



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

2008 Interim Results Presentation

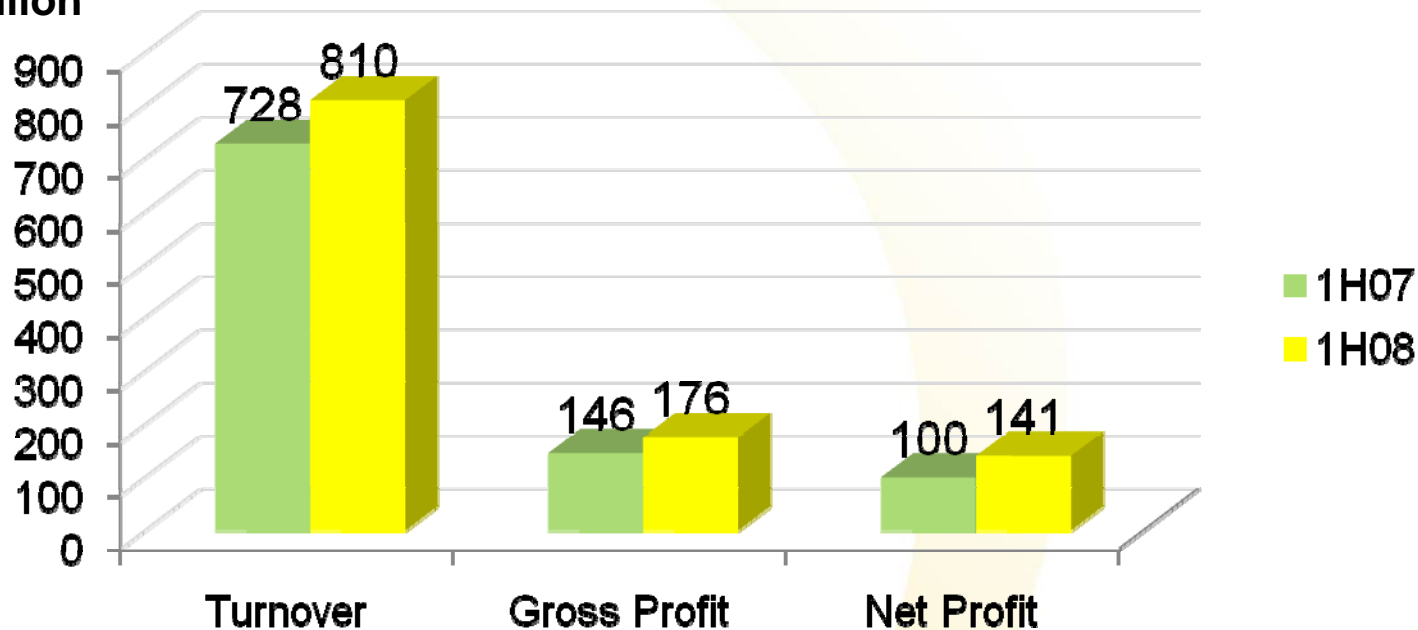
16 September 2008

AGENDA

- **2008 Interim Results**
 - **Financial Review**
 - **Operation Overview**
- **Business Update**
- **Outlook and Prospects**
- **Future Development**

RESULTS HIGHLIGHTS

HK\$ million



- ➔ Turnover: HK\$ 810 million; ↑ 11% YOY
- ➔ YOY growth of 21% and 42% in Gross Profit and Net Profit
- ➔ Sales volume: remained at similar level with sustainable Gross Margin at around 22%

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2008 FINANCIAL REVIEW

OPERATING RESULTS

HK\$ million	1H08	1H07	Change
Turnover	810	728	11%
Gross Profit	176	146	21%
• Gross Margin	22%	20%	2%
EBITDA	188	135	39%
Net Profit	* 141	100	42%
• Net Margin	17%	14%	3%
Basic Earnings Per Share (HK\$)	0.135	** 0.142	--

* Net profit includes the negative goodwill of approx. HK\$24 million arising from the acquisition of CDNP and exchange gain of approx. HK\$7 million.

** Basic earnings per share dropped principally because of the change of number of shares: as at 30 June 2008, total number of the Company was 1,045,000,000 comparing 700,000,000 shares as at 30 June 2007.

