



GLOBAL 大成糖業控股有限公司
Sweeteners GLOBAL Sweeteners Holdings Limited

Annual Results Presentation 2011

21 March 2012

AGENDA

- 2011 Annual Results:
 - Financial Overview
 - Operation Overview
- Business Outlook & Development Plans
- Company Profile
- Appendix

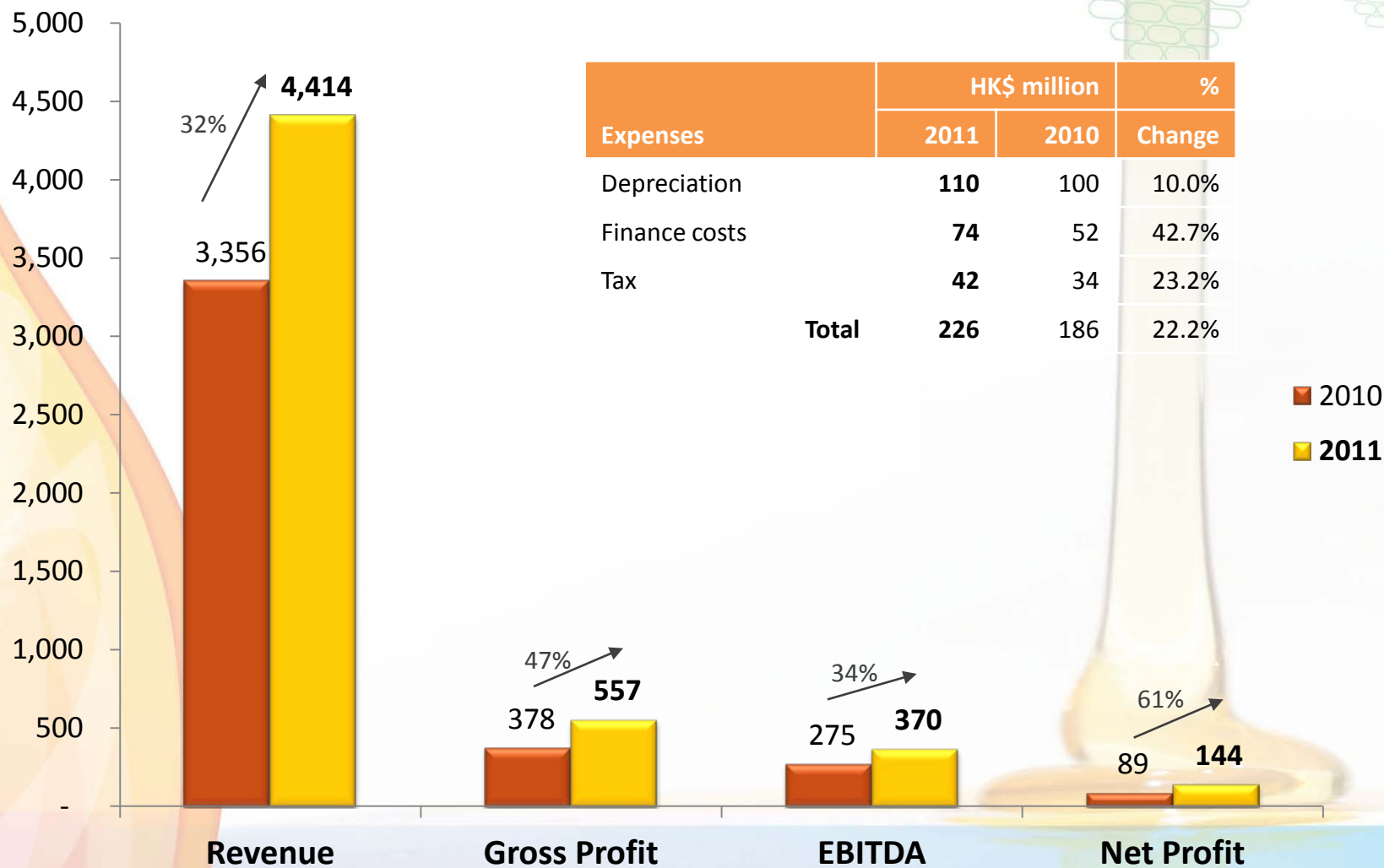
The background features a stylized tree with a green trunk and a canopy of green leaves, positioned on the right side. On the left side, there are abstract, overlapping shapes in shades of yellow, orange, and red, resembling a large drop or a stylized flame. The overall aesthetic is clean and modern.

2011 Annual Results

Financial Overview

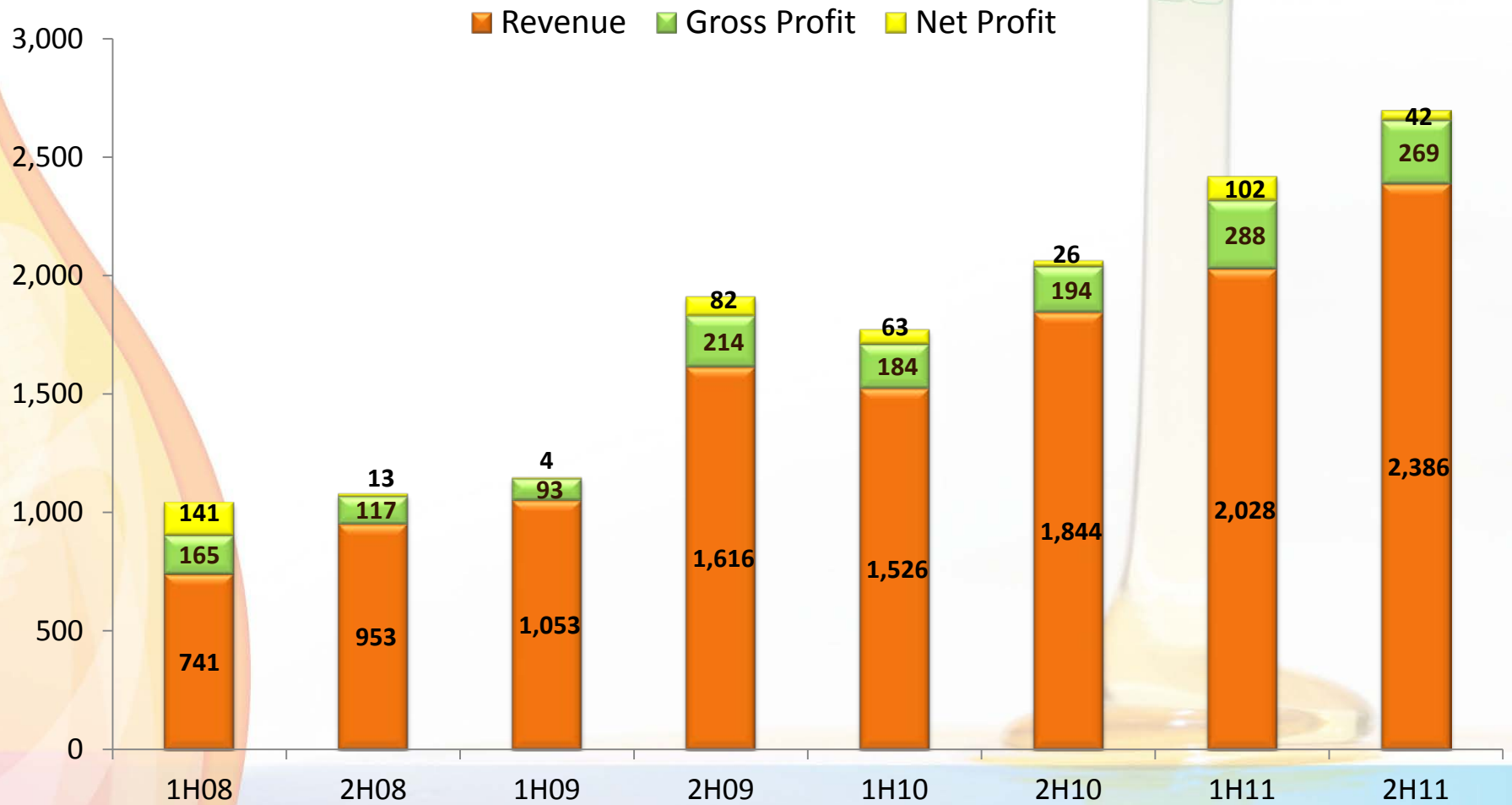
RESULTS HIGHLIGHTS

HK\$ million



STRONG GROWTH MOMENTUM

HK\$ million



OPERATING RESULTS

HK\$ million	2011	2010	Change
Revenue	4,414	3,356	31.5%
• Corn Refined Products	1,581	1,224	29.2%
• Corn Sweeteners	2,694	1,966	37.0%
• Retail Business	139	166	(15.9%)
Gross Profit	557	378	47.4%
• Corn Refined Products	105	127	(17.4%)
• Corn Sweeteners	439	243	80.9%
• Retail Business	13	8	59.4%
Gross Margin	12.6%	11.2%	1.4pp
• Corn Refined Products	6.7%	10.4%	(3.7pp)
• Corn Sweeteners	16.3%	12.4%	3.9pp
• Retail Business	9.1%	4.8%	4.3pp
EBITDA	370	275	34.4%
Net Profit	144	89	61.2%
• Net Margin	3.3%	2.7%	0.6pp
Basic Earnings Per Share (HK cents)	12.0	7.9	51.9%
Dividend Per Share – Final (HK cents)	-	-	N/A

