarterly reports submitted by the CCT Executive Committee in relation to purchase of corn starch from the GBT Group by the Group and the sale of sorbitol and corn sweeteners by the Group to the GBT Group ("Proposed Sale and Purchase") as to whether they have been proceeded with in accordance with the Prescribed Guidelines (the "CCT Quarterly Report");

(3) in respect of the provision of utility services (the "Utility Services") by the GBT Group to the Group, to review the CCT Quarterly Report from the CCT Executive Committee as to how the fees have been charged by the GBT Group during the previous quarter, with evidence and detailed calculations as to the amount of costs and expenses actually incurred by the GBT Group, and to recommend the Board to take action in recovering any excessive fees charged by the GBT Group;

(4) in respect of the sales agency agency service (the "Sales Agency Services") by the GBT Group to the Group, to review the CCT Quarterly Report from the CCT Executive Committee as to how the fees have been charged by the GBT Group during the half-year period ended 30 June or 31 December, with evidence and detailed calculations as to the amount of costs and expenses actually incurred by the GBT Group; and

(5) to report its findings during its review of the CCT Quarterly Report to the Board and to give recommendations to the Board to ensure that the transactions will be entered into in the interests of the Group and the shareholders as a whole.

As approved by the Board on 13 January 2009, the revised Prescribed Guidelines were adopted by the Board and prevailing during the Year since its adoption. The principle terms of the revised Prescribed Guidelines are set out below:

(1) the Group shall not purchase corn starch from the GBT Group, or sell corn sweeteners and/or sorbitol to the GBT Group, or obtain the relevant utility services or sales agency services from the GBT Group, unless the GBT Group shall agree that the purchase/selling prices and fees payable and other commercial terms for these transactions shall be determined in the manner as prescribed under the Prescribed Guidelines.

(2) in respect of the purchase of corn starch from the GBT Group in slurry form:

    (i) for the Group's purchase of corn starch in slurry form from the GBT Group for any particular calendar month (the "Relevant Month"), the CCT Executive Committee shall obtain the then quotations and other major commercial terms (including credit terms offered) for supply of corn starch of comparable specifications and quantities in slurry form from at least one (or such number as may be required by the CCT Supervisory Committee from time to time) independent supplier by the end of the month immediately prior to the Relevant Month. The CCT Executive Committee shall, prior to the end of the Relevant Month and in any event on or before the price determination date as referred to in paragraph (iv) below, obtain the then quotations and major commercial terms from independent supplier(s) for supply of corn starch;

    (ii) if the quotations for supply of corn starch in slurry form obtained from the independent supplier(s) are exclusive of any of transportation, storage and/or insurance cost, the CCT Executive Committee shall estimate the additional unit cost to be incurred by the Group (whether by itself or through independent service provider(s)) in order for the Group to purchase the corn starch from such independent supplier (s) with supporting evidence ("Estimated Cost");

    (iii) the CCT Executive Committee shall obtain from the GBT Group the average unit selling price and other major commercial terms (including credit terms offered) for supply of corn starch of comparable quantities and specifications by the GBT Group to its independent customers during the Relevant Month up to the price determination date as referred to in paragraph (iv) below; and

    (iv) the total purchase price and the commercial terms in respect of corn starch supplied by the GBT Group in slurry form to the Group during the Relevant Month shall be calculated within five business days prior to the end of the Relevant Month, which shall be determined by the CCT Executive Committee by using the lower of (aa) the average unit selling price as referred to in paragraph (iii) above, less the unit transportation, storage, insurance, dehydration and/or packaging costs saved by reason of the supply of corn starch in slurry form which would otherwise be payable to the GBT Group by its independent customers; and (bb) the quotations from independent supplier(s) as referred to in paragraph (i) above plus the Estimated Cost (where applicable) for the Relevant Month, as the unit purchase price, and the most favourable terms to the Group among the commercial terms as referred to in paragraphs (i) and (iii) above as the terms of the purchase if corn starch from the GBT Group in slurry form for the Relevant Month.

(3) in respect of sales of corn sweeteners and sorbitol to the GBT Group for the Relevant Month, the unit selling price and other commercial terms in respect of corn sweeteners and sorbitol supplied by the Group to the GBT Group during the Relevant Month shall be determined by the CCT Executive Committee within five business days prior to the end of the Relevant Month in the following manner:

   (i) the CCT Executive Committee shall obtain market information regarding the market unit price of corn sweeteners and sorbitol of comparable specification and quantities for the Relevant Month;

   (ii) if there is insufficient information on market unit price available, the CCT Executive Committee shall obtain the average unit selling price and other major commercial terms offered by the Group to independent customers for sales of corn sweeteners and sorbitol of comparable specifications and quantities for the Relevant Month up to the price determination date as referred to in paragraph (3) above;

   (iii) where the above market unit pricing information or the unit selling price offered to independent customers relate to corn sweeteners and sorbitol of different specifications, the CCT Executive Committee shall make a detailed analysis as to how the unit selling prices should be determined with reference to the above market unit pricing information or the unit selling price offered by the Group to independent customers to ensure that the proposed selling price of corn sweeteners and sorbitol with such particular specifications is fair and reasonable and on normal commercial terms.

(4) the CCT Executive Committee shall submit to the CCT Supervisory Committee a quarterly report within 15 days from the end of each quarter in relation to the purchase of corn starch from, and the sales of corn sweeteners and sorbitol to, the GBT Group during the quarter.

(5) in the event that there is any deviation from the terms of the relevant Master Agreements and/or any non-compliance of the Prescribed Guidelines in respect of any continuing connected transactions entered into by any member of the Group during the period covered by the quarterly or, in respect of the sales agency services from the GBT Group only, half-yearly report (including but not limited to non-compliance of the pricing basis), as the CCT Supervisory Committee may consider appropriate to rectify such deviation or non-compliance.

(6) the auditors of the Group will be engaged to review the continuing connected transactions (other than the sales agency services from the GBT Group) on a quarterly basis, and the sales agency services from the GBT Group on a semi-annual basis, and shall report to the CCT Supervisory Committee the result of their review. Such report shall be in compliance with the requirements under Rule 14A.38 of the Listing Rules.

For principal terms of the Prescribed Guidelines prior to the adoption of the revised Prescribed Guidelines on 13 January 2009, please refer to the annual report of the Company dated 23 April 2009.

During the Year, four meetings were held by the CCT Supervisory Committee to review the CCT Quarterly Reports submitted by the CCT Executive Committee in respect of the Proposed Sale and Purchase, the Utility Services and the Sales Agency Services entered into by the Group with the GBT Group during the Year. Details of findings have been published on 15 May 2009, 27 August 2009, 2 December 2009 and 29 March, 2010. As reported by the CCT Supervisory Committee, (i) the Proposed Sale and Purchase conducted during the Year were in line with the Prescribed Guidelines; (ii) the fees charged by the GBT Group in respect of the Utility Services and the Sales Agency Services rendered during the Year had been charged in accordance with the relevant Master Agreements; and (iii) there was no other matter that needs to be brought to the attention of the shareholders of the Company.

ACCOUNTABILITY AND AUDIT

The Directors are responsible for overseeing the preparation of accounts of each financial year, which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that year. In preparing the accounts for the year ended 31 December 2009, the Directors have selected suitable accounting policy and applied them consistently, approved adoption of all Hong Kong Financial Reporting Standards, made judgments and estimates that are appropriate, and prepared the accounts on the going concern basis.

The Group has announced its annual and interim results in a timely manner within the limits of four months and three months respectively after the end of the relevant period, as laid down in the Listing Rules.

AUDITORS' REMUNERATION

For the year ended 31 December 2009, approximately HK$2,076,000 was incurred as remuneration to Ernst & Young for the provision of audit services and audit related remuneration of approximately HK$261,000 was paid to other certified public accountant firms for the provision of audit services of the subsidiaries of the Company located in Mainland China. During the Year, the following amounts were paid as remuneration to Ernst & Young and other certified public accountant firms for the provision of non-audit related services to the Group:

	HK$'000
Taxation	60
Others	661
Total	721

COMMUNICATION WITH SHAREHOLDERS

The Group establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports, information on the Stock Exchange, a corporate website, and general and investor meetings held either face-to-face or via telephone conference calls. The Group reports to its shareholders twice a year and maintains a regular dialogue with investors.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of Directors. Details of the proposed resolutions are contained in the circular.

DIRECTORS' AND AUDITORS' ACKNOWLEDGEMENT

All Directors acknowledge their responsibility for preparing the accounts for the year ended 31 December 2009.

The auditors of the Company acknowledge their reporting responsibilities in the auditors' report on the financial statements for the year ended 31 December 2009.

The directors present their report and the audited financial statements of Global Sweeteners Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is involved in the manufacture and sale of corn refined products, corn based sweetener products, and cattle breeding and beef selling. Details of the principal activities of the principal subsidiaries are set out in note 17 to the financial statements. During the year, the Group commenced cattle breeding and beef selling business.

RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2009 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 39 to 108.

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. This recommendation has been incorporated in the financial statements as an allocation of retained profits within the equity section of the statement of financial position.

SUMMARY FINANCIAL INFORMATION

A summary of the published results and assets, liabilities and minority interests of the Group for the year ended 31 December 2009 and the published combined financial information of the Group for the four years ended 31 December 2005, 2006, 2007 and 2008, as extracted from the audited financial statements or the prospectus of the Company dated 10 September 2007, and restated as appropriate, is set out on page 109. This summary does not form part of the audited financial statements.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

SHARE CAPITAL AND SHARE OPTIONS

Details of movements in the Company's share capital and share options during the year are set out in note 28 and note 30 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

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.

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 29 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

At 31 December 2009, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) ("Companies Law") of the Cayman Islands, amounted to approximately HK$713,212,000 of which HK$10,493,000 has been proposed as a final dividend for the year. Under the Companies Law of the Cayman Islands, the share premium account of the Company of approximately HK$579,388,000 as at 31 December 2009 is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The Company's share premium account may be distributed in the form of fully paid bonus shares.

MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 38% of the total sales for the year and sales to the largest customer included therein accounted for 23% of the total sales of the year. Purchases from the Group's five largest suppliers accounted for 59% of the total purchases for the year, and purchases from the largest supplier included therein accounted for 29% of the total purchases of the year.

Except for Global Bio-chem Technology Group Company Limited and its subsidiaries (the "GBT Group") and Mr. Kong Zhanpeng (the Chairman of the Company), no other directors of the Company or any of their associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers.

DIRECTORS

The directors of the Company during the year were:

Executive directors:
Kong Zhanpeng
Zhang Fazheng
Zhang Fusheng (Resigned on 8 December 2009)
Wang Guifeng
Lee Chi Yung (Appointed on 8 December 2009)

Independent non-executive directors:
Chan Yuk Tong
Ho Lic Ki
Gao Yunchun
Yan Man Sing Frankie (Retired on 29 May 2009)

In accordance with articles 108(A) of the Company's articles of association and Mr. Zhang Fazheng, being executive director, and Mr. Ho Lic Ki and Mr. Gao Yunchun, both being independent non-executive directors, will retire by rotation at the forthcoming annual general meeting on 31 May 2010. All the directors, being eligible, will offer themselves for re-election at the annual general meeting.

In accordance with article 112 of the Company's articles of association, the office of Mr. Lee Chi Yung, being an executive director, will end at the annual general meeting on 31 May 2010. Mr. Lee Chi Yung, being eligible, will offer himself for re-election at the annual general meeting.

The Company has received annual confirmations of independence from Mr. Chan Yuk Tong, Mr. Ho Lic Ki and Mr. Gao Yunchun, and as at the date of this report still considers them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors of the Company and the senior management of the Group are set out on pages 15 to 17 of the annual report.

DIRECTORS' SERVICE CONTRACTS

Three of the executive directors, Mr. Kong Zhanpeng, Mr. Zhang Fusheng and Ms. Wang Guifeng have entered into service contracts with the Company for a term of three years which commenced on 1 September 2007. Two of the executive directors, Mr. Zhang Fazheng and Mr. Lee Chi Yung have entered into service contracts with the Company for a term of three years which commenced on 1 June 2008 and 8 December 2009, respectively. Each of the executive directors is subject to termination by either party giving not less than three months' written notice. The service contract of Mr. Zhang Fusheng was terminated on 8 December 2009 upon his resignation as an executive director.

Two of the independent non-executive directors, Mr. Ho Lic Ki and Mr. Gao Yunchun, have entered into appointment letters with the Company for a term of two years which commenced on 1 September 2009. One of the independent non-executive directors, Mr. Chan Yuk Tong has entered into an appointment letter with the Company for a term of two years which commenced on 1 June 2008. Each of the independent non-executive directors is subject to termination by either party giving not less than three months' written notice.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Company's board of directors with reference to directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save that Mr. Kong Zhanpeng, an executive Director, was indirectly interested in the contracts made between the Group and the GBT Group as disclosed in the paragraph headed "Continuing connected transactions" of this report by virtue of his interest in GBT, no director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or were in existence during the year.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme became effective on 3 September 2007 and, unless otherwise cancelled or amended, will remain in force 10 years from that date.

