大成糖業控股有限公司*

Global Sweeteners Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 3889)

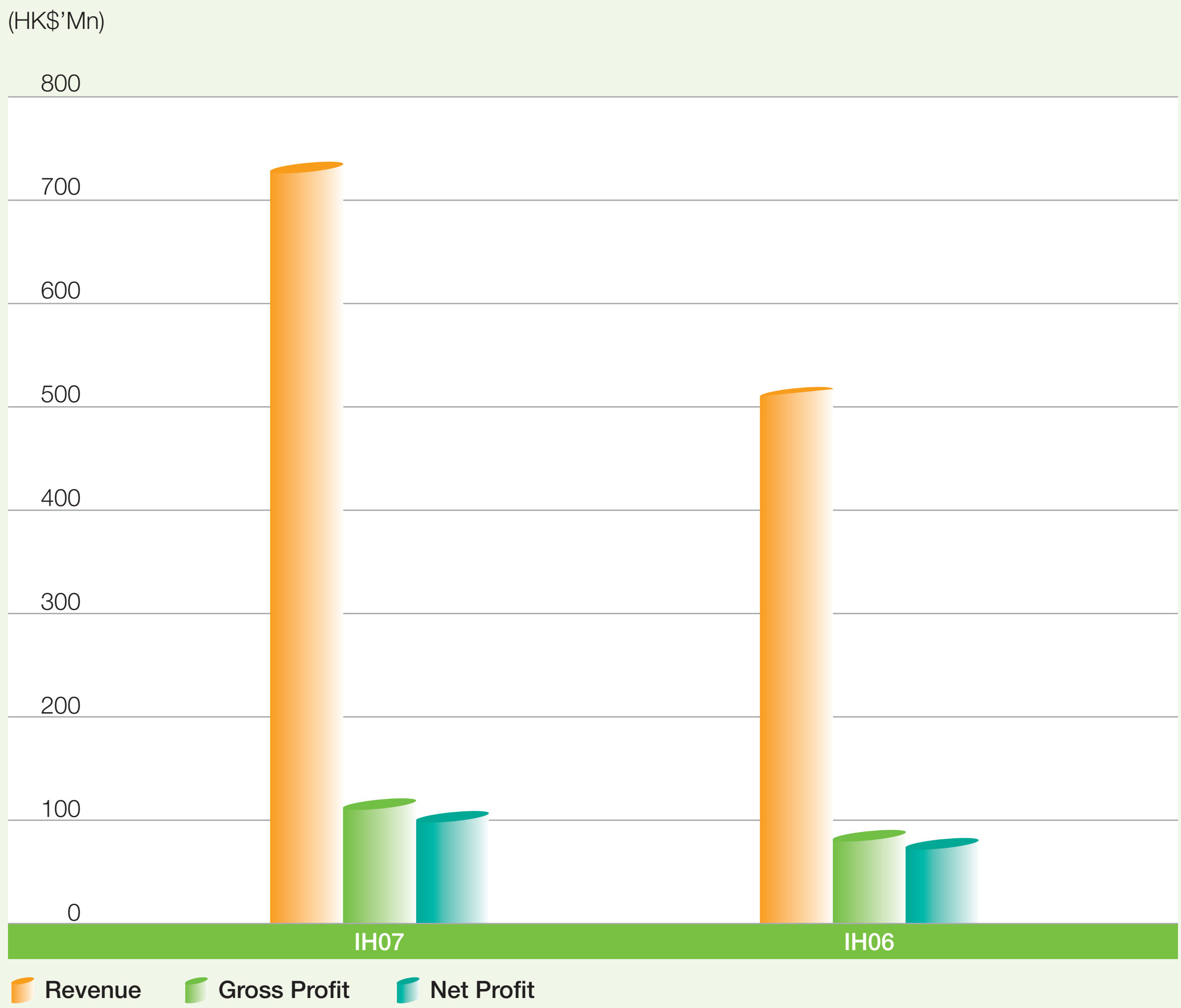
Interim Report 2007

*For identification purposes only

Contents

Financial Highlights

	Unaudited six months ended 30 June **2007**	2006	Change %
Turnover (HK$'Mn)	**728**	510	42.7%
Profit before tax (HK$'Mn)	**112**	81	38.4%
Net profit from ordinary activities attributable to shareholders (HK$'Mn)	**100**	73	36.4%
Basic earnings per share (HK cents)	**14.2**	10.4	36.5%
Interim dividend per share (HK cents)	**Nil**	Nil	Nil



BOARD OF DIRECTORS

Executive Directors

Kong Zhanpeng *(Chairman)*
Zhang Fusheng
Wang Guifeng
Ge Yanping

Independent non-executive Directors

Fung Siu Wan Stella
Yan Man Sing Frankie
Ho Lic Ki
Gao Yunchun

COMPANY SECRETARY

Lee Chi Yung, ACCA, HKICPA

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 4109, 41st Floor
Jardine House
1 Connaught Place
Central
Hong Kong

AUDITORS

Ernst & Young
Certified Public Accountants
18th Floor, Two International Finance Centre
8 Finance Street
Central
Hong Kong

LEGAL ADVISORS

Chiu & Partners
41st Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

Agricultural Bank of China
Changchun City, Da Cheng
886 Xi Huan Cheng Road
Changchun
Jilin Province
China

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited
36C Bermuda House
3rd Floor, British American Tower
Dr. Roy's Drive, George Town
Grand Cayman, Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.global-sweeteners.com

STOCK CODE:

3889

Dear fellow shareholders,

Global Sweeteners Holdings Limited ("Global Sweeteners" or the "Company", stock code: 3889), together with its subsidiaries (the "Group") became listed on the main board of The Stock Exchange of Hong Kong Limited in September this year. I am pleased to present the Group's first interim results report since its listing. For the six months ended 30 June 2007, the Company maintained the growth momentum of its results, with revenue and profit attributable to equity holders increased by 43% and 36% respectively, when compared with those of the same period last year.

