

### OUR CORPORATE HISTORY

Our history began with the establishment of Sanxing Grease in 2001 by Shandong Sanxing as to 33.6%, Mr. Wang MX as to 33.4%, Mr. Wang MF as to 16.5% and Ms. Huo as to 16.5% respectively. Sanxing Grease was primarily engaged in the manufacture and sale of edible corn oil before the establishment of Corn Industry.

In order to streamline the corporate structure of the Sanxing Group by separating Sanxing Grease's edible corn oil manufacturing and sale business from the other activities of the Sanxing Group, Sanxing Grease established Corn Industry on 14 November 2006 for the purpose of transferring its edible corn oil manufacturing and sale business to Corn Industry. Following completion of such transfer, Sanxing Grease was no longer engaged in edible corn oil business which competes or may compete with Corn Industry's business save for its sales arrangement with Corn Industry, further information of which is set forth in the section headed "Connected Transactions" in this prospectus.

On 11 January 2007, as Sanxing Group intended to focus its resources, including financial and management resources, on its other businesses, Sanxing Grease entered into an equity transfer agreement with Corn BVI to transfer its 100% equity interest in Corn Industry to Corn BVI, a company incorporated in BVI, which was then wholly-owned by Mr. Koay, for a consideration of US\$10 million (the "Equity Transfer"). The Equity Transfer was undertaken after taking into account the fact that Sanxing Group would receive proceeds from the Equity Transfer for its own uses and the Wang Brothers could spend their time focusing on the management of other businesses of Sanxing Group. It was a mutual understanding between Sanxing Grease and Mr. Koay that the Wang Brothers would not stay in the management team of Corn Industry after completion of the Equity Transfer. To the best knowledge of our Directors, Mr. Koay had been engaged in the trading of edible oil products for over 15 years and since 2003, had been an agent of our Group for the bulk sales of edible corn oil in the overseas markets. Save for the aforesaid business relationship, (i) Mr. Koay has no relationship with any member of the management of our Group, the Controlling Shareholders and their respective associates; and (ii) Mr. Koay has no relationship with each of CDCP, GMIM and NGPL.

After Corn Industry obtained the 外商投資企業批准證書 (Certificate of Approval for Establishment of Enterprises with Foreign Investment in the PRC) dated 5 February 2007 and its new business licence dated 13 February 2007, it became a foreign investment enterprise wholly-owned by Corn BVI on 13 February 2007.

NGPL<sup>(1)</sup> entered into a loan agreement with Corn BVI on 1 April 2007, pursuant to which NGPL agreed to advance US\$2 million to Corn BVI and NGPL was granted a right

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(1) NGPL is a private company incorporated in Singapore which is principally engaged in investment holding and is owned as to 50% each by two Independent Third Parties who are interested in investing in businesses in the PRC and have invested in certain companies listed on the Shanghai Stock Exchange. Save for NGPL's investment in Corn BVI, NGPL has no relationship with Mr. Koay, any member of the management of our Group, the Controlling Shareholders and their respective associates. To the best knowledge of our Directors, NGPL has no relationship with each of CDCP, GMIM, Martin Currie Investment Management Limited ("MCIM") and Martin Currie Inc ("MCI").

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to invest in Corn BVI (the “**Investment Right**”) during the period of one year from the date of such loan agreement. Pursuant to such loan agreement, if the Investment Right is exercised by NGPL, the parties thereto shall enter into a separate agreement for the investment by NGPL in Corn BVI and NGPL shall forgo its entitlement to the loan repayment of US\$2 million. On 16 April 2007, the US\$2 million loan amount was advanced by NGPL to Corn BVI. On 25 April 2007, US\$2 million of the consideration for the Equity Transfer was received by Sanxing Grease from Corn BVI.

Given that Mr. Koay and Corn BVI had not been able to settle the remaining consideration of US\$8 million for the Equity Transfer, on 9 May 2007, Sanxing Trade, a wholly-owned subsidiary of Sanxing Grease, acquired 49,900 shares of US\$1.00 each in Corn BVI representing 99.8% interest in Corn BVI from Mr. Koay for a consideration of US\$49,900 which was approximately equal to 99.8% of the then net assets value of Corn BVI that was attributable to the interest acquired by Sanxing Trade (the “**Acquisition**”). Based on the then latest management account of Corn BVI, the net assets value of Corn BVI of approximately US\$50,000 comprised: (i) total assets of approximately US\$10.05 million which consisted of investment cost in Corn Industry amounting to US\$10 million and bank and cash amounting to approximately US\$50,000; and (ii) total liabilities of US\$10 million which consisted of the aforesaid loan advanced by NGPL on 16 April 2007 amounting to US\$2 million and the unsettled consideration for the Equity Transfer due to Sanxing Grease of US\$8 million. The Acquisition was the result of the fact that (i) Mr. Koay and Corn BVI were not able to settle the consideration for the Equity Transfer in full and Sanxing Group could not receive the proceeds from the Equity Transfer as it originally planned; (ii) CDCP, GMIM and NGPL had agreed to invest in Corn BVI (as described below) but required the Wang Brothers to stay in the management team of Corn Industry and Sanxing Group to be the controlling shareholder of Corn BVI and Corn Industry; and (iii) the Acquisition and the investment of CDCP, GMIM and NGPL would allow Corn BVI to receive funding and in turn Sanxing Grease could receive the consideration for the Equity Transfer in full, and strengthen the shareholders’ base of Corn BVI. As a result of the Acquisition, Mr. Koay held the remaining 0.2% interest in Corn BVI which was not given to him as an award or remuneration. As confirmed by Sanxing Grease and Mr. Koay, Sanxing Grease retained its power to govern the financial and operating policies of Corn Industry and Mr. Koay did not participate in the management of the business during the period from the Equity Transfer to 9 May 2007 because Mr. Koay had not settled the consideration in full. Since the Acquisition, Sanxing Grease, Shandong Sanxing and the Wang Brothers have decided to retain the control and/or management of our Group in view of the investments of CDCP, GMIM and NGPL and the subsequent listing of the Group’s business on Alternext (as described below) and it is the intention of Sanxing Grease, Shandong Sanxing and the Wang Brothers to retain the control and/or management of our Group after Listing.

