GLOBAL SWEETENERS HOLDINGS LIMITED
大成糖業控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 03889)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2008

FINANCIAL HIGHLIGHTS

	Unaudited six months ended 30 June		
	2008	2007	Change %
Turnover (HK$'Mn)	**810**	728	11.3
Profit before tax (HK$'Mn)	**152**	112	36.2
Net profit from ordinary activities attributable to shareholders (HK$'Mn)	**141**	100	41.7
Basic earnings per share (HK cents)	**13.5**	14.2	(4.9)
Interim dividend per share (HK cents)	**Nil**	Nil	N/A

The Board of Directors ("Board" or "Directors") of Global Sweeteners Holdings Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively the "Group"), incorporating its share of each jointly-controlled entity, for the six months ended 30 June 2008 (the "Period").

These interim condensed financial statements have not been audited, but have been reviewed by the Company's external auditors and the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

		Six months ended 30 June	
		2008	2007
	Notes	**(Unaudited)**	(Unaudited)
		HK$'000	*HK$'000*
REVENUE			
Sales of goods	*4*	**809,925**	727,547
Cost of sales		**(634,155)**	(581,842)
Gross profit		**175,770**	145,705
Other income	*4*	**15,042**	5,348
Negative goodwill		**24,036**	—
Selling and distribution costs		**(29,427)**	(22,160)
Administrative expenses		**(21,453)**	(9,135)
Other expenses		**1,597**	(661)
Finance costs	*5*	**(13,516)**	(7,421)
PROFIT BEFORE TAX	*6*	**152,049**	111,676
Tax	*7*	**(10,883)**	(12,059)
PROFIT FOR THE PERIOD		**141,166**	99,617
EARNINGS PER SHARE			
— Basic and diluted	*8*	**HK13.5 cents**	HK14.2 cents
DIVIDEND PER SHARE	*9*	**—**	—

CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2008

	Notes	**30 June 2008 (Unaudited) *HK$'000***	31 December 2007 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**686,655**	568,394
Prepaid land premiums		**34,341**	28,711
Deposits paid for acquisition of property, plant and equipment		**17,910**	2,151
Goodwill		**149,950**	149,950
Long term loan to a jointly-controlled entity		**40,000**	40,000
Total non-current assets		**928,856**	789,206
CURRENT ASSETS			
Inventories		**91,416**	51,282
Trade receivables	*10*	**249,268**	225,237
Prepayments, deposits and other receivables		**30,405**	34,285
Due from the immediate holding company		**21,085**	21,085
Due from fellow subsidiaries		**190,008**	130,634
Due from jointly-controlled entities		**3,779**	26,141
Cash and cash equivalents		**901,733**	905,599
Total current assets		**1,487,694**	1,394,263
CURRENT LIABILITIES			
Trade payables	*11*	**42,786**	35,968
Other payables and accruals		**44,930**	56,517
Interest-bearing bank and other borrowings		**182,418**	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		**28,694**	3,432
Due to jointly-controlled entities		**3,048**	4,179
Tax payable		**9,186**	8,564
Total current liabilities		**545,684**	499,532
NET CURRENT ASSETS		**942,010**	894,731
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,870,866**	1,683,937

	Notes	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**354,945**	368,750
Due to a venturer of a jointly-controlled entity		**20,000**	20,000
Deferred tax		**16,114**	14,719
Total non-current liabilities		**391,059**	403,469
Net assets		**1,479,807**	1,280,468
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	*12*	**104,500**	104,500
Reserves		**1,375,307**	1,175,968
Total equity		**1,479,807**	1,280,468

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2008

1. CORPORATE INFORMATION AND GROUP REORGANISATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2008 are authorised for issue in accordance with a resolution of the Directors passed on 16 September 2008.

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 June 2006. The principal activity of the Company is investment holding. The Group is involved in the manufacture and sale of corn-based sweetener products. There were no changes in the nature of the Group's principal activities during the Period.

Pursuant to a group reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), the Company became the holding company of the companies now comprising the Group on 24 August 2007. Further details of the Reorganisation are set out in the Prospectus issued by the Company dated 10 September 2007 (the "Prospectus"). The shares of the Company were listed on the Stock Exchange on 20 September 2007.