With the Group's effective control over operating expenses, together with the peak season of the sweetener industry commenced in the second quarter, the Group's profit attributable to equity holders in the first quarter of 2007 amounted to HK$34.6 million, such figure rose further to HK$99.6 million for the first half, reflecting a significant increase in net profit during the second quarter. The Group's product sales were further lifted up by the increase in selling prices. During the period under review, the cost of the Group's major production material, namely corn starch, increased significantly as a result of upsurge of corn price. Owing to the success of the Group in transferring the increased production material cost to its customers, the Group's profit margin remained at a similar level of 20% during the second quarter.

During the period under review, due to the increase in production capacity, the revenue from crystallised glucose, glucose syrup and maltose syrup increased, leading to a 33% growth in overall gross profit when compared to that of the same period last year.

Sorbitol products, jointly developed by the Mitsui Group and Global Sweetener, experienced a significant price reduction since the second half of 2006, due to severe sorbitol market competition. This has led to a reduction in revenue and gross profit from sorbitol when compared to that of the corresponding period last year. Through modification of the sorbitol production workflow, the Group has adjusted the sorbitol production facility for the manufacture of crystallised glucose in order to enhance its overall profitability.

Despite the adjustment in the gross profit of sorbitol, sales of this product accounted for less than 0.3% of the total revenue for the Group during the period under review, and thus had minimal impact on the Group's overall results.

The Group not only is one of the largest corn sweeteners manufacturers in China, but also has the most diversified corn sweetener product types in the industry. The Group carries a wide range of corn sweeteners, which enables the Group to have a broad customer base and balanced income sources.

The Group has a handful of reputable customers, which some of them are market leaders in their respective industries, including a world-renowned beverage manufacturer, certain leading beverage manufacturers in China, as well as manufacturers in the pharmaceutical and chemical industries, indicating the wide recognition of the Group's products.

PROSPECTS

As a result of the extensive use of sugar/sweetener products for the production of ethanol in the international market, there has been a strong correlation between prices of sugar/sweeteners and petroleum. The movement of sugar prices in recent years has been in tandem in the same direction of petroleum price. Positive sugar/sweeteners price outlook is expected as high petroleum price is anticipated.

Prices of most of the Group's corn sweeteners experienced an upward adjustment in the first half of the year, due to the upsurge in the prices of corn and corn starch since last year. On the other hand, the PRC Government's stringent measures to restrict the use of corn as raw materials for producing ethanol, has contributed to the stabilisation of corn price; in addition, an abundant supply of corn was assured by the good harvest last year. These will help to further mitigate the pressure of corn price.

Looking forward, we anticipate the prices of production materials will continue to stablise. This along with the upward adjustment in prices of most of our products will serve to maintain our gross profit margin for the full year. It is expected that our overall sales will be further improved with the growth momentum in consumption during the peak season which carried over the second half of the year.

The key products of the Group are mainly related to the food and beverages industry. Our products are widely used in the products of domestic and internationally renowned beverage manufacturers. We are looking to further strengthen our established reputation, and to gradually extend our product sales further down to the consumer market, with an aim to broaden our revenue base.

We have illustrated our future capacity expansion plans in the prospectus of the Company during its initial public offer. It is expected that the aggregate capacity of the Group and its jointly-controlled entities will reach approximately 2.2 million metric tonnes by 2009, including approximately 1.2 million metric tonnes for glucose and maltose syrup, and 300,000 metric tonnes for high fructose corn syrup ("HFCS"). In addition to its organic growth, the Group is also actively exploring opportunities for accelerating its business development through merger and acquisition.

Given its advanced production technique, modern manufacturing facilities and management experience, the Group has formed two joint-venture companies with Cargill Inc. and Mitsui Group, for the production and sale of HFCS and sorbitol products respectively. These foreign joint-ventures have laid a concrete foundation for the Group's future collaboration with other major international conglomerates. The Group will continue to seek strategic partnership in different products with leaders in the respective sectors.

The Group would also utilise its own research and development capability, to strengthen the development of new products and broaden the applications of its existing products.

The Group remains cautiously optimistic about its performance for full year of 2007. As the Group gradually realises its capacity expansion over the coming two years, it will be able to enlarge its market share in each of the Group's products, and will thus, further consolidate its leading position in China's sweetener industry.

Kong Zhanpeng
Chairman

Hong Kong, 21 September 2007

The Group is 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).

BUSINESS ENVIRONMENT

The fluctuation of the selling prices of the Group's products is affected by the prices of its raw material, principally being corn starch, the demand and supply for each of its 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 substantially when compared to previous year. With strong demand of using our corn sweeteners products as a substitute of sugar in the food and beverage industry, the effect of the increase in raw material price has been offset by the increment in our products' prices.