BALANCE SHEET

HK\$ million	30 Jun 2008	31 Dec 2007	Change
Non-current Assets	929	789	18%
Current Assets	1,488	1,394	7%
Current Liabilities	546	500	9%
Cash and Bank Balances	902	906	--
Shareholder's Equity	1,480	1,280	16%
Interest Bearing Loan	537	525	2%

KEY FINANCIAL RATIOS

	30 Jun 2008	31 Dec 2007
Current Ratio	2.73	2.79
Quick Ratio	2.56	2.69
Gearing: NET CASH (net debt/equity)	25%	30%
ROE	19%	15%
Inventories Turnover Days	26 days	15 days
Trade Receivables Turnover Days	85 days	81 days
Trade Payables Turnover Days	21 days	11 days

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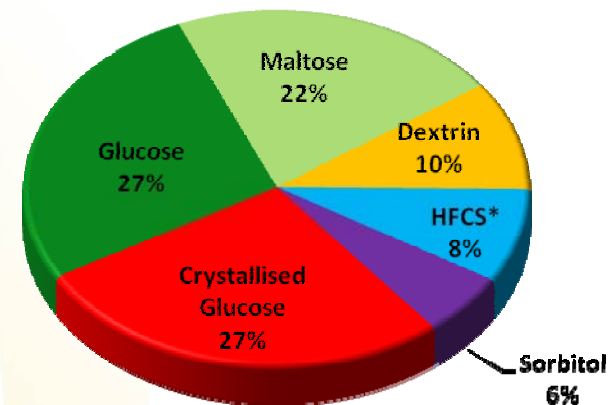
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OPERATION OVERVIEW

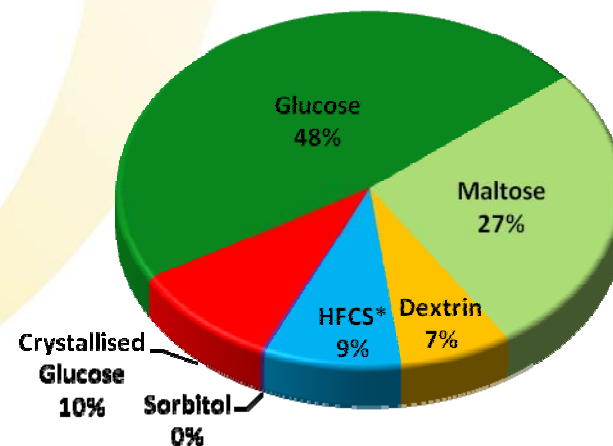
TURNOVER BREAKDOWN

Turnover (HK\$ million)	1H08	1H07	Change
Glucose Syrup	218	346	(37%)
Maltose Syrup	175	194	(10%)
Maltodextrin	81	52	57%
HFCS *	69	64	9%
Sorbitol **	46	2	2008%
Crystallised Glucose	221	70	218%

1H08 Turnover by Products



1H07 Turnover by Products



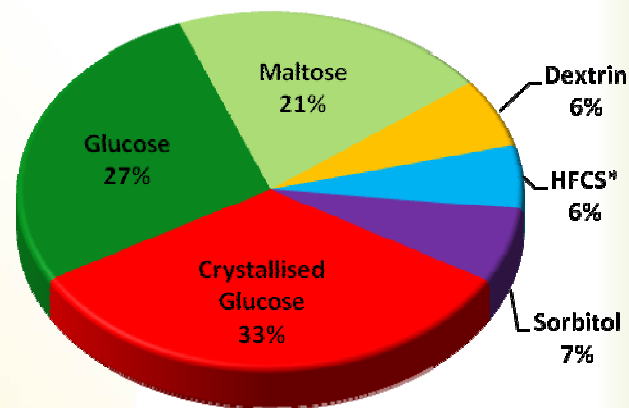
* Amount attributable to the Group in the JV

** Upon the completion on 18 Feb 2008, the sorbitol plant became a wholly-owned subsidiary of the Group. Prior to this, the Group owned 51% interest of the sorbitol business.