The following share options were outstanding under the Scheme of the Company during the year:

	Number of share options							Price of Company's shares			
Participants	At 1 January 2009	Lapsed during the year	Exercised during the year	At 31 December 2009	Date of grant of share options	Exercise period of share options	Vesting period of share options	Exercise price of share options HK$ per share	Immediately before the grant date HK$ per share	Weighted average closing price immediately before the exercise date HK$ per share	At exercise date of options HK$ per share
Lee Chi Yung	3,000,000	–	–	3,000,000	7 July 2008	7 July 2008 to 6 July 2011	–	1.59	1.63	N/A	N/A
Employees	330,000	–	–	330,000	7 July 2008	7 July 2008 to 6 July 2011	–	1.59	1.63	N/A	N/A
Employee	100,000	(100,000)	–	–	7 July 2008	1 March 2009 to 6 July 2011	7 July 2008 to 1 March 2009	1.59	1.63	N/A	N/A
Employee	100,000	(100,000)	–	–	7 July 2008	14 April 2009 to 6 July 2011	7 July 2008 to 14 April 2009	1.59	1.63	N/A	N/A
Employees	4,642,000	–	(4,274,000)	368,000	17 September 2008	17 September 2009 to 16 September 2011	17 September 2008 to 17 September 2009	0.99	0.87	1.57	1.61
	8,172,000	(200,000)	(4,274,000)	3,698,000							

Note : The options granted to Mr. Lee Chi Yung were categorised under "Employees" in the annual report for the year ended 31 December 2008. Mr. Lee Chi Yung was appointed as an executive Director with effect from 8 December 2009.

At 31 December 2009, the options granted to subscribe for 3,698,000 Shares remained outstanding, representing approximately 0.35% of the issued share capital of the Company at that date. No options to subscribe for Shares have been granted or cancelled during the year ended 31 December 2009.

As at the date of this annual report, 3,330,000 Shares were available for issue under the Scheme, representing approximately 0.32% of the issued share capital of the Company at that date.

Further details of the Scheme are disclosed in note 30 to the financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 31 December 2009, the interests and share positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong ("SFO")) of the directors and chief executive of the Company which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which are required pursuant to Section 352 of the SFO to be entered in the register referred to therein ("Model Code"), or which are required pursuant to the Model Code for Securities Transactions by directors of Listed Issuers to be notified to the Company and the Stock Exchange are as follows:

Name of director	The company/ name of associated corporation	Capacity/ nature of interest	Number and class of securities held (Note 1)	Percentage of the relevant class of issued share capital of the Company/ associated corporation
Kong Zhanpeng	Global Bio-chem Technology Group Company Limited ("GBT")	Beneficial owner	13,040,000 ordinary shares of HK$0.10 each (L)	0.56
	GBT	Interest of a controlled corporation	172,800,000 ordinary shares of HK$0.10 each (L) (Note 2)	7.45
Lee Chi Yung	The Company	Beneficial owner	3,000,000 shares (L) (Note 3)	0.29

Notes:

1. The letter "L" represents the director's interests in the shares and underlying shares of the Company or its associated corporation.

2. These shares are held by Hartington Profits Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Mr. Kong Zhanpeng.

3. These shares are underlying shares comprised in the options granted to Mr. Lee Chi Yung pursuant to the Scheme.

Saved as disclosed above, as at 31 December 2009, none of the directors and the chief executive of the Company has any interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which are required to be notified to the Company and the Stock Exchange by the Model Code for Securities Transactions by directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors Interest and Short Positions in Shares and Underlying Shares" above, at no time during the year were rights to acquired benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or any person in whose shares and debentures any directors is deemed to be interested under Part XV of the SFO, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS IN SHARES AND UNDERLING SHARES

At 31 December 2009, so far as is known to the directors, the following persons (other than the directors) had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity/nature of interest	Number of Shares held (Note 1)	Percentage of Company's issued share capital
Global Corn Bio-chem Technology Company Limited ("Global Corn Bio-chem")	Beneficial owner	700,000,000 shares of HK$0.10 each (L)	66.70
GBT	Interest of a controlled corporation (Note 2)	700,500,000 shares of HK$0.10 each (L)	66.76

Notes:

1. The letter "L" denotes the person's interest in the share capital of the Company.

2. These shares are registered in the name of Global Corn Bio-chem, which is a wholly-owned subsidiary of GBT. Therefore, GBT is deemed to be interested in all the shares in which Global Corn Bio-chem is interested according to the SFO.

Saved as disclosed above, no person, other than the directors and chief executive of the Company has, as of 31 December 2009, registered an interest or short position in the shares or underlying shares of the Company that is required to be disclosed pursuant to Section 336 of the SFO.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had continuing connected transactions that needed to be disclosed in compliance with the requirements under Chapter 14A of the Listing Rules.

Sales to and purchase from the GBT Group

Members of the GBT Group are the Group's suppliers and customers. During the year, the Group had the following continuing connected transactions with the GBT Group:

Supply of sorbitol

Pursuant to the sorbitol master purchase agreement dated 7 May 2007, the GBT Group has been sourcing sorbitol from Changchun Dacheng Polyols Co., Ltd. ("CDP") a company wholly-owned by Global Sorbitol (H.K.) Company Limited ("Global Sorbitol (Hong Kong)") as one of the principal production materials for production of its polyol products. During the Year, sales of sorbitol by CDP to the GBT Group amounted to HK$18 million. Global Sorbitol (Hong Kong) became a wholly owned subsidiary of the Company from 18 February 2009.

Sourcing of utilities services

Pursuant to the two utilities master supply agreements dated 3 September 2007, the GBT Group provided utility services including electricity, water, steam and wastewater treatment services to all of its subsidiaries at Changchun, including the Group's production plants at Changchun. During the Year, amounts payable by the Group and CDP in respective of provisions of these utilities services by the GBT Group amounted to HK$94 million.

Purchase of corn starch

Pursuant to the corn starch master purchase agreement date 3 September 2007, the Group has been sourcing corn starch either in the form of starch powder or starch slurry, from the GBT Group as one of the principal production materials for the Group's production. During the Year, purchase of corn starch from the GBT Group by the Group amounted to HK$692 million.

Supply of corn sweeteners

Pursuant to the corn sweeteners master sales agreement dated 3 September 2007, the GBT Group has been sourcing corn sweeteners from the Group as one of the principal production materials for the production of its amino acid and polyol products. During the Year, sales of corn sweeteners by the Group to the GBT Group amounted to HK$607 million.

Sales agency service

Pursuant to the sales agency agreement dated 24 September 2008 ("Sales Agency Agreement"), the GBT Group has been providing sales agency service to Jinzhou Yuancheng, a wholly owned subsidiary of the Company, for the sale of corn starch and other co-products. During the Year, the fee paid by Jinzhou Yuancheng for the sales agency service amounted to HK$4 million.

The GBT Group holds in aggregate 66.76% interest in the share capital of the Company. The above transactions constituted continuing connected transactions under Chapter 14A of the Listing Rules.

The independent non-executive directors of the Company have reviewed the continuing connected transactions set out above and have confirmed that these continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole; and (iv) the aggregate consideration charged by or to the Group in respect of the continuing connected transactions during the year had not exceeded the respective caps as set out in the Prospectus. The auditors of the Company have confirmed that the continuing connected transactions have complied with the matters as set out in Rule 14A.38 of the Listing Rules.

Other than the aforementioned continuing connected transactions, the related party transactions disclosed in note 35 to the financial statements are either exempted connected continuing transactions or non-exempted continuing connected transactions which have complied with the requirement of Chapter 14A of the Listing Rules, saved for the sales commission paid to a related company.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Mr. Kong Zhanpeng, an executive Director, is interested in approximately 7.45% of the issued share capital of GBT through his interest in Hartington Profits Limited. The GBT Group is engaged in, among other things, the production and sale (the "Excluded Business") of corn starch, steepwater liquid, corn oil, germ cake, corn fibre feed, corn gluten meal, corn gluten feed pellets and other co-products ("Co-Products"). Pursuant to a non-compete undertaking given by GBT and Global Corn Bio-chem dated 3 September 2007 in favour of the Group (as supplemented by a waiver executed by the Company to GBT and Global Corn Bio-chem dated 24 September 2008), the GBT Group is restricted from engaging in any business that may compete with the business of the Group from time to time.

The Group is principally engaged in the manufacture and sale of various corn sweeteners, which are classified into three categories: corn syrup (glucose syrup, maltose syrup and high fructose corn syrup), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol). The production and sale of corn starch and Co-Products are not the core business of the Group and the management team of the Group is independent from the management team of the GBT Group. The core business of the Group is not dependent or otherwise rely on the sales of corn starch and/or the Co-products, and since Mr. Kong Zhanpeng does not hold any directorship or managerial position in the GBT Group and is not involved in the management and operation of the GBT Group (including the Excluded Business), the Directors consider that the Group is capable of carrying on its own business independently of, and at arm's length from, the Excluded Business.

In order to facilitate the Group's sale of corn starch and Co-Products to its customers at arm's length from the GBT Group's Excluded Business and protect the Group from any possible direct and indirect competition from the GBT Group in respect of the Excluded Business, Jinzhou Yuancheng, a wholly-owned subsidiary of the Company, and Global Corn Bio-chem have entered into the Sales Agency Agreement on 24 September 2008. Under the Sales Agency Agreement, Jinzhou Yuancheng has appointed Global Corn Bio-chem (for itself and on behalf of the GBT Group) as its exclusive agent for the sale of the Co-products and corn starch in excess of its internal consumption from time to time produced by Jinzhou Yuancheng from 24 September 2008 to 31 December 2010, subject to renewal by Jinzhou Yuancheng. Under the Sales Agency Agreement, the GBT Group would use its best endeavours to procure the sale and marketing of the Co-products and corn starch as exclusive agent of Jinzhou Yuancheng, and would sell the Co-products and corn starch produced by Jinzhou Yuancheng in priority to any Co-products and corn starch produced by any members of the GBT Group (other than those goods produced by Global Corn or any member of the GBT Group for sales in Jilin and Heilongjiang Provinces of the PRC). Jinzhou Yuancheng would reimburse the GBT Group's for its costs for the performance of its obligations under the Sales Agency Agreement, and there would not be any other agency fee payable to the GBT Group for the services rendered.

During the year and up to the date of this report, save as disclosed above, no director of the Company is considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group, pursuant to the Listing Rules, other than those businesses of which the directors of the Company were appointed as directors to represent the interests of the Company and/or the Group.

EVENTS AFTER THE REPORTING PERIOD

Details of the significant events after the reporting period of the Group are set out in note 38 to the financial statements.

AUDITORS

Ernst & Young retire and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

ON BEHALF OF THE BOARD

Kong Zhanpeng
Chairman

Hong Kong
22 April 2010

ERNST & YOUNG
安 永

To the shareholders of Global Sweeteners Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the financial statements of Global Sweeteners Holdings Limited set out on pages 39 to 108, which comprise the consolidated and company statements of financial position as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

(continued)

To the shareholders of Global Sweeteners Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants

18th Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

22 April 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
REVENUE	5	**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	5	**18,624**	30,896
Excess over the cost of a business combination	31	**—**	23,703
Selling and distribution costs		**(108,877)**	(70,427)
Administrative expenses		**(75,928)**	(58,911)
Other expenses		**(3,259)**	1,779
Finance costs	7	**(34,232)**	(39,237)
Share of profits of jointly controlled entities	18	**3,312**	5,677
PROFIT BEFORE TAX	6	**106,845**	175,912
Income tax expense	10	**(20,643)**	(21,542)
PROFIT FOR THE YEAR		**86,202**	154,370
OTHER COMPREHENSIVE INCOME			
Gain on property revaluation	14	**17,461**	—
Income tax effect	27	**(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
Profit attributable to:			
Owners of the Company	11	**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	13	**HK$0.082**	HK$0.148
Diluted	13	**HK$0.082**	HK$0.148

Details of the dividends payable and proposed for the year are disclosed in note 12 to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2009

	Notes	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment	14	**1,199,849**	1,243,713	503,728
Prepaid land premiums	15	**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	16	**183,538**	183,538	149,950
Deferred tax assets	27	**26**	987	—
Breeding biological assets	19	**7,949**	—	—
Interests in jointly controlled entities	18	**94,465**	91,634	125,731
Total non-current assets		**1,601,371**	1,635,314	804,329
CURRENT ASSETS				
Inventories	20	**367,160**	241,356	40,231
Trade and bills receivables	21	**428,972**	237,986	204,939
Prepayments, deposits and other receivables	22	**79,268**	59,293	18,736
Trading biological assets	19	**1,219**	—	—
Due from jointly controlled entities		**484**	2,460	52,911
Due from the immediate holding company	35	**22,230**	21,085	21,085
Due from fellow subsidiaries	35	**53,380**	45,456	128,051
Tax recoverable		**3,242**	11,133	—
Cash and cash equivalents	23	**296,556**	423,113	887,595
Total current assets		**1,252,511**	1,041,882	1,353,548
CURRENT LIABILITIES				
Trade payables	24	**48,831**	65,069	32,007
Other payables and accruals	25	**132,670**	99,507	52,007
Interest-bearing bank borrowings	26	**629,775**	341,573	156,250
Due to fellow subsidiaries	35	**174,884**	139,753	3,328
Due to the ultimate holding company	35	**3,189**	168,539	54,284
Due to jointly controlled entities		**101**	86	8,411
Due to the immediate holding company	35	**—**	—	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
NON-CURRENT LIABILITIES				
Interest-bearing bank borrowings	26	**171,348**	280,899	368,750
Deferred tax liabilities	27	**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	28	**104,927**	104,500	104,500
Reserves	29(a)	**1,514,659**	1,421,024	1,175,968
Proposed final dividends	12	**10,493**	—	—
		1,630,079	1,525,524	1,280,468
Minority interests		**5,716**	—	—
Total equity		**1,635,795**	1,525,524	1,280,468