On 21 May 2007, Corn BVI increased its authorised share capital from 50,000 shares of US\$1.00 each to 65,000 shares of US\$1.00 each.

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On 18 May 2007, CDCP<sup>(2)</sup> and GMIM<sup>(2)</sup> entered into a subscription agreement to subscribe for new shares in Corn BVI and, on 28 May 2007, NGPL exercised the Investment Right (following which the obligation on the part of Corn BVI to repay the US\$2 million loan to NGPL was waived) and entered into a subscription agreement to subscribe for new shares in Corn BVI. On 14 June 2007, Corn BVI allotted and issued a total of 6,466 shares of US\$1.00 each, representing approximately 10.83% of the entire issued share capital of Corn BVI, to CDCP and GMIM as to 50% each, for an aggregate consideration of US\$5 million; and allotted and issued 3,235 shares of US\$1.00 each, representing approximately 5.42% of the entire issued share capital of Corn BVI, to NGPL for a consideration of US\$3 million. As at the Latest Practicable Date, no special rights were granted to any of CDCP, GMIM and/or NGPL pursuant to the aforesaid subscription agreements. As confirmed by NGPL, given that: (a) NGPL and its shareholders did not have a significant investment track record and were not as reputable when compared with MCI and MCIM as mentioned below; (b) NGPL had a keen interest to invest in the corn oil business in the PRC operated by our Group in order to strengthen its investment portfolio and track records; and (c) the investments by CDCP and GMIM, of which reputable MCIM and MCI are the investment managers respectively, provided additional comfort and support to NGPL's decision to

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- (2) First Plaza Group Trust (the "**First Plaza I Trust**") is a New York trust trustee by JP Morgan Chase Bank, N.A. The United States pension plans which are the beneficial owners of the account in the First Plaza I Trust (the "**Account**") which holds the shares of Corn Oil Luxembourg are the General Motors Hourly-Rate Employees Pension Plan and the General Motors Retirement Program for Salaried Employees. The named fiduciary for investment purposes for such pension plans is GMIM (currently known as Promark Investment Advisors, Inc.) which has, on behalf of the trust for the benefit of the Account, engaged MCI to act as investment manager.

In 2008, GMIM established a group trust called First Plaza Group Trust II ("**First Plaza II Trust**") and transferred some of the assets under First Plaza I Trust to First Plaza II Trust. The trustee for First Plaza II Trust is State Street Bank and Trust Company. The interests held by JPMorgan Chase Bank, N.A. for First Plaza I Trust was transferred to State Street Bank and Trust Company as Trustee for the First Plaza II Trust in 2008.

CDCP is an exempted limited partnership established under the laws of Bermuda. China Development Capital GP Limited (the "**General Partner**"), a company incorporated in Bermuda, is acting in its capacity as the general partner to The China Development Capital Partnership, which comprised the master fund, CDCP, and the feeder fund, the China Development Capital Partnership Feeder Fund LP (the "**Feeder Fund**"). The Feeder Fund is also an exempted limited partnership established under the laws of Bermuda and together with CDCP operates as a master-feeder fund. The Feeder Fund invests all of its assets in CDCP and is a limited partner in CDCP. CDCP has a number of limited partners, including the Feeder Fund, and the beneficial owners of the interests in CDCP are all professional, institutional investors. CDCP generally engages in the investment in companies with the majority of their operations in China (including Hong Kong, Macau and Taiwan). MCIM was appointed to act as the investment manager to CDCP and the Feeder Fund.

MCI is a corporation established under the laws of the State of New York, United States and based in Scotland, United Kingdom. MCIM is a company established under the laws of Scotland and based in Scotland, United Kingdom. The ultimate controlling shareholder of both MCI and MCIM are Martin Currie Limited, a company registered in Bermuda. MCI and MCIM are reputable specialist active equity managers which manage over billions of US dollars for clients worldwide, including financial institutions, charities, foundations, pension funds and investment trusts.

To the best knowledge of our Directors, save for CDCP's and GMIM's investments in Corn BVI, each of MCI, MCIM, CDCP and GMIM has no relationship with Mr. Koay, any member of the management of our Group, our Controlling Shareholders and their respective associates. To the best knowledge of our Directors, each of MCI, MCIM, CDCP and GMIM has no relationship with NGPL.

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invest in Corn BVI, NGPL was willing to pay a higher price of US\$5 million for acquiring approximately 5.42% interest in Corn BVI as compared with the consideration of US\$2.5 million each paid by CDCP and GMIM to acquire approximately 5.42% each interest in Corn BVI.