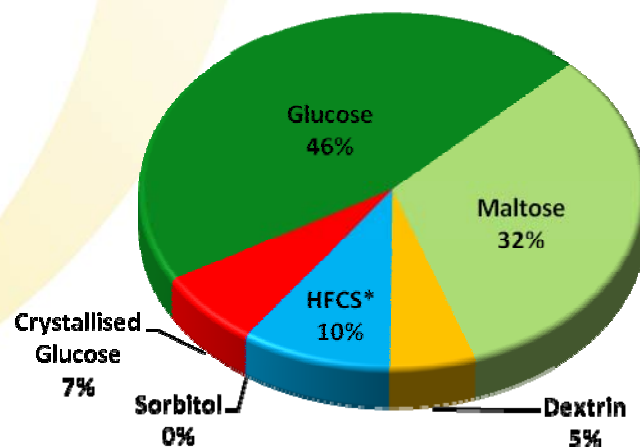
GROSS PROFIT BREAKDOWN

Gross Profit (HK\$ million)	1H08	1H07	Change
Glucose Syrup	48	67	(28%)
Maltose Syrup	36	47	(24%)
Maltodextrin	11	8	38%
HFCS *	10	14	(26%)
Sorbitol **	12	0.1	1,919%
Crystallised Glucose	58	10	492%

1H08 Gross Profit by Products



1H07 Gross Profit by Products



* Amount attributable to the Group in the JV

** Upon the completion on 18 Feb 2008, the sorbitol plant became a wholly-owned subsidiary of the Group. Prior to this, the Group owned 51% interest of the sorbitol business.

GROSS PROFIT MARGIN

Gross Profit Margin	1H08	1H07	Change
Glucose Syrup	22%	20%	2%
Maltose Syrup	20%	24%	(4%)
Maltodextrin	14%	16%	(2%)
HFCS	15%	22%	(7%)
Sorbitol	26%	3%	23%
Crystallised Glucose	26%	14%	12%

SALES VOLUME

Sales Volume ('000 MT)	1H08	1H07	Change
Glucose Syrup **	116	213	(45%)
Maltose Syrup	73	102	(29%)
Maltodextrin	32	23	42%
HFCS *	29	28	6%
Sorbitol	15	1	1393%
Crystallised Glucose	135	33	308%
TOTAL	400	400	--

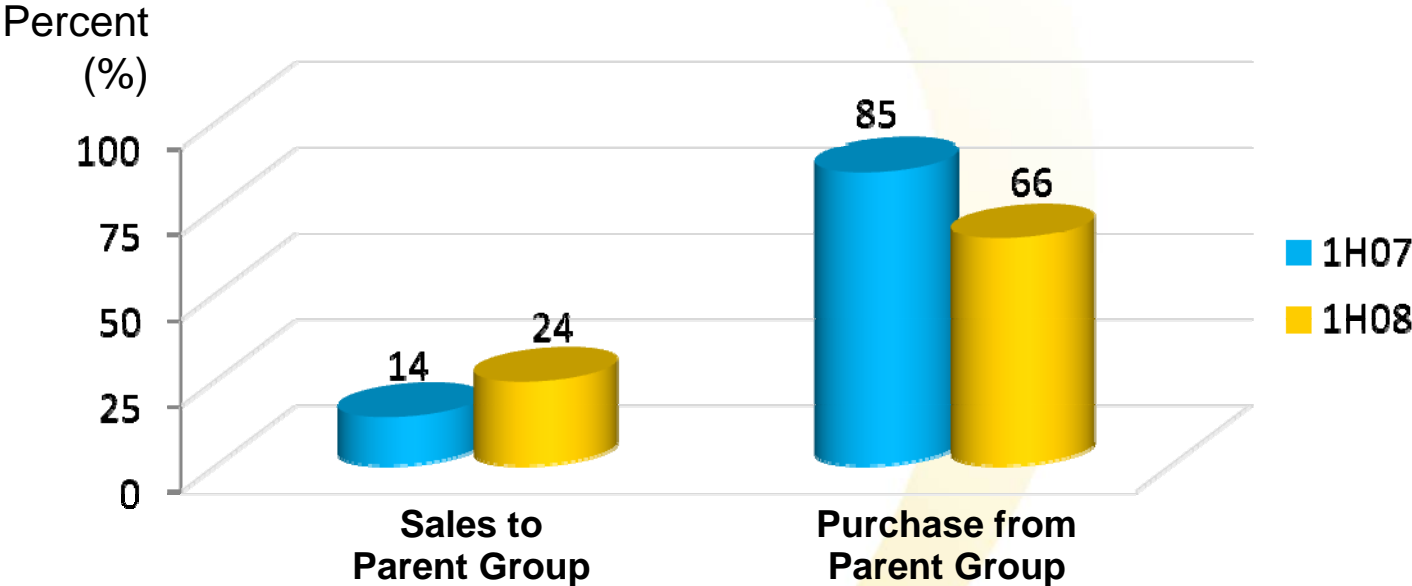
* Amount attributable to the Group in the JV