Kong Zhanpeng
Director

Lee Chi Yung
Director

Year ended 31 December 2009

	Attributable to owners of the Company										
	Issued share capital	Share premium account	Asset revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2008	104,500	574,473*	12,253*	56,843*	60,453*	–*	471,946*	–	1,280,468	–	1,280,468
Total comprehensive income for the year	–	–	–	–	88,694	–	154,370	–	243,064	–	243,064
Equity-settled share option arrangement	–	–	–	–	–	1,992	–	–	1,992	–	1,992
Transfer from retained profits	–	–	–	20,546	–	–	(20,546)	–	–	–	–
At 31 December 2008 and 1 January 2009	104,500	574,473*	12,253*	77,389*	149,147*	1,992*	605,770*	–	1,525,524	–	1,525,524
Total comprehensive income for the year	–	–	12,281	398	1,079	–	85,681	–	99,439	521	99,960
Equity-settled share option arrangement	427	4,915	–	–	–	(325)	99	–	5,116	–	5,116
Establishment of a subsidiary	–	–	–	–	–	–	–	–	–	5,195	5,195
Proposed final 2009 dividend (note 12)	–	–	–	–	–	–	(10,493)	10,493	–	–	–
Transfer from retained profits	–	–	–	10,518	–	–	(10,518)	–	–	–	–
At 31 December 2009	104,927	579,388*	24,534*	88,305*	150,226*	1,667*	670,539*	10,493	1,630,079	5,716	1,635,795

Certain subsidiaries which were established in the PRC are required to transfer 10% of their profits after tax calculated in accordance with the PRC accounting regulations to their respective statutory reserve funds until they reach 50% of their respective registered capital, upon which any further appropriation is at the directors' recommendation. Such reserves may be used to reduce any losses incurred by the subsidiaries or may be capitalised as paid-up capital of the subsidiaries.

* These reserves accounts comprise the consolidated reserves of the Group of HK$1,514,659,000 at the end of the reporting period of 31 December 2009 (31 December 2008: HK$1,421,024,000; 1 January 2008: HK$1,175,968,000).

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2009

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax:		**106,845**	175,912
Adjustments for:			
Finance costs	7	**34,232**	39,237
Equity-settled share option arrangement	30	**885**	1,992
Excess over the cost of a business combination	31	**—**	(23,703)
Bank interest income	5	**(805)**	(10,326)
Depreciation	14	**84,939**	53,306
Gain on disposal of items of property, plant and equipment	6	**(244)**	—
Gain on disposal of breeding biological assets	6	**(213)**	—
Amortisation of prepaid land premiums	15	**4,724**	1,979
Share of profits of jointly controlled entities	18	**(3,312)**	(5,677)
Impairment/(write-back) of trade receivables	21	**2,680**	(1,710)
(Write-back)/write-down of inventories to net realisable value		**(4,553)**	3,948
		225,178	234,958
Increase in inventories		**(121,251)**	(21,591)
Increase in trading biological assets		**(1,219)**	—
(Increase)/decrease in trade and bills receivables		**(193,666)**	126,275
Increase in prepayments, deposits and other receivables		**(17,280)**	(29,617)
(Decrease)/increase in trade payables		**(16,238)**	13,374
Increase/(decrease) in other payables and accruals		**33,163**	(26,785)
(Increase)/decrease in amounts due from fellow subsidiaries		**(28,405)**	11,402
Decrease in amounts due from jointly controlled entities		**833**	46,309
Increase in amounts due to fellow subsidiaries		**131,228**	17,812
Increase/(decrease) in amounts due to jointly controlled entities		**15**	(5,436)
Cash generated from operations		**12,358**	366,701
Interest received		**805**	10,326
Overseas taxes paid		**(15,112)**	(11,960)
Net cash flows (used in)/from operating activities		**(1,949)**	365,067
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(31,678)**	(141,109)
Proceeds from disposal of items of property, plant and equipment		**787**	584
Purchases of items of breeding biological assets	19	**(8,853)**	—
Proceeds from disposal of breeding biological assets		**1,117**	—
Business combination	31	**(100,000)**	(286,590)
Proceed from establishment of a subsidiary		**5,195**	—
Net cash flows used in investing activities		**(133,432)**	(427,115)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		**520,224**	362,921
Repayment of bank borrowings		**(341,573)**	(756,179)
Interest paid		**(34,232)**	(39,237)
Equity-settled share option arrangement	28	**4,231**	—
Decrease/(increase) in amounts due from fellow subsidiaries		**20,482**	(12,736)
Decrease in amounts due from jointly controlled entities		**1,143**	8,303
Increase in an amount due from the ultimate holding company		**(1,145)**	—
Decrease in an amount due to the ultimate holding company		**(165,350)**	(66,083)
Decrease in amounts due to jointly controlled entities		**—**	(2,889)
Increase in amounts due to fellow subsidiaries		**3,902**	49,452
Net cash flows from/(used in) financing activities		**7,682**	(456,448)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(127,699)**	(518,496)
Cash and cash equivalents at beginning of year		**423,113**	887,595
Effect of foreign exchange rate changes, net		**1,142**	54,014
CASH AND CASH EQUIVALENTS AT END OF YEAR		**296,556**	423,113
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	**256,438**	166,415
Pledged deposit	23	**40,118**	256,698
		296,556	423,113

31 December 2009

	Notes	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
NON-CURRENT ASSETS				
Investments in subsidiaries	17	**501,866**	520,936	513,163
Total non-current assets		**501,866**	520,936	513,163
CURRENT ASSETS				
Due from the ultimate holding company		**81,800**	11,800	126,054
Due from subsidiaries		**1,074,637**	591,474	279,611
Prepayments, deposits and other receivables	22	**2,708**	236	1,613
Cash and cash equivalents	23	**77,853**	208,951	527,470
Total current assets		**1,236,998**	812,461	934,748
CURRENT LIABILITIES				
Interest-bearing bank borrowings	26	**50,000**	200,000	—
Due to subsidiaries		**310,191**	—	—
Other payables and accruals	25	**14,345**	5,237	5,656
Total current liabilities		**374,536**	205,237	5,656
NET CURRENT ASSETS		**862,462**	607,224	929,092
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,364,328**	1,128,160	1,442,255
NON-CURRENT LIABILITIES				
Financial guarantee contracts		**2,827**	5,217	—
Interest-bearing bank borrowings	26	**50,000**	—	300,000
Total non-current liabilities		**52,827**	5,217	300,000
Net assets		**1,311,501**	1,122,943	1,142,255
EQUITY				
Issued capital	28	**104,927**	104,500	104,500
Reserves	29(b)	**1,196,081**	1,018,443	1,037,755
Proposed final dividends	12	**10,493**	—	—
Total equity		**1,311,501**	1,122,943	1,142,255

Kong Zhanpeng
Director

Lee Chi Yung
Director

31 December 2009

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 registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company is located at Unit 2403, Admiralty Centre, Tower 2, 18 Harcourt Road, Hong Kong. The Group was involved in the manufacture and sale of corn refined products, corn based sweetener products, and cattle breeding and beef selling.

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 IMPACT FROM NEW AND REVISED ACCOUNTING STANDARDS

The Group has adopted the following new and revised HKFRSs for the first time for the current year's 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*

2.2 IMPACT FROM NEW AND REVISED ACCOUNTING STANDARDS (continued)

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, and except for the changes to the accounting policy as further described below in note 2.5, 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 4.

(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.

31 December 2009

2.3 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 Standards*[1]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*[2]
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*[4]
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash— settled Share-based Payment Transactions*[2]
HKFRS 3 (Revised)	*Business Combinations*[1]
HKFRS 9	*Financial Instruments*[6]
HKAS 24 (Revised)	*Related Party Disclosures*[5]
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*[1]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*[3]
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[5]
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*[1]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[4]
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to sell the controlling interest in a subsidiary*[1]
HK Interpretation 4 (Revised in December 2009)	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*[2]

Apart from the above, the HKICPA has issued *Improvements to HKFRSs 2009* which sets out amendments to a number of HKFRSs primarily with a view to removing inconsistencies and clarifying wording. The amendments to HKFRS 2, HKAS 38, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16 are effective for annual periods beginning on or after 1 July 2009 while the amendments to HKFRS 5, HKFRS 8, HKAS 1, HKAS 7, HKAS 17, HKAS 36 and HKAS 39 are effective for annual periods beginning on or after 1 January 2010 although there are separate transitional provisions for each standard or interpretation.

1 Effective for annual periods beginning on or after 1 July 2009
2 Effective for annual periods beginning on or after 1 January 2010
3 Effective for annual periods beginning on or after 1 February 2010
4 Effective for annual periods beginning on or after 1 July 2010
5 Effective for annual periods beginning on or after 1 January 2011
6 Effective for annual periods beginning on or after 1 January 2013

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity whose financial and operating policies the Company controls, directly or indirectly, so as to obtain benefits from its activities.

The results of subsidiaries are included in the Company's statement of comprehensive income to the extent of dividends received and receivable. The Company's investments in subsidiaries are stated at cost less any impairment losses.

Joint ventures

A joint venture is an entity set up by contractual arrangement, whereby the Group and other parties undertake an economic activity. The joint venture operates as a separate entity in which the Group and the other parties have an interest.

The joint venture agreement between the venturers stipulates the capital contributions of the joint venture parties, the duration of the joint venture entity and the basis on which the assets are to be realised upon its dissolution. The profits and losses from the joint venture's operations and any distributions of surplus assets are shared by the venturers, either in proportion to their respective capital contributions, or in accordance with the terms of the joint venture agreement.

A joint venture is treated as:

(a) a subsidiary, if the Group has unilateral control, directly or indirectly, over the joint venture;

(b) a jointly controlled entity, if the Group does not have unilateral control, but has joint control, directly or indirectly, over the joint venture;

(c) an associate, if the Group does not have unilateral or joint control, but holds, directly or indirectly, generally not less than 20% of the joint venture's registered capital and is in a position to exercise significant influence over the joint venture; or

(d) an equity investment accounted for in accordance with HKAS 39, if the Group holds, directly or indirectly, less than 20% of the joint venture's registered capital and has neither joint control of, nor is in a position to exercise significant influence over, the joint venture.

Jointly controlled entities

A jointly controlled entity is a joint venture that is subject to joint control, resulting in none of the participating parties having unilateral control over the economic activity of the jointly controlled entity.

The Group's interests in its jointly controlled entities are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of jointly controlled entities is included in the consolidated statement of comprehensive income and consolidated reserves, respectively.

The results of jointly-controlled entities are included in the Company's statement of comprehensive income to the extent of dividends received and receivable. The Company's interests in jointly-controlled entities are treated as non-current assets and are stated at cost less any impairment losses.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the cost of the business combination over the Group's interest in the net fair value of the acquirees' identifiable assets acquired, and liabilities and contingent liabilities assumed as at the date of acquisition.

Goodwill arising on acquisition is recognised in the consolidated statement of financial position as an asset, initially measured at cost and subsequently at cost less any accumulated impairment losses.

The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill forms part of a cash-generating unit (group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Excess over the cost of business combinations

Any excess of the Group's interest in the net fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over the cost of acquisition of subsidiaries (previously referred to as negative goodwill), after reassessment, is recognised immediately in the statement of comprehensive income.

Impairment of non-financial assets other than goodwill

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, biological assets, financial assets and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the consolidated statement of comprehensive income in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets other than goodwill (continued)
An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the consolidated statement of comprehensive income in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties
A party is considered to be related to the Group if:

(a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;

(b) the party is an associate;

(c) the party is a jointly controlled entity;

(d) the party is a member of the key management personnel of the Group;

(e) the party is a close member of the family of any individual referred to in (a) or (d); or

(f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

Property, plant and equipment and depreciation
Property, plant and equipment, other than construction in progress, are stated at cost or valuation less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated statement of comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the consolidated statement of comprehensive income. Any subsequent revaluation surplus is credited to the consolidated statement of comprehensive income to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold buildings	2%
Plant and machinery	6.7%
Leasehold improvements, furniture, office equipment and motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated statement of comprehensive income in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents plant under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Biological assets

Biological assets represent breeding cattle recorded as non-current assets and trading cattle recorded as current assets. The biological assets are measured at their fair value on initial recognition and at the end of each reporting period less estimated costs to sell. The fair values of the biological assets are determined based on the most recent market transaction prices. Change in fair value less estimated costs to sell of a biological asset is included in the statement of comprehensive income for the period in which it arises.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under the operating leases net of any incentives received from the lessor are charged to the consolidated statement of comprehensive income on the straight-line basis over the lease terms.

