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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 2010

FINANCIAL HIGHLIGHTS

	Unaudited six months ended 30 June		
	2010	2009	Change %
Revenue (HK$'Mn)	**1,526**	1,053	44.9
Gross profit (HK$'Mn)	**184**	93	97.3
Profit before tax (HK$'Mn)	**80**	11	600.2
Net profit attributable to owner of the Company (HK$'Mn)	**63**	4	1,492.9
Basic earnings per share (HK cents)	**5.68**	0.38	1,394.7
Interim dividend per share (HK cents)	**Nil**	Nil	N/A

The board ("Board") of directors ("Directors") of Global Sweeteners Holdings Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2010 ("the Period").

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 30 June 2010

	Notes	**2010 (Unaudited) *HK$'000***	2009 (Unaudited) *HK$'000*
REVENUE			
Sales of goods	*4*	**1,525,736**	1,052,788
Cost of sales		**(1,341,793)**	(959,565)
Gross profit		**183,943**	93,223
Other income	*4*	**14,223**	4,905
Selling and distribution costs		**(62,756)**	(44,843)
Administrative expenses		**(31,989)**	(27,716)
Other expenses		**1,295**	—
Finance costs	*5*	**(25,161)**	(16,969)
Share of profits of jointly controlled entities		**545**	2,839
PROFIT BEFORE TAX	*6*	**80,100**	11,439
Income tax expense	*7*	**(16,201)**	(7,442)
PROFIT FOR THE PERIOD		**63,899**	3,997
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of financial statements of operations outside Hong Kong		**(257)**	1,152
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**63,642**	5,149
PROFIT ATTRIBUTABLE TO:			
Owners of the Company		**63,238**	3,970
Minority interests		**661**	27
		63,899	3,997
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		**62,981**	5,122
Minority interests		**661**	27
		63,642	5,149
EARNINGS PER SHARE			
— Basic	*8*	**HK5.68 cents**	HK0.38 cents
— Diluted	*8*	**HK5.67 cents**	HK0.38 cents
DIVIDEND PER SHARE		**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2010

	Notes	**30 June 2010 (Unaudited)** *HK$'000*	31 December 2009 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,167,675**	1,199,849
Prepaid land premiums		**106,063**	109,072
Deposits paid for acquisition of property, plant and equipment		**6,444**	6,472
Goodwill		**183,538**	183,538
Deferred tax assets		**1,477**	26
Breeding biological assets		**9,054**	7,949
Interests in jointly controlled entities	*10*	**95,010**	94,465
Total non-current assets		**1,569,261**	1,601,371
CURRENT ASSETS			
Inventories		**621,692**	367,160
Trade and bills receivables	*11*	**364,787**	428,972
Prepayments, deposits and other receivables		**69,560**	79,268
Trading biological assets		**8,135**	1,219
Due from jointly controlled entities		**17,954**	484
Due from the immediate holding company		**21,086**	22,230
Due from fellow subsidiaries		**159,120**	53,380
Tax recoverable		**—**	3,242
Cash and cash equivalents		**368,967**	296,556
Total current assets		**1,631,301**	1,252,511
CURRENT LIABILITIES			
Trade payables	*12*	**108,928**	48,831
Other payables and accruals		**111,927**	132,670
Interest-bearing bank and other borrowings		**454,494**	629,775
Due to the ultimate holding company		**3,546**	3,189
Due to fellow subsidiaries		**198,682**	174,884
Due to jointly controlled entities		**—**	101
Tax payable		**978**	3,995
Total current liabilities		**878,555**	993,445
NET CURRENT ASSETS		**752,746**	259,066

	Notes	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,322,007**	1,860,437
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**396,067**	171,348
Deferred tax liabilities		**53,294**	53,294
Total non-current liabilities		**449,361**	224,642
Net assets		**1,872,646**	1,635,795
EQUITY			
Equity attributable to owners of the Company			
Share capital	*13*	**114,948**	104,927
Reserves		**1,751,321**	1,514,659
Proposed final dividends		**—**	10,493
		1,866,269	1,630,079
Minority interests		**6,377**	5,716
Total equity		**1,872,646**	1,635,795

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2010

1. CORPORATE INFORMATION

The interim condensed consolidated financial statements of the Group for the six months ended 30 June 2010 are authorised for issue in accordance with a resolution of the Directors passed on 30 August 2010.