** During 1H08, approx. 168,000MT of glucose syrup (1H07: 71,000MT) has been consumed internally for downstream production.

PRODUCTS ASP

ASP (HK\$/MT)	1H08	1H07	Change
Glucose Syrup	1,870	1,620	15%
Maltose Syrup	2,410	1,900	27%
Maltodextrin	2,540	2,300	11%
HFCS	2,360	2,290	3%
Sorbitol	3,120	2,210	41%
Crystallised Glucose – 92%	2,580	2,110	22%
Crystallised Glucose – 50%	1,500	--	N/A

SALES TO AND PURCHASE FROM PARENT GROUP



OPERATING COST STRUCTURE

Cost Items	1H08	1H07
Raw Material	80.0%	81.2%
Utilities	6.7%	7.4%
Labour	0.7%	0.9%
Depreciation	3.2%	2.7%
Production Overhead	2.0%	1.7%
Selling and Distribution Expenses	4.3%	3.6%
Administrative Expenses	3.1%	1.5%
Other Operating Expenses	--	0.1%

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BUSINESS UPDATE

BUSINESS UPDATE

- ▶ M&A activities in 1H08:
 - ▶ Acquired the 49% interest of the sorbitol business from JV partner, Mitsui & Co., in February. The sorbitol plant then became a wholly-owned subsidiary of the Group;
 - ▶ In June, the Group entered into an S&P Agreement with the Parent, Global Bio-chem, to acquire the Jinzhou corn refinery to secure starch supply of the Group. Upon completion, the Group could further benefit from economies of scale through vertical integration.

BUSINESS UPDATE

- Launching of retail business:
 - Set up a sales office in Shanghai for the sales and marketing of the Group's retail brand → **Life Essentials 康奥多**



Life 康奥多 Essentials

Life 康奥多 Essentials



康奥多
Life Essentials

【上海玉之堂糖业有限公司】
Com Essence (Shanghai) Co., Ltd.

源起企业，大成糖业控股 (HK3009) 成员
领先的科技研发能力
致力于为人们提供健康的产品选择
面向国内外市场

【康奥多】
Life Essentials

玉之堂糖业荣誉出品
专注于健康糖的领导品牌
拥有各具特色的优质精品
源于天然植物原料
适应于各类健康调味需要

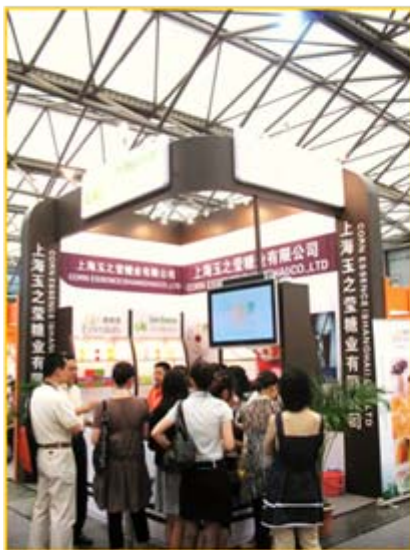
康奥多
Life Essentials

康奥多
Life Essentials

康奥多
Life Essentials

BUSINESS UPDATE

- Successfully launched our products and brand at the 'World of Food China' Exhibition in Shanghai New International Expo Centre in early September