FINANCIAL POSITION

HK\$ million	*31 Dec 11	31 Dec 10	Change	**Proforma 31 Dec 10
Non-current Assets	2,171	1,558	39.3%	2,039
Current Assets	3,167	1,716	84.6%	3,078
Current Liabilities	2,598	1,025	153.6%	2,148
Cash and Bank Balances	497	378	31.6%	540
Shareholder's Equity	2,563	1,927	33.0%	2,324
Interest Bearing Borrowings	1,832	879	108.3%	1,716

* On 17 November 2011, 377,778,000 ordinary shares were issued to acquire a corn refinery in Changchun. Therefore, substantial changes in the balance sheet is resulted post-acquisition.

** Proforma balance sheet based on the numbers of the Group as at 31 December 2010 with Changchun Jincheng's figures consolidated assuming the acquisition of Changchun Jincheng took place on 1 January 2010.

KEY FINANCIAL RATIOS

	31 Dec 11	31 Dec 10	<i>**Proforma 31 Dec 10</i>
Current Ratio	1.22	1.67	1.43
Quick Ratio	0.77	1.10	0.90
Gearing Ratio (net debt/equity)	52.1%	26.1%	50.6%
ROE	5.6%	4.6%	5.5%
Inventories Turnover Days	110 days	72 days	114 days
Trade Receivables Turnover Days	104 days	69 days	79 days
Trade Payables Turnover Days	49 days	26 days	63 days

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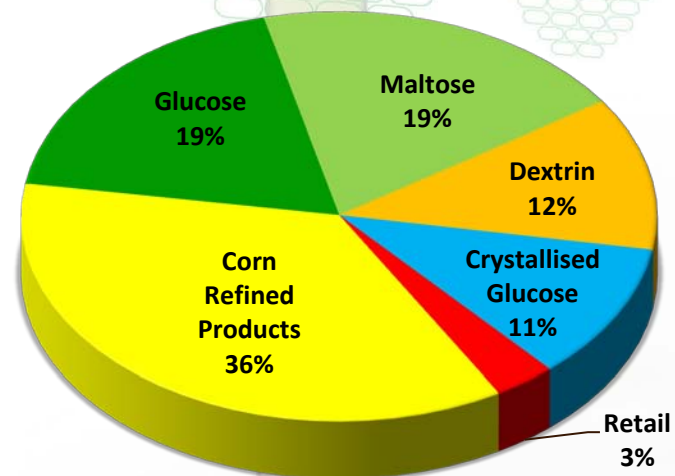
2011 Annual Results

Operation Overview

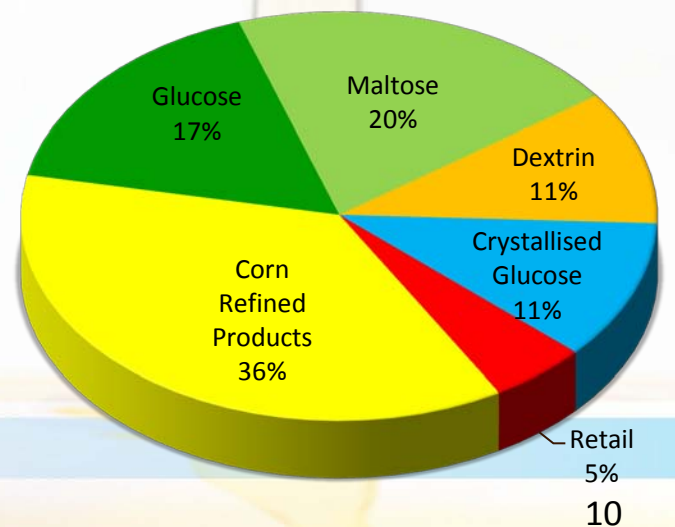
REVENUE BREAKDOWN

Revenue (HK\$ million)	2011	2010	Change
Upstream			
Corn Refined Products	1,581	1,224	29.2%
Downstream			
Glucose Syrup	824	561	46.7%
Maltose Syrup	858	678	26.6%
Maltodextrin	535	356	50.2%
Crystallised Glucose	477	371	28.6%
Sweeteners Sub-total	2,694	1,966	37.0%
Retail	139	166	(15.9%)
Total	4,414	3,356	31.5%

2011 Revenue Breakdown



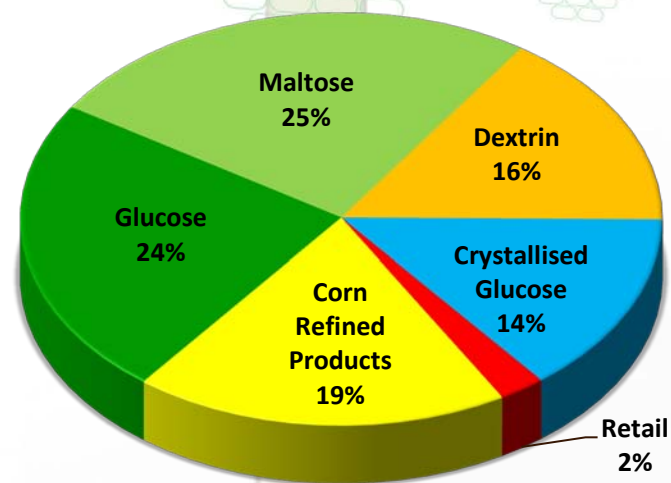
2010 Revenue Breakdown



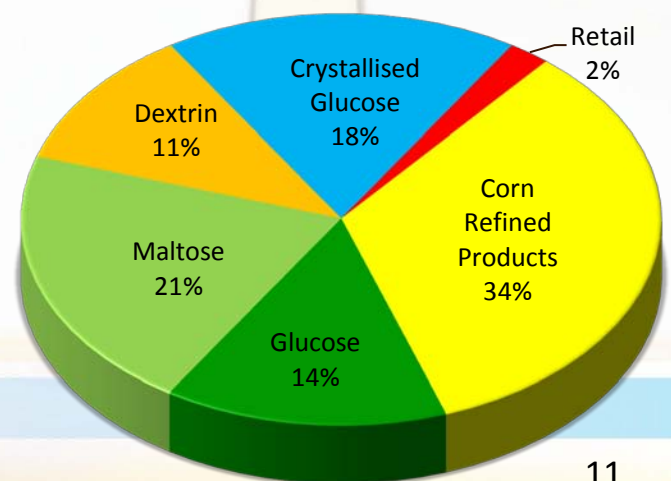
GROSS PROFIT BREAKDOWN

Gross Profit (HK\$ million)	2011	2010	Change
Upstream			
Corn Refined Products	105	127	(17.4%)
Downstream			
Glucose Syrup	131	54	144.0%
Maltose Syrup	142	79	79.1%
Maltodextrin	87	42	108.0%
Crystallised Glucose	79	68	15.7%
Sweeteners Sub-total	439	243	80.9%
Retail	13	8	59.4%
Total	557	378	47.4%

