

INTERIM DIVIDENDS

The Board of Directors of the Company (the “Board” or “Directors”) has proposed an interim dividend of HK2.0 cents per Share (2002: HK1.5 cents) in respect of the Period. The Board expects that the proposed interim dividend will be paid on or around 22 October 2003.

DIRECTORS’ INTEREST IN SHARES

As at 30 June 2003, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance (the “SFO”)) which had been notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) to be notified to the Company and the Stock Exchange were as follows:

Name of Director	Company/ associated corporation	Capacity	<i>Notes</i>	Number of Shares
Mr. Liu Xiaoming	The Company	(i) Beneficial owner		8,890,400
		(ii) Interest of controlled corporation	1	345,600,000
Mr. Kong Zhanpeng	The Company	(i) Beneficial owner		8,294,400
		(ii) Interest of controlled corporation	2	172,800,000
Mr. Wang Tieguang	The Company	(i) Beneficial owner		4,147,200
		(ii) Interest of controlled corporation	3	172,800,000

Notes:

1. These shares are owned by LXM Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of LXM Limited is beneficially owned by Mr. Liu Xiaoming.
2. These shares are owned by Hartington Profits Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Hartington Profits Limited is beneficially owned by Mr. Kong Zhanpeng.
3. These shares are owned by Rich Mark Profits Limited, a company incorporated in the British Virgin Islands. The entire issued share capital of Rich Mark Profits Limited is beneficially owned by Mr. Wang Tieguang.

SHARE OPTIONS

During the Period, the following share options were outstanding under the share option scheme of the Company which became effective on 12 March 2001 and will remain in force for 10 years from that date:

Category and name of participant	Number of share options at 1 January 2003 and 30 June 2003	Date of grant of share options *	Exercise period of share options	Exercise price of share options**	Price of Company's Share at grant date of option***
				HK\$	HK\$
Directors					
Mr. Liu Xiaoming	14,745,600	21 August 2001	21 August 2001 to 20 August 2011	1.316	1.66
Mr. Xu Zhouwen	23,040,000	21 August 2001	21 August 2001 to 20 August 2011	1.316	1.66
Mr. Kong Zhanpeng	14,745,600	21 August 2001	21 August 2001 to 20 August 2011	1.316	1.66
Mr. Wang Tieguang	14,745,600	21 August 2001	21 August 2001 to 20 August 2011	1.316	1.66
	67,276,800				
Other employees					
In aggregate	8,294,400	14 May 2001	14 May 2001 to 13 May 2011	0.816	1.00
	40,243,200	21 August 2001	21 August 2001 to 20 August 2011	1.316	1.66
	48,537,600				
	115,814,400				

* The vesting period of the share options is from the date of the grant until the commencement of the exercise period.

** The exercise price of the share options was adjusted for the bonus issues in 2002 from HK\$0.98 and HK\$1.58 to HK\$0.816 and HK\$1.316, respectively.

*** The price of the Company's Shares disclosed as at the date of the grant of the share options is closing price at the Stock Exchange on the trading day immediately prior to the date of the grant of the share options and was adjusted for the bonus issues in 2002 from HK\$1.20 and HK\$2.00 to HK\$1.00 and HK\$1.66, respectively.

SUBSTANTIAL SHAREHOLDERS' INTEREST

- (a) So far as is known to the Directors, as at 30 June 2003, the following persons 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:

Name	Notes	Interest in issued Shares	Interest in underlying Shares	Approximate percentage of the Company's issued share capital
LXM Limited	1	345,600,000		17.7%
Mr. Liu Xiaoming	1	354,490,400	14,745,600*	18.9%
In-depth Profits Limited	2	288,000,000		14.7%
Mr. Au Chun Fat	2	288,000,000	23,040,000**	15.9%
Hartington Profits Limited	3	172,800,000		8.8%
Mr. Kong Zhanpeng	3	181,094,400	14,745,600*	10.0%
Rich Mark Profits Limited	4	172,800,000		8.8%
Mr. Wang Tiegung	4	176,947,200	14,745,600*	9.8%
J.P. Morgan Chase & Co.		156,684,200***		8.0%
The Capital Group Companies, Inc.		108,102,000		5.5%
Cargill International Trading Pte. Ltd.	5	23,800,000	84,220,000	5.5%

* These Shares are the underlying Shares subject to certain options granted under the share option scheme of the Company. Details of such options are set out in paragraph headed "Share options" above.