During 22 to 29 June 2007, Sanxing Grease received the remaining consideration of approximately US\$8 million for the Equity Transfer from Corn BVI.

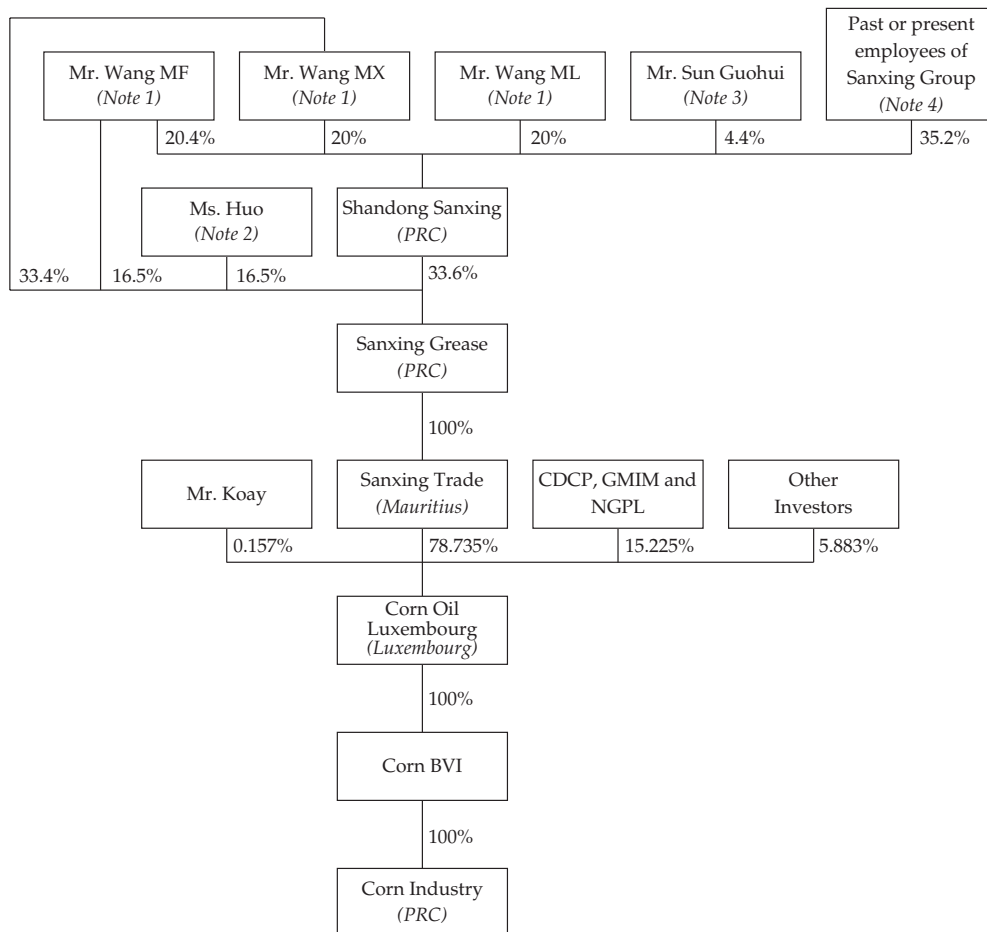
On 19 December 2007, Sanxing Trade set up Corn Oil Luxembourg for the purpose of listing on Alternext with an initial issued share capital of 3,650 shares of €8.50 each. Pursuant to the shareholders' resolution of Corn Oil Luxembourg passed on 15 January 2008, the 3,650 shares of €8.50 each in the issued share capital of Corn Oil Luxembourg held by Sanxing Trade were changed to 18,250 shares of €1.70 each.

On 14 January 2008, Corn Oil Luxembourg acquired from Sanxing Trade, Mr. Koay, CDCP, GMIM and NGPL their respective interests in Corn BVI in consideration of Corn Oil Luxembourg allotting and issuing its issued share capital representing 4,015,870 shares of €1.70 each to each of Sanxing Trade, Mr. Koay, CDCP, GMIM and NGPL on a pro-rata basis. Immediately after such acquisition, Corn Oil Luxembourg's total issued share capital of 4,034,120 shares of €1.70 each was owned as to 3,374,840 shares (83.66%) by Sanxing Trade, as to 6,725 shares (0.17%) by Mr. Koay, as to 217,475 shares (5.39%) by CDCP, as to 217,475 shares (5.39%) by GMIM and as to 217,605 shares (5.39%) by NGPL.

On 25 March 2008, Corn Oil Luxembourg was listed on Alternext through the placement of 252,144 new shares at €19.83 per share and raised gross proceeds of approximately €5 million in total which, net of listing expenses, was then contributed by Corn Oil Luxembourg to our Group and was subsequently applied by our Group as partial funding for the purchase of a refinement production line, a packaging production line and the research and development centre from Sanxing Grease at an aggregate consideration of approximately RMB185.6 million during 2008. On the date of listing on Alternext, Corn Oil Luxembourg's total issued share capital of 4,286,264 shares of €1.70 each was owned as to 3,374,840 shares (78.735%) by Sanxing Trade, as to 6,725 shares (0.157%) by Mr. Koay, as to 217,475 shares (5.074%) by CDCP, as to 217,475 shares (5.074%) by GMIM, as to 217,605 shares (5.077%) by NGPL and as to 252,144 shares (5.883%) by other public investors ("**Other Investors**").

