

PRESS RELEASE

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GLOBAL SWEETENERS MAINTAINS REVENUE GROWTH AMIDST MARKET TURMOIL

Despite the challenging market environment in 2008, Global Sweeteners Holdings Limited (“Global Sweeteners” or the “Company”, stock code: 03889), together with its subsidiaries and jointly-controlled entities (the “Group”) maintained a 14.5 per cent growth in consolidated revenue to approximately HK\$1,826 million for the year ended 31 December 2008 (the “Year”). However, affected by the economic recession, the Company’s net profit attributable to shareholders for the Year decreased by 20.3 per cent to approximately HK\$154 million. Basic earnings per share for the Year were HK 14.8 cents (2007: HK 18.5 cents).

The board of directors of Global Sweeteners has resolved not to recommend the payment of a final dividend for the Year (2007: Nil).

The increase of the Group’s consolidated revenue was mainly attributable to the newly acquired upstream business. To secure a reliable supply of its principal raw material – corn starch – and to strengthen the foundation for future expansion and vertical integration, the Group completed in September 2008 the acquisition of Jinzhou Yuancheng Bio-chem Technology Co., Ltd. (“Jinzhou Yuancheng”) from Global Bio-chem Technology Group Company Limited (“GBT”). The upstream corn refinery enables the Group to extend its operations to the manufacture and sale of corn starch and corn refined products. However, a gross loss of approximately HK\$12 million incurred by the upstream business had led to a 10.5 per cent drop in the Group’s gross profit to approximately HK\$300 million.

During the Year, the sales volume of corn starch and other corn refined products was approximately 69,000 metric tonnes (“MT”) and 38,000 MT respectively. The Group’s internal consumption of corn starch as raw material for the production in Jinzhou and Shanghai amounted to approximately 49,000 MT.

“We believe the acquisition of Jinzhou Yuancheng is in the long-term interest of the Group, allowing it to enhance cost efficiency through further vertical integration,” said Mr Kong Zhanpeng, Chairman of the Company.

Global Sweeteners’ corn sweetener products are divided into three main categories namely: corn syrup (glucose syrup, maltose syrup and high fructose corn syrup (“HFCS”)), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol). During the Year, the Group’s total sales amount of corn syrup, corn syrup solid and sugar alcohol amounted to approximately HK\$959 million, HK\$563 million and HK\$88 million respectively (2007: HK\$1,228 million, HK\$355 million and HK\$11 million respectively). The gross profit of its corn syrup, corn syrup solid and sugar alcohol also reached approximately HK\$170 million, HK\$122 million and HK\$20 million respectively (2007: HK\$274 million, HK\$61 million and HK\$0.3 million respectively).

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The decrease in the sales amount of corn syrup was mainly attributable to the increase in internal consumption of glucose syrup to approximately 344,000 MT (2007: 193,000 MT) or by approximately 78.4 per cent due to the enhancement of utilisation rate of crystallised glucose and sorbitol production facilities during the Year. Accordingly, the sales amount of corn syrup solid and sugar alcohol increased by 58.6 per cent and 695.7 per cent.

As a key player in the PRC corn sweeteners market, Global Sweeteners began to strategically expand its overseas market, such as the Philippines, Korea and Turkey in 2008. During the Year, the Group exported approximately 12,000 MT of upstream corn refined products (2007: Nil) and approximately 21,000 MT of corn sweeteners (2007: Nil); the Group's total export sales amounted to approximately HK\$100 million.

The Group began expanding its business scope further to the retail market during the Year. The Group launched retail packaged consumable sweetener products under self-owned brand "Life Essentials" during the Year, targeting at retail customers in food catering industry such as hotels and restaurants; and directly to end users in supermarkets. In addition, a sales office to support the Group's retail operation was established in Shanghai. As this business does not require heavy investment nor high operation costs, the Group expects it to break even in 2009.

In light of the current market condition and the slowdown of the world economy, the Group announced in March 2009 to redesignate the unutilised proceeds raised from the 2007 IPO for general working capital and/or repayment of bank borrowings, to further strengthen its financial position.

"To cope with market volatility caused by the financial tsunami, the Group will adopt a prudent approach of its business development. In 2009, the Group will not have significant capital expenditures. We believe maintaining strong cash flow and further reducing overall operational cost will effectively enable the Group to weather the impact of the financial crisis," noted Mr Kong.

The Group's new glucose/maltose syrup production facility of 200,000 MT per annum ("mtpa") in Jinzhou commenced trial production at the end of December 2008. In Changchun, the construction of crystallised glucose production facility (with sorbitol production capability) commenced in the second half of 2008 and is expected to be completed by the end of second quarter of 2009. The new production line will add 40,000 mtpa to the Group's crystallised glucose capacity to 240,000 mtpa or sorbitol capacity to 100,000 mtpa.

In the long run, the Group will continue its strategy to become a leader in the sweeteners industry and increase its market share domestically and overseas. The Group will also strive to explore opportunities in other areas including food-related industries as well as retail industry with the aims to diversify its business and maintain steady growth momentum.

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About Global Sweeteners

Global Sweeteners is listed on the Main Board of The Stock Exchange of Hong Kong Limited in 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 1,220,000 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' Audited Consolidated Income Statement for the year ended 31 December 2008

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Global Sweeteners Holdings Limited (Stock Code: 03889)

Audited Consolidated Income Statement

	Year ended 31 December	
	2008 HK\$'000	2007 HK\$'000
REVENUE	1,826,248	1,595,054
Cost of sales	(1,526,632)	(1,260,400)
Gross profit	<u>299,616</u>	<u>334,654</u>
Other income and gains	32,597	20,783
Excess over the cost of a business combination	23,703	-
Selling and distribution costs	(80,063)	(47,607)
Administrative expenses	(61,201)	(36,500)
Other expenses	1,705	(17,953)
Finance costs	(39,240)	(24,356)
PROFIT BEFORE TAX	177,117	229,021
Tax	(22,747)	(35,355)
PROFIT FOR THE YEAR	<u>154,370</u>	<u>193,666</u>
EARNINGS PER SHARE		
- Basic (HK cents)	<u>14.8</u>	<u>18.5</u>
- Diluted (HK cents)	<u>14.8</u>	<u>N/A</u>