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## GLOBAL SWEETENERS REPORTED 42.1% INCREASE IN INTERIM REVENUE

Global Sweeteners Holdings Limited (“Global Sweeteners” or the “Company”, stock code: 03889), together with its subsidiaries (the “Group”), reported a 42.1 per cent increase in its unaudited consolidated revenue to HK\$1,053 million for the six months ended 30 June 2009 (“Period”). Net profit attributable to shareholders decreased by 97.2 per cent to HK\$4 million. Basic earnings per share for the period under review were HK 0.38 cents (2008 same period: HK13.5 cents).

The increase in the Group’s consolidated revenue was mainly attributable to the upstream corn refinery business which the Group acquired in September 2008. However, owing to the decline in products’ average selling price and sales volume, together with the increase in unit production cost as a result of underutilisation of the Group’s capacity during the Period, the Group’s overall gross profit for the Period dropped by 43.7 per cent to HK\$93 million (2008 same period: HK\$165 million). The operating environment in the first quarter was especially challenging, with product prices and volume hit their lowest levels. Nevertheless, with the rebound in sugar prices and restored consumption sentiment stimulated by the State’s economic revitalisation plan, the Group’s operating results began to improve since the beginning of the second quarter this year.

The board of directors of Global Sweeteners has resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2009 (2008 same period: nil).

“We believe the worst time has gone,” said Mr Kong Zhanpeng, Chairman of Global Sweeteners. “The global financial tsunami has delivered a sharp blow to the global economy. This together with the outbreak of the melamine-tainted food incidents last year, which adversely affected the Group’s products’ selling prices and sales volume, caused the Group’s business to hit the bottom during the six months ended March 2009. Fortunately, sugar prices started to rebound in the second quarter this year. In view of the upward sugar price trend, we expect the average selling price of and demand for sweeteners products to gradually pick up in the second half of the year,” said Mr Kong.

The severe market conditions since the second half of 2008 also struck the upstream business. During the first quarter this year, corn starch price had hit its lowest level at HK\$1,960 per metric tonne. As signs of recovery started to emerge in the second quarter, the prices of upstream products gradually revived. As a result, gross profit margins of approximately 8.0 per cent and 5.2 per cent for the sales of corn starch and other corn refined products, respectively, were recorded during the Period. The sales amount and gross profit of the Group’s upstream products for the Period were HK\$415 million and HK\$29 million, respectively. During the first half of 2009, internal consumption of corn starch was approximately 36,000 metric tonnes, which was used as raw material for the production in Jinzhou and Shanghai production sites.

Global Sweeteners' corn sweetener products are divided into three main categories, namely: corn syrup (glucose syrup and maltose syrup), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol). During the Period, the Group's sales amount of corn syrup, corn syrup solid and sugar alcohol was approximately HK\$361 million, HK\$257 million and HK\$19 million, respectively (2008 same period: HK\$392 million, HK\$303 million and HK\$46 million respectively). Gross profit of its corn syrup, corn syrup solid and sugar alcohol were approximately HK\$34 million, HK\$27 million and HK\$3 million, respectively (2008 same period: HK\$84 million, HK\$70 million and HK\$12 million respectively).

Since 2008, Global Sweeteners has expanded its business to the retail market by launching consumable sweetener products under its self-owned brand "Life Essentials". During the Period, the Group also started to diversify the product mix by adding other food products to its retail business. A joint venture has been set up for launching high end beef products to customers via supermarket chains in the PRC. During the first half of 2009, the Group has invested approximately HK\$8 million in this joint venture. This new business is expected to have profit contribution by the end of this year.

In order to better utilise the cash on hand and lower the finance costs of the Group, the Board has resolved to repay some of the bank borrowings before maturity, thus lowering the Group's gearing ratio during the Period. On the other hand, the Company has secured new banking facilities with various banks during the Period to ensure adequate working capital for the Group's daily operation and future expansion.

The Group intends to establish new production facilities at the existing locations of its production facilities and other locations in the PRC, with an ultimate goal to increase its production capacity and market share in the long run. The crystallised glucose production line in Changchun (with sorbitol production capability) is expected to be completed by the end of the third quarter of 2009. The new production line will add 40,000 metric tonnes per annum ("mtpa") to either the Group's crystallised glucose capacity to 240,000 mtpa or sorbitol capacity to 100,000 mtpa.

Taking advantage from the upsurge of sugar prices and the revival of the economy, the Board is considering resuming some of the postponed projects in 2010. These projects will be funded by the Group's internal resources and bank borrowings. On the other hand, the Company is examining different alternatives in the capital market to further strengthen the Group's financial position, including listing in overseas stock markets.

"Taking the opportunity of the peak season and the substantial growth in production capacity, the Group will further enhance its sales volume and capacity utilisation by adopting more aggressive marketing strategies on existing and potential customers, and by broadening sales channels. In addition to lowering unit cost, the Group will strive to exercise more stringent control over raw material purchase, operating and financial expenses, with an aim of improving overall efficiency," said Mr Kong.

**About Global Sweeteners**

Global Sweeteners has been listed on the Main Board of The Stock Exchange of Hong Kong Limited since September 2007, and is principally engaged in the production and sale of corn refined products including corn starch, corn oil, gluten and fibre; and various corn sweeteners including glucose and maltose syrup, HFCS, crystallised glucose, maltodextrin and sorbitol for food and beverage, chemical, confectionery, dairy, cosmetics and pharmaceutical products manufacturers. Global Sweeteners is one of the largest corn sweeteners producers in the PRC with an annual production capacity of 600,000 metric tonnes of upstream corn refined products and 1,260,000 metric tonnes of corn sweeteners. Global Sweeteners is a non-wholly owned subsidiary of Global Bio-chem Technology Group Company Limited (stock code: 00809), the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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Issued by: Global Sweeteners Holdings Limited  
Through: CorporateLink Limited

**Attached with: Global Sweeteners' Unaudited Condensed Consolidated Income Statement for the six months ended 30 June 2009**

**Global Sweeteners Holdings Limited**  
 (Stock Code: 03889)

**Unaudited Condensed Consolidated Income Statement**  
**For the six months ended 30 June 2009**

	<b>Six months ended 30 June</b>	
	<b>2009</b>	<b>2008</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Restated)</b>
		<b>(Unaudited)</b>
REVENUE		
Sales of goods	<b>1,052,788</b>	740,666
Cost of sales	<b>(959,565)</b>	(575,200)
Gross profit	<b>93,223</b>	165,466
Other income	<b>4,905</b>	14,028
Negative goodwill	-	24,036
Selling and distribution costs	<b>(44,843)</b>	(25,064)
Administrative expenses	<b>(27,716)</b>	(20,273)
Other expenses	-	1,597
Finance costs	<b>(16,969)</b>	(13,513)
Share of Profits of jointly controlled entities	<b>2,839</b>	5,057
PROFIT BEFORE TAX	<b>11,439</b>	151,334
Tax	<b>(7,442)</b>	(10,168)
PROFIT FOR THE PERIOD	<b>3,997</b>	141,166
EARNINGS PER SHARE		
- Basic and diluted	<b>HK 0.38 cents</b>	HK 13.5 cents