FINANCIAL PERFORMANCE

The Group's combined revenue increased by approximately 42.7% to approximately HK$727.5 million (2006: HK$509.8 million) when compared to the corresponding period last year, which was mainly due to the growth in overall sales volume and average unit selling price of most of the Group's products. As a result of the increase in sales generated from glucose and maltose syrup, together with the newly launched crystallised glucose, the gross profit for the Period increased by approximately 32.7% to approximately HK$145.7 million (2006: HK$109.8 million). The Group's net profit for the Period also increased by approximately HK$26.6 million or approximately 36.4% to approximately HK$99.6 million (2006: HK$73.1 million).

Corn syrup

(Sales amount: HK$603.6 million (2006: HK$469.5 million))
(Gross profit: HK$127.9 million (2006: HK$105.2 million))

During the Period, the sales volume of glucose syrup, maltose syrup and HFCS increased by approximately 5.8%, 20.9% and 18.5% as compared to the corresponding period of the previous year, respectively.

At the same time, the price of corn starch, the Group's principal raw material, rose substantially by approximately 16.4% due to the increase in corn kernel price as a result of the extensive use of corn to produce bio-fuel such as ethanol. Notwithstanding the increase in raw material costs, the Group was able to pass on the increased costs to the Group's customers by pushing up the product prices. In associated with the higher product selling prices and the enlarged sales volume, the revenue of glucose syrup, maltose syrup and HFCS grew substantially by approximately 25.8%, 37.6% and 18.9%, respectively.

The gross profit margin for the sales of glucose syrup maintained at a level close to those of the corresponding period in 2006, while the gross profit margin of maltose syrup increased slightly to approximately 24.0% (2006: 21.6%). On the other hand, the gross profit margin of HFCS decreased from approximately 36.0% to approximately 22.0% in the Period which was mainly due to the drop in selling price. This was due to the fact that HFCS is generally more prone to the substitution effect of cane sugar. During the Period, the overall decreasing trend in the average selling price of cane sugar in the world market as well as in the PRC market imposed a pressure on the selling price of HFCS.

Corn syrup solid

(Sales amount: HK$121.5 million (2006: HK$32.7 million))
(Gross profit: HK$18.1 million (2006: HK$4.1 million))

With the increase in selling price of maltodextrin and the commencement of commercial production of crystallised glucose by Dihao Crystal, the revenue of corn syrup solid increased substantially by approximately 271.0% during the Period. The turnover of maltodextrin and crystallised glucose of approximately HK$51.8 million (2006: HK$25.1 million) and HK$69.7 million (2006: HK$7.7 million) respectively increased by approximately 106.6% and 808.1%, respectively, owing to the increase in selling price of maltodextrin of 8.8% and sales volume of crystallised glucose.

The gross profit of corn syrup solid grew substantially by 340.2% which was in line with the enlarged sales volume. With the higher unit selling price, the gross profit of maltodextrin increased by approximately 197.6% to approximately HK$8.2 million (2006: HK$2.8 million). During the Period, crystallised glucose recorded a gross profit of approximately HK$9.9 million (2006: HK$1.3 million). The gross profit margin of crystallised glucose remained at 14.1%.

Sugar alcohol

(Sales amount: HK$2.2 million (2006: HK$4.3 million))
(Gross profit: HK$0.1 million (2006: HK$0.6 million))

The revenue and gross profit of sugar alcohol decreased to approximately HK$2.2 million (2006: HK$4.3 million) and HK$0.1 million (2006: HK$0.6 million) respectively or by approximately 49.3% and 90.4%, respectively. Since the second half of 2006, price of sorbitol dropped as a result of the unfavourable market condition in the PRC. The Group rationed out the orders among our customers and altered its facilities to produce crystallised glucose instead of sorbitol. Therefore, revenue of sorbitol decreased from HK$4.3 million to HK$2.2 million as sales volume dropped to approximately 1,000 MT (2006: 2,000 MT). Since higher production overhead was absorbed due to the reduction in output volume, the gross profit margin decreased to 2.9% (2006: 15.1%).

Operating expenses and income tax

Due to the increase in sales volume and number of headcount of the Group, the operating expenses other than finance costs increased by 13.8%. However, the ratio of such operating expenses to turnover dropped to 3.7% (2006: 4.6%) resulting mainly from the continuous and stringent control over operating costs, the enhancement in operating efficiency as a result of expansion and turnover growth as the base of calculation.

Finance costs of the Group increased to approximately HK$7.4 million (2006: HK$5.7 million) for the Period due to larger long term bank borrowings and higher level of interest margin.

The income tax rate for each of the subsidiaries and jointly-controlled entities remained the same during the Period. However, due to the drop in operating profit of one of the jointly-controlled entities which is still entitled to full exemption from enterprise income tax in accordance with prevailing income tax arrangement in the PRC, the overall effective tax rate of the Group increased to approximately 10.8% (2006: 9.4%).