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Set out below is the shareholding structure of our Group immediately after the completion of the placement and the listing of Corn Oil Luxembourg's shares on Alternext:



*Notes:*

- (1) Mr. Wang MX, our Chairman, chief executive officer and an executive Director, Mr. Wang MF, an executive Director and Mr. Wang ML, an executive Director, are brothers.
- (2) Ms. Huo is the spouse of Mr. Wang ML.
- (3) Mr. Sun Guohui is an executive Director.
- (4) The eight individuals are past or present employees of Sanxing Group and they in total are interested in 35.2% of the registered share capital of Shandong Sanxing. To the best knowledge of our Directors, they are not parties acting together.
- (5) To the best knowledge of our Directors, CDCP, GMIM and NGPL were Independent Third Parties and not parties acting in concert with the Controlling Shareholders as at the Latest Practicable Date.

Since the listing of Corn Oil Luxembourg's shares on Alternext, Sanxing Trade had made on-market purchases and sales of Corn Oil Luxembourg's shares on Alternext from time to time and Mr. Koay has disposed of his entire interests in Corn Oil Luxembourg's shares before the privatisation offer. Trading in the shares of Corn Oil Luxembourg was suspended on 25 September 2009 pending the issue of an announcement in relation to the privatisation offer, on such date Corn Oil Luxembourg's issued share capital was owned as to approximately 82.162% by Sanxing Trade, as to 5.074% by CDCP, as to 5.074% by GMIM, as to 5.072% by NGPL and as to 2.618% by Other Investors.

### OUR REORGANISATION

#### (1) Establishment of the Company

On 9 September 2009, our Company was incorporated under the Companies Law as an exempted company with an authorised share capital of HK\$380,000 divided into 3,800,000 shares of HK\$0.10 each. Our Company allotted and issued one Share to Codan Trust Company (Cayman) Limited which was subsequently transferred to Sanxing Trade on the same date.

#### (2) Privatisation offer for Corn Oil Luxembourg

On 4 November 2009 (Central European time), Corn Oil Luxembourg announced that Sanxing Trade, a wholly-owned subsidiary of Sanxing Grease, together with CDCP, GMIM, and NGPL had made a proposal to acquire all the shares of Corn Oil Luxembourg not already owned, controlled or agreed to be acquired by Sanxing Trade or entities controlled by or associated with it, other than those shares held by CDCP, GMIM and, NGPL which together with Sanxing Trade were then interested in approximately 97.38% of the issued share capital of Corn Oil Luxembourg, and to seek the voluntary delisting of Corn Oil Luxembourg from Alternext.

The privatisation offer was made on 5 November 2009 (Central European time) at an offer price of approximately €22 (or approximately HK\$257.31) in cash per share of Corn Oil Luxembourg. For illustration purpose only, based on (i) the aforesaid offer price of €22 per share of Corn Oil Luxembourg and Corn Oil Luxembourg's total issued share capital of 4,286,264 shares; (ii) the forecast combined profit attributable to equity holders of our Company of not less than RMB113 million (or approximately HK\$128.3 million) for the year ending 31 December 2009 as set out in the paragraph headed "Profit Forecast" under the section headed "Financial Information" in this prospectus; and (iii) the assumption that Corn Oil Luxembourg will issue new shares equal to 35% of its entire issued share capital as enlarged by such new issue (as in the case of Share Offer in order to make the price/earnings multiple comparable to those in the Share Offer as mentioned below), the prospective price/earnings multiple on a pro forma basis for the privatisation offer is approximately 13.23 times. As set out in the paragraph headed "Statistics of the Share Offer" under the section headed "Summary" in this prospectus, the prospective price/earnings multiple on a pro forma basis of the Company is approximately 10.02 times based on an Offer Price of HK\$2.57 and approximately 15.01 times based on an Offer Price of HK\$3.85.

The reasons for the privatisation offer were as follows:

- The trading liquidity of the shares of Corn Oil Luxembourg on Alternext in the preceding year had been generally thin. The average daily trading volume of the shares of Corn Oil Luxembourg had been approximately 2,245 shares over the 12-month period prior to the suspension of trading in the shares of Corn Oil Luxembourg on 25 September 2009 pending the issue of an announcement in relation to the privatisation offer, representing approximately 0.052% of the total issued share capital of Corn Oil Luxembourg. Our Controlling Shareholders believed that Corn Oil Luxembourg's share price might not reflect the underlying values of our business and the valuation and the trading liquidity of our shares may be improved if we were to be listed of our Group on the Stock Exchange; and

## HISTORY AND CORPORATE DEVELOPMENT

- Through the privatisation offer, accepting shareholders were provided with an opportunity to realise their investments in Corn Oil Luxembourg for a cash consideration. The offer price under the privatisation offer represented a premium of approximately 22.3% over the last transacted price per share of €17.99 as at 25 September 2009, and premiums of approximately 11.11%, 18.34%, and 13.58% over the average of the last transacted prices of Corn Oil's Luxembourg shares over the 30-day, 90-day, and 180-day periods respectively up to and including 25 September 2009.