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 KY1-111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit 2403, Admiralty Centre, Tower 2, 18 Harcourt Road, Hong Kong. The Group is involved in the manufacture and sale of corn refined products, corn-based sweetener products, and cattle breeding and beef selling. There were no changes in the nature of the Group's principal activities during the Period.

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" or "GBT"), 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. 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 and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Significant accounting policies

Except as described below, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as these used in annual financial statements for the year ended 31 December 2009. The Group has adopted the following new and revised HKFRSs for the first time for the current period's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
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*
HK Interpretation 4 (Revised in December 2009)	*Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
Improvements to HKFRSs 2009	Amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HKFRS 2, HKFRS 5, HKFRS8, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16

The adoption of these new and revised HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation in the Group's interim 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 interim condensed consolidated financial statements:

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*[2]
HKFRS 9	*Financial Instruments*[4]
HKAS 24 (Revised)	*Related Party Disclosures*[3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[1]

In addition, the HKICPA has also issued Improvements to HKFRSs 2010 which sets out a collection of amendments to HKFRSs. Unless otherwise specified, the amendments contained in Improvements to HKFRSs 2010 are effective for annual periods beginning on or after 1 January 2011, although the Group is permitted to adopt them earlier.

[1] Effective for annual periods beginning on or after 1 February 2010
[2] Effective for annual periods beginning on or after 1 July 2010
[3] Effective for annual periods beginning on or after 1 January 2011
[4] Effective for annual periods beginning on or after 1 January 2013

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

For management purposes, the Group is organised into business units based on their products and has three reportable operating segments as follows:

(i) the corn refined products segment comprises the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products;

(ii) 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

(iii) the biological products segment comprises the breed of cattle and sales of beef.

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.

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.

(a) Business units information

	Corn refined products		Corn based sweetener products		Biological products		Total	
	Six months ended 30 June							
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**490,955**	415,562	**933,232**	637,226	**101,549**	—	**1,525,736**	1,052,788
Intersegment sales	**161,458**	86,931	**—**	—	**—**	—	**161,458**	86,931
Reconciliation:								
Elimination of intersegment sales	**(161,458)**	(86,931)	**—**	—	**—**	—	**(161,458)**	(86,931)
Revenue	**490,955**	415,562	**933,232**	637,226	**101,549**	—	**1,525,736**	1,052,788
Segment results	**49,645**	6,024	**43,383**	26,529	**1,665**	—	**94,693**	32,553
Reconciliation:								
Bank interest income							**339**	503
Unallocated gains							**14,430**	7,241
Corporate and other unallocated expenses							**(4,201)**	(11,889)
Finance costs							**(25,161)**	(16,969)
Profit before tax							**80,100**	11,439

(b) Geographical information

	Mainland China		Regions other than Mainland China		Consolidated	
	Six months ended 30 June					
	2010	2009	**2010**	2009	**2010**	2009
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:						
Sales to external customers	**1,457,078**	991,657	**68,658**	61,131	**1,525,736**	1,052,788

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	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Bank interest income	**339**	503
Sales of scrap and raw materials	**6,535**	3,908
Exchange gains/(loss)	**347**	(539)
Government grants*	**6,241**	674
Others	**761**	359
	14,223	4,905

* *Government grants during the current period represented the sundry tax refunds awarded to certain subsidiaries located in Mainland China according to the notice of local bureau on an annual basis and the rewards for environmental protection to certain subsidiaries located in Mainland China.*

5. FINANCE COSTS

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank loans:		
Wholly repayable within five years	**21,280**	15,417
Finance costs for discounted notes receivable	**3,881**	1,552
	25,161	16,969

6. PROFIT BEFORE TAX

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

		Six months ended 30 June	
		2009	2009
		(Unaudited)	(Unaudited)
	Note	***HK$'000***	*HK$'000*
Raw materials and consumables used		**1,015,321**	766,005
Depreciation		**45,146**	43,109
Amortisation of prepaid land premiums		**3,009**	4,954
Write back of trade receivables	*11*	**(1,535)**	(5)
Employee benefits expense		**20,884**	15,681

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Provisions for the period:		
Hong Kong profits tax	**—**	—
PRC corporate income tax	**16,201**	7,442
Tax charge for the period	**16,201**	7,442

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period.