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OUTLOOK & PROSPECTS

PRC SUGAR/SWEETENERS MARKET

Natural Sweeteners

Raw Sugar

Raw Material

- Cane, beet

Production Regions in China

- Cane is grown in southern, subtropical area
- Beet is found in northern cold regions

Starch Sweetener

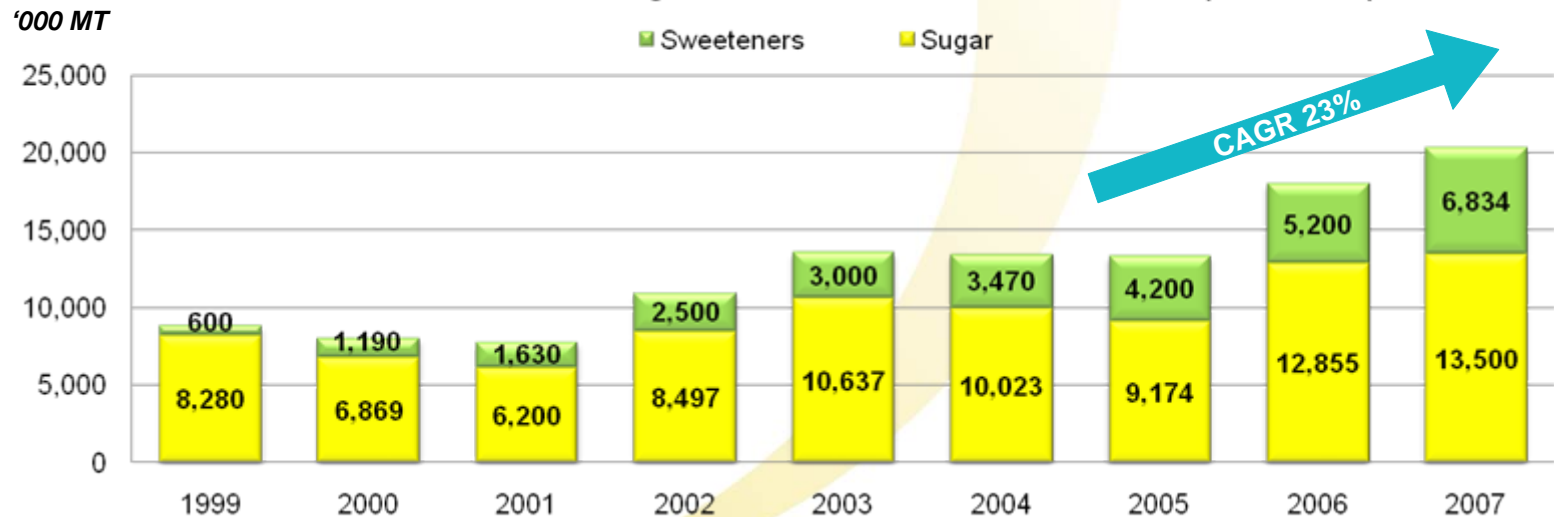
Raw Material

- Corn, potato, tapioca

Production Regions in China

- Corn is available in northeast regions including Jilin, Shandong and Hebei provinces

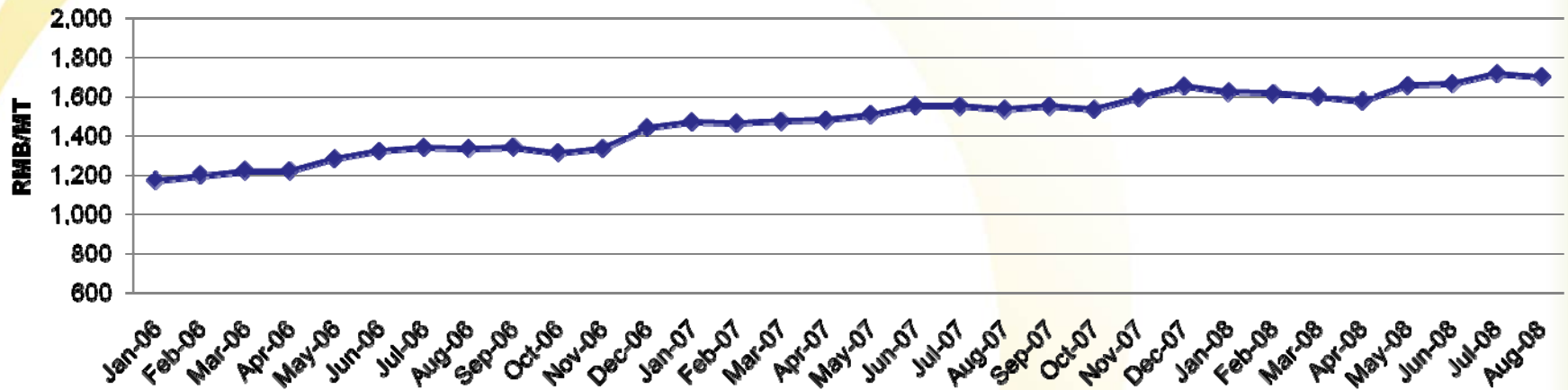
Production Volume of Sugar and Starch Sweeteners in China (1999-2007)