The privatisation offer was made by Invest Securities as the financial adviser on behalf of Sanxing Trade, CDCP, GMIM and NGPL. The independent financial adviser appointed for the purpose of the privatisation offer was of the view that the offer price was fair. The board of directors of Corn Oil Luxembourg and Invest Securities believe that the aforesaid opinion of the independent financial adviser has been arrived at after taking into account the intention of Sanxing Trade, CDCP, GMIM and NGPL for the Listing. As advised by Invest Securities and the board of directors of Corn Oil Luxembourg, the then existing shareholders of Corn Oil Luxembourg had been informed of all relevant information for considering the privatisation offer in accordance with the regulatory requirements of Alternext and all relevant disclosures in relation to the privatisation offer had complied with the regulatory requirements of Alternext.

The privatisation offer closed on 19 November 2009 (Central European time). Pursuant to the privatisation offer, Sanxing Trade purchased 24,455 shares in Corn Oil Luxembourg at €22 per share for an aggregate consideration of €538,010. As at the Latest Practicable Date, the board of directors of Corn Oil Luxembourg confirmed that no objection against the privatisation offer and/or the Listing had been received by Corn Oil Luxembourg from any of the Other Investors who/which did not accept the privatisation offer.

Following the closing of the privatisation offer, Corn Oil Luxembourg's issued share capital was owned as to approximately 82.733% by Sanxing Trade, as to 5.074% by CDCP, as to 5.074% by GMIM, as to 5.072% by NGPL and as to 2.047% by Other Investors.

On 20 November 2009 (Central European time), Corn Oil Luxembourg was delisted from Alternext. So far as the Directors are aware, there had not been any regulatory or disciplinary action taken against Corn Oil Luxembourg or its directors during the period since Corn Oil Luxembourg's listing on the Alternext and up to 20 November (Central European time) when Corn Oil Luxembourg was delisted from Alternext. The Controlling Shareholders (except Corn Oil Luxembourg) have undertaken to indemnify the Group in respect of any actual and potential costs, expenses, losses and damages, arising from any legal proceedings instituted by or against or any other claims in relation to Corn Oil Luxembourg since its listing on the Alternext and up to the date on which it was delisted from Alternext, including but not limited to any potential legal proceedings relating to the privatisation offer for and the delisting of Corn Oil Luxembourg.

### (3) Transfer of shares of Corn BVI

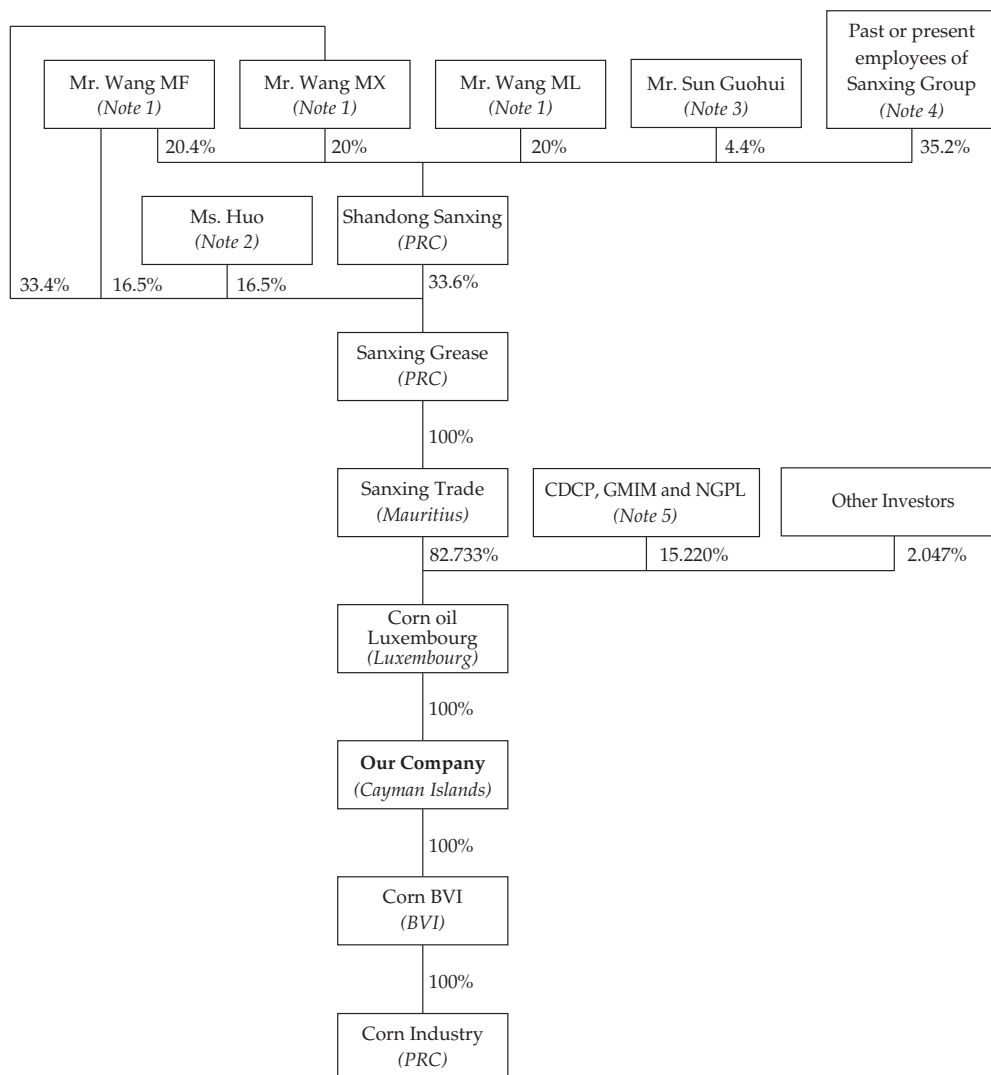
On 26 November 2009, Corn Oil Luxembourg (as vendor), the Company (as purchaser), the Controlling Shareholders (collectively as warrantors) entered into a reorganisation deed, pursuant to which Corn Oil Luxembourg transferred its entire interest being 59,701 shares of US\$1.0 each in Corn BVI to the Company in consideration of €11,126,979, payable by the Company by way of allotting and issuing 324,999,999 shares of HK\$0.10 each in the share capital of the Company credited as fully paid to Corn Oil Luxembourg. On the same date, Sanxing Trade transferred the 1 share of the Company held by it to Corn Oil Luxembourg at a nominal value of HK\$0.10. Following the above transfers (the “**Transfer**”), the Company was wholly-owned by Corn Oil Luxembourg. The edible oil business of our Group, which was originally held by Corn Oil Luxembourg through Corn BVI, was effectively transferred to the Company pursuant to the Transfer, which Transfer would not be affected even if the Liquidation Process (as defined below) cannot proceed because of any objection by the existing creditors of Corn Oil Luxembourg. The Liquidation Process will not be undertaken if it creates any legal risk or business risk to the Group and the Shareholders.