** These Shares are the underlying Shares subject to the options granted under the share option scheme of the Company. On 14 May 2001, Mr. Au Chun Fat was granted options to subscribe for 8,294,400 Shares exercisable at a price of HK\$0.816 per Share (after adjustment for the one for five bonus issue in 2002) during the period from 14 May 2001 to 13 May 2011. On 21 August 2001, Mr. Au Chun Fat was granted further options to subscribe for 14,745,600 Shares exercisable at a price of HK\$1.316 per Share (after adjustment for the one for five bonus issue in 2002) during the period from 21 August 2001 to 20 August 2011.

*** According to the register of substantial shareholders kept by the Company, 156,684,200 Shares were held by J.P. Morgan Chase & Co. in its capacity as an investment manager as at 30 June 2003 and 39,117,400 Shares formed part of a lending pool. All such Shares represent a long position in shares.

Notes:

1. The entire issued capital of LXM Limited is beneficially owned by Mr. Liu Xiaoming, an executive Director.
2. The entire issued capital of In-depth Profits Limited is beneficially owned by Mr. Au Chun Fat, an employee and a former Director.
3. The entire issued capital of Hartington Profits Limited is beneficially owned by Mr. Kong Zhanpeng, an executive Director.

4. The entire issued capital of Rich Mark Profits Limited is beneficially owned by Mr. Wang Tiegung, an executive Director.
5. Pursuant to the option deed dated 25 September, 2001 entered into between the Company and Cargill International Trading Pte. Ltd. ("Cargill Pte."), the Company granted to Cargill Pte. options to acquire 23,800,000 Shares ("Tranche 1 Option"), 36,800,000 Shares ("Tranche 2 Option") and 47,420,000 Shares ("Tranche 3 Option") at a subscription price of HK\$1.59, HK\$1.83 and HK\$2.21 per Share respectively (after adjustment for the one for five bonus issue in 2002). The exercise period for the Tranche 1 Option, the Tranche 2 Option and the Tranche 3 Option were 30 days from the date commencing 26 March 2003, 30 days from the date commencing 26 March 2004 and 30 days from the date commencing 26 March 2005. As at 30 June 2003, options to acquire 84,220,000 Shares were outstanding.
- (b) So far as is known to the Directors, as at 30 June 2003, Changchun Dacheng Industrial Group Co., Ltd. ("Dacheng Industrial") is, directly or indirectly, interested in 10% or more of the registered capital carrying rights to vote in all circumstances at general meetings of the following subsidiaries of the Company:

Name of subsidiary	Interest in registered capital	Percentage of interest
Changchun Dacheng Bio-chem Engineering Development Co., Ltd.	RMB15,464,560	10%
Changchun Dacheng Corn Development Co., Ltd.	RMB19,908,000	20%
Changchun Dacheng Special Corn & Modified Starch Development Co., Ltd.	RMB9,925,000	10%
Changchun Dacheng Starch Development Co., Ltd.	RMB5,440,000	10%
Changchun Jincheng Corn Development Co., Ltd.	RMB9,870,000	10%

- (c) Save as disclosed above, no person had notified the Company that he/she/it has 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, had a direct/indirect interests amounting to 10% of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any members of the Group as at 30 June 2003.

DIRECTORS' RIGHT TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors' interest in shares" and "Share options" above, at no time during the Period were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, 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.

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 Period.

CODE OF BEST PRACTICE

The Company has complied with the Code of Best Practice (the “Code”), as set out in the appendix 14 of the Listing Rules since the listing of the Company’s Shares on the Stock Exchange on 16 March 2001.

AUDIT COMMITTEE

The Company’s audit committee (the “Audit Committee”) which was established in accordance with the guideline of the Code, for the purposes of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises two independent non-executive Directors. The Chairman of the Audit Committee is Mr. Lee Yuen Kwong, who is a Certified Public Accountant and has been practising since 1990. The other member of the Audit Committee is Mr. Chan Man Hon, Eric, who is a solicitor and has been practising in Hong Kong for over 20 years.

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

The interim results of the Group for the Period had not been audited, but had been reviewed by the Company’s auditors, Ernst & Young, while this interim report had been reviewed by the Audit Committee.

CLOSURE OF REGISTER OF MEMBERS

The register of members will close from 30 September 2003 to 3 October 2003, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the interim dividend, transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Registrar, Tengis Limited on Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:30 p.m. on 29 September 2003.

PUBLICATION OF DETAILED RESULTS ANNOUNCEMENT OF INTERIM REPORT

The printed copy of the 2003 interim report will be sent to shareholders on or around 4 September 2003. The soft copy of the interim report will be available on the Company’s website at www.globalbiochem.com on or around 2 September 2003. A detailed announcement containing all the information required by paragraph the 37 of appendix 16 of the Listing Rules has been published on the Stock Exchange’s website at www.hkex.com.hk.

On behalf of the Board
Liu Xiaoming
Chairman

Hong Kong, 28 August 2003