Performance of joint ventures

The Group has two joint venture projects with Cargill Inc. and Mitsui Group to engage in the manufacture and sales of HFCS and sorbitol products respectively. During the Period, these joint ventures recorded an operating profit and an operating loss of approximately HK$6.5 million (2006: HK$10.7 million) and HK$5.5 million (2006: HK$1.5 million) respectively. In view of the strong demand of HFCS, better return from this joint venture is expected. The outlook of sorbitol segment is challenging, despite the immateriality to the Group's performance, because of the current unfavourable market condition. However, with the high flexibility in altering our production flow and schedule, the Group can alter our sorbitol facilities to produce crystallised glucose alternatively.

Increase in net profit attributable to shareholders

As a result of the increase in selling price of corn sweetener products, enlarged sales volume of various products and stringent control over operating expenses, the net profit attributable to shareholders improved by approximately 36.4% to approximately HK$99.6 million.

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The net borrowing at approximately HK$168.0 million (31 December 2006: HK$174.6 million) as at 30 June 2007 remained stable.

Structure of interest bearing borrowings

As at 30 June 2007, the Group's bank borrowings amounted to approximately HK$261.0 million (31 December 2006: HK$217.7 million), of which Nil (31 December 2006: 5.3%) were denominated in Hong Kong dollars or US dollars while the remainder was denominated in RMB. The average interest rate during the Period remained at the similar level of approximately 6% (2006: 6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 29% (31 December 2006: 46%) and 71% (31 December 2006: 61%). The change in repayment pattern mainly resulted from a new long term loan being drawn during the Period. As at 30 June 2007, bank borrowings of approximately HK$246.0 million (31 December 2006: HK$171.5 million) were cross-guaranteed by the Company's ultimate holding company (GBT) and its subsidiaries (collectively, GBT Group), which were released subsequent to 30 June 2007.

In addition to the bank borrowings, there were other borrowings amounting to RMB25 million as at 31 December 2006, which had been fully repaid during the Period.

Turnover days, liquidity ratios and gearing ratios

Credit terms, ranging from 30 to 90 days, are granted to customers, depending on their credit worthiness and business relationship while a longer credit term of 90 to 180 days are granted to those operating arms under GBT Group or customers with good repayment history. As at 30 June 2007, out of the amounts due from fellow subsidiaries, approximately HK$274.7 million represented the trade nature portion (31 December 2006: HK$334.6 million), which was taken into consideration for the calculation of trade receivables turnover days. During the Period, the trade receivables turnover days remained stable at approximately 131 days (31 December 2006: 138 days). It is expected that the trade receivable turnover days will improve in coming future because a shorter credit term of 60 days will be granted to companies under GBT Group. Meanwhile, outstanding balances of approximately HK$253.0 million as at 30 June 2007 arising from the purchases transactions with GBT Group were classified as amounts due to fellow subsidiaries. Such balances were considered as trade creditors for the calculation of trade creditors turnover days. During the Period, it decreased to approximately 59 days (31 December 2006: 70 days) because lower raw material level were maintained, which was in line with the change in inventory turnover days.

The inventory turnover days had shortened from approximately 28 days for the year ended 31 December 2006 to approximately 21 days for the period ended 30 June 2007 owing to more stringent inventory management adopted.

The current ratio and the quick ratio as at 30 June 2007 at approximately 0.94 (31 December 2006: 0.74) and 0.86 (31 December 2006: 0.66) respectively improved slightly. Meanwhile, 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 equivalent) to equity were approximately 18.0% (31 December 2006: 16.4%), 57.4% (31 December 2006: 60.9%) and 37.6% (31 December 2006: 48.8%), respectively. The improvement in gearing ratio was mainly due to the strong operating performance during the Period, which enlarged the equity base of the Group. Interest coverage (i.e. EBITDA over finance costs) remained stable at approximately 18 times (2006: 16 times) which mainly resulted from the similar growth rate in both financial cost and operating result.

Foreign exchange exposure

Although most of the operations were carried out in the PRC in which transactions were denominated in RMB, 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 2007.

FUTURE PLANS AND PROSPECTS

It is the Group's mission to become one of the leading corn sweeteners manufacturers in Asia and then a major player in the 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 in 2006, 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, expand its sale network.

EXPANSION OF PRODUCTION CAPACITY

In view of the rapid growth of market demands on the Group's products, the Group intend to establish new production facilities at 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 such new production facilities will be undertaken by new subsidiaries of the Company or joint ventures with third parties. The following table sets out the expansion plan of the Group's production capacity:

Location of the new production facilities	Major product(s)	Designed production capacity (tonnes per annum)	Expected capital expenditure (HK$ million)	Expected date for commencement of commercial production
Jinzhou	Glucose syrup/ Maltose syrup	200,000	100	July 2008
	Crystallised glucose	100,000	50	January 2009
Changchun	Maltodextrin	40,000 for phase 1	25	July 2008
		60,000 for phase 2	30	December 2008
	Glucose syrup/ Maltose syrup	200,000 for phase 1	80	August 2009
		200,000 for phase 2	80	December 2009
	Crystallised glucose	200,000 for phase 2	55*	July 2008
	HFCS	200,000	140	November 2009

* Phase 1 production facilities of crystallised glucose in Changchun began its production in late 2006 with a designed production capacity of 200,000 tonnes per annum.

The expansion plans of the Group will be principally financed by the net proceeds from the placing and public offering of the Company and the internal resources of the Group. The Directors are of the view that the existing technology know-how of the Group is sufficient for such expansion. In addition, the construction of new production facilities to be constructed under the expansion plan will be undertaken by new wholly owned subsidiaries to be established or new joint ventures with third parties.