As at the Latest Practicable Date, it is the intention of the majority shareholders of Corn Oil Luxembourg to apply for the voluntary winding up of Corn Oil Luxembourg. On 1 December 2009, Corn Oil Luxembourg issued a notice by way of newspaper publication and Luxembourg official gazette convening an extraordinary general meeting (“**EGM**”) of Corn Oil Luxembourg to be held on 22 December 2009. At the EGM, certain resolutions will be proposed to be passed, which include, among others, (i) dissolution of Corn Oil Luxembourg; (ii) appointment of the liquidator; and (iii) determination of the powers to be given to the liquidator and determination of remuneration of the liquidator. Pursuant to and following the winding up of Corn Oil Luxembourg, all the issued shares of the Company held by Corn Oil Luxembourg (or the interests under the Stock Borrowing Agreement representing such shares, if appropriate) will be distributed by way of transfer or otherwise to the then existing shareholders of Corn Oil Luxembourg, namely, Sanxing Trade, CDCP, GMIM, NGPL and the Other Investors who/which did not accept the privatisation offer on a pro-rata basis (“**Liquidation Process**”), such that Sanxing Trade, CDCP, GMIM, NGPL and the Other Investors who/which did not accept the privatisation offer will hold the issued shares of the Company or the relevant interests under the Stock Borrowing Agreement directly. The board of directors of Corn Oil Luxembourg currently expects that the Liquidation Process will be completed in the first half of 2010. As Corn Oil Luxembourg will continue to be controlled by Shandong Sanxing and the Wang Brothers, the Company believes that the Group’s business and operations will not be affected in any material manner. The Company is of the view that the timing of the completion of the Liquidation Process does not have any material impact on the Group’s business or operations after Listing or impose any material risk on the Group. In addition, if for any reason Corn Oil Luxembourg cannot be liquidated, Corn Oil Luxembourg will remain a registered shareholder of the Company and there will be no legal impact on the shareholdings of the other public shareholders in the Company. It is the intention of the majority shareholders of Corn Oil Luxembourg that the Liquidation Process will only be undertaken if the Liquidation Process would comply with all applicable laws and regulations and would not create any legal risk or business risk to the Group and the Shareholders.

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## CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP IMMEDIATELY BEFORE THE SHARE OFFER

Set out below is the shareholding structure of our Group after the Reorganisation and immediately prior to the Share Offer:



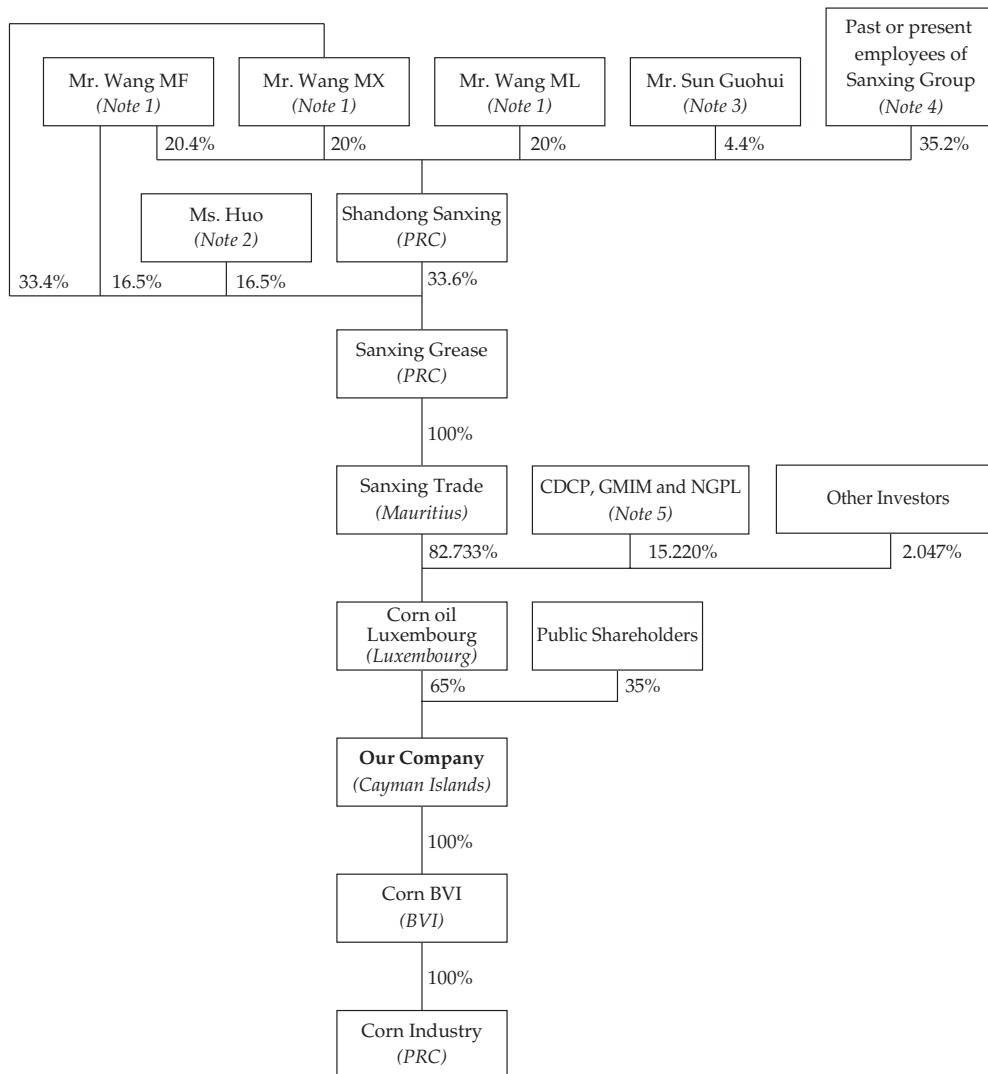
*Notes:*

- (1) Mr. Wang MX, our Chairman, chief executive officer and an executive Director, Mr. Wang MF, an executive Director and Mr. Wang ML, an executive Director, are brothers.
- (2) Ms. Huo is the spouse of Mr. Wang ML.
- (3) Mr. Sun Guohui is an executive Director.
- (4) The eight individuals are past or present employees of Sanxing Group and they in total are interested in 35.2% of the registered share capital of Shandong Sanxing. To the best knowledge of our Directors, they are not parties acting together.
- (5) To the best knowledge of our Directors, CDCP, GMIM and NGPL were Independent Third Parties and not parties acting in concert with the Controlling Shareholders as at the Latest Practicable Date.

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### CORPORATE AND SHAREHOLDING STRUCTURE OF OUR GROUP UPON COMPLETION OF THE SHARE OFFER

Set out below is the shareholding structure of our Group upon completion of the Share Offer (assuming that the Over-allotment Option is not exercised):

