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

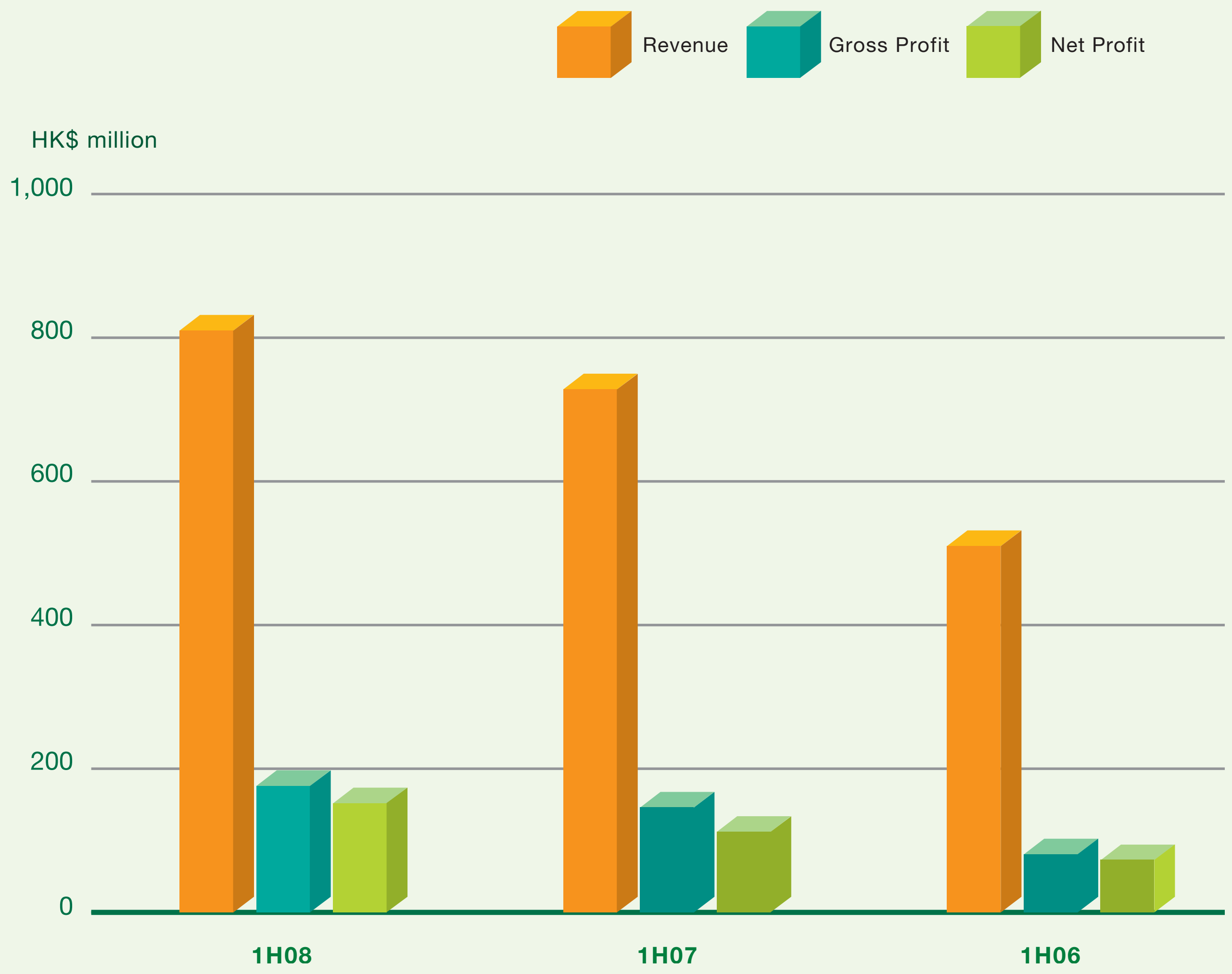
2008

*For identification purpose only

CONTENTS

FINANCIAL HIGHLIGHTS

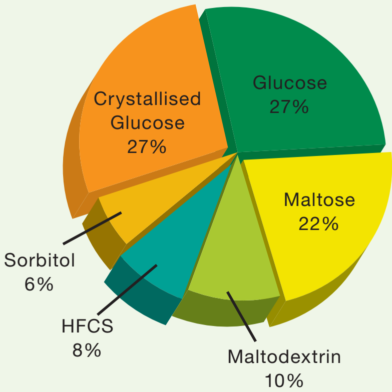
	Unaudited six months ended 30 June		
(HK$ million)	**2008**	2007	Change%
Revenue	**810**	728	11
Gross profit	**176**	146	21
Profit before tax	**152**	112	36
Net profit from ordinary activities attributable to shareholders	**141**	100	42
Basic earnings per share (HK cents)	**13.5**	14.2	(5)
Interim dividend per share (HK cents)	**Nil**	Nil	N/A