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 Group is going to expand the Group's sales and marketing teams in terms of both headcount and coverage. In addition, the Group plan to establish sales or representative offices in certain provinces (including Guangdong, Shanghai and Dalian) of the PRC in 2007 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 to changes in market conditions.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2007, the Group had approximately 580 full time employees. 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.

DIRECTORS INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The shares of the Company commenced dealings on 20 September 2007. As of the date of this interim report, the interests and Share positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong ("SFO")) of the Directors and chief executive of the Company which are required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange are as follows:

Name of Director	The Company/name of associated corporation	Capacity/nature of interest	Number and class of securities held (Note 1)	Percentage of the relevant class of issued share capital of the Company/ associated corporation
Kong Zhanpeng	Global Bio-chem Technology Group Company Limited ("GBT")	Beneficial owner	13,040,000 ordinary shares of HK$0.10 each (L)	0.56%
	GBT	Interest of a controlled corporation	172,800,000 ordinary shares of HK$0.10 each (L) (Note 2)	7.45%

Notes:

1. The letter "L" represents the Director's interests in the shares and underlying shares of the Company or its associated corporations.

2. These Shares are held by Hartington Profits Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Mr. Kong Zhanpeng.

Save as disclosed above, as at the date of this interim report, none of the Directors and the chief executive of the Company any interest and short positions in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they are deemed or taken to have under such provisions of the SFO) or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

DIRECTORS' RIGHT TO ACQUIRE SHARE OR DEBENTURES

Apart from as disclosed under the paragraph headed "Directors interest and short positions in shares and underlying shares" above, at no time during the Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or to any person in whose shares and debentures any Directors is deemed to be interested under Part XV of the SFO, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTEREST IN SHARES AND UNDERLYING SHARES

The shares of the Company commenced dealings on the Stock Exchange on 20 September 2007. As at the date of this interim report, so far as is known to the Directors, the following persons (other than the Directors) had an interest or short position in the shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity/ nature of interest	Number of Shares held (Note 1)	Percentage of Company's issued shares capital
Global Corn Bio-chem Technology Company Limited ("Global Corn Bio-chem")	Beneficial owner	700,000,000 shares of HK$0.10 each (L)	70%
Global Bio-chem Technology Group Company Limited ("GBT")	Interest of a controlled corporation (Note 2)	700,000,000 shares of HK$0.10 each (L)	70%

Notes:

1 The letter "L" denotes the person's interest in the share capital of the Company.

2 These Shares are registered in name of Global Corn Bio-chem, which is a wholly-owned subsidiary of GBT. GBT is deemed to be interested in all the shares in which Global Corn Bio-chem is interested by virtue of the SFO.

Save as disclosed above, no person, other than the Directors and chief executive of the Company, has as at the date of this report registered an interest or short position in the shares or underlying shares of the Company that is required to be disclosed pursuant to section 336 of the SFO.

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

The Company is committed to ensuring high standards of corporate governance in the interests of shareholders and devoting considerable effort to identify and formalise best practices.

Since the Company only become listed on the Stock Exchange on 20 September 2007, the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") was not applicable to the Company during 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.

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 Ms Fung Siu Wan Stella, 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 auditors, Ernst & Young. The interim results have also been reviewed by the Audit Committee.

REMUNERATION COMMITTEE

The members of the Remuneration Committee comprise a executive director, Mr Kong Zhanpeng and two independent non-executive directors, Mr Yan Man Sing Frankie and Mr Gao Yunchun. Mr Kong Zhanpeng is the Chairman of the Remuneration Committee. The duties of the Remuneration Committee, among others, are to make recommendations to the Board on the Group's policy and structure for the remuneration of directors and senior management and to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time.

CCT SUPERVISORY COMMITTEE

The CCT Supervisory Committee comprises four independent non-executive Directors to be established by the Board to supervise the CCT Executive Committee. The main responsibilities of the CCT Supervisory Committee are to review and approve all the information submitted by CCT Executive Committee.

CCT EXECUTIVE COMMITTEE

The CCT Executive Committee comprises two executive Directors, namely Mr Zhang Fusheng and Ms Wang Guifeng, responsible for monitoring, review and management of the continuing connected transactions between the Group and the GBT Group. The main duties of the CCT Executive Committee are to prepare daily continuing connected transactions report and submitted to CCT Supervisory Committee on regular basis.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules. Since the Company only become listed on the Stock Exchange on 20 September 2007, the Model Code was not applicable to the Company during the period.

SHARE OPTION SCHEME

Pursuant to a written resolution passed by the then sole shareholder of the Company on 3 September 2007, the Company adopted a share option scheme which complies with the requirements of Chapter 14 of the Listing Rules. No share option has been granted under the share option scheme since its adoption.