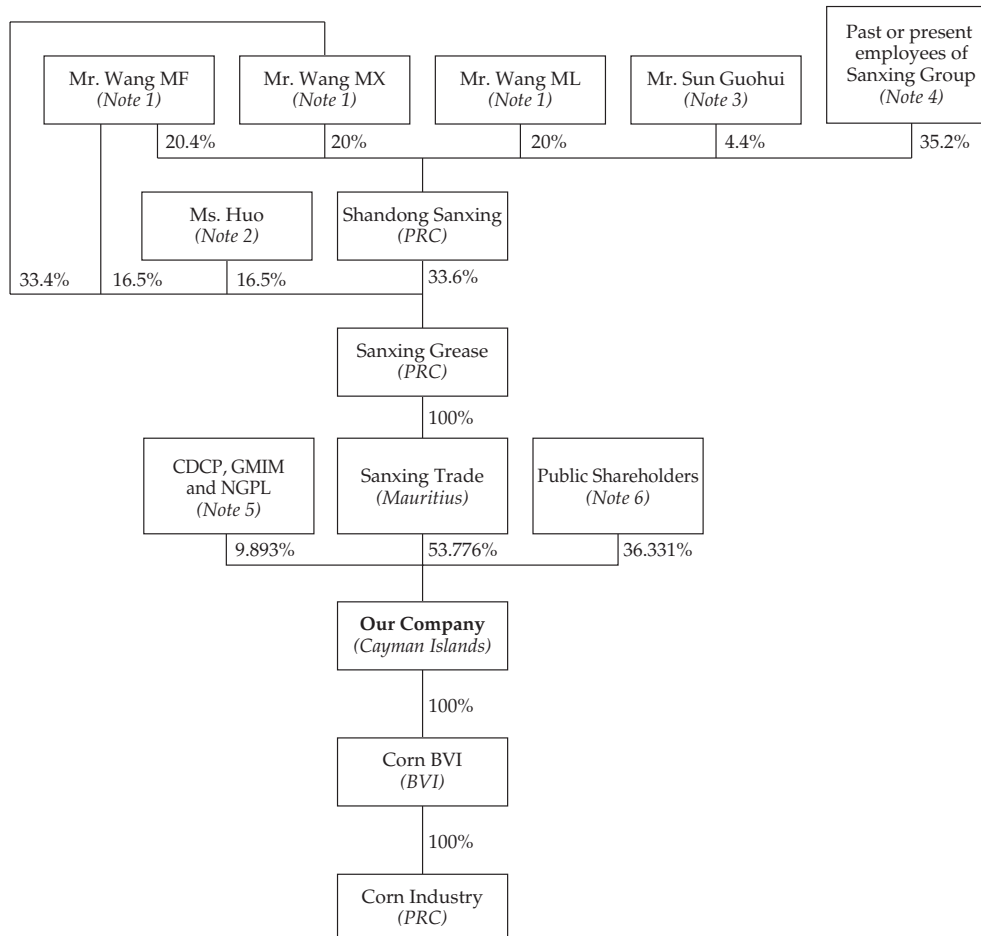


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- (5) To the best knowledge of our Directors, CDCP, GMIM and NGPL were Independent Third Parties and not parties acting in concert with the Controlling Shareholders as at the Latest Practicable Date.

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Set out below is the shareholding structure of our Group upon completion of the Share Offer (assuming that the Over-allotment Option is not exercised) and the Liquidation Process (assuming that it is completed immediately after the completion of the Share Offer):



Notes:

- (1) Mr. Wang MX, our Chairman, chief executive officer and an executive Director, Mr. Wang MF, an executive Director and Mr. Wang ML, an executive Director, are brothers.
- (2) Ms. Huo is the spouse of Mr. Wang ML.
- (3) Mr. Sun Guohui is an executive Director.
- (4) The eight individuals are past or present employees of Sanxing Group and they in total are interested in 35.2% of the registered share capital of Shandong Sanxing. To the best knowledge of our Directors, they are not parties acting together.
- (5) To the best knowledge of our Directors, CDCP, GMIM and NGPL were Independent Third Parties and not parties acting in concert with the controlling shareholders as at the Latest Practicable Date.
- (6) Public Shareholders include certain Other Investors who/which did not accept the privatisation offer for Corn Oil Luxembourg and who/which together will be interested in approximately 1.331% interest of the Company.

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### OUR BUSINESS DEVELOPMENT

In 2001, the Sanxing Group, Mr. Wang MX, Mr. Wang MF and Ms. Huo established Sanxing Grease which was primarily engaged in the manufacture and sale of edible corn oil for domestic bulk sales mainly to other enterprises that were engaged in the sale of edible corn oil under their own brands.

In April 2003, we entered into certain cooperation arrangements with a Japanese company and we began to export our edible corn oil products to the Middle East through this company.

In late 2003 and 2004, we commenced export sales of our products to Singapore and Malaysia and subsequently terminated our cooperation relationship with the Japanese company and began handling our export sales to the Middle East by ourselves. Up to 30 June 2009, our export sales had covered places including countries in the Middle East, Singapore, Malaysia, the Netherlands and the US.

In July 2006, we developed a new business line by launching edible corn oil products under our brand 長壽花 (Longevity Flower) in the PRC market. In order to build up our brand and expand our national footprint, we have appointed a nationally renowned celebrity in the PRC, 倪萍 (Ni Ping), as the image and brand ambassador of the 長壽花 (Longevity Flower) brand since July 2006. Our brand 長壽花 (Longevity Flower) was named 中國馳名商標 (China Well-Known Trademark) in November 2006, 全國玉米油知名品牌 (China Famous Brand for Corn Oil) in September 2006, 山東名牌 (Shandong Famous Brand) in September 2007 and 中國食用油行業最具影響力十大品牌 (China Top 10 Most Influential Brands in the Edible Oil Industry) in April 2007. Our edible corn oil products were granted an exemption from quality surveillance inspection by 國家質量監督檢驗檢疫總局 (State General Administration of Quality Supervision, Inspection and Quarantine of the PRC) in December 2006.

In the second half of 2006, we launched our edible corn oil products under our brand 金銀花 (Gold & Silver Flower) to the PRC market as our second line products, targeting at the mass market.

With a view to providing a broader product range to our customers and enhance our corporate image and brand, we have introduced other types of edible vegetable oil products to the market under our brand 長壽花 (Longevity Flower) including edible sunflower seed oil in 2006 and edible olive oil in 2007.

Since we first engaged in the manufacture of edible corn oil in 2001, the capacity of our production facilities has been expanded over the years. Our annual production capacity had increased from approximately 82,000 tonnes of corn and other oil as at 31 December 2006 to approximately 182,000 tonnes of corn and other oil as at 30 June 2009. According to CCOA (Oil & Fats Division), we were the largest edible corn oil manufacturer in the PRC in terms of production volume during 2006 to 2008.

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We started to establish sales representative offices in July 2006. As at the Latest Practicable Date, we established seven sales representative offices in Beijing, Hangzhou, Guangzhou, Wuhan, Jinan, Xian and Chongqing respectively, to market and distribute our edible oil products under our brands covering 20 provinces and/or administrative municipalities in the PRC. As at the Latest Practicable Date, we were accredited with: (i) ISO 14001, a standard for environmental management; (ii) ISO 22000, a standard for food safety management; and (iii) ISO 9001, a standard for quality management. Our Directors consider that such accreditation has successfully promoted our image and more importantly, may enable us to capture more recognition of our branded edible oil products in the future.