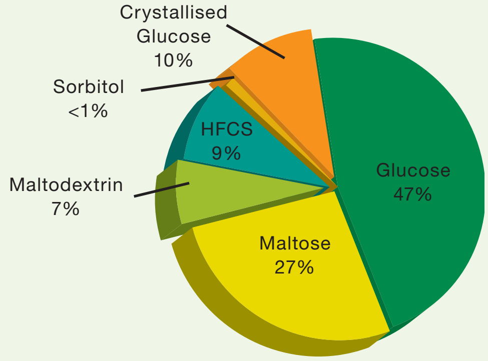
FINANCIAL HIGHLIGHTS *(continued)*

REVENUE AND GROSS PROFIT ANALYSIS

REVENUE

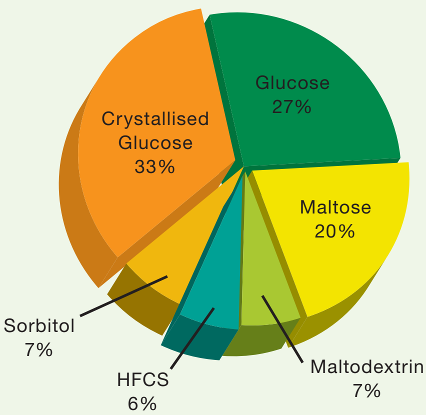


1H08

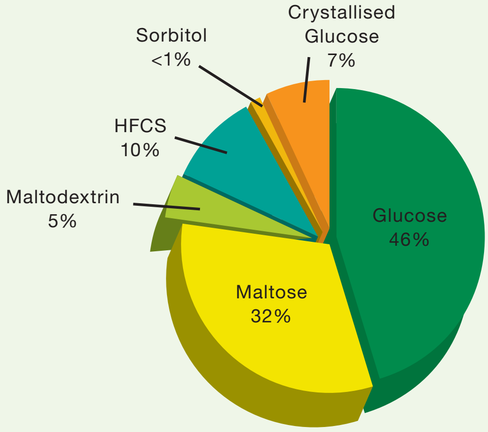


1H07

GROSS PROFIT

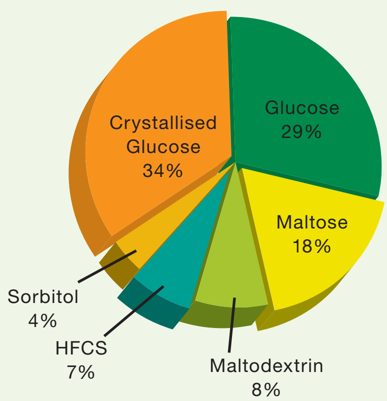


1H08

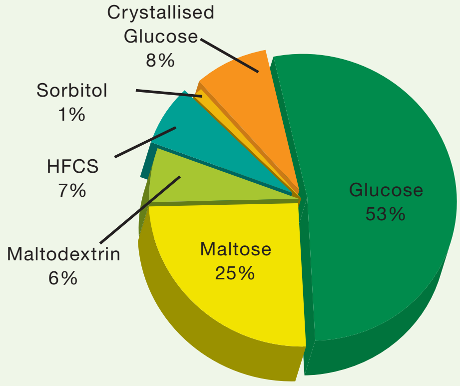


1H07

SALES VOLUME



1H08



1H07

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

Chan Yuk Tong
Gao Yunchun
Ho Lic Ki
Yan Man Sing Frankie

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 2403
Admiralty Centre Tower II
No. 18 Harcourt Road
Hong Kong

AUDITORS

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

LEGAL ADVISERS

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:

03889

MESSAGE TO SHAREHOLDERS

Dear fellow shareholders,

The interim results of Global Sweeteners Holdings Limited ("Global Sweeteners" or the "Company", together with its subsidiaries collectively referred to as the "Group") for the six months ended 30 June 2008 maintained its growth momentum. The consolidated revenue and profit attributable to equity holders of the Company for the first half of the year amounted to HK$810 million and HK$141 million respectively, representing increases of 11% and 42% respectively when compared with those of the same period last year.

The operating environment has been unfavourable to sweeteners business during the period under review — China sugar price remained at a low level, while the price of corn starch, the Group's principal raw material, rose by 9% due to the increase in corn price. On the other hand, the costs of various raw materials and energy also went up during the period. Despite this adverse operating environment, the Group was able to raise the selling prices of all of its products and shifted part of its increased costs to the customers. Along with the enhanced utilisation of the crystallised glucose production facilities in Changchun and the substantial increase in profit contribution from this product line, the Group's operating results for the period under review continued to grow.

During the period, the Group was able to maintain its gross profit margin at approximately 22% by ramping up the utilisation rate of its production facilities, thus lowering its unit costs. The crystallised glucose plant in Changchun with 200,000 metric tonnes per annum ("mtpa") capacity has reached 80% utilisation rate during the period, while most of the facilities also ran in full capacity. The optimum utilisation of production capacities enabled the Group to achieve economies of scale.

During the period under review, the Group continued to implement the various plans set forth in its initial public offering last year, including the construction of a glucose plant with 200,000 mtpa capacity in Jinzhou. This new plant is close to completion, with one of the production lines commencing trial run in early September. Commercial production of this project is expected to commence in the fourth quarter of 2008.

Regarding the Group's sales and marketing strategies, as one of the major corn sweeteners producers in China, Global Sweeteners not only aims at a solid market share in the domestic market, but also makes strategic expansion to overseas markets. During the period under review, the export volume of the Group reached 10,000 metric tonnes.

Earlier this year, the Group acquired from its joint venture partner, the Mitsui Group, their entire interests in the jointly-owned sorbitol project, making it a wholly-owned subsidiary of the Group. Following the completion of the acquisition, the Group mapped out the long-term development plan for the sorbitol project and intended to start expansion of this project in the second half of the year.

In addition, the Group entered into a sale and purchase agreement with its parent company, Global Bio-chem Technology Group Company Limited ("Global Bio-chem" or "parent company", stock code: 00809) at the end of June, to acquire the entire equity interests of Jinzhou Yuancheng Bio-chem Technology Co, Ltd. ("Jinzhou Yuancheng") from the parent company. Jinzhou Yuancheng is principally engaged in the manufacture and sale of corn starch and corn refined products, with a capacity of 420,000 mtpa of corn starch and 180,000 mtpa of corn refined products. The relevant transaction was approved by shareholders at a shareholders' meeting held in August.

Following the completion of the aforesaid transaction, the Group's business will further expand to upstream production, thereby achieving upstream integration so as to realise vertically integrated production. This will lay a solid foundation for the long-term development of the Group, and enable the Group to secure the supply of corn starch, the Group's major raw material, and exercise cost control in an effective manner.

MESSAGE TO SHAREHOLDERS *(continued)*

Due to the extensive use of various types of sugar/sweetener resources for the production of bio fuel such as ethanol, the correlation between sugar/sweetener price and energy price has become higher. The volatility of crude oil prices in recent years and the fact that domestic gasoline prices are controlled and lagged behind international prices has posed pressure on domestic sugar/sweeteners prices. In early September, PRC domestic sugar price even dropped to RMB3,000 per tonne. Nevertheless, the Company expects the demand for sweetener products to improve with the arrival of the peak season in the second half of the year. It is also expected that China's sugar/sweetener prices will rebound with the relaxation of the control policy on gasoline prices in China and hence stimulating the demand for corn sweeteners.