2011 Gross Profit Breakdown



2010 Gross Profit Breakdown



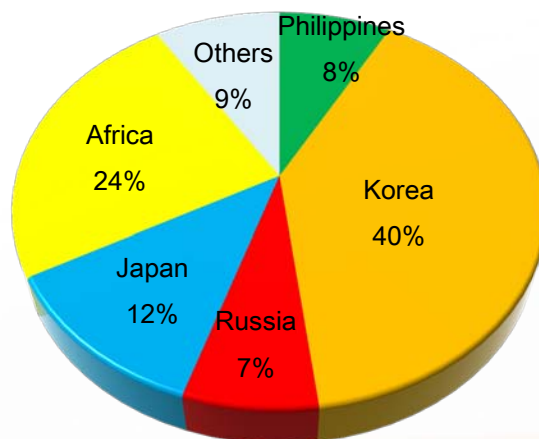
SALES ANALYSIS

	Sales Volume ('000 MT)			Gross Profit Margin		
	2011	2010	Change	2011	2010	Change
<u>Upstream</u>						
Corn Refined Products	508	464	9.5%	6.7%	10.4%	(3.7%)
<u>Downstream</u>						
Glucose Syrup	278	246	12.9%	15.9%	9.6%	6.3%
Maltose Syrup	242	244	(0.7%)	16.6%	11.7%	4.9%
Maltodextrin	146	113	28.4%	16.3%	11.8%	4.5%
Crystallised Glucose	146	168	(13.2%)	16.5%	18.3%	(1.8%)
Sweeteners Sub-total	812	771	5.2%	16.3%	12.4%	3.9%
<u>Retail</u>	4	7	(42.8%)	9.1%	4.8%	4.3%
TOTAL	1,324	1,242	6.5%	12.6%	11.2%	1.4%

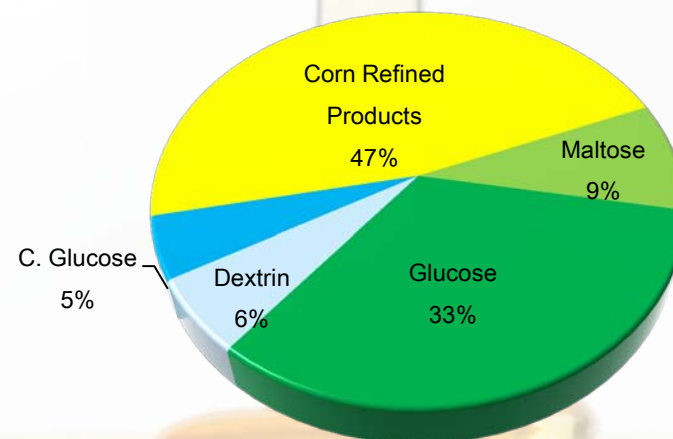
EXPORTS BREAKDOWN

	Sales Volume (MT)			Revenue (HK\$ million)		
	2011	2010	Change	2011	2010	Change
Export Sales	76,000	86,000	(11.0%)	222	240	(7.4%)
Export Contribution (%)	5.7%	6.8%	(1.1pp)	5.0%	7.1%	(2.1pp)

Exports Breakdown by Region 2011

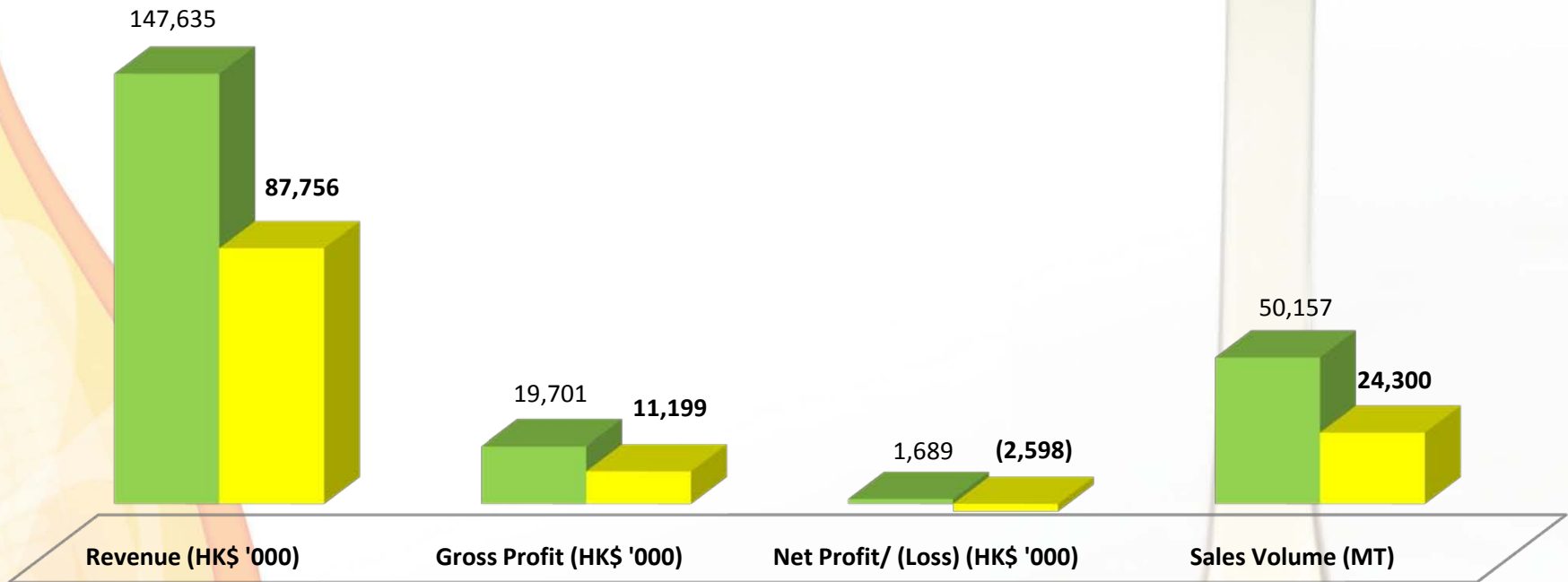


Exports Breakdown by Products 2011



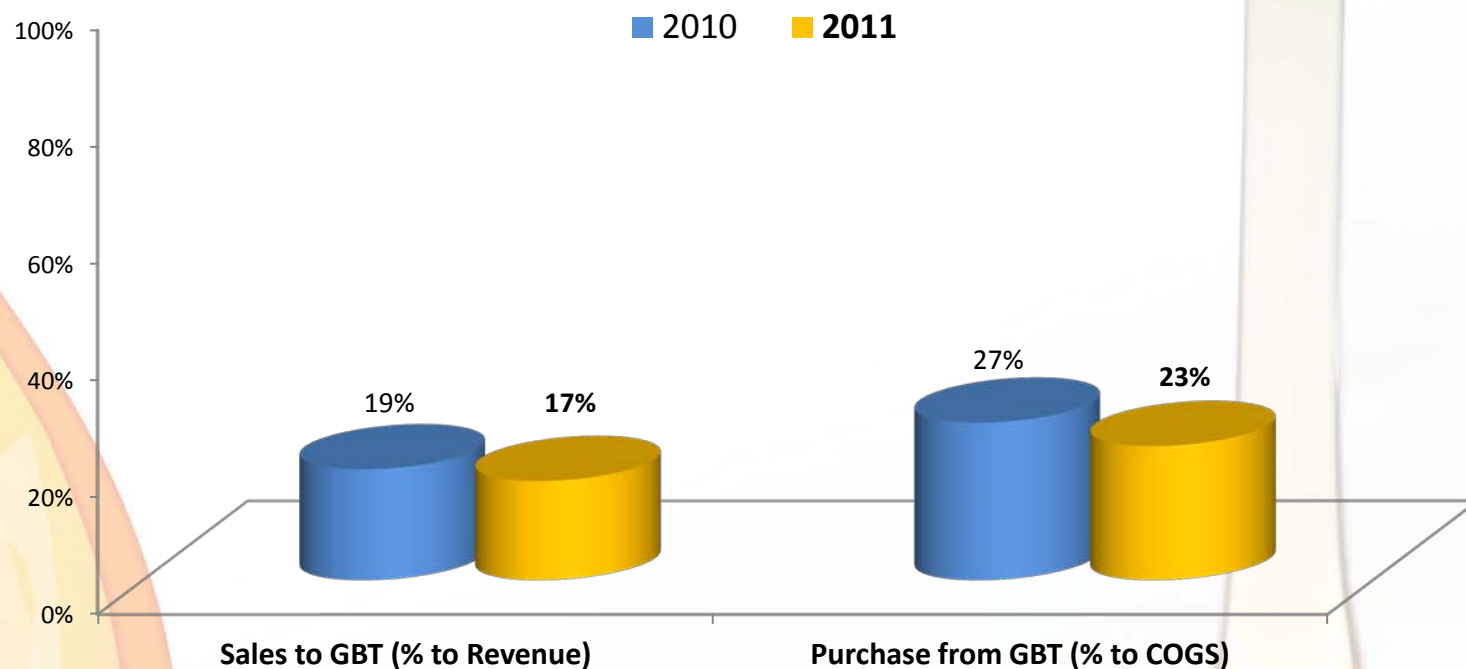
HFCS 42 PERFORMANCE UNDER JV

■ 2010 ■ 2011



With increasing market acceptance of HFCS 55, HFCS 42 became an intermediate product in the market with squeezing demand