Prepaid land premiums/land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as loans and receivables. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Group's financial assets include cash and cash equivalents, trade and bills receivables, prepayment, deposits and other receivables, amounts due from fellow subsidiaries, amounts due from jointly controlled entities and an amount due from the immediate holding company.

Subsequent measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance income in the statement of comprehensive income. The loss arising from impairment is recognised in the statement of comprehensive income in other operating expenses.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred "loss event") and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated statement of comprehensive income. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of HKAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing loans and borrowings and amounts due to the ultimate holding company, the immediate holding company, the jointly controlled entities and the fellow subsidiaries.

Subsequent measurement

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in the statement of comprehensive income.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Subsequent measurement (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

Inventories

Inventories, other than trading cattle which are measured in accordance with the accounting policy for "biological assets" above, are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of comprehensive income.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carryforward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

(b) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Share-based payment transactions

The Company operates a share option scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 30 to the financial statements.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of comprehensive income for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph. All cancellations of equity-settled transaction awards are treated equally.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes and other retirement benefits

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in the retirement benefits schemes (the "PRC RB Schemes") operated by the respective local municipal governments in provinces of Mainland China that the group companies operate. These subsidiaries are required to contribute a certain percentage of their payroll costs to the PRC RB Schemes to fund the benefits. The only obligation of the Group with respect to the PRC RB Schemes is to pay the ongoing required contributions under the PRC RB Schemes. Contributions under the PRC RB Schemes are charged to the consolidated statement of comprehensive income as they become payable in accordance with the rules of the PRC RB Schemes.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, that is, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. The capitalisation rate is based on the actual cost of the related borrowings. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the end of the reporting period. All differences are taken to the consolidated statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of certain overseas subsidiaries and a jointly controlled entity are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the end of the reporting period and their statement of comprehensive income are translated into Hong Kong dollars at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of comprehensive income.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.5 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 of the financial statements. 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.

(a) Restatement of prior years and opening balances

The consolidated statements of financial position as at 31 December 2008 and 1 January 2008, the consolidated statement of comprehensive income and the statement of cash flows for the year 2008 previously reported by the Group have been restated to apply the equity method for the interests in jointly controlled entities (the "New Policy"), as set out below:

Items of consolidated statement of comprehensive income for the year ended 31 December 2008	**The Group, as previously reported** HK$'000	**Effect of the New Policy** HK$'000	**The Group, as restated** HK$'000
Revenue	1,826,248	(132,273)	1,693,975
Cost of sales	(1,526,632)	115,089	(1,411,543)
Gross profit	299,616	(17,184)	282,432
Share of profits of jointly controlled entities	—	5,677	5,677
Other income and gains	32,597	(1,701)	30,896
Excess over the cost of a business combination	23,703	—	23,703
Selling and distribution costs	(80,063)	9,636	(70,427)
Administrative expenses	(61,201)	2,290	(58,911)
Other expenses	1,705	74	1,779
Finance costs	(39,240)	3	(39,237)
Profit before taxation	177,117	(1,205)	175,912
Income tax expense	(22,747)	1,205	(21,542)
Profit for the year	154,370	—	154,370
Profit attributable to owners of the Company	154,370	—	154,370

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(a) Restatement of prior periods and opening balances (continued)

Items of consolidated statement of financial position as at 31 December 2008	The Group, as previously reported HK$'000	Effect of the New Policy HK$'000	The Group, as restated HK$'000
Non-current assets			
Property, plant and equipment	1,262,569	(18,856)	1,243,713
Prepaid land premiums	112,201	(1,935)	110,266
Deposits paid for acquisition of property, plant and equipment and land premiums	5,176	—	5,176
Goodwill	183,538	—	183,538
Deferred tax assets	987	—	987
Interests in jointly controlled entities	40,000	51,634	91,634
Total non-current assets	1,604,471	30,843	1,635,314
Current assets			
Inventories	249,995	(8,639)	241,356
Trade receivables	255,179	(17,193)	237,986
Prepayments, deposits and other receivables	59,823	(530)	59,293
Due from the immediate holding company	21,085	—	21,085
Due from fellow subsidiaries	45,456	—	45,456
Due from jointly controlled entities	1,305	1,155	2,460
Tax recoverable	11,133	—	11,133
Cash and cash equivalents	455,553	(32,440)	423,113
Total current assets	1,099,529	(57,647)	1,041,882
Current liabilities			
Trade payables	65,942	(873)	65,069
Other payables and accruals	104,397	(4,890)	99,507
Interest-bearing bank borrowings	341,573	—	341,573
Due to the ultimate holding company	168,539	—	168,539
Due to fellow subsidiaries	139,866	(113)	139,753
Due to a jointly controlled entity	44	42	86
Due to a related company	86	(86)	—
Tax payable	10,346	(473)	9,873
Total current liabilities	830,793	(6,393)	824,400
Net current assets	268,736	(51,254)	217,482
Non-current liabilities			
Interest-bearing bank borrowings	280,899	—	280,899
Due to a venturer of a jointly controlled entity	20,000	(20,000)	—
Deferred tax liabilities	46,784	(411)	46,373
Total non-current liabilities	347,683	(20,411)	327,272
Net assets	1,525,524	—	1,525,524
Total equity attributable to owners of the Company	1,525,524	—	1,525,524
Total equity	1,525,524	—	1,525,524

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(a) Restatement of prior periods and opening balances (continued)

Items of consolidated statement of cash flows for the year ended 31 December 2008	The Group, as previously reported HK$'000	Effect of the New Policy HK$'000	The Group, as restated HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax	177,117	(1,205)	175,912
Adjustments for:			
Depreciation	54,864	(1,558)	53,306
Finance cost	39,240	(3)	39,237
Amortisation of prepaid land premiums	2,029	(50)	1,979
Share of profits of jointly controlled entities	—	(5,677)	(5,677)
Bank interest income	(10,427)	101	(10,326)
Impairment losses reversed of trade receivables	(1,705)	(5)	(1,710)
Others	(17,763)	—	(17,763)
Operating profit before working capital changes	243,355	(8,397)	234,958
Increase in inventories	(20,528)	(1,063)	(21,591)
Increase in trade receivables, other receivables, etc	148,054	6,315	154,369
Increase in trade payables, other payables and accruals	1,637	(2,672)	(1,035)
Cash generated from operations	372,518	(5,817)	366,701
Interest received	10,427	(101)	10,326
Overseas taxes paid	(16,654)	4,694	(11,960)
Net cash flows from operating activities	366,291	(1,224)	365,067
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment	(141,568)	459	(141,109)
Proceeds from disposal of items of property, plant and equipment	721	(137)	584
Business combination	(286,590)	—	(286,590)
Net cash flows used in investing activities	(427,437)	322	(427,115)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in amounts due from fellow subsidiaries and jointly controlled entities	57,681	(12,662)	45,019
Interest paid	(39,240)	3	(39,237)
Others	(462,230)	—	(462,230)
Net cash flows used in financing activities	(443,789)	(12,659)	(456,448)
Net decrease in cash and cash equivalents	(504,935)	(13,561)	(518,496)
Cash and cash equivalents at beginning of year	905,599	(18,004)	887,595
Effect of foreign exchange rate changes, net	54,889	(875)	54,014
Cash and cash equivalents at end of year	455,553	(32,440)	423,113

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(a) Restatement of prior periods and opening balances (continued)

Items of consolidated statement of financial position as at 1 January 2008	The Group, as previously reported HK$'000	Effect of the New Policy HK$'000	The Group, as restated HK$'000
Non-current assets			
Property, plant and equipment	568,394	(64,666)	503,728
Prepaid land premiums	28,711	(5,942)	22,769
Deposits paid for acquisition of property, plant and equipment and land premiums	2,151	—	2,151
Goodwill	149,950	—	149,950
Interests in jointly controlled entities	40,000	85,731	125,731
Total non-current assets	789,206	15,123	804,329
Current assets			
Inventories	51,282	(11,051)	40,231
Trade receivables	225,237	(20,298)	204,939
Prepayments, deposits and other receivables	34,285	(15,549)	18,736
Due from the immediate holding company	21,085	—	21,085
Due from fellow subsidiaries	130,634	(2,583)	128,051
Due from jointly controlled entities	26,141	26,770	52,911
Cash and cash equivalents	905,599	(18,004)	887,595
Total current assets	1,394,263	(40,715)	1,353,548
Current liabilities			
Trade payables	35,968	(3,961)	32,007
Other payables and accruals	56,462	(4,455)	52,007
Interest-bearing bank borrowings	156,250	—	156,250
Due to the ultimate holding company	54,284	—	54,284
Due to the immediate holding company	180,338	—	180,338
Due to fellow subsidiaries	3,432	(104)	3,328
Due to a jointly controlled entity	4,179	4,232	8,411
Due to a related company	55	(55)	—
Tax payable	8,564	—	8,564
Total current liabilities	499,532	(4,343)	495,189
Net current assets	894,731	(36,372)	858,359
Non-current liabilities			
Interest-bearing bank borrowings	368,750	—	368,750
Due to a venturer of a jointly controlled entity	20,000	(20,000)	—
Deferred tax liabilities	14,719	(1,249)	13,470
Total non-current liabilities	403,469	(21,249)	382,220
Net assets	1,280,468	—	1,280,468
Total equity attributable to owners of the Company	1,280,468	—	1,280,468
Total equity	1,280,468	—	1,280,468

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(b) Estimated effect of changes in accounting policy on the current year

The following tables provide estimates of the extent to which each of the line items in the consolidated statement of comprehensive income, statement of financial position and statement of cash flows for the year ended 31 December 2009 is higher or lower than it would have been had the previous policy still been applied in the year, where it is practicable to make such estimates.

Items of consolidated statement of comprehensive income for the year ended 31 December 2009	Effect of the New Policy (increase/(decrease) in profit for the year) HK$'000
Revenue	56,070
Cost of sales	(44,898)
Gross profit	11,172
Share of profits of jointly controlled entities	(3,312)
Other income and gains	1,152
Selling and distribution costs	(5,323)
Administrative expenses	(2,084)
Finance costs	(677)
Profit before tax	928
Income tax expense	(530)
Profit for the year	398
Statutory reserve	(398)
Profit attributable to owners of the company	–

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(b) Estimated effect of changes in accounting policy on the current year (continued)

Items of consolidated statement of financial position as at 31 December 2009	Effect of the New Policy (increase/ (decrease) in net assets) HK$'000
Non-current assets	
Property, plant and equipment	16,375
Prepaid land premiums	1,879
Long term loan to a jointly controlled entity	40,000
Interests in jointly controlled entities	(94,465)
Total non-current assets	(36,211)
Current assets	
Inventories	6,195
Trade receivables	6,196
Prepayments, deposits and other receivables	3,064
Due from a related company	51
Tax recoverable	17
Cash and cash equivalents	45,337
Total current assets	60,860
Current liabilities	
Trade payables	227
Other payables and accruals	3,216
Due to the immediate holding company	25
Due to fellow subsidiaries	352
Tax payable	39
Total current liabilities	3,859
Net current assets	57,001
Non-current liabilities	
Due to a jointly controlled entity	652
Due to a venture of a jointly controlled entity	20,000
Deferred tax liabilities	138
Total non-current liabilities	20,790
Net assets	–
Total equity attributable to owners of the Company	–
Total equity	–

2.5 CHANGES OF ACCOUNTING POLICY (continued)

(b) Estimated effect of changes in accounting policy on the current year (continued)

Items of consolidated statement of cash flows for the year ended 31 December 2009	Effect of the New Policy (increase/ (decrease)) HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES	
Profit before tax	4,240
Adjustments for:	
Depreciation	1,507
Amortisation of prepaid land premiums	56
Bank interest income	(175)
	5,628
Decrease in inventories	2,444
Increase in trade receivables, other receivables, etc	7,240
Increase in trade payables, other payables and accruals	(2,665)
Cash generated from operations	12,647
Interest received	175
Overseas taxes paid	(434)
Net cash flows from operating activities	12,388
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of items of property, plant and equipment	(143)
Net cash flows used in investing activities	(143)
CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in an amount due to a jointly controlled entity	652
Net cash flows from financing activities	652
Net increase in cash and cash equivalents	12,897
Cash and cash equivalents at beginning of year	32,440
Cash and cash equivalents at end of year	45,337

3. SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimation of fair value of leasehold buildings

In the absence of current prices in an active market for similar properties, the Group considers information by reference to the valuation performed by an independent valuer based on the open market value basis.

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2009 was HK$183,538,000 (31 December 2008: HK$183,538,000; 1 January 2008: HK$149,950,000). Further details are given in note 16 to the financial statements.

Estimation of fair value of biological assets

The Group's biological assets are stated at fair value less point-of-sale cost. This requires an independent valuer's assessment of the fair value of the biological assets. Changes in conditions of the biological assets could impact the fair value of the assets. The carrying amount of the Group's biological assets at 31 December 2009 was HK$9,168,000 (2008: Nil). Further details are given in note 19 to the financial statements.

4. 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.