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 (the "ultimate holding company", "Parent", or "GBT"), a company incorporated in the Cayman Islands whose shares are also listed on the Main Board of the Stock Exchange.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. The Group was regarded as a continuing entity resulting from the Reorganisation under common control. Accordingly, the comparative amounts for the period ended 30 June 2007 have been prepared as if the current group structure had been in existence throughout the periods presented.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2007, except for the adoption of the following Hong Kong Financial Reporting Standards ("HKFRSs") mandatory for annual periods beginning on or after 1 January 2008.

HK (IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK (IFRIC) — Int 12	Service Concession Arrangements
HK (IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation of the Group's condensed consolidated financial statements.

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the condensed consolidated financial statements:

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKFRS 2 Amendment	Share-Based Payment — Vesting Conditions and Cancellations[1]
HKFRS 8	Operating Segments[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 Amendment	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HK(IFRIC)-Int 13	Customer Loyalty Programmes[3]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 July 2008

The Directors anticipate that the application of these standards or interpretations will have no material impact on the results and the financial position of the Group.

3. SEGMENT INFORMATION

Over 90% of the Group's operations relate to the manufacture and sale of corn based sweetener products and over 90% of the Group's products were sold to customers based in Mainland China. Accordingly, no segment information has been disclosed.

4. REVENUE AND OTHER INCOME

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 other income is as follows:

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**5,914**	246
Sales of scrap and raw materials	**1,956**	4,527
Exchange gains	**6,881**	194
Others	**291**	381
	15,042	5,348

5. FINANCE COSTS

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans:		
Wholly repayable within five years	**13,516**	7,421

6. PROFIT BEFORE TAX

The Group's profit from operating activities is arrived at after charging/(crediting):

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation	**21,400**	15,772
Amortisation of prepaid land premiums	**658**	514
Negative goodwill	**24,036**	—
Write back of trade receivable	**(1,597)**	661
Employee benefits expense	**9,131**	7,824

7. TAX

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Provisions for the Period:		
Hong Kong profits tax	**—**	—
PRC corporate income tax	**10,883**	12,059
Tax charge for the Period	**10,883**	12,059

No provision for Hong Kong profits tax had been made in the Period and the prior period as the Group had tax losses brought forward from prior years to offset against the assessable profit arising in Hong Kong. Taxes on profits assessable elsewhere had been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

All of the Group's subsidiaries and jointly-controlled entities operating in Mainland China are exempted from PRC corporate income tax for two years starting from the first profitable year of their operations and are entitled to a 50% relief from the PRC corporate income tax for the following three years.

The statutory tax rate for all subsidiaries in Mainland China is 25% for the six months ended 30 June 2008. During the prior period, the statutory tax rate was 33%, except for one subsidiary, Changchun Dihao Foodstuff Development Co., Ltd., which was granted Technological Advanced Enterprise status and entitled to a lower applicable tax rate of 15% for the prior periods according to 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.

The Enterprise Income Tax Law of the People's Republic of China (the "EITL") became effective on 1 January 2008. According to the EITL, enterprises that previously enjoy the preferential policies of low tax rates shall be gradually transited to enjoy the statutory tax rate within 5 years after the implementation of the EITL. Among them, the enterprises that enjoy the enterprise income tax rate of 15% shall be subject to the enterprise income tax rate of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

8. EARNINGS PER SHARE

The basic earnings per share for the period ended 30 June 2007 is calculated based on the unaudited consolidated net profit for the period on the assumption that 700,000,000 shares in issue immediately prior to the public offer and placement of the Company's shares on 20 September 2007 had been issued throughout the period ended 30 June 2007.

The basic earnings per share for the Period is calculated based on the consolidated profit for the Period attributable to ordinary equity holders of the Parent of approximately HK$141,166,000 and the number of 1,045,000,000 ordinary shares in issue during the Period.

Since there were no significant dilutive potential ordinary shares outstanding during the Period, the diluted earnings per share amount was equal to the basic earnings per share amount for the six months ended 30 June 2008.

9. DIVIDEND

The Directors have resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

10. TRADE RECEIVABLES

	30 June 2008 (Unaudited) ***HK$'000***	31 December 2007 (Audited) *HK$'000*
Trade receivables	**249,268**	226,822
Impairment	**—**	(1,585)
Total	**249,268**	225,237

The Group normally allows credit terms of 90 days to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. Significant concentrations of risk exist where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 23% of the total trade receivables as at 30 June 2008.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2008 (Unaudited)	31 December 2007 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**91,631**	132,134
1 — 2 months	**59,830**	57,969
2 — 3 months	**34,807**	20,542
Over 3 months	**63,000**	14,592
Total	**249,268**	225,237