During the period, the domestic market of sugar alcohol showed strong improvement. To cope with the demand growth in the sorbitol market, the Group plans to add a new production line with a capacity of 40,000 mtpa in its Changchun sorbitol plant. Construction of this project will commence in the second half of this year. The project is expected to complete and commence production in the first quarter of 2009. On the other hand, the Group also plans to expand its maltodextrin production line in Changchun by 30,000 mtpa in the first quarter of 2009. Commercial production in this new maltodextrin facility is expected to commence in the fourth quarter of 2009. Upon completion, the Group's total maltodextrin production capacity will reach 50,000 mtpa. Regarding the crystallised glucose plant in Jinzhou with 100,000 mtpa capacity, construction will commence in the second quarter of 2009. It is expected to be completed and commence trial run in 2010. Following the completion of the aforementioned projects, the Group's sweeteners production capacity will be increased to 1.39 million mtpa.

During the period under review, the Group has also restructured its overall sales strategies to establish a more balanced and diversified source of income, and to accelerate sales growth. Although the Group's products are currently concentrated in the domestic market, we are planning to further explore new overseas markets, and aiming to increase the proportion of our export sales to 20% of total revenue in the near future. By expanding our overseas market share, not only could the Group's products make known to new markets, but also enable it to effectively broaden its customer base and further penetrate into the international market. The Group targets on nearby regions which are scarce in sugar resources but with huge demands for sugar/sweetener products, among them are those high consumption industrial countries such as Japan and Korea.

In addition, Global Sweeteners is expanding its business line further to the retail market. The Group is launching retail packaged consumable sweetener products to end users. Although we do not expect this retail business to provide profit contribution to the Group for the 2008 financial year, expansion into the downstream consumer market signifies a breakthrough in our product and business development. The launch of self-owned branded retail products will help enhance the recognition of our products, as well as enable the Group to tap into the high-margin consumer market which is less affected by seasonal factors.

Regarding the retail marketing strategy, we will be in collaboration with retailers and focus on the catering industry at the initial stage. It is expected that the total marketing and promotion expenses for this project for the entire year will be approximately RMB3 million, which already includes the establishment of the new sales office in Shanghai and the expenses involved in conducting market research.

For its short to medium term development, Global Sweeteners will focus on expanding capacity, diversifying its product portfolio and increasing sales volume; while exploring new sales channels and entering the retail market will be other key future development directions going forward. We believe that only by possessing a leading market position and an influential power in price setting can the Group sustain a long-term stable development.

Kong Zhanpeng
Chairman
Hong Kong, 16 September 2008

MAJOR EVENTS 2008

FEBRUARY

Acquired the 49% interest in the sorbitol business from our joint venture partner, the Mitsui Group. As a result, the sorbitol business became a wholly-owned subsidiary of Global Sweeteners.

JUNE

Corn Essence, the sales office for the development of our retail business, was set up in Shanghai.

Signed an S&P Agreement with the parent company, Global Bio-chem, to acquire the corn refinery in Jinzhou.

AUGUST

Shareholders approved the acquisition of the corn refinery in Jinzhou from the parent company at the EGM.

SEPTEMBER

Successfully launched our retail brand, *Life Essentials*, at the "World of Food China" Exhibition in Shanghai.

MANAGEMENT DISCUSSION AND ANALYSIS

Global Sweeteners Holdings Limited (the "Company"), its subsidiaries (collectively referred to as the "Group") and its jointly-controlled entities are 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).

NEGATIVE GOODWILL

As announced by the Company on 10 January 2008, the Group entered into a sale and purchase agreement on 8 January 2008 to acquire from the joint venture partners their respective interests in a joint venture for the production and sale of sorbitol products at an aggregate cash consideration of US$2,450,000. As a result, negative goodwill amounted to HK$24 million was recognised in the condensed consolidated income statement of the Group during the six months ended 30 June 2008 (the "Period").

BUSINESS ENVIRONMENT

The selling prices of the Group's products are affected by the prices of their raw materials, principally corn starch, the demand and supply of each of the 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 by approximately 8.8% as compared to the corresponding period last year. It brought no significant negative impact on the Group's profitability.

FINANCIAL PERFORMANCE

The Group's consolidated revenue for the Period increased by approximately 11.3% to approximately HK$810 million (2007: HK$728 million) when compared to the corresponding period in 2007, which was mainly due to the growth in average unit selling prices of all of the Group's products. As a result of the increase in sales generated from maltodextrin, HFCS, sorbitol together with crystallised glucose, the gross profit for the Period increased by 20.6% to approximately HK$176 million (2007: HK$146 million). The Group's net profit for the Period also increased by approximately HK$41 million or approximately 41.7% to approximately HK$141 million (2007: HK$100 million).

Corn syrup

(Sales amount: HK$462 million (2007: HK$604 million))
(Gross profit: HK$94 million (2007: HK$128 million))

During the Period, the sales volume of glucose syrup and maltose syrup decreased by 45.4% and 28.9% respectively while HFCS increased by approximately 5.5% as compared to the corresponding period last year.

During the Period, internal consumption of glucose syrup increased to approximately 168,000 metric tonnes ("MT") (2007: 71,000MT) or by approximately 136.6% due to the enhancement of utilisation rate of crystallised glucose and sorbitol production facilities. As a result, the sales volume of both glucose syrup and maltose syrup decreased by approximately 45.4% and 28.9% respectively to approximately 116,000MT and 73,000MT respectively. Consequently, the revenue of glucose syrup and maltose syrup dropped by 37.1% and 9.9%, respectively. The revenue of HFCS, on the other hand, grew by approximately 8.7% during the Period with increased sales volume and average selling price.