4. OPERATING SEGMENT INFORMATION (continued)

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.

4. OPERATING SEGMENT INFORMATION (continued)

(a) Business unit information

The following tables present revenue, profit and certain asset, liability and expenditure information for the Group's business unit for the years ended 31 December 2009 and 2008, and as at 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
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 breeding biological assets	—	—	213	213

4. OPERATING SEGMENT INFORMATION (continued)

(a) Business unit information (continued)

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)
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

4. OPERATING SEGMENT INFORMATION (continued)

(a) Business unit information (continued)

	Corn refined products HK$'000 (Restated)	Corn based sweetener products HK$'000 (Restated)	Biological products HK$'000 (Restated)	Total HK$'000 (Restated)
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 (Restated)
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 (Restated)	1 January 2008 HK$'000 (Restated)
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.

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:

	2009 HK$'000	2008 HK$'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.

6. PROFIT BEFORE TAX

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

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
Raw materials and consumables used		**1,892,794**	1,193,223
Depreciation	14	**84,939**	53,306
Amortisation of prepaid land premiums	15	**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

6. PROFIT BEFORE TAX (continued)

	2009 HK$'000	2008 HK$'000 (Restated)
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 breeding biological assets	**213**	—

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2009 HK$'000	2008 HK$'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

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules and Section 161 of the Hong Kong Companies Ordinance, is as follows:

		Group	
	Notes	2009 HK$'000	2008 HK$'000
Fees	(a)	**820**	1,100
Other emoluments:	(b)		
Salaries, allowances and benefits in kind		**4,340**	4,275
Performance related bonuses		**4,200**	2,980
Pension scheme contributions		**13**	12
		8,553	7,267
		9,373	8,367

8. DIRECTORS' REMUNERATION (continued)

According to the directors' service contracts, each of the executive directors, upon completion of every 12 months of services, is entitled to a management bonus. In addition, executive directors with special contributions to the Group may be entitled to special bonus. The aggregate amount of the bonuses payable to all the executive directors for any financial year may not exceed 5% of the consolidated net profit from ordinary activities attributable to owners in respect of that financial year. For the year ended 31 December 2009, the aggregate amount of the bonuses payable to the executive directors was equivalent to approximately 4.9% (2008: 1.9%) of the net profit from ordinary activities attributable to shareholders.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2009 HK$'000	2008 HK$'000
Mr. Ho Lic Ki	240	240
Mr. Gao Yunchun	240	240
Mr. Chan Yuk Tong (Appointed on 1 June 2008)	240	140
Ms. Fung Siu Wan Stella (Resigned on 22 May 2008)	–	120
Mr. Yan Man Sing Frankie (Retired on 29 May 2009)	100	360
	820	1,100

There were no other emoluments payable to the independent non-executive directors during the year (2008: Nil).

(b) Executive directors

2009	Salaries, allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Mr. Kong Zhanpeng	2,760	3,000	12	5,772
Mr. Wang Guifeng	720	–	–	720
Mr. Zhang Fazheng	471	700	–	1,171
Mr. Lee Chi Yung (Appointed on 8 December 2009)	51	500	1	552
Mr. Zhang Fusheng (Resigned on 8 December 2009)	338	–	–	338
	4,340	4,200	13	8,553

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8. DIRECTORS' REMUNERATION (continued)

(b) Executive directors (continued)

2008	Salaries, allowances and benefits in kind HK$'000	Performance related bonuses HK$'000	Pension scheme contributions HK$'000	Total remuneration HK$'000
Executive directors:				
Mr. Kong Zhanpeng	2,760	2,500	12	5,272
Ms. Wang Guifeng	600	480	—	1,080
Mr. Zhang Fusheng	360	—	—	360
Mr. Zhang Fazheng (Appointed on 1 June 2008)	210	—	—	210
Ms. Ge Yanping (Resigned on 17 December 2008)	345	—	—	345
	4,275	2,980	12	7,267

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2008: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining two (2008: three) non-directors, highest paid employees for the year plus the remuneration of the new appointed director Mr. Lee Chi Yung for the period before his appointment are as follows:

	Group 2009 HK$'000	Group 2008 HK$'000
Salaries, allowances and benefits in kind	**3,523**	1,288
Equity-settled share option expense	**—**	1,453
Pension scheme contributions	**33**	32
	3,556	2,773

The remuneration of the non-director, highest paid employee fell within the following band:

	Group 2009 Number of individuals	Group 2008 Number of individuals
Nil to HK$1,000,000	**1**	3
HK$1,000,001 to HK$1,500,000	**1**	—
HK$1,500,001 to HK$2,000,000	**1**	—

No emolument was paid by the Group to any of the directors or the five highest paid individuals as inducement to join or upon joining the Group or as compensation for loss of office. None of the directors waived any emoluments during the years ended 31 December 2009 and 31 December 2008.

10. 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 HK$'000	2008 HK$'000 (Restated)
Current — Hong Kong	—	—
Current — Elsewhere	18,087	16,024
Deferred (Note 27)	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

10. INCOME TAX (continued)

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%).

Notes:

(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.

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The consolidated profit attributable to owners of the Company for the year ended 31 December 2009 includes a profit of HK$183,541,000 (2008: a loss of HK$21,304,000) which has been dealt with in the financial statements of the Company (note 29(b)).

12. 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.

13. 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 569,000 (2008: Nil) ordinary shares assumed to be issued at no consideration on the deemed exercise of the share options during the year.

14. PROPERTY, PLANT AND EQUIPMENT

Group 31 December 2009	Leasehold buildings HK$'000	Plant and machinery HK$'000	Leasehold improvements, furniture, office equipment and motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
At cost:					
1 January 2009	418,305	831,804	18,007	153,555	1,421,671
Additions	2,944	9,377	1,851	9,985	24,157
Disposals	—	(1,099)	(504)	—	(1,603)
Transfers	25,802	78,126	—	(103,928)	—
Surplus on revaluation	17,461	—	—	—	17,461
At 31 December 2009	464,512	918,208	19,354	59,612	1,461,686
Accumulated depreciation:					
1 January 2009	31,985	137,646	8,327	—	177,958
Depreciation provided during the year	14,679	66,867	3,393	—	84,939
Disposals	—	(614)	(446)	—	(1,060)
At 31 December 2009	46,664	203,899	11,274	—	261,837
Net book value:					
At 31 December 2009	417,848	714,309	8,080	59,612	1,199,849
At 31 December 2008 (Restated)	386,320	694,158	9,680	153,555	1,243,713
Analysis of cost or valuation:					
At cost	—	918,208	19,354	59,612	997,174
At 31 December 2009 valuation	464,512	—	—	—	464,512
	464,512	918,208	19,354	59,612	1,461,686

14. PROPERTY, PLANT AND EQUIPMENT (continued)

Group 31 December 2008	Leasehold buildings HK$'000	Plant and machinery HK$'000	Leasehold improvements, furniture, office equipment and motor vehicles HK$'000	Construction in progress HK$'000	Total HK$'000
At cost:					
1 January 2008					
As previously reported	188,097	456,703	10,771	28,220	683,791
Effect of adopting the equity method for interests in jointly controlled entities (note 2.5)	(20,138)	(49,756)	(1,049)	(1,493)	(72,436)
As restated	167,959	406,947	9,722	26,727	611,355
Additions	528	4,635	6,149	129,253	140,565
Disposals	—	(269)	(315)	—	(584)
Transfers	4,251	27,145	—	(31,396)	—
Business combination	233,217	361,231	1,865	26,869	623,182
Exchange realignment	12,350	32,115	586	2,102	47,153
At 31 December 2008 (Restated)	418,305	831,804	18,007	153,555	1,421,671
Accumulated depreciation:					
1 January 2008					
As previously reported	20,906	89,472	5,019	—	115,397
Effect of adopting the equity method for interests in jointly controlled entities (note 2.5)	(103)	(7,228)	(439)	—	(7,770)
As restated	20,803	82,244	4,580	—	107,627
Depreciation provided during the year	9,063	40,922	3,321	—	53,306
Disposals	—	(160)	(94)	—	(254)
Business combination	483	6,528	168	—	7,179
Exchange realignment	1,636	8,112	352	—	10,100
At 31 December 2008 (Restated)	31,985	137,646	8,327	—	177,958
Net book value:					
At 31 December 2008 (Restated)	386,320	694,158	9,680	153,555	1,243,713
At 31 December 2007 (Restated)	147,156	324,703	5,142	26,727	503,728
Analysis of cost or valuation:					
At cost (Restated)	250,346	831,804	18,007	153,555	1,253,712
At 31 December 2007 valuation (Restated)	167,959	—	—	—	167,959
	418,305	831,804	18,007	153,555	1,421,671

14. PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's leasehold buildings with the lease terms of 50 years or shorter were stated at the recent valuation less accumulated depreciation and impairment.

At 31 December 2009, the Group's leasehold buildings were revalued on an open market value basis, by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, at approximately HK$417,848,000. A surplus on revaluation of approximately HK$17,461,000 arising from the 2009 valuation has been credited to the asset revaluation reserve during the year ended 31 December 2009.

At 31 December 2008, the Group's leasehold buildings were stated at the 2007 valuation conducted by Savills Valuation and Professional Services Limited, independent professionally qualified valuers, less accumulated depreciation provided since the 2007 valuation. In the opinion of the directors, as there were no material differences between the carrying value and the open market value of the Group's leasehold buildings as at 31 December 2008, therefore, no revaluation has been performed as at that date.

Had the Group's leasehold buildings been carried at historical cost less accumulated depreciation, their carrying amount would have been approximately HK$392,350,000 (31 December 2008: HK$378,283,000; 1 January 2008: HK$139,119,000).

At 31 December 2009, the applications of building certificates for certain leasehold buildings of the Group with a total carrying amount of HK$4,510,000 (31 December 2008: HK$707,000; 1 January 2008: Nil) were still in progress.

15. PREPAID LAND PREMIUMS

		Group	
	Notes	2009 HK$'000	2008 HK$'000 (Restated)
At 1 January		**112,295**	29,749
As previously reported			
Effect of adopting the equity method for interests in jointly controlled entities (note 2.5)		**—**	(5,942)
As restated		**112,295**	23,807
Additions		**6,225**	—
Business combination	31	**—**	88,541
Amortised during the year	6	**(4,724)**	(1,979)
Exchange realignment		**—**	1,926
Carrying amount at 31 December		**113,796**	112,295
Current portion included in prepayments, deposits and other receivables		**(4,724)**	(2,029)
Non-current portion		**109,072**	110,266

The leasehold land with the lease terms of 50 years or shorter is situated outside Hong Kong.

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16. GOODWILL

	Group	
	2009	2008
	HK$'000	HK$'000
Cost at 1 January:	**183,538**	149,950
Acquisition of a subsidiary (note 31(b))	**—**	33,588
Net carrying amount	**183,538**	183,538

Impairment testing of goodwill

The Group's goodwill related to Changchun Dihao Food Development Co., Ltd. (the "Changchun Dihao") which was acquired by the Group during the years ended 31 December 2004 and 2005. The recoverable amount of Changchun Dihao has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a fifteen-year period. The discount rate applied to cash flow projections is 12% (2008: 11%). No growth has been projected beyond the five-year period.

The Group's goodwill related to Jinzhou Yuancheng Bio-chem Technology Co., Ltd ("Jinzhou Yuancheng") which was acquired by the Group during the year ended 31 December 2008. The recoverable amount of Jinzhou Yuancheng has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a fifteen-year period. The discount rate applied to cash flow projections is 12% (2008: 11%). No growth has been projected beyond the five-year period.

Key assumptions were used in the value in use calculation of cash-generating unit for 31 December 2009. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements and expected market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

Raw materials price inflation – The basis used to determine the value assigned to raw materials price inflation is the forecast price indices during the budget year for local markets from where raw materials are sourced.

The values assigned to key assumptions are consistent with external information sources.