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

Hong Kong, 21 September 2007

Condensed Combined Income Statement

	Notes	Six months ended 30 June 2007 (Unaudited) HK$'000	2006 (Unaudited) HK$'000
REVENUE			
Sales of goods	4	**727,547**	509,820
Cost of sales		**(581,842)**	(400,028)
Gross profit		**145,705**	109,792
Other income	4	**5,348**	1,930
Selling and distribution costs		**(22,160)**	(19,652)
Administrative expenses		**(9,135)**	(5,361)
Other expenses		**(661)**	(302)
Finance costs	5	**(7,421)**	(5,738)
PROFIT BEFORE TAX	6	**111,676**	80,669
Tax	7	**(12,059)**	(7,613)
PROFIT FOR THE PERIOD		**99,617**	73,056
EARNINGS PER SHARE			
— Basic	8	**HK14.2 cents**	HK10.4 cents
DIVIDEND PER SHARE	9	**—**	—

Condensed Combined Balance Sheet

30 June 2007

	Notes	30 June 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**514,203**	496,592
Prepaid land premiums		**24,075**	23,985
Deposits paid for acquisition of property, plant and equipment		**2,177**	1,178
Goodwill		**149,950**	149,950
Long term loan to a jointly-controlled entity		**40,000**	40,000
Total non-current assets		**730,405**	711,705
CURRENT ASSETS			
Inventories		**68,452**	69,046
Trade receivables	10	**252,959**	98,106
Prepayments, deposits and other receivables		**24,886**	21,929
Due from the immediate holding company		**21,086**	21,085
Due from fellow subsidiaries		**293,963**	351,396
Due from jointly-controlled entities		**17,201**	14,272
Cash and cash equivalents		**92,962**	43,153
Total current assets		**771,509**	618,987
CURRENT LIABILITIES			
Trade payables	11	**17,080**	19,377
Other payables and accruals		**49,524**	56,130
Interest-bearing bank and other borrowings		**74,970**	100,100
Due to the ultimate holding company		**270,935**	270,935
Due to the immediate holding company		**180,360**	180,360
Due to fellow subsidiaries		**215,192**	193,720
Due to a jointly-controlled entities		**2,912**	2,510
Due to a related company		**1,754**	575
Tax payable		**8,591**	8,029
Total current liabilities		**821,318**	831,736
NET CURRENT LIABILITIES		**(49,809)**	(212,749)
TOTAL ASSETS LESS CURRENT LIABILITIES		**680,596**	498,956
NON-CURRENT LIABILITIES			
Interest-bearing bank loans and other borrowings		**186,000**	117,647
Due to a venturer of a jointly-controlled entity		**20,000**	20,000
Deferred tax		**3,919**	3,857
Total non-current liabilities		**209,919**	141,504
Net assets		**470,677**	357,452
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	12	**—**	—
Reserves		**470,677**	357,452
Total equity		**470,677**	357,452

Condensed Combined Statement of Changes in Equity

For the six months ended 30 June 2007

	Attributable to equity holders of the Company					
	Issued share capital	Assets revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2007	**—**	**3,750**	**32,258**	**20,262**	**301,182**	**357,452**
Exchange realignment	**—**	**—**	**—**	**13,608**	**—**	**13,608**
Total income directly recognised in equity	**—**	**—**	**—**	**13,608**	**—**	**13,608**
Net profit for the period	**—**	**—**	**—**	**—**	**99,617**	**99,617**
At 30 June 2007 (Unaudited)	**—**	**3,750***	**32,258***	**33,870***	**400,799***	**470,677**
At 1 January 2006		3,750	14,743	7,575	161,964	188,032
Exchange realignment	—	—	—	3,369	—	3,369
Total income directly recognised in equity	—	—	—	3,369	—	3,369
Net profit for the period	—	—	—	—	73,056	73,056
Transfer from retained profits	—	—	405	—	(405)	—
At 30 June 2006 (Unaudited)	—	3,750*	15,148*	10,994*	234,615*	264,457

* These reserve accounts comprise the combined reserves of the Group of HK$470,677,000 (30 June 2006 (unaudited): HK$264,457,000) on the condensed combined balance sheet.

Condensed Combined Cash Flow Statement

For the six months ended 30 June 2007

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash inflow from operating activities	**39,986**	80,819
Net cash outflow from investing activities	**(23,438)**	(15,553)
Net cash inflow/(outflow) from financing activities	**33,261**	(49,084)
INCREASE IN CASH AND CASH EQUIVALENTS	**49,809**	16,182
Cash and cash equivalents at beginning of period	**43,153**	66,146
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**92,962**	82,328
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**92,962**	82,328

1. CORPORATE INFORMATION AND GROUP REORGANISATION

The interim condensed combined financial statements of Global Sweeteners Holdings Limited (the "Company") and its subsidiaries (hereafter referred to as the "Group") for the six months ended 30 June 2007 are authorised for issue in accordance with a resolution of the directors passed on 21 September 2007.

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 Company has not commenced any business since its incorporation. The principal activities of the Group are manufacture and sale of corn based sweetener products.

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 Main Board of 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 (the "Prospectus") issued by the Company dated 10 September 2007. 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, 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, 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 combined 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 and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

As the Reorganisation was completed on 24 August 2007, the Company together with its subsidiaries should only be regarded and accounted for as a continuing group in preparation of the Group's financial statements commencing from the year ending 31 December 2007, as financial statements should not incorporate a consolidation which occurs after the balance sheet date being reported on. Nevertheless, for the benefit of the shareholders, the condensed combined financial information of the Group for the six months ended 30 June 2007 and the related notes thereto have been presented in these interim condensed combined financial statements on the principle of merger accounting such that the Company was treated as the holding company of its subsidiaries for the period presented rather than from the subsequent date of its acquisition of the subsidiaries on 24 August 2007.