CCT – SALES TO & PURCHASE FROM GBT



Sales agency fee to GBT for the sales of the Group's upstream products for 2011: HK\$6.0 million (2010: HK\$3.1 million)

OPERATING COST STRUCTURE

	2011	2010
Raw Material (Corn / Corn Starch)	76.7%	77.0%
Utilities (Water, Electricity, Steam & Wastewater Treatment)	8.7%	8.9%
Labour	0.7%	0.6%
Depreciation	2.9%	3.3%
Production Overhead	2.2%	2.5%
Selling and Distribution Expenses	6.0%	5.3%
Administrative Expenses	2.8%	2.4%

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Business Outlook & Development Plans

UPSTREAM RAW MATERIAL – CORN

Corn Price Movement in China (Jan 07 – Mar 12)

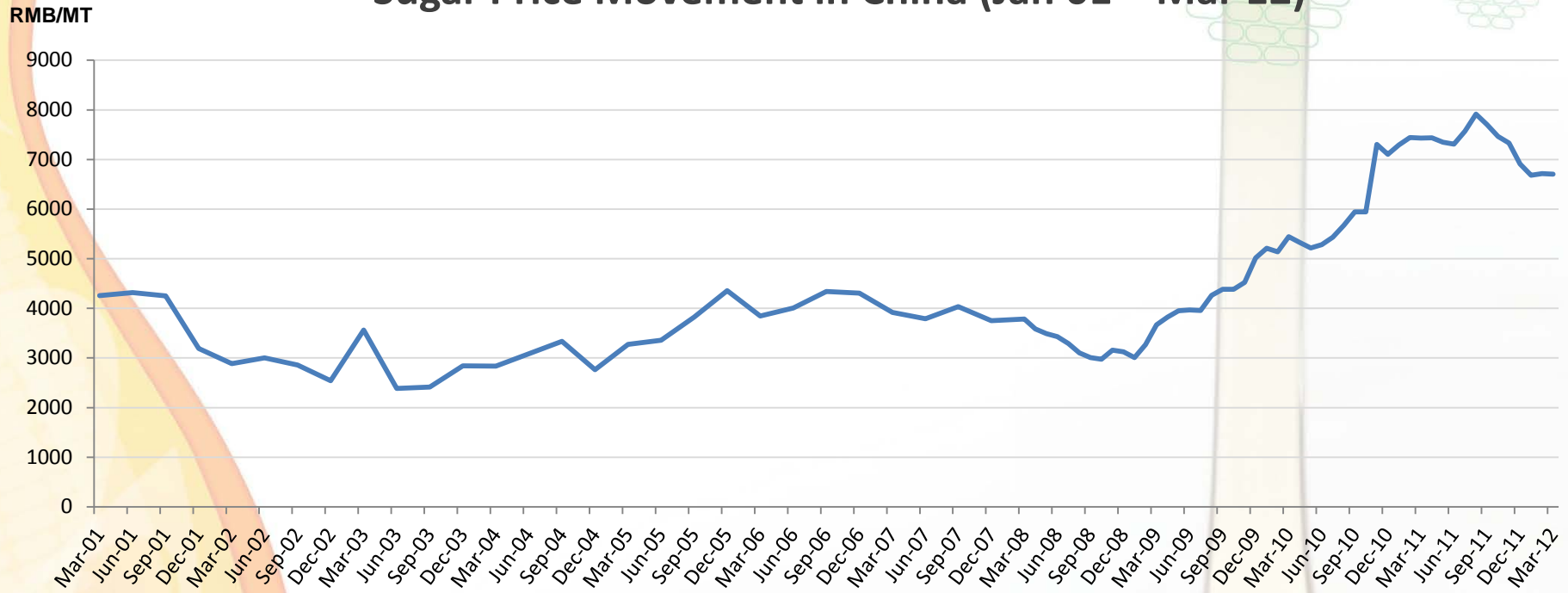


Source: eFeedlink. Based on average price from Northeast China (Jilin, Liaoning and Shandong)

- Corn harvest for 2011/2012: approx. 192 million MT
- China corn price stays high with (i) strong demand from different industries; (ii) the PRC protective measures for farmers: setting price floor at approx. RMB2,000/MT
→ farmers hold up their corn stock with expectation of rising corn price
- The Group's purchasing price for 2011 increased by 15% (2010: RMB1,650/MT, excl. VAT)
- Outlook on upstream business: challenging in 1H12 and expects to revive in 2H12

DOWNSTREAM – SUGAR PRICE MOVEMENT

Sugar Price Movement in China (Jan 01 – Mar 12)

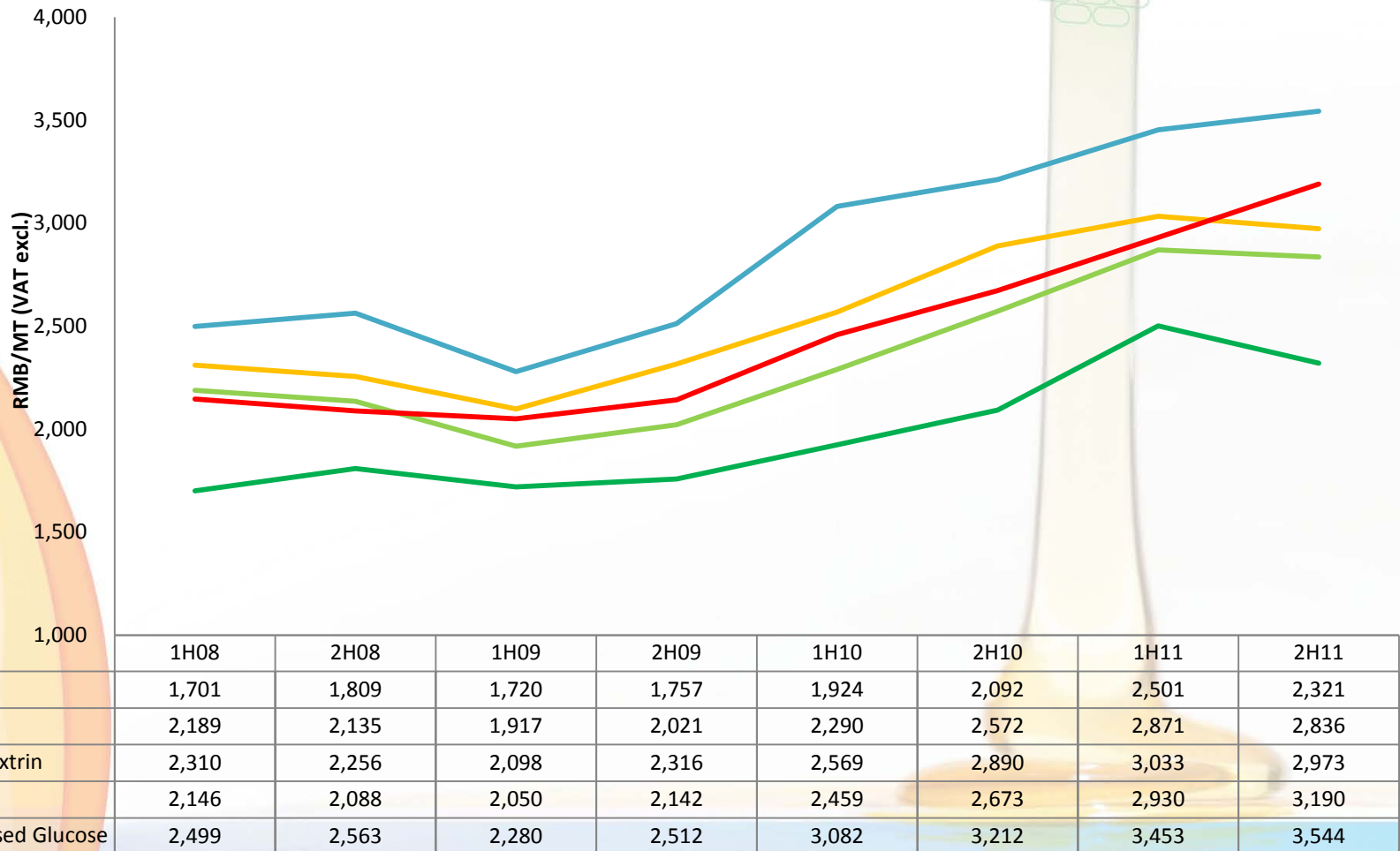


Source: www.ec-sugar.com

- PRC cane sugar production dropped for 3 consecutive years since 2009, from 14.8 million MT in 2008 to 10.5 million MT in 2011
- Expects 2011/2012 cane production will increase by 10% to approx. 11.5 million MT
→ China's sugar consumption > production
- Current China sugar price: RMB6,700/MT → continues to support sweeteners prices