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

	30 June 2008 (Unaudited)	31 December 2007 (Audited)
	HK$'000	*HK$'000*
At 1 January	**1,585**	4,895
Amount written back	**(1,597)**	(3,616)
Exchange realignment	**12**	306
Total	**—**	1,585

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	30 June 2008 (Unaudited)	31 December 2007 (Audited)
	HK$'000	*HK$'000*
Neither past due nor impaired	**186,268**	210,645
Less than 1 month past due	**36,686**	8,970
1 to 3 months past due	**26,314**	5,622
Total	**249,268**	225,237

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 a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

11. TRADE PAYABLES

The Group normally obtains credit terms ranging 30 to 90 days from its suppliers, which are normally settled on a cash basis. The carrying amounts of trade payables approximate to their fair values.

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	30 June 2008 (Unaudited) ***HK$'000***	31 December 2007 (Audited) *HK$'000*
Within 1 month	**25,394**	27,452
1 — 2 months	**2,781**	3,221
2 — 3 months	**5,218**	735
Over 3 months	**9,393**	4,560
Total	**42,786**	35,968

12. SHARE CAPITAL

The following is a summary of the authorised share capital and the movements in the issued share capital of the Company:

	30 June 2008 (Unaudited) ***HK$'000***	31 December 2007 (Audited) *HK$'000*
Authorised:		
100,000,000,000 (31 December 2007: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000
Issued and fully paid:		
1,045,000,000 (31 December 2007: 1,045,000,000) ordinary shares of HK$0.10 each	**104,500**	104,500

MANAGEMENT DISCUSSION AND ANALYSIS

The Group and its jointly-controlled entities are principally engaged in the production and sale of various corn sweeteners which are classified into three categories: corn syrup (glucose syrup, maltose syrup and high fructose corn syrup ("HFCS")), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol).

Negative Goodwill

As announced by the Company on 10 January 2008, the Group entered into a sale and purchase agreement on 8 January 2008 to acquire from the joint venture partners their respective interests in a joint venture for the production and sale of sorbitol products at an aggregate cash consideration of US$2,450,000. As a result, negative goodwill amounted to HK$24 million was recognised in the condensed consolidated income statement of the Group during the Period.

Business Environment

The selling prices of the Group's products are affected by the prices of their raw materials, principally corn starch, the demand and supply of each of the products and their respective substitutes in the domestic market and the variety of product specifications.

During the Period, the price of the Group's principal raw material, corn starch, increased by approximately 8.8% as compared to the corresponding period last year. It brought no significant negative impact on the Group's profitability.

Financial Performance

The Group's consolidated revenue for the Period increased by approximately 11.3% to approximately HK$810 million (2007: HK$728 million) when compared to the corresponding period in 2007, which was mainly due to the growth in average unit selling prices of all of the Group's products. As a result of the increase in sales generated from maltodextrin, HFCS, sorbitol together with crystallised glucose, the gross profit for the Period increased by 20.6% to approximately HK$176 million (2007: HK$146 million). The Group's net profit for the Period also increased by approximately HK$41 million or approximately 41.7% to approximately HK$141 million (2007: HK$100 million).

Corn syrup

(Sales amount: HK$462 million (2007: HK$604 million))
(Gross profit: HK$94 million (2007: HK$128 million))

During the Period, the sales volume of glucose syrup and maltose syrup decreased by 45.4% and 28.9% respectively while HFCS increased by approximately 5.5% as compared to the corresponding period last year.

During the Period, internal consumption of glucose syrup increased to approximately 168,000 metric tonnes ("MT") (2007: 71,000MT) or by approximately 136.6% due to the enhancement of utilisation rate of crystallised glucose and sorbitol production facilities. As a result, the sales volume of both glucose syrup and maltose syrup decreased by approximately 45.4% and 28.9% respectively to approximately 116,000MT and 73,000MT respectively. Consequently, the revenue of glucose syrup and maltose syrup dropped by 37.1% and 9.9%, respectively. The revenue of HFCS, on the other hand, grew by approximately 8.7% during the Period with increased sales volume and average selling price.

During the Period, the price of corn kernel increased with a steady increase in demand among various industries. Consequently, the price of the Group's principal raw material, corn starch, rose by approximately 8.8%. Notwithstanding the rise in raw material price, the Group was able to pass most of the increased costs to its customers by raising the product prices.