The statutory tax rate for all subsidiaries in Mainland China is 25% for the six months ended 30 June 2010 (2009: 25%).

As of 1 January 2008, the Enterprise Income Tax Law of the People's Republic of China (the "EITL") became effective. According to the EITL, enterprises that previously enjoy the preferential policies of low tax rates shall be gradually transitioned to be subject to 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.

All of the Group's subsidiaries 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.

During the current period, tax on the assessable profit of one (2009: one) PRC subsidiary had been calculated at 50% of the applicable prevailing tax rate in the PRC.

No provision for income tax has been made for one of the Group's PRC subsidiaries (2009: one) as it remained exempt from income tax for its first two profitable years of its operations.

No provision for income tax has been made for the remaining PRC subsidiaries of the Group as they did not generate any assessable profits for the current and prior periods.

Tax recoverable represents excess of tax payments over estimated tax liabilities by certain group companies.

8. EARNINGS PER SHARE

The basic earnings per share for the period ended 30 June 2010 is calculated based on the consolidated profit for the period attributable to owners of the Company of approximately HK$63,238,000 (2009: HK$3,970,000) and the weighted average number of ordinary shares in issue during the period of 1,112,797,000 (2009: 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 six months ended 30 June 2010 of approximately HK$63,238,000 (2009: HK$3,970,000) and the weighted average number of ordinary shares of 1,115,202,000 (2009: 1,045,000,000), being the weighted average number of ordinary shares of 1,112,797,000 (2009: 1,045,000,000) in issue during the period, as used in the basic earnings per share calculation, plus the weighted average of 2,405,000 (2009: Nil) ordinary shares assumed to be issued at no consideration on the deemed exercise of the share options during the period.

9. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2010 (Six months ended 30 June 2009: Nil).

10. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	30 June 2010 (Unaudited)	31 December 2009 (Audited)
	HK$'000	*HK$'000*
Share of net assets	**55,010**	54,465
Loan to a jointly controlled entity	**40,000**	40,000
	95,010	94,465

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 was 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:

Name	**Nominal value of paid-up share/ registered capital**	**Place of incorporation/ Registration and operations**	**Percentage of Ownership interest**	**Percentage of 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	Mainland China	50	50	Manufacture and sale of high fructose corn syrup

* *Wholly-foreign-owned enterprise*

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:

	30 June 2010 (Unaudited) *HK$'000*	31 December 2009 (Audited) *HK$'000*
Share of the jointly controlled entities' assets and liabilities:		
Current assets	**63,880**	60,860
Non-current assets	**17,611**	18,254
Current liabilities	**(5,675)**	(3,859)
Non-current liabilities	**(20,806)**	(20,790)
Net assets	**55,010**	54,465

	Six months ended 30 June	
	2010 (Unaudited) *HK$'000*	2009 (Unaudited) *HK$'000*
Share of the jointly controlled entities' results:		
Revenue	**36,262**	34,991
Other income	**534**	289
	36,796	35,280
Total expenses	**(36,182)**	(31,936)
Tax	**(69)**	(505)
Profit after tax	**545**	2,839

11. TRADE AND BILLS RECEIVABLES

	30 June 2010 (Unaudited) *HK$'000*	31 December 2009 (Audited) *HK$'000*
Trade receivables	**318,564**	269,667
Bills receivables	**47,272**	161,985
Impairment	**(1,049)**	(2,680)
Total	**364,787**	428,972

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 relationship 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 concentrations of risk exists where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 26% of the total trade and bill receivables as at 30 June 2010 (2009: 7%).

An aged analysis of the trade and bill receivables as at the reporting period, based on the invoice date, is as follows:

	30 June 2010 (Unaudited) ***HK$'000***	31 December 2009 (Audited) *HK$'000*
Within 1 month	**171,614**	174,663
1 – 2 months	**78,002**	114,686
2 – 3 months	**58,293**	95,369
Over 3 months	**56,878**	44,254
Total	**364,787**	428,972

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

	2010 (Unaudited) ***HK$'000***	2009 (Audited) *HK$'000*
At 1 January 2010/1 January 2009	**2,680**	—
Impairment losses recognised	**—**	2,680
Impairment losses reversed	**(1,535)**	—
Amount written off as uncollectible	**(96)**	—
At 30 June 2010/31 December 2009	**1,049**	2,680

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

	30 June 2010 (Unaudited) ***HK$'000***	31 December 2009 (Audited) *HK$'000*
Neither past due nor impaired	**335,634**	413,548
Less than 1 month past due	**578**	9,248
1 to 3 months past due	**13,568**	4,011
Over 3 months past due	**15,007**	2,165
Total	**364,787**	428,972

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.