17. INVESTMENTS IN SUBSIDIARIES

	Company		
	2009	2008	1 January 2008
	HK$'000	HK$'000	HK$'000
Unlisted shares	**501,866**	520,936	513,163

Particulars of the Company's principal subsidiaries are as follows:

Name	Place of incorporation/ establishment and operations	Nominal value of paid-up share/registered capital	Percentage of equity attributable to the Company	Principal activities
Directly held:				
Global Sweeteners Investments Limited ("Global Sweeteners")	British Virgin Islands	US$100	100	Investment holding
Global Sweeteners (China) Limited ("GS (China)")	British Virgin Islands	US$2	100	Investment holding
Global Sweeteners (HK) Limited	Hong Kong	HK$1,000	100	General administration
Global Sweeteners Retail Investment Company Limited	Hong Kong	HK$10,000	100	Investment holding
Global Starch Investments Limited	Hong Kong	HK$10,000	100	Investment holding
Global Sweeteners Investments Limited	Hong Kong	HK$10,000	100	Investment holding
Indirectly held:				
Datex Investment Limited	Hong Kong	HK$2	100	Investment holding
Eternal Win Investments Limited	British Virgin Islands	US$2	100	Investment holding
Global Sorbitol (H.K) Company Limited	Hong Kong	HK$1,550	100	Investment holding
Changchun Dihao Foodstuff Development Co., Ltd.*	The People's Republic of China (the "PRC")/ Mainland China	RMB81,000,000	100	Manufacture and sale of corn based sweetener products

17. INVESTMENTS IN SUBSIDIARIES (continued)

Name	Place of incorporation/ establishment and operations	Nominal value of paid-up share/registered capital	Percentage of equity attributable to the Company	Principal activities
Changchun Dacheng Polyols Co., Ltd.*	PRC/Mainland China	US$6,000,000	100	Manufacture and sale of sorbitol products
Jinzhou Yuancheng Bio-chem Technology Co., Ltd.*	PRC/Mainland China	US$44,034,000	100	Manufacture and sale of corn refined products
Shanghai Hao Cheng Food Development Co., Ltd.* ("Hao Cheng")	PRC/Mainland China	US$2,668,000	100	Manufacture and sale of corn based sweetener products
Changchun Dihao Crystal Sugar Industry Development Co., Ltd.* ("Dihao Crystal")	PRC/Mainland China	US$16,200,000	100	Manufacture and sale of crystallised sugar
Jinzhou Dacheng Food Development Co., Ltd.*	PRC/Mainland China	US$7,770,000	100	Manufacture and sale of corn based sweetener products
Dalian Angus Beef Co., Ltd. @	PRC/Mainland China	RMB17,000,000	62	Breeding of cattle and sale of beef

* Wholly-foreign-owned enterprise
@ Established during the year

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

18. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
Share of net assets	**54,465**	51,634	85,731
Loan to a jointly controlled entity	**40,000**	40,000	40,000
	94,465	91,634	125,731

The long term loan of HK$40 million to a jointly controlled entity represents a quasi-equity loan which is stated at cost less impairment. The long term loan of HK$40 million is unsecured, interest-free and will be repayable in 2101 or upon the liquidation, winding-up or dissolution of the jointly controlled entity, whenever is earlier.

Particulars of the jointly controlled entities are as follows:

			Percentage of		
Name	**Nominal value of paid-up share/ registered capital**	**Place of incorporation/ registration and operations**	**Ownership interest**	**Voting power and profit sharing**	**Principal activities**
Global Bio-chem-Cargill (Holdings) Limited	HK$1,000	Hong Kong	50	50	Investment holding
GBT-Cargill High Fructose (Shanghai) Co., Ltd.*	US$3,000,000	PRC	50	50	Manufacture and sale of high fructose corn syrup

* Wholly-foreign-owned enterprise

18. INTERESTS IN JOINTLY CONTROLLED ENTITIES (continued)

All of the above investments in jointly controlled entities are indirectly held by the Company.

The following table illustrates the summarised financial information of the Group's jointly controlled entities:

	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
Share of the jointly controlled entities' assets and liabilities:			
Current assets	**60,860**	57,647	40,715
Non-current assets	**18,254**	20,791	70,608
Current liabilities	**(3,859)**	(6,393)	(4,343)
Non-current liabilities	**(20,790)**	(20,411)	(21,249)
Net assets	**54,465**	51,634	85,731

	2009 HK$'000	2008 HK$'000 (Restated)
Share of the jointly controlled entities' results:		
Revenue	**56,070**	132,273
Other income	**1,152**	1,701
	57,222	133,974
Total expenses	**(52,982)**	(127,092)
Tax	**(530)**	(1,205)
Profit after tax	**3,710**	5,677
Statutory reserve	**(398)**	—
Share of profit of joint controlled entities	**3,312**	5,677

19. BIOLOGICAL ASSETS

At the end of the reporting period, the Group's total amounts and quantities of the biological assets are as follows:

Group	2009 HK$'000	2009 Units
Breeding biological assets	**7,949**	241
Trading biological assets	**1,219**	125
	9,168	366

The Group's biological assets comprise breeding cattle and trading cattle.

The Group's biological assets were revalued at the end of each reporting period on a fair value basis. As at 31 December 2009, the Group's biological assets were independently valued by Jilin Shengxiang Mingda Assets Valuation Company Limited（吉林聖祥茗達資產評估有限公司）. The fair value less estimated point-of-sale costs of the biological assets was determined using the market approach, which was determined based on the most recent market transaction prices.

A reconciliation of the carrying values of biological assets is as follows:

Group	2009 HK$'000
Breeding cattle	
At 1 January	**–**
Increase due to purchases	**8,853**
Decrease due to disposal	**(904)**
At 31 December	**7,949**
Trading cattle	
At 1 January	**–**
Increase due to purchases	**136,268**
Decrease due to sales	**(135,049)**
At 31 December	**1,219**

20. INVENTORIES

	Group		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
Raw materials	**309,304**	166,601	23,445
Finished goods	**57,856**	74,755	16,786
	367,160	241,356	40,231

(continued)

31 December 2009

21. TRADE AND BILLS RECEIVABLES

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

21. TRADE AND BILLS RECEIVABLES (continued)

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

	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (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.

22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	Group			Company		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
Prepayments	**19,988**	11,282	5,442	**2,462**	—	—
Deposits and other receivables	**30,979**	33,032	5,289	**246**	236	1,613
PRC value-added tax ("VAT") receivables and other tax receivables	**23,577**	12,950	6,967	**—**	—	—
Current portion of prepaid land premiums	**4,724**	2,029	1,038	**—**	—	—
	79,268	59,293	18,736	**2,708**	236	1,613

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

23. CASH AND CASH EQUIVALENTS

	Group			Company		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
Cash and bank balances	**256,438**	166,415	381,777	**37,735**	2,881	21,652
Pledged deposits	**40,118**	256,698	505,818	**40,118**	206,070	505,818
Cash and cash equivalent	**296,556**	423,113	887,595	**77,853**	208,951	527,470

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to HK$169,470,000 (31 December 2008: HK$78,210,000; 1 January 2008: HK$354,269,000). 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 are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

24. 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 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (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

25. OTHER PAYABLES AND ACCRUALS

	Group			Company		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
Payables for purchases of machinery	**17,395**	27,854	8,340	**–**	–	–
Customer deposits/receipts in advance	**74,015**	29,583	18,067	**–**	–	–
VAT and other duties payable	**10,765**	11,053	14,753	**–**	–	–
Accrued welfare and others	**30,495**	31,017	10,847	**14,345**	5,237	5,656
	132,670	99,507	52,007	**14,345**	5,237	5,656

Other payables are non-interest-bearing and have an average repayment term of three months.

26. INTEREST-BEARING BANK BORROWINGS

Group	31 December 2009 Effective interest rate %	31 December 2009 Maturity	31 December 2009 HK$'000	31 December 2008 Effective interest rate %	31 December 2008 Maturity	31 December 2008 HK$'000 (Restated)	1 January 2008 Effective interest rate %	1 January 2008 Maturity	1 January 2008 HK$'000 (Restated)
Current									
Bank loans – unsecured	**5.31-7.56/ HIBOR**	**2010**	**629,775**	5.814-7.47/ HIBOR	2009	341,573	5.814-6.435	2008	156,250
Non-current									
Bank loans – unsecured	**4.86-5.40/ HIBOR**	**2011-2012**	**171,348**	6.75-7.56	2010	280,899	6.30-6.75/ 9.711/ HIBOR	2010	368,750
			801,123			622,472			525,000

Company	31 December 2009 Effective interest rate %	31 December 2009 Maturity	31 December 2009 HK$'000	31 December 2008 Effective interest rate %	31 December 2008 Maturity	31 December 2008 HK$'000	1 January 2008 Effective interest rate %	1 January 2008 Maturity	1 January 2008 HK$'000
Current									
Bank loans – unsecured	**HIBOR**	**2010**	**50,000**	HIBOR	2009	200,000	–	–	–
Non-current									
Bank loans – unsecured	**HIBOR**	**2011-2012**	**50,000**	–	–	–	HIBOR	2009	300,000
			100,000			200,000			300,000

26. INTEREST-BEARING BANK BORROWINGS

	Group			Company		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
Analysed into:						
Bank loans repayable:						
Within one year or on demand	**629,775**	341,573	156,250	**50,000**	200,000	—
In the second year	**141,348**	280,899	316,667	**50,000**	—	300,000
In the third to fifth years, inclusive	**30,000**	—	52,083	**—**	—	—
	801,123	622,472	525,000	**100,000**	200,000	300,000

The carrying amounts of bank borrowings approximated to their fair values.

At 31 December 2009, the Group's bank borrowings were guaranteed by the Company and certain subsidiaries of the Group with the amounts of approximately HK$420,224,000 (31 December 2008: HK$332,584,000; 1 January 2008: HK$225,000,000) and HK$380,899,000 (31 December 2008: Nil; 1 January 2008: Nil) respectively.

27. DEFERRED TAX

The movements in deferred tax liabilities during the year are as follows:

Deferred tax liabilities — Group	Depreciation allowance in excess of related depreciation HK$'000	Fair value adjustments arising from business combination HK$'000	Revaluation of leasehold buildings HK$'000	Total HK$'000
At 1 January 2008				
As previously reported	10,735	—	3,984	14,719
Effect of adopting the equity method for interests in jointly controlled entities (note 2.5)	—	—	(1,249)	(1,249)
As restated	10,735	—	2,735	13,470
Deferred tax charged to consolidated statement of comprehensive income during the year (note 10)	5,518	—	—	5,518
Business combination	—	26,541	—	26,541
Exchange realignment	844	—	—	844
At 31 December 2008 and 1 January 2009 (Restated)	17,097	26,541	2,735	46,373
Deferred tax charged to consolidated statement of comprehensive income during the year (note 10)	2,556	—	—	2,556
Deferred tax debited to equity during the year	—	—	4,365	4,365
Exchange realignment	—	—	—	—
At 31 December 2009	19,653	26,541	7,100	53,294

Deferred tax assets – Group	Inventories provision HK$'000
At 1 January 2008	—
Deferred tax credited to the consolidated statement of comprehensive income during the year	987
At 31 December 2008 and 1 January 2009	987
Deferred tax debited to the consolidated statement of comprehensive income during the year	(961)
At 31 December 2009	26

27. DEFERRED TAX (continued)

The Group had accumulated tax losses arising in Hong Kong of approximately HK$19,067,000 (2008: HK$14,453,000) that were available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. The Group had accumulated tax losses arising in two PRC subsidiaries of approximately HK$37,076,311 (2008: HK$34,755,000) that were available for offsetting against future taxable profits of the companies in which the losses arose and these tax losses would expire from the year ending 31 December 2011 to the year ending 31 December 2013. In the opinion of the directors, deferred tax assets have not been recognised as these tax losses are only available to offset against future taxable profits of the individual companies in which the losses arose and may not be used to offset taxable profits elsewhere in the Group and the directors consider that it is uncertain whether future taxable profits would arise to offset against these losses for these companies.

At 31 December 2009, there was no significant unrecognised deferred tax liability (31 December 2008: Nil; 1 January 2008: Nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

28. 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 HK$114,947,800 with 1,149,478,000 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. The 100,000,000 new shares of HK$0.10 each were issued by the Company on 23 March 2010 which resulted in total net cash proceeds of approximately HK$185 million. On 25 March 2010, TDRs of the Company were listed on the Taiwan Stock Exchange.

29. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on page 41 of the financial statements.

(b) Company

	Contributed surplus HK$'000	Share premium account HK$'000	Share option reserve HK$'000	Accumulated profits/ (losses) HK$'000	Proposed final dividend HK$'000	Total HK$'000
At 1 January 2008	491,695	574,473	–	(28,413)	–	1,037,755
Equity-settled share option arrangements	–	–	1,992	–	–	1,992
Loss for the year	–	–	–	(21,304)	–	(21,304)
At 31 December 2008 and 1 January 2009	491,695	574,473	1,992	(49,717)	–	1,018,443
Total comprehensive income for the year	–	–	885	183,541	–	184,426
Share option forfeited	–	–	(99)	–	–	(99)
Share option exercised	–	4,915	(1,111)	–	–	3,804
Proposed final 2009 dividend	–	–	–	(10,493)	10,493	–
At 31 December 2009	491,695	579,388	1,667	123,331	10,493	1,206,574

Note: The contributed surplus of the Company represents the difference between the cost of investments in subsidiaries pursuant to the Reorganisation and the nominal value of the Company's shares issued.

In accordance with the Companies Law (Revised) of the Cayman Islands, the share premium account is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

30. SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's eligible employees, non-executive directors, suppliers of goods or services to the Group, customers of any member of the Group, the shareholders of the Group, advisers or consultants of the Group, and any other groups or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group. The Scheme became effective on 3 September 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 30% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to substantial shareholder of the Company, or an independent non-executive director or any of their respective associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 21 days from the date of offer, upon payment of a nominal consideration of HK$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors, which may commence from the date of acceptance of the grant of share options but shall end in any event not later than 10 years from the date of the grant of the options subject to the provisions for early termination under the Scheme.