DOWNSTREAM PRODUCTS ASP TRENDS

ASP Trends of the Group's Downstream Products (1H08 - 2H11)

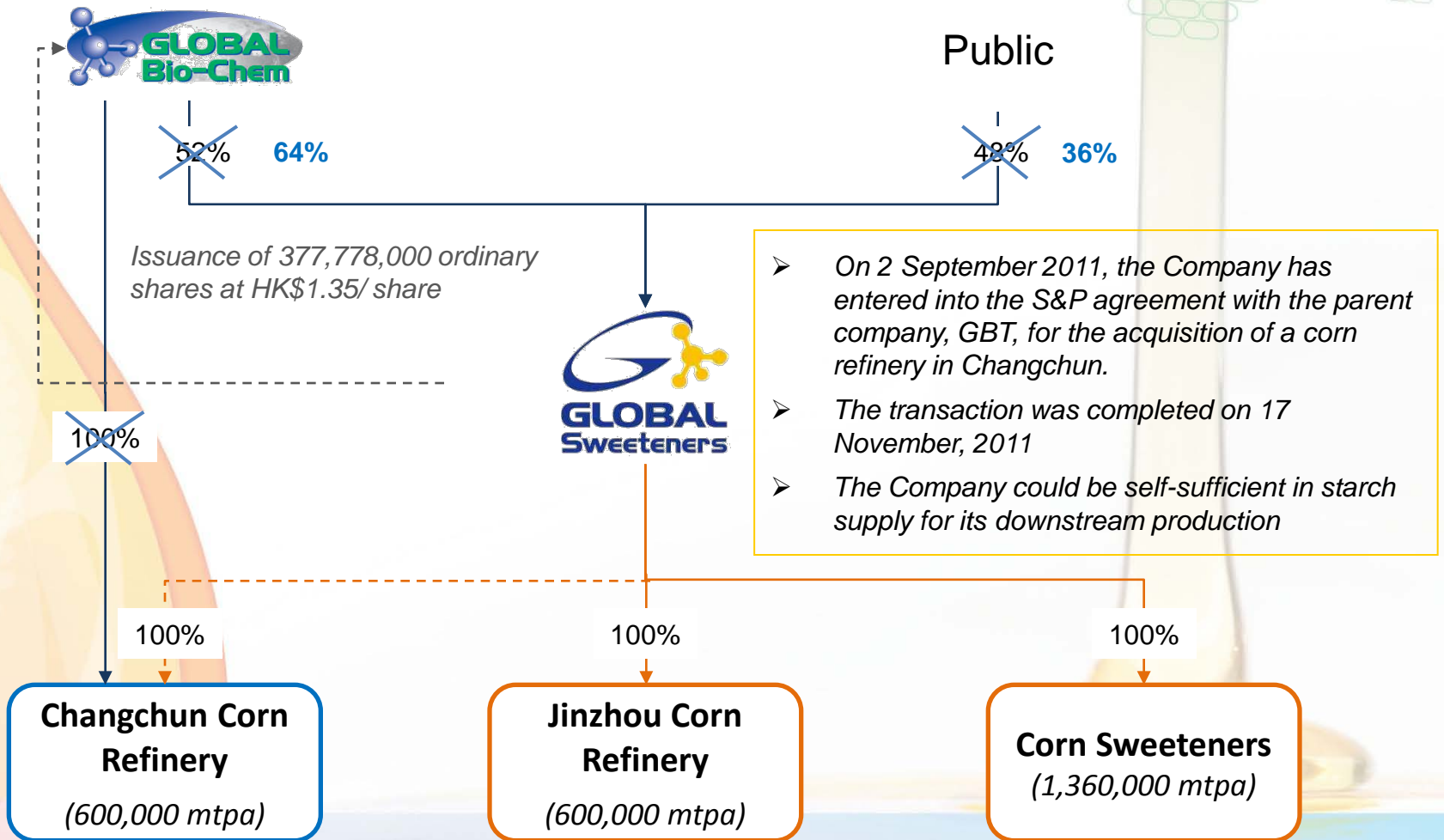


CAPACITY EXPANSION PLANS

- Lingering global economy uncertainty → slow down pace of expansion
- Hold cash for raw material procurement to protect the profit margins of the Group
- Focus on ramping up the utilisation of the new capacities and continue to observe the macro economic environment to adjust the timetable of the initially planned expansions

Expansion Plans	Designed Capacity (mtpa)	Location	CAPEX (HK\$ million)	
HFCS 55	100,000	Shanghai	100	← completed
Corn Refinery	300,000	Jinzhou	100	← complete by end of 2Q12
HFCS 55	100,000	Jinzhou	200	} postponed
Maltodextrin	40,000	Jinzhou	50	
Crystallised Glucose	100,000	Jinzhou	150	
Total			600	