12. 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 end of the reporting period, based on the invoice date, is as follows:

	30 June 2010 (Unaudited)	31 December 2009 (Audited)
	HK$'000	*HK$'000*
Within 1 month	**75,410**	33,115
1 – 2 months	**18,212**	5,666
2 – 3 months	**6,186**	2,516
Over 3 months	**9,120**	7,534
Total	**108,928**	48,831

13. 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 2010 (Unaudited)	31 December 2009 (Audited)
	HK$'000	*HK$'000*
Authorised:		
100,000,000,000 (31 December 2009: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000
Issued and fully paid:		
1,149,478,000 (31 December 2009: 1,049,274,000) ordinary shares of HK$0.10 each	**114,948**	104,927

As at 30 June 2010, the issued and fully paid share capital is 1,149,478,000 with 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 units of Taiwan Depositary Receipt ("TDR") 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 net cash proceeds of approximately HK$184 million, net of related expenses from the TDR offering. On 25 March 2010, TDRs of the Company were listed on the Taiwan Stock Exchange.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the production and sale of corn refined products, corn sweeteners, categorised into upstream and downstream 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). The Group is also engaged in retail business through launching of its own branded sweeteners and beef products direct to supermarket chains and end users.

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 variety of products specifications.

During the six months ended 30 June 2010 (the "Period"), the average price of corn kernels increased by 12.5% while the average selling price of corn starch upsurged by 33.2% as compared to the corresponding period last year.

FINANCIAL PERFORMANCE

The Group's consolidated revenue and gross profit for the Period increased by approximately 44.9% and 97.3% to approximately HK$1,526 million and HK$184 million respectively (2009: HK$1,053 million and HK$93 million) when compared to the corresponding period in 2009. Such increase was mainly attributable to the increase in average selling prices and sales volume. As a result, the Group's net profit for the Period increased by approximately HK$59 million to approximately HK$63 million (2009: HK$4 million) due to the Group's effort in expanding sales and cost control, and the improvement of market sentiment since year 2009.

Upstream products

(Sales amount: HK$491 million (2009: HK$416 million))
(Gross profit: HK$45 million (2009: HK$29 million))

During the Period, the sales volume of corn starch and other corn refined products were approximately 123,000 metric ton ("MT") (2009: 135,000 MT) and 76,000 MT (2009: 72,000 MT) respectively. Internal consumption of corn starch was approximately 59,000 MT (2009: 36,000 MT), which was used as raw material for the production in Jinzhou and Shanghai production sites.

With the recovery of market sentiment, the operating environment of upstream products has been improving during the first half of 2010. The selling prices of corn starch and other corn refined products increased by approximately 33.2% and 6.2% to HK$2,638 per MT and HK$2,184 per MT (2009: HK$1,980 and HK$2,057) respectively as compared to the corresponding period last year. However, corn price increased by approximately 12.5% when compared to the corresponding period of 2009, as a result, the corn starch segment recorded a gross profit margin of approximately 17.6% (2009: 8.0%) while other corn refined products segment recorded a gross loss margin of approximately 7.3% (2009: gross profit margin: 5.2%) during the Period.

Corn syrup

(Sales amount: HK$556 million (2009: HK$361 million))
(Gross profit: HK$66 million (2009: HK$34 million))

During the Period, the sales volume of glucose syrup and maltose syrup increased by approximately 37.9% and 28.6% respectively as compared to the corresponding period last year.

Internal consumption of glucose syrup for downstream production decreased to approximately 183,000 MT (2009: 193,000 MT) during the Period. With the commencement of a new glucose/maltose production facility in Jinzhou in the second quarter of 2009, the sales volume of glucose syrup and maltose syrup increased to approximately 125,000 MT (2009: 90,000 MT) and 112,000 MT (2009: 87,000 MT) respectively. Consequently, the revenue of glucose syrup and maltose syrup grew by approximately 54.3% and 53.6% to approximately HK$269 million (2009: HK$174 million) and HK$287 million (2009: HK$187 million) respectively.