During the Period, the price of corn kernel increased with a steady increase in demand among various industries. Consequently, the price of the Group's principal raw material, corn starch, rose by approximately 8.8%. Notwithstanding the rise in raw material price, the Group was able to pass most of the increased costs to its customers by raising the product prices.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

The gross profit margin for the sales of glucose syrup increased from approximately 19.5% to 22.1% while the gross profit margin of maltose syrup and HFCS decreased from approximately 24.0% and 22.0% to approximately 20.4% and 14.9% respectively. Since the pressure on the price of raw material has been passed on to the customers, together with the reduced market supply of glucose syrup due to increased internal consumption, gross profit margin of glucose syrup increased to approximately 22.1%. The gross profit margin of maltose syrup dropped to 20.4% because of keen competition with other maltose producers in Changchun area. On the other hand, gross profit margin of HFCS decreased to 14.9% as HFCS is more sensitive to price movement of cane sugar, a substitute of HFCS. The average selling prices of cane sugar in global market as well as in the PRC were relatively low during the Period. This has imposed pressure on the selling price of HFCS.

During the Period, approximately 3,700MT of glucose syrup (2007: 83,000MT) were sold to GBT and its subsidiaries other than members comprising the Group and the Company's jointly-controlled entities ("GBT Group").

Corn syrup solid

(Sales amount: HK$303 million (2007: HK$121 million))
(Gross profit: HK$70 million (2007: HK$18 million))

The revenue of corn syrup solid increased substantially by approximately 149.1% during the Period. The revenue of maltodextrin and crystallised glucose of approximately HK$81 million (2007: HK$51 million) and HK$222 million (2007: HK$70 million) respectively increased by approximately 56.6% and 217.8%, respectively as compared to the corresponding period last year. This was the result of the increase in selling price of maltodextrin by 10.5% and the increase in sales volume of maltodextrin and crystallised glucose by 41.7% and 308.2% respectively.

The gross profit of corn syrup solid grew substantially by 285.2% which was in line with the increased sales volume. With the higher selling price and sales volume, the gross profit of maltodextrin increased by approximately 37.6% to approximately HK$11 million (2007: HK$8 million). During the Period, crystallised glucose recorded a gross profit of approximately HK$59 million (2007: HK$10 million) with a gross profit margin of 26.4% (2007: 14.1%).

During the Period, approximately 116,500MT of crystallised glucose (2007: 180MT) was sold to the GBT Group.

Sugar alcohol

(Sales amount: HK$46 million (2007: HK$2 million))
(Gross profit: HK$12 million (2007: HK$0.1 million))

The revenue of sugar alcohol increased by 2008.3% to approximately HK$46 million (2007: HK$2 million) while the gross profit increased to approximately HK$12 million (2007: HK$0.1 million). The sorbitol business has gone through the bottom of its business cycle. Starting from November 2007, the market price of sorbitol rebounded. The Group recommenced the production of sorbitol and gradually ramped up the utilisation rate of the sorbitol production facility. As a result, revenue of sorbitol increased from HK$2 million to HK$46 million as sales volume increased to approximately 15,000MT (2007: 1,000MT). With higher selling price and lower cost due to economies of scale, gross profit margin for sorbitol increased substantially to 26.1% (2007: 2.9%).

During the Period, approximately 6,600MT of sorbitol (2007: 1,500MT) were sold to the GBT Group.

Export sales

Starting from February 2008, the Group sold maltose and maltodextrin to overseas countries such as the Philippines, Korea, Singapore and Turkey. During the Period, the total export sales were approximately HK$32 million (2007: Nil) and the export sales volume was 10,000MT (2007: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Operating expenses and income tax

Due to the increase in number of headcounts of the Group, the operating expenses other than finance costs increased by 59.3%. The ratio of such operating expenses to turnover increased to 6.1% (2007: 4.4%), resulting mainly from the increase in administrative expenses of approximately HK$12 million for the establishment of a head office in Hong Kong since September 2007.

Finance costs of the Group increased to approximately HK$14 million (2007: HK$7 million) for the Period due to larger bank borrowings.

The income tax rate for each of the subsidiaries and a jointly-controlled entity remained the same during the Period. However, due to the increase in operating profit of one of the subsidiaries which is still entitled to full exemption from enterprise income tax in accordance with the prevailing income tax arrangement in the PRC, the overall effective tax rate of the Group decreased to approximately 7.2% (2007: 10.8%).

Performance of joint venture

The Group has one joint venture project with Cargill Inc. which is principally engaged in the manufacture and sale of HFCS. During the Period, this joint venture recorded an operating profit of approximately HK$4 million (2007: HK$6 million). Notwithstanding the weak sugar price during the Period, in view of the strong demand of HFCS and the positive outlook on cane sugar price in the second half of 2008, better return from this joint venture is expected.

IMPORTANT TRANSACTION

Acquisition of minority interests in a joint venture for the production of sorbitol products

As announced by the Company on 10 January 2008, the Group entered into a sale and purchase agreement on 8 January 2008 to acquire from the joint venture partners their respective entire interests in a joint venture for the production and sale of sorbitol products at an aggregation cash consideration of US$2,450,000. The completion of the acquisition took place in February 2008 and as a result of the acquisition, the joint venture became a wholly-owned subsidiary of the Company.

The directors of the Company (the "Directors") believe that the acquisition will strengthen the operational efficiency and management flexibility on the Group's overall production planning and human resources deployment.

Acquisition of a corn refinery

As announced by the Company on 4 July 2008, the Group entered into a sale and purchase agreement on 27 June 2008 to acquire from the GBT Group a corn refinery which is principally engaged in the manufacture and sales of corn starch and other corn refined products at an aggregation consideration of HK$520 million. The consideration shall be payable by way of cash amounted to HK$156 million and the balance shall be payable by way of issuing of an unsecured loan note amounted to HK$364 million to the GBT Group which shall be due and repayable at the fifth anniversary of the date of issuance and bearing an interest rate of 6% per annum payable on a semi-annual basis. Pursuant to the Rules Governing the Listing Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules"), the acquisition constitutes a major and connected transaction of the Company. On 13 August 2008, an extraordinary general meeting of the Company was convened and the shareholders have approved the acquisition. Completion of the acquisition is subject to, among others, the approval by the relevant PRC government authority which is still pending as at the date of this report. The Directors believe that the acquisition will enable the Group to secure a stable supply of corn starch for its production whilst achieving significant procurement cost savings.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The Group had no net borrowings but net cash at approximately of HK$364 million (31 December 2007: HK$381 million) as at 30 June 2008 which remained stable.