ACQUISITION OF CORN REFINERY



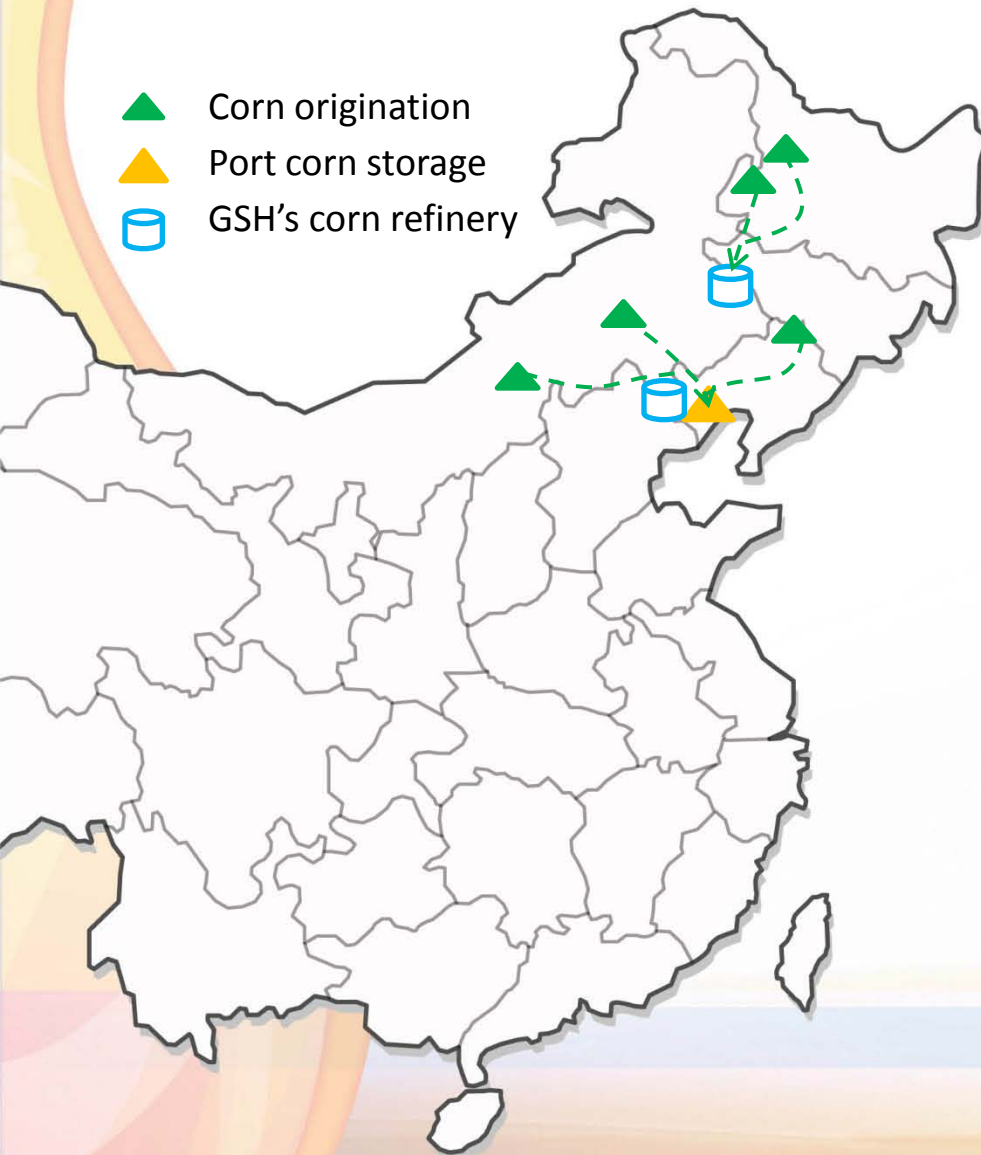
CAPACITY OVERVIEW

Designed Capacity (mtpa)	2011	2012	2013
<u>Upstream</u>			
Corn Starch	840,000	1,050,000	1,050,000
Corn Refined Products	360,000	450,000	450,000
Upstream Sub-total	1,200,000	1,500,000	1,500,000
<u>Downstream</u>			
Glucose / Maltose Syrup	820,000	820,000	820,000
Maltodextrin	20,000	20,000	60,000
HFCS	*220,000	220,000	320,000
Crystallised Glucose	300,000	300,000	400,000
Downstream Sub-total	1,360,000	1,360,000	1,600,000
Total	2,560,000	2,860,000	3,100,000

* JV total capacity: 120,000 mtpa

CORN PROCUREMENT & LOGISTICS

- ▲ Corn origination
- ▲ Port corn storage
- ☺ GSH's corn refinery



Objectives:

- To secure corn supply for the Group's production need
- To further lower corn procurement costs

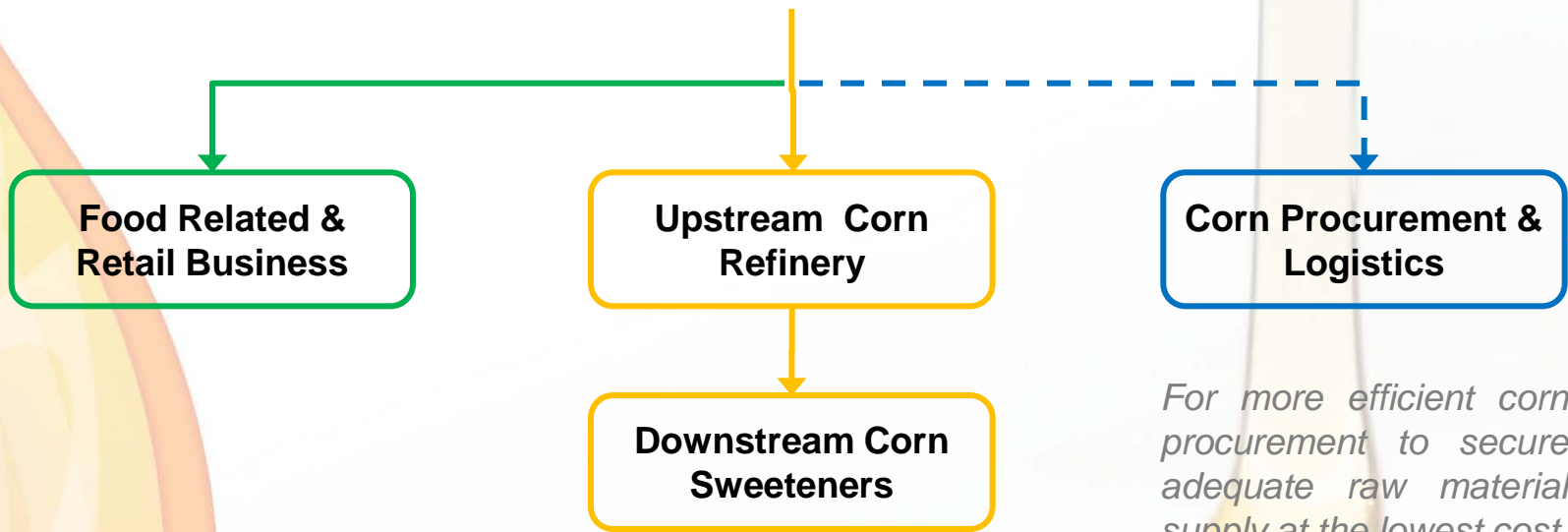
How we do it:

- Acquire/ lease silos in corn origination and in Jinzhou port
- Purchase wet corn from farmers in corn originations → dehydrate and transport to Jinzhou and Changchun to feed the corn refineries

Cost saving from:

- Further penetrate into the source of raw material → farmers & villages
- Purchase wet corn at the lowest cost + efficient dehydration of corn → ↓cost

BUSINESS STRUCTURE



For more efficient corn procurement to secure adequate raw material supply at the lowest cost

- - - New business
- Existing business



Company Profile

CORPORATE MILESTONES

Hao Cheng was established in Shanghai with a designed production capacity of 60,000 mtpa

CDNP (Global-Nikken JV) established to produce sorbitol with a designed production capacity of 60,000 mtpa
Acquired the 75% interest in **Changchun Dihao**

Dihao Crystal was established to manufacture crystallised glucose with a designed production capacity of 200,000 mtpa

Acquired the remaining 49% interest in **CDNP**, which is now a wholly-owned subsidiary of the Group
Entered into an S&P agreement to acquire **Jinzhou Yuancheng** (corn refinery) from the GBT Group

Changchun 40,000 mtpa crystallised glucose production line completed
Set up JV in Dalian for the Group's beef business

Construction of new HFCS 55 production line with a designed capacity of 100,000 mtpa in Shanghai **Hao Cheng** completed

1998

2001

2004

2005

2006

2007

2008

2009

2010

2011

GCHF (GBT-Cargill JV) established and was engaged in the manufacture of HFCS with a designed production capacity of 100,000 mtpa

Acquired the remaining 25% interest in **Changchun Dihao**

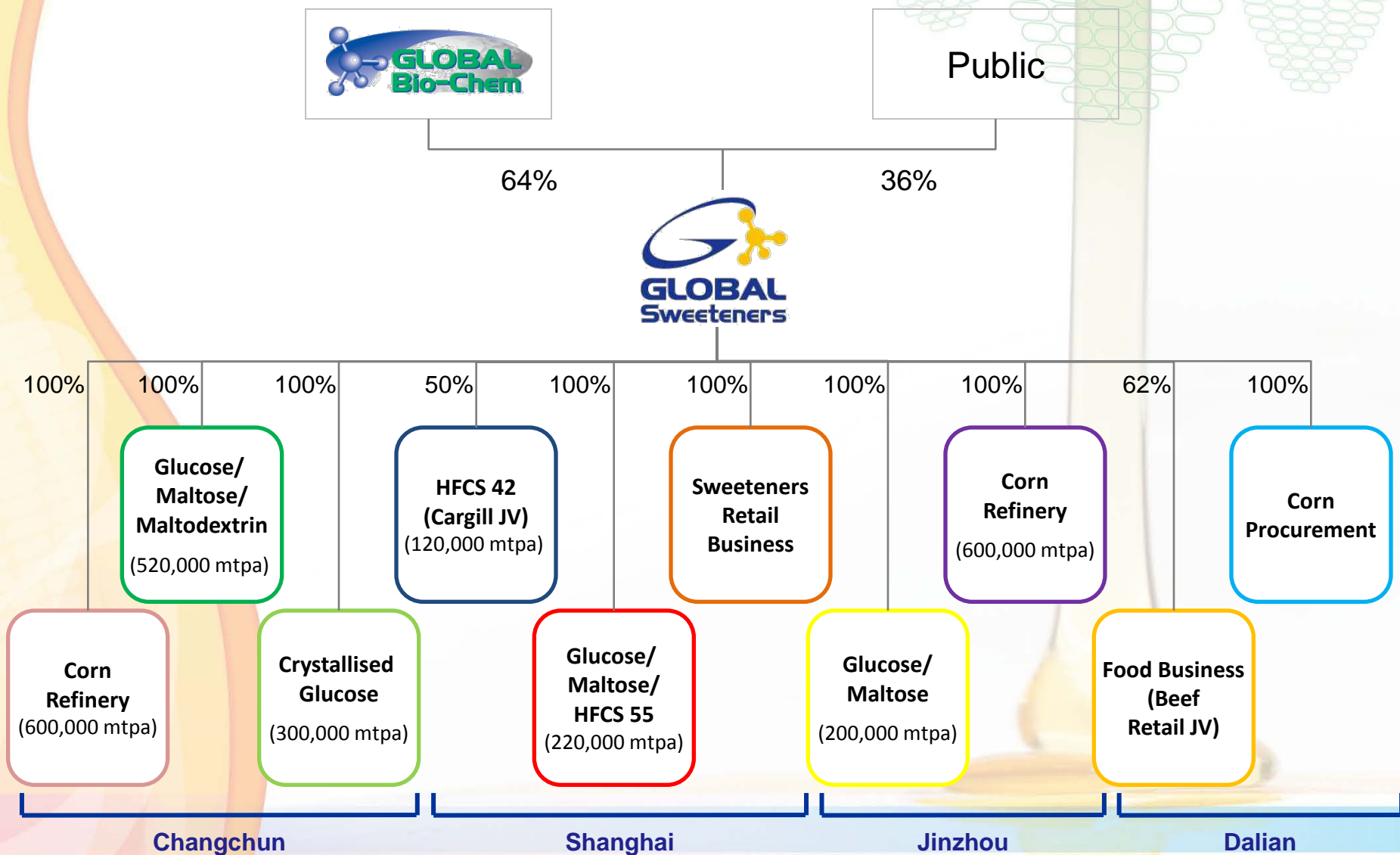
Global Sweeteners (stock code: 03889.HK) was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 20 September