Despite the significant increase in raw material (corn starch) price during the Period, glucose syrup and maltose syrup segments recorded gross profit margins of approximately 11.3% (2009: 11.8%) and 12.3% (2009: 7.4%) respectively as a result of the increase in their selling prices by approximately 11.8% and 19.5% respectively as compared to the corresponding period last year,.

During the Period, the Group sold approximately 86,000 MT (2009: 48,000 MT) of glucose syrup to the GBT and its subsidiaries excluding the Group (the "GBT Group").

Corn syrup solid

(Sales amount: HK$377 million (2009: HK$257 million))
(Gross profit: HK$70 million (2009: HK$27 million))

The revenue of corn syrup solid increased by approximately 46.8% during the Period, as a result of the increase in selling prices and sales volume. Selling prices of crystallised glucose and maltodextrin increased by approximately 33.2% and 22.4% respectively, while sales volume of crystallsed glucose remained at similar level at approximately 119,000 MT (2009: 120,000 MT) and maltodextrin increased by approximately 50.2% to approximately 46,000 MT (2009: 31,000 MT). Consequently, the revenue of crystallised glucose and maltodextrin increased by approximately 32.0% and 84.0% respectively to approximately HK$243 million (2009: HK$184 million) and HK$134 million (2009: HK$73 million) respectively.

During the Period, crystallised glucose and maltodextrin recorded gross profit of approximately HK$54 million (2009: HK$21 million) and HK$17 million (2009: HK$6 million) respectively with gross profit margins of 22.1% (2009: 11.3%) and 12.6% (2009: 8.1%) respectively. The increase in gross profit margins was mainly due to the increase in selling price.

During the Period, the Group sold approximately 106,000 MT (2009: 111,000 MT) of crystallised glucose to the GBT Group.

Sugar alcohol

(Sales amount: NIL (2009: HK$19 million))
(Gross profit: NIL (2009: HK$3 million))

Due to the poor market sentiment of sorbitol, the production line was switched to produce crystallised glucose during the Period.

Retail business

(Sales amount: HK$102 million (2009: NIL))
(Gross profit: HK$3 million (2009: NIL))

In the year of 2009, the Group has entered into the beef business for product diversification. As at 30 June 2010, the Group has provided HK$90 million as general working capital for trading and fattening of beef cattle. During the Period, the beef business recorded a turnover and gross profit of HK$102 million (2009: NIL) and HK$3 million (2009: NIL) respectively.

During the Period, the Group has extended its business line to cattle fattening business. As at 30 June 2010, the Group had approximately 1,130 heads of cattle in ranch including 340 heads of Angus beef cattle and 790 heads of local cattle.

Export sales

During the Period, the Group exported approximately 16,000 MT (2009: 22,000 MT) of upstream corn refined products and 11,000 MT (2009: 9,000 MT) of corn sweeteners: their export sales amounted to approximately HK$33 million (2009: HK$35 million) and HK$36 million (2009: HK$26 million) respectively.

Operating expenses and income tax

Due to the increase in sales volume and number of headcounts of the Group, the operating expenses (other than finance costs) increased by 11.4%. The ratio of such operating expenses to turnover decreased to 5.2% (2009: 6.6%), resulting mainly from the stringent control over operating costs and the enhancement in operating efficiency.

Finance costs of the Group increased to approximately HK$25 million (2009: HK$17 million) for the Period due to the increase in the PRC bank borrowings amounted to HK$384 million for the purchase of corn kernels in Jinzhou.

During the Period, certain subsidiaries which tax concession period expired were then subject to corporate profit tax rate of 25.0%, the overall effective tax rate of the Group during the Period was approximately 20.4% (2009: 65.1%*).

* *Such high tax rate for the corresponding period in 2009 was mainly due to the operating loss of Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng") and another subsidiary which amounted to approximately HK$13 million.*

Performance of joint ventures

As at 30 June 2010, 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 Period, share of profit of jointly controlled entities amounted to approximately HK$500,000 (2009: HK$3 million).

Net profit attributable to shareholders

As a result of the increase in overall gross profit and the sales volume, the net profit attributable to shareholders for the Period increased by approximately 1,492.9% to approximately HK$63 million (2009: HK$4 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 on 2 February 2010, for the offering and listing of 100 million units of TDR, 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 unit of TDR. The Company raised about HK$184 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 66.75% to approximately 52.24%.