The gross profit margin for the sales of glucose syrup increased from approximately 19.5% to 22.1% while the gross profit margin of maltose syrup and HFCS decreased from approximately 24.0% and 22.0% to approximately 20.4% and 14.9% respectively. Since the pressure on the price of raw material has been passed on to the customers, together with the reduced market supply of glucose syrup due to increased internal consumption, gross profit margin of glucose syrup increased to approximately 22.1%. The gross profit margin of maltose syrup dropped to 20.4% because of keen competition with other maltose producers in Changchun area. On the other hand, gross profit margin of HFCS decreased to 14.9% as HFCS is more sensitive to price movement of cane sugar, a substitute of HFCS. The average selling prices of cane sugar in global market as well as in the PRC were relatively low during the Period. This has imposed pressure on the selling price of HFCS.

During the Period, approximately 3,700MT of glucose syrup (2007: 83,000MT) were sold to GBT and its subsidiaries other than members comprising the Group and the Company's jointly-controlled entity ("GBT Group").

Corn syrup solid

(Sales amount: HK$303 million (2007: HK$121 million))
(Gross profit: HK$70 million (2007: HK$18 million))

The revenue of corn syrup solid increased substantially by approximately 149.1% during the Period. The revenue of maltodextrin and crystallised glucose of approximately HK$81 million (2007: HK$51 million) and HK$222 million (2007: HK$70 million) respectively increased by approximately 56.6% and 217.8%, respectively as compared to the corresponding period last year. This was the result of the increase in selling price of maltodextrin by 10.5% and the increase in sales volume of maltodextrin and crystallised glucose by 41.7% and 308.2% respectively.

The gross profit of corn syrup solid grew substantially by 285.2% which was in line with the increased sales volume. With the higher selling price and sales volume, the gross profit of maltodextrin increased by approximately 37.6% to approximately HK$11 million (2007: HK$8 million). During the Period, crystallised glucose recorded a gross profit of approximately HK$59 million (2007: HK$10 million) with a gross profit margin of 26.4% (2007: 14.1%).

During the Period, approximately 116,500MT of crystallised glucose (2007: 180MT) was sold to the GBT Group.

Sugar alcohol

(Sales amount: HK$46 million (2007: HK$2 million))
(Gross profit: HK$12 million (2007: HK$0.1 million))

The revenue of sugar alcohol increased by 2,008.3% to approximately HK$46 million (2007: HK$2 million) while the gross profit increased to approximately HK$12 million (2007: HK$0.1 million). The sorbitol business has gone through the bottom of its business cycle. Starting from November 2007, the market price of sorbitol rebounded. The Group recommenced the production of sorbitol and gradually ramped up the utilisation rate of the sorbitol production facility. As a result, revenue of sorbitol increased from HK$2 million to HK$46 million as sales volume increased to approximately 15,000MT (2007: 1,000MT). With higher selling price and lower cost due to economies of scale, gross profit margin for sorbitol increased substantially to 26.1% (2007: 2.9%).

During the Period, approximately 6,600MT of sorbitol (2007: 1,500MT) were sold to the GBT Group.

Export sales

Starting from February 2008, the Group sold maltose and maltodextrin to overseas countries such as the Philippines, Korea, Singapore and Turkey. During the Period, the total export sales were approximately HK$32 million (2007: Nil) and the export sales volume was 10,000MT (2007: Nil).

Operating expenses and income tax

Due to the increase in number of headcounts of the Group, the operating expenses other than finance costs increased by 59.3%. The ratio of such operating expenses to turnover increased to 6.1% (2007: 4.4%), resulting mainly from the increase in administrative expenses of approximately HK$12 million for the establishment of a head office in Hong Kong since September 2007.

Finance costs of the Group increased to approximately HK$14 million (2007: HK$7 million) for the Period due to larger bank borrowings.

The income tax rate for each of the subsidiaries and a jointly-controlled entity remained the same during the Period. However, due to the increase in operating profit of one of the subsidiaries which is still entitled to full exemption from enterprise income tax in accordance with the prevailing income tax arrangement in the PRC, the overall effective tax rate of the Group decreased to approximately 7.2% (2007: 10.8%).

Performance of joint venture

The Group has one joint venture project with Cargill Inc. which is principally engaged in the manufacture and sale of HFCS. During the Period, this joint venture recorded an operating profit of approximately HK$4 million (2007: HK$6 million). Notwithstanding the weak sugar price during the Period, in view of the strong demand of HFCS and the positive outlook on cane sugar price in the second half of 2008, better return from this joint venture is expected.