Structure of interest bearing borrowings

As at 30 June 2008, the Group's bank borrowings amounted to approximately HK$537 million (31 December 2007: HK$525 million), of which 56.0% (31 December 2007: 57.0%) were denominated in Hong Kong dollars while the remainder was denominated in Renminbi. The average interest rate during the Period remained at the similar level of approximately 6% (2007: 6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 34.0% (31 December 2007: 29.8%) and 66.0% (31 December 2007: 70.2%) respectively. The change in repayment pattern mainly resulted from a new long term loan being drawn 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. As at 30 June 2008, out of the amounts due from fellow subsidiaries, approximately HK$127 million represented the trade nature portion (31 December 2007: HK$131 million), which was taken into consideration in the calculation of trade receivables turnover days. During the Period, the trade receivables turnover days remained stable at approximately 85 days (31 December 2007: 81 days). Meanwhile, the outstanding balances of approximately HK$29 million as at 30 June 2008 arising from the purchase transactions with 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 approximately 21 days (31 December 2007: 11 days) as higher raw material level was maintained, which was in line with the change in inventory turnover days.

The inventory turnover days had lengthened from approximately 15 days for the year ended 31 December 2007 to approximately 26 days for the period ended 30 June 2008. Since the purchase of starch from GBT Group has ceased in Shanghai production facilities starting from January 2008 to reduce the continuing connected transactions between the two groups, all raw materials in Shanghai production facilities were purchased at the spot market. Therefore, higher inventory level was maintained to safeguard sufficient raw material supply for production.

The current ratio and the quick ratio as at 30 June 2008 remained stable at approximately 2.73 (31 December 2007: 2.79) and 2.56 (31 December 2007: 2.69) respectively. Gearing ratios in terms of (i) bank borrowings to total assets, (ii) bank borrowings to equity and (iii) net cash/debts (i.e. net balance between bank borrowings and cash and cash equivalents) to equity were approximately 22.2% (31 December 2007: 24.0%), 36.3% (31 December 2007: 41.0%) and net cash 24.6% (31 December 2007: 29.7%) respectively. The gearing ratio improved slightly as bank borrowings remained at a similar level. Interest coverage (i.e. EBITDA over finance costs) remained at approximately 13.9 times (2007: 11.8 times) mainly due to the bank borrowings size remained at a similar level.

FOREIGN EXCHANGE EXPOSURE

Although most of the operations were carried out in the PRC in which transactions were denominated in Renminbi, 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 2008.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

Future Plans and Prospects

It is the Group's mission to become one of the leading corn sweetener manufacturers in Asia and then a major player in 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, 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, expanding its sales network.

Expansion of production capacity

The Directors intend to establish new production facilities at the 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 these new production facilities will be undertaken by new subsidiaries of the Company or joint ventures with third parties.

The Group is currently constructing a new glucose production facility of 200,000 mtpa in Jinzhou. Commercial production is expected to commence in the fourth quarter of 2008. While in Changchun, the Group is planning to expand its sorbitol production line by 40,000 mtpa to cope with the increasing demand in China. Construction of this sorbitol facility will commence in the second half of 2008 and is expected to complete by the end of first quarter of 2009. Upon completion, the Group's sorbitol capacity will be raised to 100,000 mtpa. On top of this, the Group also plans to increase its maltodextrin production capacity by 30,000 mtpa in Changchun. Construction will start in the first quarter of 2009 and is expected to complete in the fourth quarter of 2009. As a result, the Group's maltodextrin capacity will be raised to 50,000 mtpa.

In addition, the construction of a new crystallised glucose production facility in Jinzhou with 100,000 mtpa capacity is scheduled to start in the first half of 2009. This new plant is strategically located in Jinzhou to feed the demand from nearby Asian countries. The plant is expected to commence production by the second quarter of 2010.

The Directors estimate that substantial portion of the above expected capital expenditures will be incurred prior to the commencement of commercial production of each of the production facilities while the remaining amounts are expected to be settled within one year from the relevant commencement dates. The expansion plans of the Group will be principally financed by the proceeds from the net proceeds from the initial public offering of the Company's shares and the internal resources of the Group and the Directors are of the view that the existing technology know-how of the Group is sufficient for such expansion. At present, the Directors intend to establish new wholly-owned subsidiaries or new joint ventures with third parties to undertake the construction of new production facilities to be constructed under the expansion plan.

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 Directors intend to expand the Group's sales and marketing teams in terms of both headcount and coverage. In addition, the Directors plan to establish sales or sales representative offices in certain provinces of the PRC 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 promptly to changes in market conditions. At present, the Company intends to enter into the PRC's consumer market and a sales office has been set up in Shanghai in order to broaden the customer base of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS *(continued)*

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

Net proceeds of approximately HK$657 million were raised from the initial public offering of the Company's shares in September 2007. As at the date of this report, the Group had utilised a total of approximately HK$142 million of the proceeds for the construction of a new glucose production plant in Jinzhou and a new crystallised glucose production plant in Changchun. Other than that, the Group had also utilised a total of approximately HK$30 million of the proceeds for working capital in Hong Kong. The Directors currently do not intend to change the application of the net proceeds. The remaining proceeds are placed on short term deposits with licensed banks in Hong Kong.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2008, the Group has approximately 730 full time employees in Hong Kong and the PRC. 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.

DISCLOSURE OF ADDITIONAL INFORMATION

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

At 30 June 2008, 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 of Hong Kong Limited (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 of the Listing Rules (the "Model Code") 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 30 June 2008, none of the Directors and the chief executive of the Company had 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 were 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 were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code contained in the Listing Rules.

DISCLOSURE OF ADDITIONAL INFORMATION *(continued)*

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

At 30 June 2008, 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 the Company's issued share capital**
Global Corn Bio-chem Technology Company Limited ("Global Corn Bio-chem")	Beneficial owner	700,000,000 shares of HK$0.10 each (L)	67%
GBT	Interest of a controlled corporation	700,000,000 shares of HK$0.10 each (L)	67%

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, had as at 30 June 2008 registered an interest or short position in the shares or underlying shares of the Company that was 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.

DISCLOSURE OF ADDITIONAL INFORMATION *(continued)*

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

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 the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules (the "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, throughout the Period.