The exercise price of share options is determinable by the directors, but may not be less than the higher of (i) the Stock Exchange closing price of the Company's shares on the date of offer of the share options; and (ii) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of offer.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

30. SHARE OPTION SCHEME (continued)

The following share options were outstanding under the Scheme during the year:

	2009		2008	
	Weighted average exercise price HK$ per share	**Number of options '000**	Weighted average exercise price HK$ per share	Number of options '000
At 1 January	**1.249**	**8,172**	—	—
Granted during the year	**—**	**—**	1.249	8,172
Forfeited during the year	**1.59**	**(200)**	—	—
Exercised during the year	**0.99**	**(4,274)**	—	—
At 31 December	**1.53**	**3,698**	1.249	8,172

The exercise prices and exercise periods of the share options outstanding as at that the end of the reporting period are as follows:

2009

Exercise period	**Vesting period**	**Grant date**	**The closing price immediately preceding the date of grant HK$**	**Exercise price* HK$**	**Number of options '000**
7-7-2008 to 6-7-2011	**—**	**7-7-2008**	**1.63**	**1.59**	**3,330**
17-9-2009 to 16-9-2011	**17-9-2008 to 17-9-2009**	**17-9-2008**	**0.87**	**0.99**	**368**
					3,698

2008

Exercise period	Vesting period	Grant date	The closing price immediately preceding the date of grant HK$	Exercise price* HK$	Number of options '000
7-7-2008 to 6-7-2011	—	7-7-2008	1.63	1.59	3,330
1-3-2009 to 6-7-2011	7-7-2008 to 1-3-2009	7-7-2008	1.63	1.59	100
14-4-2009 to 6-7-2011	7-7-2008 to 14-4-2009	7-7-2008	1.63	1.59	100
17-9-2009 to 16-9-2011	17-9-2008 to 17-9-2009	17-9-2008	0.87	0.99	4,642
					8,172

* The exercise price of the share options is subject to adjustment in case of rights or bonus issues, or other similar changes in the Company's share capital.

There was no additional share option granted during the year ended 31 December 2009 (2008: HK$2,878,000, average HK$0.35 each). For the share options granted during the year ended 31 December 2008, the Group recognised a share option expense of HK$885,000 during the year ended 31 December 2009 (2008: HK$1,992,000).

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30. SHARE OPTION SCHEME (continued)

The fair value of equity-settled share options granted during the year was estimated as at the date of grant, using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	Date of exercise			
	7-7-2008	1-3-2009	14-4-2009	17-9-2009
Dividend yield (%)	2.00	2.00	2.00	1.50
Expected volatility (%)	50.00	50.00	50.0	55.00
Risk-free interest rate (%)	2.90	2.90	2.90	2.70
Expected life of options (month)	24	28	27	36
Weighted average share price (HK$)	0.47	0.47	0.47	0.26

For share option granted to PRC employees, the option are vested after one year with two years exercise period. For share option granted to Hong Kong employees, based on the information from the management, the staff must work for at least a year before exercise of share option. There were four groups of employees whose vesting condition were different. Therefore, four exercise periods were resulted in 2008, which were from grant date to 6 July 2011, from 1 March 2009 to 6 July 2011, from 14 April 2009 to 6 July 2011 and from 17 September 2009 to 16 September 2011. Two of the Hong Kong employees have resigned in 2009, the share options of whom have been forfeited during the year. Therefore the number of exercise periods became two as at the end of the reporting period, which were from the grant date to 6 July 2011 and from 17 September 2009 to 16 September 2011.

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 3,698,000 share options outstanding under the Scheme. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 3,698,000 additional ordinary shares of the Company and additional share capital of HK$369,800 and share premium of HK$6,957,000 (before issue expenses).

31. BUSINESS COMBINATION

(a) On 8 January 2008, Global Sweeteners (China) Limited, a subsidiary of the Company, entered into an acquisition agreement with Mitsui & Co., Ltd., Mitsui & Co., (H.K.) Ltd. and Nikken Fine Chemicals Co., Ltd., the minority shareholders of Sorbitol HK (formerly known as Global-Nikken (H.K.) Company Limited before the acquisition date), a jointly controlled entity of the Group, to acquire their remaining 49% equity interest therein at a total cash consideration of US$2,450,000 (equivalent to approximately HK$19,127,000). After the completion of the acquisition on 18 February 2008, Sorbitol HK became a wholly-owned subsidiary of the Company.

The fair values of the identifiable assets and liabilities of Sorbitol HK as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Fair value recognised on the acquisition HK$'000	**Previous carrying amount** HK$'000
Net assets acquired:		
Property, plant and equipment	43,785	47,029
Prepaid land premiums	6,158	4,578
Inventories	1,296	1,296
Trade receivables	4,865	4,865
Prepayments and other receivables	36	36
Tax recoverable	3,407	3,407
Cash and cash equivalents	707	707
Trade payables	(525)	(525)
Balances with group companies	(15,983)	(15,983)
Other payables	(527)	(527)
Deferred tax liabilities	(389)	(805)
	42,830	44,078
Excess over the cost of a business combination recognised in the consolidated statement of comprehensive income	(23,703)	
Satisfied by cash	19,127	

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of a subsidiary is as follows:

	2008 HK$'000
Cash consideration	(19,127)
Cash and cash equivalents acquired	707
Net outflow of cash and cash equivalents in respect of the business combination	(18,420)

31. BUSINESS COMBINATION (continued)

(a) (continued)

Since its acquisition, Sorbitol HK contributed HK$60,191,000 to the Group's revenue and HK$6,469,000 to the consolidated profit for the year ended 31 December 2008.

Had the combination taken place at the beginning of the year 2008, the revenue of the Group and the profit of the Group for the year would have been HK$1,833,917,000 and HK$155,338,000, respectively.

(b) On 27 June 2008, Global Sweeteners Investments Limited ("GSIL"), a direct wholly-owned subsidiary of the Company, entered into an acquisition agreement with Global Corn Investments Limited ("Global Corn") and Changchun Dacheng Industrial Group Co., Ltd. ("Dacheng Industrial"), both being indirect wholly-owned subsidiaries of the ultimate holding company, for the purchase of the entire equity interest in Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng") at a consideration of HK$520,000,000. Pursuant to the relevant agreement, the consideration was satisfied by cash of HK$156,000,000 and issuance of a loan note of HK$364,000,000 (the "Loan Note"), which shall be due and repayable at the fifth anniversary of the date of issue or early repayable at any time at the sole discretion of the Group and bearing an interest rate of 6% per annum payable on a semi-annual basis. After the completion of the acquisition on 24 September 2008, Jinzhou Yuancheng became a wholly-owned subsidiary of the Company.

The fair values of the identifiable assets and liabilities of Jinzhou Yuancheng as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were as follows:

	Fair value recognised on the acquisition HK$'000	Previous carrying amount HK$'000
Net assets acquired:		
Property, plant and equipment	521,264	521,264
Prepaid land premiums	77,600	61,425
Inventories	180,837	180,837
Trade receivables	131,562	131,562
Prepayments and other receivables	9,926	9,926
Balances with group companies	63,457	63,457
Tax recoverable	7,489	7,489
Cash and cash equivalents	57,830	57,830
Bank borrowings	(449,438)	(449,438)
Trade payables	(18,617)	(18,617)
Other payables	(70,184)	(70,184)
Deferred tax liabilities	(25,314)	(21,270)
	486,412	474,281
Goodwill on acquisition	33,588	
Total consideration		
by cash	156,000	
by the Loan Note	364,000	
	520,000	

31. BUSINESS COMBINATION (continued)

An analysis of the net outflow of cash and cash equivalents in respect of the acquisition of Jinzhou Yuancheng is as follows:

	2008 HK$'000
Cash consideration partially paid*	(56,000)
Partial early repayment of the Loan Note*	(270,000)
Cash and cash equivalents of Jinzhou Yuancheng acquired	57,830
Net outflow of cash and cash equivalents in respect of the acquisition of Jinzhou Yuancheng	(268,170)

* During the year 2008, the Group duly exercised the right under the terms of the Loan Note and early repaid the Loan Note of HK$364,000,000 as to HK$270,000,000 in cash and as to HK$94,000,000 by offsetting against the trade receivables due from a fellow subsidiary. The cash consideration of HK$156,000,000 was settled as to HK$56,000,000 during the year 2008 with the balance of HK$100,000,000 remaining outstanding as at 31 December 2008. In January 2009, the remaining balance has been settled in full.

Since its acquisition, Jinzhou Yuancheng contributed HK$293,705,000 to the Group's revenue and caused a loss of HK$29,466,000 which was included in the consolidated profit for the year ended 31 December 2008.

Had the combination taken place at the beginning of the year 2008, the revenue and the profit of the Group for the year would have been HK$2,730,028,000 and HK$214,677,000, respectively.

32. MAJOR NON-CASH TRANSACTION

During the year 2008, the Group, as agreed among parties, was made an early settlement of the Loan Note amounting to HK$94,000,000 through offsetting against trade receivables due from a fellow subsidiary (See note 31).

33. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the end of the reporting period.

The Company provided guarantees for banking facilities granted to certain subsidiaries. These subsidiaries utilised the banking facilities to the extent of approximately HK$1,452,000,000 as at 31 December 2009 (31 December 2008: HK$332,584,000, 1 January 2008: HK$225,000,000).

34. COMMITMENTS

At 31 December 2009, the Group had capital commitments as follows:

	Group	
	2009	2008
	HK$'000	HK$'000
Contracted, but not provided for:		
Leasehold buildings	**29,473**	22,701
Plant and machinery	**8,273**	16,470
Capital contributions	**8,479**	8,479
	46,225	47,650

The Company did not have any other significant commitments as at 31 December 2009.

35. RELATED PARTY TRANSACTIONS

(i) Transactions with related parties

During the year, the following related party transactions were noted:

	Notes	2009 HK$'000	2008 HK$'000 (Restated)
Purchases from fellow subsidiaries			
— Corn starch	(a)	**692,408**	662,383
Purchases from jointly controlled entity			
— Corn sweeteners	(a)	**–**	2,353
Sales to fellow subsidiaries			
— Corn sweeteners — Sorbitol	(b)	**18,469**	22,175
— Corn sweeteners — Others	(b)	**606,580**	325,795
Sales to a jointly controlled entity			
— Corn sweeteners	(b)	**16,405**	10,301
— Corn starch	(b)	**–**	14,919
Sales to related company			
— Biological products	(c)	**136,514**	–
Reimbursement of utilities cost to a jointly controlled entity	(d)	**10,476**	15,242
Reimbursement of utilities cost by a fellow subsidiary	(d)	**93,842**	86,705
Agency fee charged by a fellow subsidiary	(e)	**3,690**	1,045
Interest expenses paid to a fellow subsidiary	(f)	**–**	2,725

35. RELATED PARTY TRANSACTIONS (continued)

(i) Transactions with related parties (continued)

Notes:

(a) The Group sourced corn starch from fellow subsidiaries, and sourced corn sweeteners from a jointly controlled entities. These purchases were made at prices based on the mutual agreements between the parties.

(b) The Group sold corn sweeteners to fellow subsidiaries and a jointly controlled entity, and sold corn starch to jointly controlled entity. These sales were made at prices mutually agreed between the parties.

(c) The Group sold the biological products to a related party of a fellow subsidiary. The sale was made at prices mutually agree between the parties.

(d) The Group used the utilities facilities provided by a fellow subsidiary and a jointly controlled entity used the utilities facilities provided by the Group. Reimbursement of such utilities costs was paid to the fellow subsidiary and the Group based on the actual costs incurred.

(e) The agency fee was paid to a fellow subsidiary who acted as a sales agent on behalf of the Group. The fee was charged at price based on mutual agreement between parties.

(f) Interest expenses on the Loan Note were based on the rate of 6% per annum and payable to a fellow subsidiary.

(ii) Balances with related parties:

(a) Balances with group companies

The balances with the ultimate holding company, the immediate holding company and fellow subsidiaries are unsecured, interest-free and have no fixed terms of repayment. The carrying amounts of the balances with these group companies approximate to their fair values at the end of each reporting period. At 31 December 2009, approximately HK$51,054,000 (31 December 2008: HK$22,649,000; 1 January 2008: HK$128,051,000) of the balances due from fellow subsidiaries and approximately HK$152,368,000 (31 December 2008: HK$21,140,000; 1 January 2008: HK$3,328,000) of the balances due to fellow subsidiaries arose from trading activities.

The following table sets out the aged analysis of such trade nature portions of amounts due from fellow subsidiaries as at 31 December 2009, 31 December 2008 and 1 January 2008, respectively.

	Group		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)
Trade nature			
Amounts due from fellow subsidiaries			
Within 3 months	**39,156**	22,649	86,994
Over 3 months but less than 6 months	**5,273**	—	41,057
Over 6 months but less than 1 year	**728**	—	—
Over 1 year	**5,897**	—	—
Total	**51,054**	22,649	128,051

35. RELATED PARTY TRANSACTIONS (continued)

(ii) Balances with related parties: (continued)

The following table sets out the aged analysis of such trade nature portions of amounts due to fellow subsidiaries as at 31 December 2009, 31 December 2008 and 1 January 2008, respectively.