Jinzhou Dacheng with a designed capacity of 200,000 mtpa of liquid glucose and maltose was established
Corn Essence was established in Shanghai principally for the Group's retail business

The listing of TDR of **Global Sweeteners** (stock code: 913889.TW) on the Taiwan Stock Exchange Corporation on 25 March

Acquisition of **Changchun Jincheng**, a corn refinery with corn processing capacity of 600,000 mtpa in Changchun from GBT completed

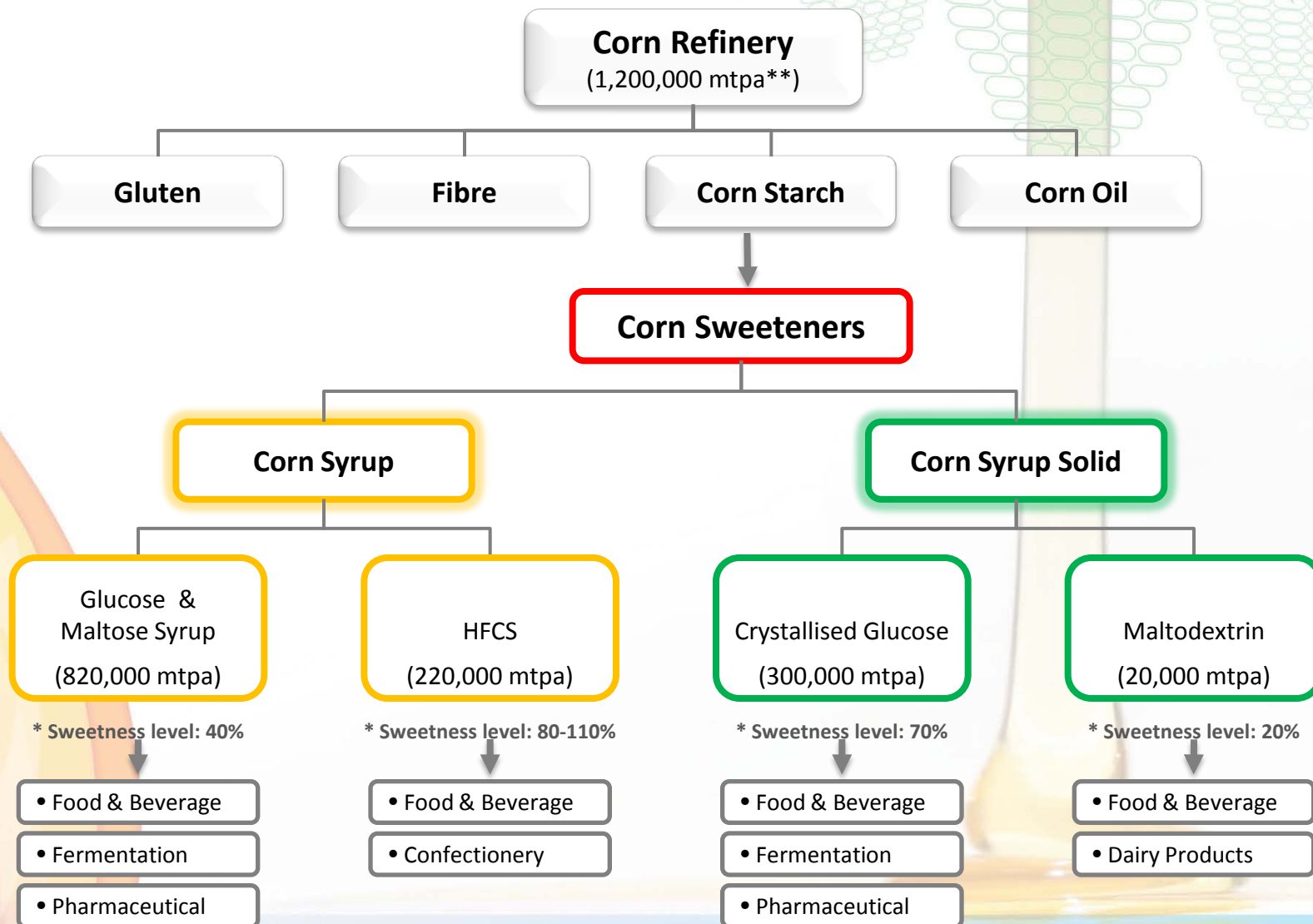
CORPORATE STRUCTURE



DIVERSIFIED PRODUCT MIX

UPSTREAM

DOWNSTREAM



* Sweetness level base on cane sugar sweetness

** Designed capacity of upstream corn refinery is 1,200,000 mtpa, based on 300 days of operation. Actual output can be raised through facilities adjustment and increasing operation days

GEOGRAPHIC ADVANTAGE

Changchun

- Production area of about 107,500 sq m
- Located in China's Golden Corn Belt
- Abundant supply of the major production **MATERIAL** at competitive cost

Jinzhou

- Production area of about 370,000 sq m
- Located in China's Golden Corn Belt
- Abundant supply of the major production **MATERIAL** at competitive cost
- A major traffic hub (next to a deep sea port)

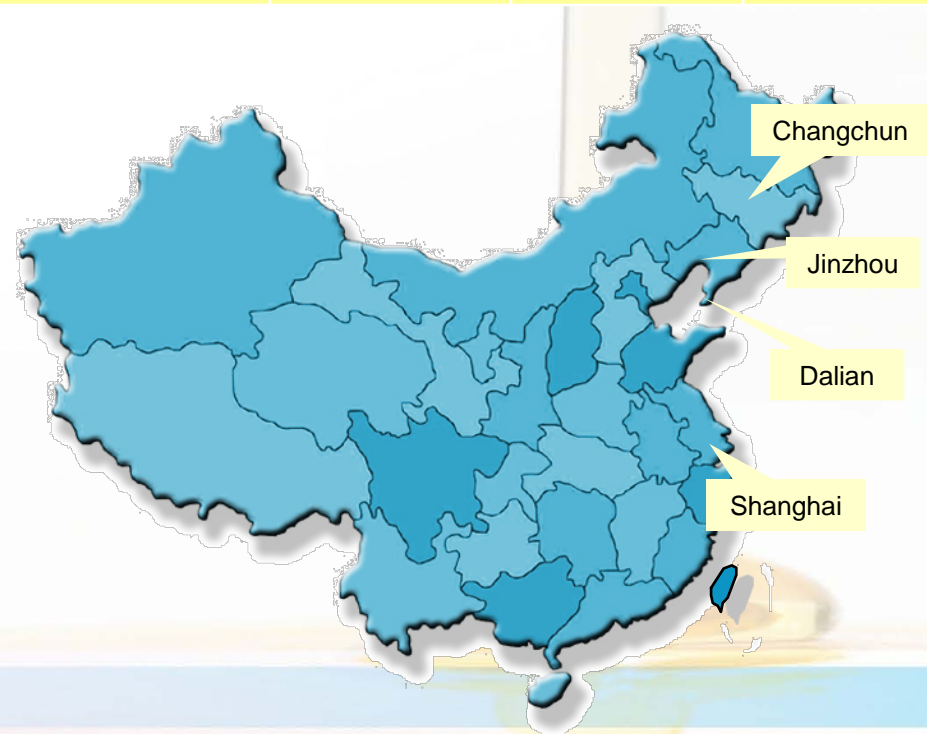
Dalian

- A major **TRANSPORTATION** hub (ports & railway)
- One of the distributing centres for grains in China
- Financial centre of Northeast China