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 Mr. Chan Yuk Tong, 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 an 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 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 (the "CCT") between the Group and 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.

During the Period, the CCT Executive Committee held six meetings.

DISCLOSURE OF ADDITIONAL INFORMATION *(continued)*

CCT SUPERVISORY COMMITTEE

The CCT Supervisory Committee comprising four independent non-executive Directors is established by the Board to supervise the CCT Executive Committee. The main responsibilities of the CCT Supervisory Committee, among others, are:

(1) to devise and revise detailed rules and guidelines ("Prescribed Guidelines") from time to time for the CCT Executive Committee to follow in order to ensure that the CCT with GBT Group will be entered into in accordance with the relevant agreements ("Master Agreements") entered into between the Group and the GBT Group in respect of the CCT, on normal commercial terms and on terms that are fair and reasonable and in the interests of the shareholders as a whole. The Board adopted the Prescribed Guidelines in respect of the purchase of corn starch from the GBT Group by the Group, and sales of sorbitol and corn sweeteners by the Group to the GBT Group on 3 September 2007, which include procedures to be taken by the CCT Executive Committee before the Group may enter into the actual purchase orders for the acquisitions of corn starch from the GBT Group, or to accept the sales orders from the GBT Group for the sales of sorbitol and corn sweeteners to the GBT Group (the "Proposed Sale and Purchase");

(2) To review, on a quarterly basis, the quarterly reports submitted by the CCT Executive Committee in relation to the execution of the Proposed Sale and Purchase as to whether they have been proceeded with in accordance with the pre-approvals (the "CCT Quarterly Report");

(3) In respect of the provision of utility services (the "Utility Services") by the GBT Group to the Group, to review the CCT Quarterly Report from the CCT Executive Committee as to how the fees have been charged by the GBT Group during the pervious quarter, with evidence and detailed calculations as to the amount of costs and expenses actually incurred by the GBT Group, and to recommend the Board to take action in recovering any excessive fees charged by the GBT Group; and

(4) To report its findings during its review of the CCT Quarterly Report to the Board and to give recommendations to the Board to ensure that the CCT will be entered into in the interests of the Group and the shareholders as a whole.

There had not been any change to the above Prescribed Guidelines during the Period.

During the Period, two meetings were held by the CCT Supervisory Committee to review the CCT Quarterly Reports submitted by the CCT Executive Committee in respect of the Proposed Sale and Purchase and the Utility Services entered into by the Group with the GBT Group during the Period. Details of findings have been announced by the Company on 11 June 2008 and 11 August 2008. As reported by the CCT Supervisory Committee, for the period from 1 January up to 30 June 2008, (i) the Proposed Sale and Purchase conducted during the Period were in line with the Prescribed Guidelines; (ii) the fees charged by the GBT Group in respect of the Utility Services rendered during the Period had been charged in accordance with the relevant Master Agreements; and (iii) there was no other matter that needs to be brought to the attention of the shareholders of the Company.

The auditors of the Company were also engaged to reveiw the Proposed Sale and Purchase and the Utility Services entered into by the Group with the GBT Group during the Period, and they were required to report the results of their review to the CCT Supervisory Committee. As reported by the auditors, during the Period, the Proposed Sale and Purchase and the Utility Services (i) had received the approval of the Board; (ii) in respect of the Proposed Sale and Purchase, were in accordance with the pricing policies of the Group; (iii) had been entered into in accordance with the relevant Master Agreements; and (iv) had not exceeded the annual monetary cap as disclosed in the Company's prospectus dated 10 September 2007 in respect of its initial public offering.

DISCLOSURE OF ADDITIONAL INFORMATION *(continued)*

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. As at 30 June 2008, no option was granted under the share option scheme. Subsequent to the balance sheet date, 3,580,000 share options have been granted under the share option scheme since its adoption.

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

Hong Kong, 16 September 2008

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2008

	Notes	Six months ended 30 June 2008 (Unaudited) HK$'000	2007 (Unaudited) HK$'000
REVENUE			
Sales of goods	4	809,925	727,547
Cost of sales		(634,155)	(581,842)
Gross profit		175,770	145,705
Other income	4	15,042	5,348
Negative goodwill	13	24,036	—
Selling and distribution costs		(29,427)	(22,160)
Administrative expenses		(21,453)	(9,135)
Other expenses		1,597	(661)
Finance costs	5	(13,516)	(7,421)
PROFIT BEFORE TAX	6	152,049	111,676
Tax	7	(10,883)	(12,059)
PROFIT FOR THE PERIOD		141,166	99,617
EARNINGS PER SHARE			
— Basic and diluted	8	HK13.5 cents	HK14.2 cents
DIVIDEND PER SHARE	9	—	—

CONDENSED CONSOLIDATED BALANCE SHEET

30 June 2008

	Notes	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**686,655**	568,394
Prepaid land premiums		**34,341**	28,711
Deposits paid for acquisition of property, plant and equipment		**17,910**	2,151
Goodwill		**149,950**	149,950
Long term loan to a jointly-controlled entity	16(c)	**40,000**	40,000
Total non-current assets		**928,856**	789,206
CURRENT ASSETS			
Inventories		**91,416**	51,282
Trade receivables	10	**249,268**	225,237
Prepayments, deposits and other receivables		**30,405**	34,285
Due from the immediate holding company	16(c)	**21,085**	21,085
Due from fellow subsidiaries		**190,008**	130,634
Due from jointly-controlled entities	16(c)	**3,779**	26,141
Cash and cash equivalents		**901,733**	905,599
Total current assets		**1,487,694**	1,394,263
CURRENT LIABILITIES			
Trade payables	11	**42,786**	35,968
Other payables and accruals		**44,930**	56,517
Interest-bearing bank and other borrowings		**182,418**	156,250
Due to the ultimate holding company		**54,284**	54,284
Due to the immediate holding company		**180,338**	180,338
Due to fellow subsidiaries		**28,694**	3,432
Due to jointly-controlled entities	16(c)	**3,048**	4,179
Tax payable		**9,186**	8,564
Total current liabilities		**545,684**	499,532
NET CURRENT ASSETS		**942,010**	894,731
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,870,866**	1,683,937
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**354,945**	368,750
Due to a venturer of a jointly-controlled entity	16(c)	**20,000**	20,000
Deferred tax		**16,114**	14,719
Total non-current liabilities		**391,059**	403,469
Net assets		**1,479,807**	1,280,468
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	12	**104,500**	104,500
Reserves		**1,375,307**	1,175,968
Total equity		**1,479,807**	1,280,468