	Group		
	2009	2008	1 January 2008
	HK$'000	HK$'000 (Restated)	HK$'000 (Restated)
Trade nature			
Amounts due to fellow subsidiaries:			
Within 3 months	**151,678**	21,140	3,328
Over 1 year	**690**	—	—
Total	**152,368**	21,140	3,328

(iii) Compensation of key management personnel of the Group:

	2009	2008
	HK$'000	HK$'000 (Restated)
Short term employee benefits	**8,540**	7,255
Post-employment benefits	**13**	12
Total compensation paid to key management personnel	**8,553**	7,267

36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group at the end of the reporting period are as follows:

	Group		
	2009	2008	1 January 2008
Financial assets	**Loans and receivables HK$'000**	Loans and receivables HK$'000 (Restated)	Loans and receivables HK$'000 (Restated)
Trade and bills receivables	**428,972**	237,986	204,939
Financial assets included in prepayments, deposits and other receivables	**30,979**	33,032	5,289
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
Cash and cash equivalents	**296,556**	423,113	887,595
Total	**832,601**	763,132	1,299,870

36. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

Financial liabilities	Group 2009 Financial liabilities at amortised cost HK$'000	2008 Financial liabilities at amortised cost HK$'000 (Restated)	1 January 2008 Financial liabilities at amortised cost HK$'000 (Restated)
Trade payables	**48,831**	65,069	32,007
Financial liabilities included in other payables and accruals	**74,015**	29,583	18,067
Interest-bearing bank borrowings	**801,123**	622,472	525,000
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
Total	**1,102,143**	1,025,502	821,435

The carrying amounts of each of the categories of financial instruments of the Company at the end of the reporting period are as follows:

Financial assets	Company 2009 Loans and receivables HK$'000	2008 Loans and receivables HK$'000	1 January 2008 Loans and receivables HK$'000
Financial assets included in prepayments, deposits and other receivables	**246**	64	1,613
Due from the ultimate holding company	**81,800**	11,800	126,054
Due from subsidiaries	**1,074,637**	591,474	279,611
Cash and cash equivalents	**77,853**	208,951	527,470
Total	**1,234,536**	812,289	934,748

Financial liabilities	Company 2009 Financial liabilities at amortised cost HK$'000	2008 Financial liabilities at amortised cost HK$'000	1 January 2008 Financial liabilities at amortised cost HK$'000
Due to subsidiaries	**310,191**	—	—
Interest-bearing bank borrowings	**100,000**	200,000	300,000
Total	**410,191**	200,000	300,000

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial assets of the Group include cash and cash equivalents, trade receivables, prepayments, deposits and other receivables, amounts due from fellow subsidiaries, amounts due from jointly controlled entities and an amount due from the immediate holding company. Financial liabilities of the Group include trade payables, other payables and accruals, interest-bearing bank borrowings, amount due to the immediate holding company, amount due to the ultimate holding company, amounts due to fellow subsidiaries and amounts due to jointly controlled entities.

Financial assets of the Company include cash and cash equivalents, prepayments, deposits and other receivables, amounts due from subsidiaries and an amount due from the immediate holding company. Financial liabilities of the Company include other payables, amounts due to subsidiaries and interest-bearing bank borrowings.

The main risks arising from the Group and the Company's financial instruments are interest rate risk, credit risk and liquidity risk. As the Group's exposure to these risks is kept to a minimum, the Group has not used any derivatives and other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to its interest-bearing bank borrowings.

The Group manages its interest rate exposure with a focus on reducing the Group's overall cost of debt and exposure to changes in interest rates. Management continues to monitor the cash flows of the operations and the debt markets as the Group would expect to refinance these borrowings with a lower cost of debt when considered appropriate.

The Group's revenue and operating cash flows are substantially independent of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in Hong Kong dollar interest rate, with all other variables held constant, of the Group's profit before tax (through the impact on floating rate borrowings) and the equity as well as the Company's equity.

	Group			Company	
	Increase/ (decrease) in interest rate	Increase/ (decrease) in profit before tax	Increase/ (decrease) in equity	Increase/ (decrease) in interest rate	Increase/ (decrease) in equity
	%	HK$'000	HK$'000	%	HK$'000
2009					
Hong Kong dollar	**1**	**(3,955)**	**(3,203)**	**1**	**(1,800)**
Hong Kong dollar	**(1)**	**3,955**	**3,203**	**(1)**	**1,800**
2008					
Hong Kong dollar	1	(3,898)	(3,620)	1	(2,005)
Hong Kong dollar	(1)	3,898	3,620	(1)	2,005

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Head of Credit Control.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, trade receivables, amounts due from related parties and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector.

Further quantitative data in respect of the Group and the Company's exposure to credit risk arising from trade and other receivables are disclosed in notes 21 and 22 to the financial statements.

Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

The Group's policy is to maintain sufficient cash and cash equivalents or available funding through an adequate amount of committed annual borrowing facilities from banks to meet its commitments over the following year in accordance with its strategic plan.

The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payments, was as follows:

Year ended 31 December 2009 – The Group

	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	1 to 5 Years HK$'000	More than 5 years HK$'000	Total HK$'000
Trade payables	**48,831**	**–**	**–**	**–**	**–**	**48,831**
Other payables	**74,015**	**–**	**–**	**–**	**–**	**74,015**
Interest-bearing bank borrowings	**–**	**56,556**	**594,929**	**185,227**	**–**	**836,712**
Due to fellow subsidiaries	**174,884**	**–**	**–**	**–**	**–**	**174,884**
Due to the ultimate holding company	**3,189**	**–**	**–**	**–**	**–**	**3,189**
Due to jointly controlled entities	**101**	**–**	**–**	**–**	**–**	**101**
	301,020	**56,556**	**594,929**	**185,227**	**–**	**1,137,732**

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Year ended 31 December 2008 – The Group

	On demand HK$'000 (Restated)	Less than 3 months HK$'000 (Restated)	3 to 12 months HK$'000 (Restated)	1 to 5 Years HK$'000 (Restated)	More than 5 years HK$'000 (Restated)	Total HK$'000 (Restated)
Trade payables	65,069	—	—	—	—	65,069
Other payables	29,583	—	—	—	—	29,583
Interest-bearing bank borrowings	—	200,713	140,860	280,899	—	622,472
Due to fellow subsidiaries	139,753	—	—	—	—	139,753
Due to the ultimate holding company	168,539	—	—	—	—	168,539
Due to jointly controlled entities	86	—	—	—	—	86
	403,030	200,713	140,860	280,899	—	1,025,502

As at 1 January 2008 – The Group

	On demand HK$'000 (Restated)	Less than 3 months HK$'000 (Restated)	3 to 12 months HK$'000 (Restated)	1 to 5 years HK$'000 (Restated)	More than 5 years HK$'000 (Restated)	Total HK$'000 (Restated)
Trade payables	32,007	—	—	—	—	32,007
Other payables	18,067	—	—	—	—	18,067
Interest-bearing bank borrowings	—	—	156,250	368,750	—	525,000
Due to fellow subsidiaries	3,328	—	—	—	—	3,328
Due to the ultimate holding company	54,284	—	—	—	—	54,284
Due to jointly controlled entities	8,411	—	—	—	—	8,411
Due to the immediate holding company	180,338	—	—	—	—	180,338
	296,435	—	156,250	368,750	—	821,435

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk (continued)

Year ended 31 December 2009 – The Company

	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	1 to 5 years HK$'000	More than 5 years HK$'000	Total HK$'000
Due to subsidiaries	310,191	—	—	—	—	310,191
Interest-bearing bank borrowings	—	—	51,348	53,236	—	104,584
	310,191	—	51,348	53,236	—	414,775

Year ended 31 December 2008 – The Company

	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	1 to 5 years HK$'000	More than 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	—	200,713	—	—	—	200,713

As at 1 January 2008 – The Company

	On demand HK$'000	Less than 3 months HK$'000	3 to 12 months HK$'000	1 to 5 years HK$'000	More than 5 years HK$'000	Total HK$'000
Interest-bearing bank borrowings	—	—	—	300,000	—	300,000

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the year.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by equity. The Group's policy is to maintain the gearing ratio at no more than 50%. Net debt represents interest-bearing bank borrowings less cash and cash equivalents. Capital represents equity attributable to owners of the Company. The gearing ratios at end of the reporting period were as follows:

31 December	Group			Company		
	2009 HK$'000	2008 HK$'000 (Restated)	1 January 2008 HK$'000 (Restated)	2009 HK$'000	2008 HK$'000	1 January 2008 HK$'000
Interest bearing bank borrowings	**801,123**	622,472	525,000	**100,000**	200,000	300,000
Less: Cash and cash equivalents	**(296,556)**	(423,113)	(887,595)	**(77,853)**	(208,951)	(527,470)
Net debt	**504,567**	199,359	(362,595)	**22,147**	(8,951)	(227,470)
Equity	**1,630,079**	1,525,524	1,280,468	**1,311,501**	1,122,943	1,142,255
Gearing ratio	**31%**	13%	—	**2%**	—	—

38. EVENTS AFTER THE REPORTING PERIOD

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 Taiwan Depositary Receipts ("TDRs"), representing 100 million new shares issued by the Company and 100 million shares of the Company transferred by Global Corn Bio-Chem ("TDR Issue") to the depositary bank for the TDRs, on the Taiwan Stock Exchange. Each TDR represents two ordinary shares of the Company. The application was approved by the Taiwan Stock Exchange and the Taiwan Central Bank, and then by the Taiwan Securities and Futures Bureau on 11 January 2010, 11 December 2009 and 26 February 2010, respectively. 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.

39. COMPARATIVE AMOUNTS

As further explained in note 2.5 to the financial statements, due to the change of the accounting policy during the current year, the accounting treatment and presentation of certain items and balances in the financial statements have been revised to comply with the new requirements. Accordingly, certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

40. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 22 April 2010.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets, liabilities and minority interests of the Group for the last five financial years, as extracted from the published audited financial statements and the prospectus of the Company, and restated as appropriate, is set out below. The amounts for each year in the five year financial summary have been adjusted for the effects of the retrospective changes in accounting policy affecting interests in the Group's jointly controlled entities, as detailed in note 2.5 to the financial statements.

For the years prior to 31 December 2006, the Group was regarded as a continuing entity resulting from the reorganisation under common control. Accordingly, the consolidated financial statements of the Group for the years ended 31 December 2006 and 2005 have been prepared as if the current group had been in existence throughout the years. The combined financial information of the Group has been presented on the principle of merger accounting such that the Company was treated as the holding company of its subsidiaries from the beginning of the year presented rather than from the subsequent date of its acquisition of the subsidiaries on 24 August 2007.

	Year ended 31 December				
	2009	2008	2007	2006	2005
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
	Consolidated	Consolidated	Combined	Combined	Combined
		(Restated)	(Restated)	(Restated)	(Restated)
RESULTS					
REVENUE	**2,668,767**	1,693,975	1,471,122	1,035,007	809,012
Cost of sales	**(2,361,562)**	(1,411,543)	(1,155,610)	(814,444)	(638,405)
Gross profit	**307,205**	282,432	315,512	220,563	170,607
Other income and gains	**18,624**	30,896	18,607	4,516	1,507
Excess over the cost of a business combination	**—**	23,703	—	—	—
Selling and distribution costs	**(108,877)**	(70,427)	(38,176)	(37,447)	(45,869)
Administrative expenses	**(75,928)**	(58,911)	(33,463)	(11,893)	(682)
Other expenses	**(3,259)**	1,779	(17,953)	(3,760)	(8,510)
Finance costs	**(34,232)**	(39,237)	(24,264)	(12,689)	(5,148)
Share of profits/(loss) of jointly controlled entities	**3,312**	5,677	8,758	17,399	(4,748)
PROFIT BEFORE TAX	**106,845**	175,912	229,021	176,689	107,157
Income tax expense	**(20,643)**	(21,542)	(35,355)	(19,956)	(11,491)
PROFIT FOR THE YEAR	**86,202**	154,370	193,666	156,733	95,666
Attributable to:					
Owners of the Company	**85,681**	154,370	193,666	156,733	80,663
Minority interests	**521**	—	—	—	15,003
	86,202	154,370	193,666	156,733	95,666
ASSETS, LIABILITIES AND MINORITY INTERESTS					
TOTAL ASSETS	**2,853,882**	2,677,196	2,157,877	1,281,971	1,071,862
TOTAL LIABILITIES	**(1,218,087)**	(1,151,672)	(877,409)	(924,519)	(883,830)
MINORITY INTERESTS	**(5,716)**	—	—	—	—
	1,630,079	1,525,524	1,280,468	357,452	188,032

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Kong Zhanpeng *(Chairman)*
Zhang Fazheng
Zhang Fusheng *(Resigned on 8 December 2009)*
Lee Chi Yung *(Appointed on 8 December 2009)*
Wang Guifeng

Independent non-executive Directors

Chan Yuk Tong
Gao Yunchun
Ho Lic Ki
Yan Man Sing Frankie *(Retired on 29 May 2009)*

COMPANY SECRETARY

Lee Chi Yung, ACCA, HKICPA

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2403
Admiralty Centre Tower II
No. 18 Harcourt Road
Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants
18th Floor, Two International Finance Centre
8 Finance Street, Central
Hong Kong

LEGAL ADVISERS

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

Agricultural Bank of China
Changchun City, Da Cheng
932 Xi Huan Cheng Road
Changchun, Jilin Province
China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.global-sweeteners.com

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03889 HK
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