Shanghai

- Production area of about 30,000 sq m
- Access to **CUSTOMERS** a number of large food and beverage producers in the Yangtze River Delta
- A major traffic hub

Cost Advantage	Changchun	Jinzhou	Shanghai
Corn	√√√	√√√	√√
Coal	√√√	√√√	√√
Transportation	√√	√√√	√√√





Appendix

PRC SUGAR & SWEETENERS PRODUCTION

Natural Sweeteners

Sugar

Raw Material:

Cane, Beet

Regions:

- Cane: Southern parts of China (e.g. Guangxi)
- Beet: Northern parts of China

Starch Sweeteners

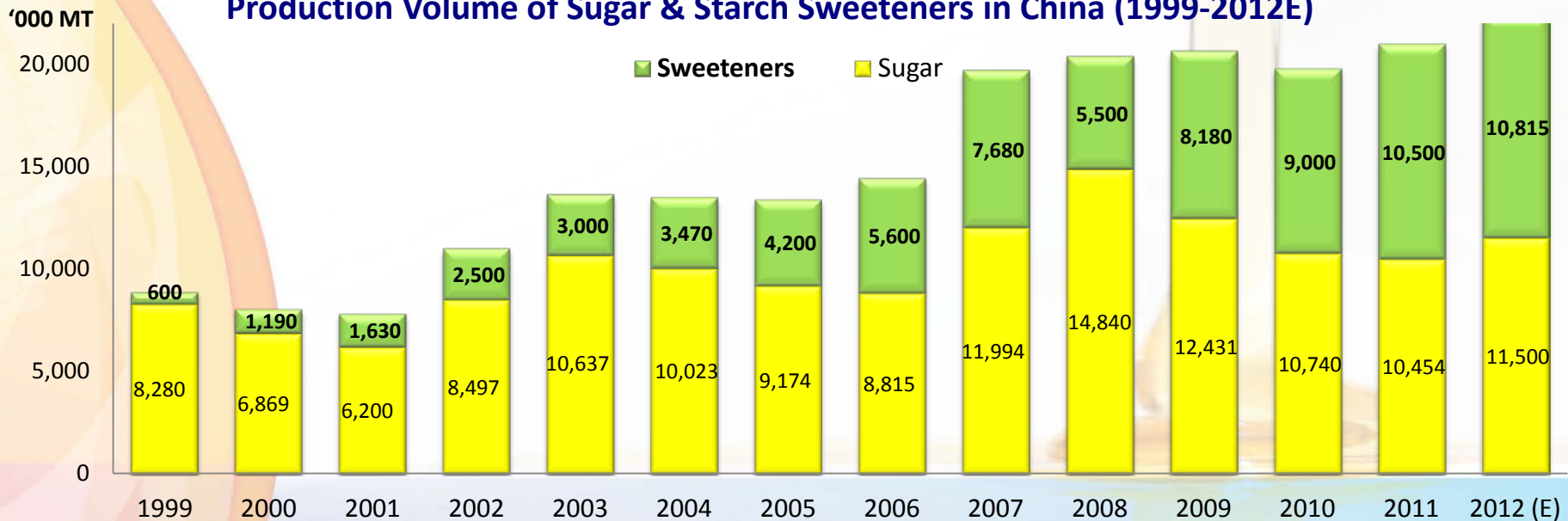
Raw Material:

Corn, Potatoes, Tapioca

Regions:

Corn is produced mainly in NE China: Jilin, Shandong & Hebei

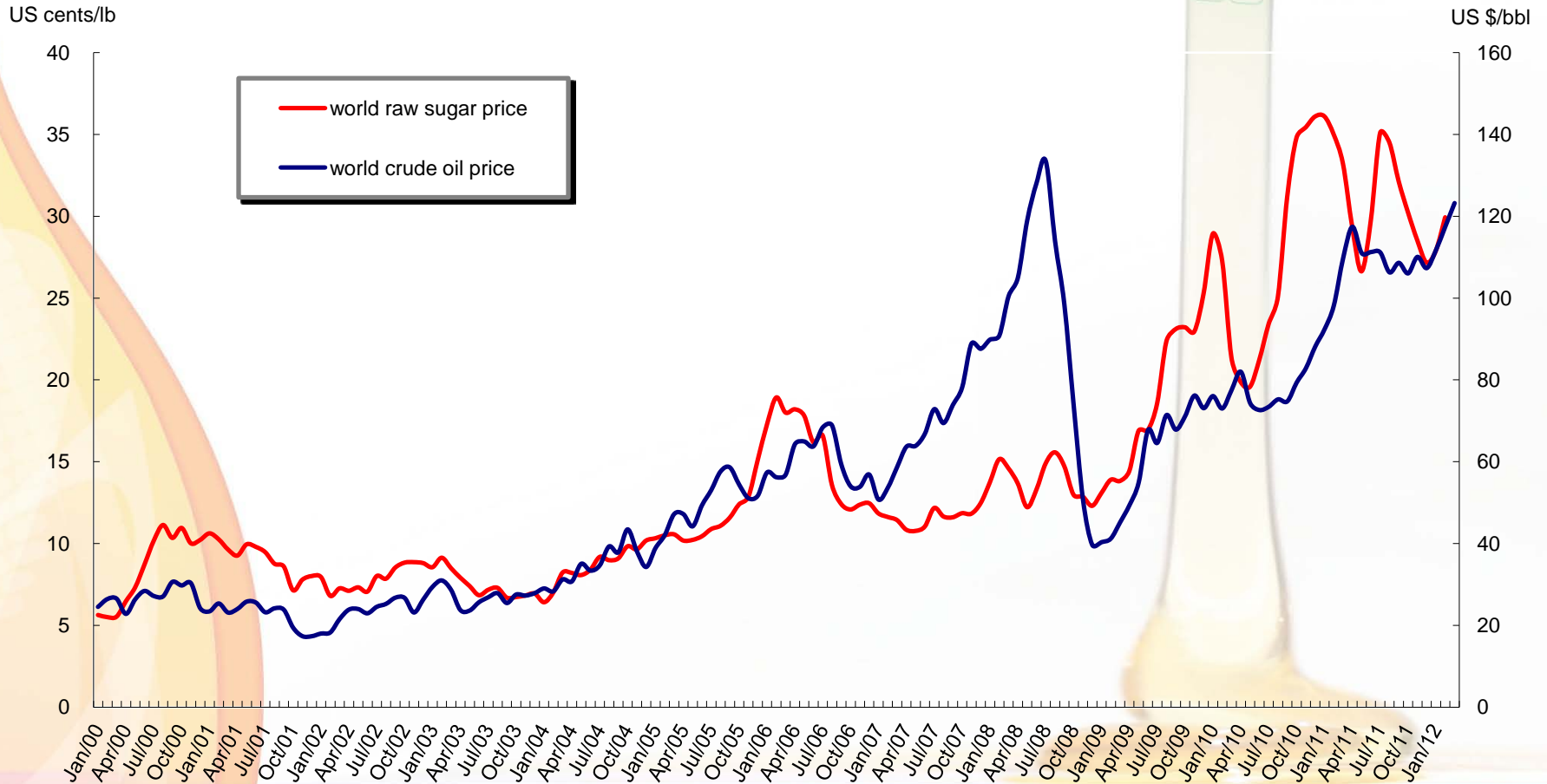
Production Volume of Sugar & Starch Sweeteners in China (1999-2012E)



Source DNCNET, Guangxi Sugar Association (GSA) and USDA

SUGAR & OIL PRICE CORRELATION

Sugar & Crude Oil Price Movement (Jan 2000 – Feb 2012)



Source: USDA & OPEC



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- End -