Important Transaction

Acquisition of minority interests in a joint venture for the production of sorbitol products

As announced by the Company on 10 January 2008, the Group entered into a sale and purchase agreement on 8 January 2008 to acquire from the joint venture partners their respective entire interests in a joint venture for the production and sale of sorbitol products at an aggregation cash consideration of US$2,450,000. The completion of the acquisition took place in February 2008 and as a result of the acquisition, the joint venture became a wholly-owned subsidiary of the Company.

The Directors believe that the acquisition will strengthen the operational efficiency and management flexibility on the Group's overall production planning and human resources deployment.

Acquisition of a corn refinery

As announced by the Company on 4 July 2008, the Group entered into a sale and purchase agreement on 27 June 2008 to acquire from the GBT Group a corn refinery which is principally engaged in the manufacture and sales of corn starch and other corn refined products at an aggregation consideration of HK$520 million. The consideration shall be payable by way of cash amounted to HK$156 million and the balance shall be payable by way of issuing of an unsecured loan note amounted to HK$364 million to the GBT Group which shall be due and repayable at the fifth anniversary of the date of issuance and bearing an interest rate of 6% per annum payable on a semi-annual basis amounted to HK$364 million. Pursuant to the Listing Rules, the acquisition constitutes a major and connected transaction of the Company. On 13 August 2008, an extraordinary general meeting of the Company was convened and the shareholders have approved the acquisition. Completion of the acquisition is subject to, among others, the approval by the relevant PRC government authority which is still pending as at the date of this announcement. The Directors believe that the acquisition will enable the Group to secure a stable supply of corn starch for its production whilst achieving significant procurement cost savings.

Financial Resources and Liquidity

Net borrowing position

The Group had no net borrowings but net cash at approximately of HK$364 million (31 December 2007: HK$381 million) as at 30 June 2008 which remained stable.

Structure of interest bearing borrowings

As at 30 June 2008, the Group's bank borrowings amounted to approximately HK$537 million (31 December 2007: HK$525 million), of which 56.0% (31 December 2007: 57.0%) were denominated in Hong Kong dollars while the remainder was denominated in Renminbi. The average interest rate during the Period remained at the similar level of approximately 6% (2007: 6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 34.0% (31 December 2007: 29.8%) and 66.0% (31 December 2007: 70.2%) respectively. The change in repayment pattern mainly resulted from a new long term loan being drawn during the Period.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 90 days, are granted to customers, depending on their credit worthiness and business relationships. As at 30 June 2008, out of the amounts due from fellow subsidiaries, approximately HK$127 million represented the trade nature portion (31 December 2007: HK$131 million), which was taken into consideration in the calculation of trade receivables turnover days. During the Period, the trade receivables turnover days remained stable at approximately 85 days (31 December 2007: 81 days). Meanwhile, the outstanding balances of approximately HK$29 million as at 30 June 2008 arising from the purchase transactions with 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 Period, trade payables turnover days increased to approximately 21 days (31 December 2007: 11 days) as higher raw material level was maintained, which was in line with the change in inventory turnover days.

The inventory turnover days had lengthened from approximately 15 days for the year ended 31 December 2007 to approximately 26 days for the period ended 30 June 2008. Since the purchase of starch from GBT Group has ceased in Shanghai production facilities starting from January 2008 to reduce the continuing connected transactions between the two groups, all raw materials in Shanghai production facilities were purchased at the spot market. Therefore, higher inventory level was maintained to safeguard sufficient raw material supply for production.

The current ratio and the quick ratio as at 30 June 2008 remained stable at approximately 2.73 (31 December 2007: 2.79) and 2.56 (31 December 2007: 2.69) respectively. Gearing ratios in terms of (i) bank borrowings to total assets, (ii) bank borrowings to equity and (iii) net cash/debts (i.e. net balance between bank borrowings and cash and cash equivalents) to equity were approximately 22.2% (31 December 2007: 24.0%), 36.3% (31 December 2007: 41.0%) and net cash 24.6% (31 December 2007: 29.7%) respectively. The gearing ratio improved slightly as bank borrowings remained at a similar level. Interest coverage (i.e. EBITDA over finance costs) remained at approximately 13.9 times (2007: 11.8 times) mainly due to the bank borrowings size remained at a similar level.

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 fluctuation and there will be sufficient cash resources denominated in Hong Kong dollars for future dividends. During the Period, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 30 June 2008.