The interim condensed combined financial statements have been prepared using the principle of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA, as if the Reorganisation had been completed as at the beginning of the current and prior periods because the Company's acquisition of the companies now comprising the Group should be regarded as a business combination under common control as the Company and all companies now comprising the Group are ultimately controlled by Global Bio-chem Technology Group Company Limited, the ultimate holding company of the Company and all companies now comprising the Group, before and after the Reorganisation.

The Group had consolidated net current liabilities of HK$49,809,000 at 30 June 2007. The directors of the Company consider that it is appropriate to prepare the interim condensed combined financial statements on a going concern basis because: (i) subsequent to 30 June 2007, in September 2007, the Group entered into a two-year loan agreement of HK$300 million with a bank to provide additional working capital for the Group; (ii) the Company's shares have been listed on the Stock Exchange since 20 September 2007. The net proceeds from the listing were approximately HK$568 million and were fully received on 20 September 2007; and (iii) the directors of the Company do not anticipate that any of the existing loan lenders would tighten nor withdraw the credit facilities granted to the Group in the foreseeable future.

Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed combined financial statements are consistent with those followed in the preparation of the Accountants' report of the Company for inclusion in the Prospectus of the Company dated 10 September 2007.

The Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKFRS 8	"Operating Segments"
HK (IFRIC) — Int 11	"Group and Treasury Share Transactions"
HK (IFRIC) — Int 12	"Service Concession Arrangements"
HKAS 23 (revised)	"Borrowing costs"

These interim condensed combined financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Prospectus of the Company dated 10 September 2007.

3. SEGMENT INFORMATION

Over 90% of the Group's operation relates to the manufacture and sales 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	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**246**	165
Sales of scrap and raw materials	**4,527**	1,529
Others	**575**	236
	5,348	1,930

5. FINANCE COSTS

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**7,421**	5,738

6. PROFIT BEFORE TAX

The Group's profit from operating activities is arrived at after charging:

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation	**15,772**	13,543
Amortisation of prepaid land premiums	**514**	412
Employee benefits expense	**7,824**	6,094

7. TAX

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Provisions for the period:		
Hong Kong profits tax	**—**	—
PRC corporate income tax	**12,059**	7,613
Tax charge for the period	**12,059**	7,613

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 income tax for the following three years.

One of the subsidiaries, Changchun Dihao Foodstuff Development Co., Ltd ("Changchun Dihao"), which was granted Technological Advanced Enterprise status, was entitled to a lower applicable tax rate of 10% for the current and 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 Enterprise.

8. EARNINGS PER SHARE

The basic earnings per share for the periods ended 30 June 2007 and 30 June 2006 are calculated based on the unaudited combined net profit for each 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 current and prior periods.

Diluted earnings per share amounts have not been disclosed because no diluting events existed during the current and prior periods.

9. DIVIDEND

The directors have resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2007 (six months ended 30 June 2006: nil).

10. TRADE RECEIVABLES

The Group normally allows credit terms to established customers ranging from 30 to 90 days. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest bearing. The carrying amounts of trade receivables approximate to their fair values.

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

	30 June 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
Within 1 month	**142,724**	52,615
1–2 months	**79,833**	27,528
2–3 months	**16,340**	11,054
Over 3 months	**14,062**	6,909
Total	**252,959**	98,106

11. TRADE PAYABLES

The Group normally obtains credit terms ranging from 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 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
Within 1 month	**7,329**	11,020
1–2 months	**3,373**	1,915
2–3 months	**888**	1,496
Over 3 months	**5,490**	4,946
Total	**17,080**	19,377

12. SHARE CAPITAL

The following changes in the Company's authorised and issued share capital took place during the period from 13 June 2006 (date of incorporation) to 30 June 2007, and subsequent to the balance sheet date up to the date of this report:

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Authorised			
Upon incorporation (1,000,000 share of HK$0.1 each)	(i)	1,000,000	100
At 30 June 2007		1,000,000	100
Increase in authorised capital	(ii)	1,000,000	100
Increase in authorised capital	(iii)	99,998,000,000	9,999,800
At 20 September 2007, upon completion of initial public offering and 21 September 2007		100,000,000,000	10,000,000

	Notes	Number of ordinary shares	Nominal value of ordinary shares HK$'000
Issued			
Upon incorporation (1,000,000 share of HK$0.1 each)	(i)	1,000,000	—
At 30 June 2007		1,000,000	—
Paid up of capital	(i)	—	100
Issue of new shares	(ii)	1,000,000	100
Issue of new shares	(iii)	998,000,000	99,800
At 20 September 2007, upon completion of initial public offering and 21 September 2007		1,000,000,000	100,000

(i) The ordinary shares were issued at par nil paid. The ordinary shares were paid up on 24 August 2007.

(ii) The authorised share capital of the Company was increased from HK$100,000 to HK$200,000 by the creation of 1,000,000 new shares pursuant to the shareholder resolution passed on 24 August 2007.

(iii) Pursuant to the shareholder resolution passed on 3 September 2007, authorised share capital of the Company has been conditionally increased from HK$200,000 to HK$10,000,000,000 divided into 100,000,000,000 shares, of which 1,000,000,000 shares have been issued fully paid, and 99,000,000,000 shares remain unissued on 20 September 2007.