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2008

	Attributable to equity holders of the parent						
	Issued share capital	Share premium account	Assets revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Retained profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2008	104,500	574,473	12,252	56,843	60,454	471,946	1,280,468
Exchange realignment	—	—	—	—	58,173	—	58,173
Total income directly recognised in equity	—	—	—	—	58,173	—	58,173
Net profit for the period	—	—	—	—	—	141,166	141,166
At 30 June 2008 (Unaudited)	104,500	574,473*	12,252*	56,843*	118,627*	613,112*	1,479,807
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*

* These reserve accounts comprise the consolidated reserves of the Group of HK$1,375,307,000 (30 June 2007 (unaudited): HK$470,677,000) on the condensed consolidated balance sheet.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2008

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash inflow from operating activities	45,816	39,986
Net cash outflow from investing activities	(81,644)	(23,438)
Net cash inflow/(outflow) from financing activities	(13,318)	33,261
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(49,146)	49,809
Cash and cash equivalents at beginning of period	905,599	43,153
Effect of foreign exchange rate changes, net	45,280	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD	901,733	92,962
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	901,733	92,962

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 June 2008

1. CORPORATE INFORMATION AND GROUP REORGANISATION

The interim condensed consolidated 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 2008 are authorised for issue in accordance with a resolution of the Directors passed on 12 September 2008.

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 Group is involved in the manufacture and sale of corn-based sweetener products. There were no changes in the nature of the Group's principal activities during the period.

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 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 issued by the Company dated 10 September 2007 (the "Prospectus"). 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 (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"), a company incorporated in the Cayman Islands whose shares are also listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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 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 Group was regarded as a continuing entity resulting from the Reorganisation under common control. Accordingly, the comparative amounts for the period ended 30 June 2007 have been prepared as if the current group structure had been in existence throughout the periods presented.

Significant accounting policies

The accounting policies adopted in the preparation of the interim financial statements are the same as those used in the annual financial statements for the year ended 31 December 2007, except for the adoption of the following Hong Kong Financial Reporting Standards ("HKFRSs") mandatory for annual periods beginning on or after 1 January 2008.

HK (IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions
HK (IFRIC) — Int 12	Service Concession Arrangements
HK (IFRIC) — Int 14	HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the above HKFRSs has had no material impact on the accounting policies of the Group and the methods of computation of the Group's condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(continued)*

Significant accounting policies *(continued)*

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the condensed consolidated financial statements:

HKAS 1 (Revised)	Presentation of Financial Statements[1]
HKFRS 2 Amendment	Share-based Payment — Vesting Conditions and Cancellations[1]
HKFRS 8	Operating Segments[1]
HKAS 23 (Revised)	Borrowing Costs[1]
HKFRS 3 (Revised)	Business Combinations[2]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[2]
HKAS 32 and HKAS 1 Amendment	Puttable Financial Instruments and Obligations Arising on Liquidation[1]
HK(IFRIC) — Int 13	Customer Loyalty Programmes[3]

[1] Effective for annual periods beginning on or after 1 January 2009
[2] Effective for annual periods beginning on or after 1 July 2009
[3] Effective for annual periods beginning on or after 1 July 2008

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

Over 90% of the Group's operations relate to the manufacture and sale 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	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	5,914	246
Sales of scrap and raw materials	1,956	4,527
Exchange gains	6,881	194
Others	291	381
	15,042	5,348

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

5. FINANCE COSTS

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**13,516**	7,421

6. PROFIT BEFORE TAX

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

		Six months ended 30 June	
		2008	2007
		(Unaudited)	(Unaudited)
	Notes	**HK$'000**	HK$'000
Depreciation		**21,400**	15,772
Amortisation of prepaid land premiums		**658**	514
Negative goodwill	13	**24,036**	—
Impairment/(write back) of trade receivables	10	**(1,597)**	661
Employee benefits expense		**9,131**	7,824

7. TAX

	Six months ended 30 June	
	2008	2007
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Provisions for the period:		
Hong Kong profits tax	**—**	—
PRC corporate income tax	**10,883**	12,059
Tax charge for the period	**10,883**	12,059

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 corporate income tax for the following three years.

The statutory tax rate for all subsidiaries in Mainland China is 25% for the six months ended 30 June 2008. During the prior period, the statutory tax rate was 33%, except for one subsidiary, Changchun Dihao Foodstuff Development Co., Ltd., which was granted Technological Advanced Enterprise status and entitled to a lower applicable tax rate of 15% for the 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 Enterprises.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

8. EARNINGS PER SHARE

The basic earnings per share for the period ended 30 June 2007 is calculated based on the unaudited consolidated net profit for the 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 period ended 30 June 2007.

The basic earnings per share for the period ended 30 June 2008 is calculated based on the consolidated profit for the period attributable to ordinary equity holders of the parent of approximately HK$141,166,000 and the number of 1,045,000,000 ordinary shares in issue during the current period.

Since there were no significant dilutive potential ordinary shares outstanding during the period, the diluted earnings per share amount was equal to the basic earnings per share amount for the six months ended 30 June 2008.

9. DIVIDEND

The Directors have resolved not to recommend the payment of an interim dividend for the six months ended 30 June 2008 (six months ended 30 June 2007: nil).

10. TRADE RECEIVABLES

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Trade receivables	249,268	226,822
Impairment	–	(1,585)
Total	249,268	225,237

The Group normally allows credit terms of 90 days to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. Significant concentrations of risk exist where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 23% of the total trade receivables as at 30 June 2008.