Future Plans and Prospects

It is the Group's mission to become one of the leading corn sweetener manufacturers in Asia and then a major player in global market. To realise 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

The Directors intend to establish new production facilities at the existing locations of the production facilities of the Group and other locations in the PRC with an ultimate goal to increase the production capacity of its corn sweeteners. The construction of these new production facilities will be undertaken by new subsidiaries of the Company or joint ventures with third parties.

The Group is currently constructing a new glucose production facility of 200,000 mtpa in Jinzhou. Commercial production is expected to commence in the fourth quarter of 2008. While in Changchun, the Group is planning to expand its sorbitol production line by 40,000 mtpa to cope with the increasing demand in China. Construction of this sorbitol facility will commence in the fourth quarter of 2008 and is expected to complete by the end of first quarter of 2009. Upon completion, the Group's sorbitol capacity will be raised to 100,000 mtpa. On top of this, the Group also plans to increase its maltodextrin production capacity by 30,000 mtpa in Changchun. Construction will start in the first quarter of 2009 and is expected to complete in the fourth quarter of 2009. As a result, the Group's maltodextrin capacity will be raised to 50,000 mtpa.

In addition, the construction of a new crystallised glucose production facility in Jinzhou with 100,000 mtpa capacity is scheduled to start in the first half of 2009. This new plant is strategically located in Jinzhou to feed the demand from the export markets in nearby Asian countries. The plant is expected to commence production by the second quarter of 2010.

The Directors estimate that substantial portion of the above expected capital expenditures will be incurred prior to the commencement of commercial production of each of the production facilities while the remaining amounts are expected to be settled within one year from the relevant commencement dates. The expansion plans of the Group will be principally financed by the proceeds from the net proceeds from the initial public offering of the Company's shares and the internal resources of the Group and the Directors are of the view that the existing technology know-how of the Group is sufficient for such expansion. At present, the Directors intend to establish new wholly-owned subsidiaries or new joint ventures with third parties to undertake the construction of new production facilities to be constructed under the expansion plan.

Expansion of sales network

In order to strengthen its leading position in the PRC market and in view of the proposed expansion of production capacity of the Group, the Directors intend to expand the Group's sales and marketing teams in terms of both headcount and coverage. In addition, the Directors plan to establish sales or sales representative offices in certain provinces of the PRC in order to achieve higher efficiency, provide better service to the customers and obtain more information of the local market to assist the management to respond promptly to changes in market conditions. At present, the Company intends to enter into the PRC's consumer market and a sales office has been set up in Shanghai in order to broaden the customer base of the Group.

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 the date of this announcement, the Group had utilised a total of approximately HK$142 million of the proceeds for the construction of a new glucose production plant in Jinzhou and a new crystallised glucose production plant in Changchun. Other than that, the Group had also utilised a total of approximately HK$30 million of the proceeds for working capital in Hong Kong. The Directors currently do not intend to change the application of the net proceeds. The remaining proceeds are placed on short term deposits with licensed banks in Hong Kong.

Number and Remuneration of Employees

As at 30 June 2008, the Group has approximately 730 full time employees in Hong Kong and the PRC. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited in the 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.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend in respect of the Period.

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.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES AND MODEL CODE

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devotes considerable effort to identifying and formalising best practices.

In the opinion of the Directors, the Company has complied throughout the Period with the Code on Corporate Governance Practices (the "Code") as set out 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 Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "Model Code") 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, throughout the Period.

AUDIT COMMITTEE

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. The Audit Committee comprises four independent non-executive Directors. The Chairman of the Audit Committee is Mr. Yan Man Sing Frankie. The other members of the Audit Committee are Mr. Chan Yuk Tong, 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, the audit process and risk management.

The interim results of the Group for the Period have not been audited, but they have been reviewed by the Company's external auditors, Ernst & Young. The interim results have also been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.global-sweeteners.com under "Investor Information".

The Interim Report 2008 of the Company will be dispatched to the shareholders of the Company and available for viewing on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk under "Latest Listed Company Information" and on the website of the Company at www.global-sweeteners.com under "Investor Relations" in due course.

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

Hong Kong, 16 September 2008

As at the date of this announcement, the Board comprises five executive directors, namely, Mr. Kong Zhanpeng, Mr. Zhang Fusheng, Ms. Wang Guifeng, Ms. Ge Yanping and Mr. Zhang Fazheng and four independent non-executive directors, namely Mr. Chan Yuk Tong, Mr. Gao Yunchun, Mr. Ho Lic Ki and Mr. Yan Man Sing Frankie.

* *for identification purposes only*