13. CONTINGENT LIABILITIES

During the current and prior periods, a subsidiary of the Group provided guarantees for banking facilities granted to certain fellow subsidiaries. As at 30 June 2007, these fellow subsidiaries had utilised the banking facilities to the extent of approximately HK$20,000,000 (31 December 2006: HK$20,000,000).

14. COMMITMENTS

The Group had capital commitments as follows:

	30 June 2007 (Unaudited) HK$'000	31 December 2006 (Audited) HK$'000
Contracted, but not provided for:		
Leasehold buildings	**7,161**	33,563
Plant and machinery	**1,617**	13,779
	8,778	47,342

15. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group and the jointly-controlled entities had the following continuing and discontinued transactions with related parties during the current and prior periods.

		Six months ended 30 June	
		2007	2006
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Discontinued:			
Purchases from fellow subsidiaries			
— Raw materials	(i)	**9**	2,640
Sales to fellow subsidiaries			
— Raw materials	(ii)	**56**	157
Continuing:			
Purchases from fellow subsidiaries			
— corn starch	(iii)	**463,273**	326,565
Purchases from jointly-controlled entities			
— corn sweeteners	(iii)	**3,221**	494
Sales to fellow subsidiaries			
— corn sweeteners	(iv)	**141,313**	194,304
— sorbitol	(v)	**1,999**	2,643
Sales to jointly-controlled entities			
— corn sweeteners	(v)	**9,416**	13,611
Utility costs charged to a jointly-controlled entity	(vi)	**2,149**	3,375
Utility costs charged by a fellow subsidiary	(vi)	**32,076**	26,137
Sales commission paid to a related company	(vii)	**584**	1,077

(i) During the current and prior periods, the Group sourced materials from fellow subsidiaries for its production of corn sweeteners and finished goods from fellow subsidiaries for resale. These purchases were made at prices based on the mutual agreement between the parties.

(ii) The Group sold raw materials to fellow subsidiaries during the current and prior periods. These sales were made at prices mutually agreed between the parties.

(iii) During the current and prior periods, the Group sourced corn starch slurry from fellow subsidiaries for its production of corn sweeteners products and corn sweeteners products from jointly-controlled entities for resale. These purchases were made at prices based on the mutual agreement between the parties.

(iv) The Group sold corn sweeteners products to fellow subsidiaries during the current and prior periods. These sales were made at prices mutually agrees between the parties.

(v) The Group sold corn sweeteners products to fellow subsidiaries and a jointly-controlled entity during the current and prior periods. These sales were at prices mutually agreed between the parties.

(vi) During the current and prior periods, the Group used the utility facilities provided by a fellow subsidiary and a jointly-controlled entity used the utility facilities provided by the Group. Reimbursements of such utility costs were paid to the fellow subsidiary by the Group and to the Group by a jointly-controlled entity based on the actual costs incurred.

(vii) The commission was paid to the joint venture partner of a jointly-controlled entity of the Group who acted as a sales agent on behalf of that jointly-controlled entity. According to the agreement between these parties, the commission paid to this related company was calculated based on 5% on the successful sales amounts, which include the cost of goods and related selling expenses.

Other transactions with related parties:

(i) Certain bank loans of the Group were secured by corporate guarantees provided by the ultimate holding company and certain fellow subsidiaries which amounted to RMB158,625,000 and RMB230,970,000 as at 30 June 2007 and 31 December 2006, respectively. The guarantees have been released subsequent to the balance sheet date, on 27 July 2007.

(ii) During the current and prior periods, the Group shared certain staff quarters, sales network, sales staff and administrative staff which were provided by the ultimate holding company. No reimbursement of such costs has been made during the current and prior periods.

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2007	2006
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employee benefits	**662**	554
Post-employment benefits	**84**	75
Total compensation paid to key management personnel	**746**	629

(c) Due from jointly-controlled entities/balances with group companies

The long term loan 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. Since the Group has no legal right to offset the long term loan advanced to a jointly-controlled entity against the venturer's share of liability of that jointly-controlled entity, the balance was not eliminated.

The short term balances with group companies and jointly-controlled entities are unsecured, interest-free and repayable within one year. The balances approximate to its fair value.

16. POST BALANCE SHEET EVENTS

Save for those disclosed elsewhere in this interim financial information, the Group also had the following post balance sheet events:

(i) In August 2007, the Group purchased a parcel of land from a fellow subsidiary at a consideration of approximately HK$3.6 million which was determined with reference to a valuation prepared by an independent surveyor in the PRC.

(ii) The Company's shares have been listed on the Stock Exchange since 20 September 2007. The net proceeds from the listing were approximately HK$568 million and were fully received on 20 September 2007.

(iii) On 4 September 2007, the Group entered into a two-year loan agreement of HK$300 million with a bank to provide additional working capital for the Group.

Independent Auditors' Review Report

ERNST & YOUNG
安永會計師事務所

To the board of directors
Global Sweeteners Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information of Global Sweeteners Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 15 to 27 which comprises the condensed combined balance sheet as at 30 June 2007 and the related condensed combined statements of income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants.

The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Ernst & Young
Certified Public Accountants
18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

21 September 2007