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

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Within 1 month	91,631	132,134
1 – 2 months	59,830	57,969
2 – 3 months	34,807	20,542
Over 3 months	63,000	14,592
Total	249,268	225,237

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

10. TRADE RECEIVABLES *(continued)*

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

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
At 1 January	1,585	4,895
Amount written back (note 6)	(1,597)	(3,616)
Exchange realignment	12	306
Total	–	1,585

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

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Neither past due nor impaired	186,268	210,645
Less than 1 month past due	36,686	8,970
1 to 3 months past due	26,314	5,622
Total	249,268	225,237

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 a 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

11. 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 balance sheet date, based on the invoice date, is as follows:

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Within 1 month	25,394	27,452
1 – 2 months	2,781	3,221
2 – 3 months	5,218	735
Over 3 months	9,393	4,560
Total	42,786	35,968

12. 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 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Authorised:		
100,000,000,000 (31 December 2007: 100,000,000,000) ordinary shares of HK$0.10 each	10,000,000	10,000,000
Issued and fully paid:		
1,045,000,000 (31 December 2007: 1,045,000,000) ordinary shares of HK$0.10 each	104,500	104,500

13. BUSINESS COMBINATION

On 8 January 2008, Global Sweeteners (China) Limited, a subsidiary of the Company, entered into an acquisition agreement with Mitsui & Co., Ltd., Mitsui & Co., (H.K.) Ltd. and Nikken Fine Chemicals Co., Ltd., the minority shareholders of Global-Nikken (H.K.) Company Limited ("Global-Nikken (Hong Kong)"), a joint-controlled entity of the Group, to acquire their remaining 49% equity interests therein at a total cash consideration of US$2,450,000 (equivalent to approximately HK$19.1 million) (the "Acquisition"). After the completion of the Acquisition on 18 February 2008, Global-Nikken (Hong Kong) became a subsidiary of the Group and contributed net profit of HK$12 million from the date of completion of the Acquisition to 30 June 2008.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

13. BUSINESS COMBINATION *(continued)*

The fair value valuation of Global-Nikken (Hong Kong) as at the date of completion of the Acquisition is still in process, the provisional fair value of the identifiable assets and liabilities as at the date of acquisition was regarded as their carrying value as follows:

	Provisional fair value recognised on the Acquisition HK$'000 (Unaudited)	Carrying amount HK$'000 (Unaudited)
Net assets acquired:		
Property, plant and equipment	43,996	43,996
Prepaid land premiums	3,758	3,758
Inventories	1,269	1,269
Trade receivable	4,430	4,430
Prepayments and other receivables	33	33
Tax recoverable	3,170	3,170
Cash and cash equivalents	660	660
Trade payable	(486)	(486)
Balance with group companies	(12,374)	(12,374)
Other payables	(488)	(488)
Deferred tax	(805)	(805)
	43,163	43,163
Excess over the cost of a business combination recognised in the condensed consolidated income statement (note 6)	(24,036)	
Satisfied by		
Cash	19,127	

The provisional fair value of the identifiable assets and liabilities acquired and the negative goodwill arising on the Acquisition will be adjusted according to the valuation result by the end of 2008.

14. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the balance sheet date.

The Company provided guarantees for banking facilities granted to certain subsidiaries. These subsidiaries utilised the banking facilities to the extent of about HK$237,363,000 as at 30 June 2008 (31 December 2007: HK$225,000,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

15. COMMITMENTS

The Group had capital commitments as follows:

	30 June 2008 (Unaudited) HK$'000	31 December 2007 (Audited) HK$'000
Contracted, but not provided for:		
Plant and machinery	**9,977**	3,521

16. 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.

	Notes	Six months ended 30 June 2008 HK$'000 (Unaudited)	2007 HK$'000 (Unaudited)
Purchases from fellow subsidiaries			
— corn starch slurry	(i)	**329,708**	463,273
Purchases from jointly-controlled entities			
— corn sweeteners	(i)	**1,359**	3,221
Sales to fellow subsidiaries			
— corn sweeteners	(ii)	**176,314**	141,313
— sorbitol	(ii)	**19,147**	1,999
Sales to jointly-controlled entities			
— corn sweeteners	(ii)	**4,936**	9,416
Utility costs charged to a jointly-controlled entity	(iii)	**3,359**	2,149
Utility costs charged by a fellow subsidiary	(iii)	**39,206**	32,076

(i) The Group sourced corn starch slurry from fellow subsidiaries and sourced corn sweetener products and a by-product from jointly-controlled entities. These purchases were made at prices based on the mutual agreements between the parties.

(ii) The Group sold corn sweetener products and sorbitol to fellow subsidiaries and a jointly-controlled entity. These sales were made at prices mutually agreed between the parties.

(iii) The Group used the utility facilities provided by a fellow subsidiary and a jointly-controlled entity that used the utility facilities provided by the Group. The utility costs were charged based on the actual costs incurred.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

30 June 2008

16. RELATED PARTY TRANSACTIONS *(continued)*

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2008 (Unaudited) HK$'000	2007 (Unaudited) HK$'000
Short term employee benefits	3,718	662
Post-employment benefits	125	84
Total compensation paid to key management personnel	3,843	746

(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 their fair value.

17. POST BALANCE SHEET EVENTS

Acquisition of Jinzhou Yuancheng

On 27 June 2008, Global Sweeteners Investments Limited, a direct wholly owned subsidiary of the Company, entered into an acquisition agreement with Global Corn Investments Limited ("Global Corn") and Changchun Dacheng Industrial Group Co., Ltd. ("Dacheng Industrial"), both being indirect wholly owned subsidiaries of the ultimate holding company, for the purchase of the entire equity interests in Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng") at a consideration of HK$520 million. Jinzhou Yuancheng is principally engaged in the manufacture and sales of corn starch and other by-products in the PRC. Upon the completion of the acquisition, Jinzhou Yuancheng will be a wholly-owned subsidiary of the Company.

Share option scheme

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme became effective on 3 September 2007 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

According to the resolutions passed by of the Board of Directors of the Company on 7 July 2008, a total number of 3,580,000 share options have been granted to certain employees of the Group with an exercise price of HK$1.59 per share. The vesting period is from 7 July 2008 to 6 July 2011.

INDEPENDENT AUDITORS' REVIEW REPORT

ERNST & YOUNG
安 永

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 19 to 31 which comprises the condensed consolidated balance sheet as at 30 June 2008 and the related condensed consolidated 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

16 September 2008