As at the date of this announcement, the Group had utilised a total of approximately HK$90 million of the proceeds for the retail business. The remaining proceeds are placed on short term deposits with licensed banks in Hong Kong.

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The Group had net borrowings of approximately HK$482 million (31 December 2009: HK$505 million). The decrease in net borrowings was mainly due to the increase in cash and cash equivalents of approximately HK$184 million as a result of the issue of TDR in March 2010.

Structure of interest bearing borrowings

As at 30 June 2010, the Group's bank borrowings amounted to approximately HK$851 million (31 December 2009: HK$801 million), of which approximately 11.8% (31 December 2009: 12.5%) was denominated in Hong Kong dollars while the remainder was denominated in Renminbi. The average interest rate during the Period was approximately 6.1% (2009: 6.6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 53.4% (31 December 2009: 78.6%) and 46.6% (31 December 2009: 21.4%) respectively. The change in repayment pattern was mainly due to the reallocation of certain short term bank borrowings to long term bank borrowings 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 with the Group. As at 30 June 2010, out of the amounts due from fellow subsidiaries, approximately HK$111 million representing trade nature portion (31 December 2009: HK$51 million) was taken into consideration in the calculation of trade receivables turnover days. During the Period, trade receivables turnover days decreased to approximately 56 days (31 December 2009: 66 days) as stringent control on credit terms has been applied. Meanwhile, the outstanding balances of approximately HK$20 million (31 December 2009: HK$3 million) as at 30 June 2010 arising from 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 Period, trade payables turnover days increased to 17 days (31 December 2009: 8 days) as part of the cash flow management. With the increase in the inventory level of corn kernels of Jinzhou Yuancheng as of 30 June 2010 to approximately 218,000 MT (31 December 2009: 124,000 MT), the inventories turnover days increased to approximately 84 days (31 December 2009: 57 days) for the Period.

The current ratio and quick ratio as at 30 June 2010 increased to approximately 1.86 (31 December 2009: 1.26) and 1.15 (31 December 2009: 0.89) due to the increase in cash and cash equivalents as a result of the issue of TDR. 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 26.6% (31 December 2009: 28.1%), 45.6% (31 December 2009: 49.0%) and 25.8% (31 December 2009: 30.8%) respectively. The gearing ratio improved as a result of the issue of TDR which increased the cash and cash equivalents of approximately HK$184 million. Interest coverage (i.e. EBITDA over finance costs) remained at approximately 6.1 times (2009: 6.7 times) during the Period.

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, the Group does not intend to hedge its exposure to foreign exchange fluctuations in Renminbi. However, the Group will constantly review the economic situation, development of business segments and overall foreign exchange risk profile, and will consider appropriate hedging measures in future when necessary.

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 Board believes 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.

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. The expansion plans will be funded by the Group's internal resources and bank borrowings.

In the long run, the Board intends 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.

In view of business diversification, the launching of retail packaged sweeteners products and beef products was the Group's first step to extend its business line to the retail market. Currently, these products are sold directly to consumers via nationwide supermarket chains in the PRC. The Group will continue to diversify its retail product range in future through the launching of new products.

With respect to the raw material price fluctuation, it is always the Group's objective to secure our corn kernel supply at the lowest cost. To better utilise our current corn storage facilities and subject to market moves, the Group will explore possibilities to further reduce our corn cost and secure our corn supply with a more comprehensive corn procurement policy and network.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2010, 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. Our staff benefits provided by the Group include mandatory fund, insurance schemes and performance related commission.

DISCLOSURE OF ADDITIONAL INFORMATION

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 THE 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 with the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules throughout the Period.

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 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 ("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 and the code of conduct, throughout the Period.

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 interim results of the Group for the Period have not been audited, but they have been reviewed by the Company's auditors, Ernst & Young and 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 Relations".

The Interim Report 2010 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, 30 August 2010

As at the date of this announcement, the Board comprises four executive directors, namely, Mr. Kong Zhanpeng, Mr. Zhang Fazheng , Ms. Wang Guifeng, and Mr. Lee Chi Yung and three independent non-executive directors, namely Mr. Chan Yuk Tong, Mr. Gao Yunchun and Mr. Ho Lic Ki.

* *for identification purposes only*