Source: China Sugar Association, DNCNET and Guangxi Sugar Association (GSA)

PRC CORN PRICE MOVEMENT

Corn Price Movement in China (Jan 06 - Aug 08)

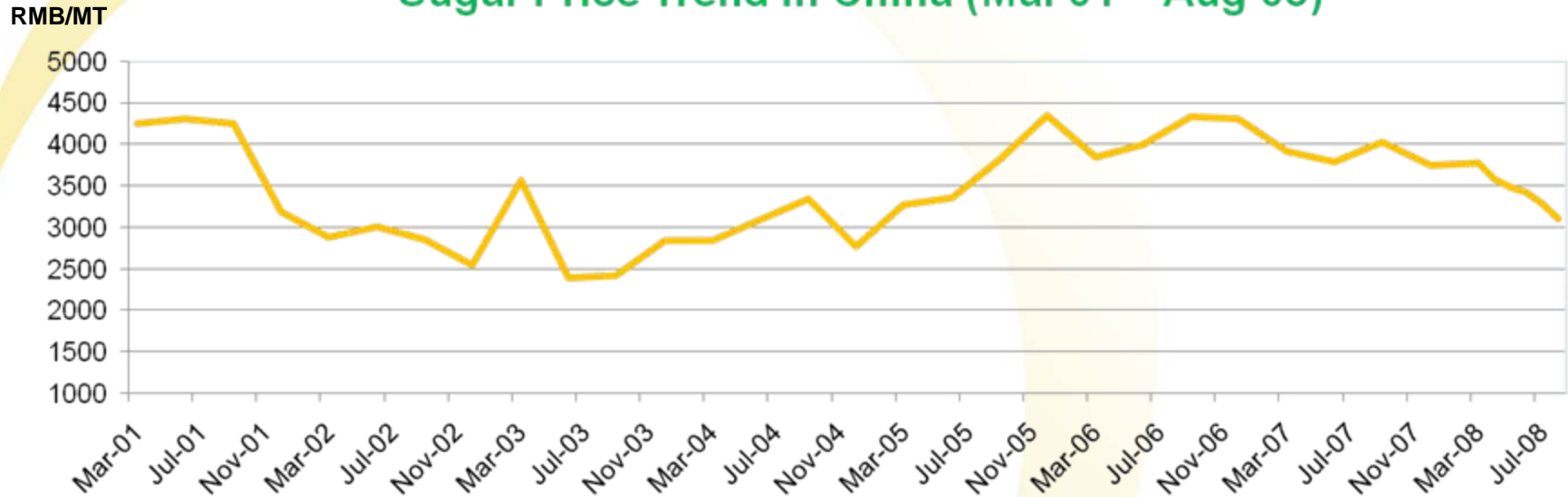


Source: eFeedlnk. Based on average price from northeast regions (Jilin, Dalian, Shandong)

- Abundant supply of corn in China with
 - approx. 156 million MT of corn from 2008's harvest as estimated by China National Grain and Oils Information Centre (CNGOIC)
 - Industrial use demand: approx. 28 million MT
 - Corn price is expected to increase by 10% YOY, which is in line with the inflation rate in China

SUGAR PRICE IN CHINA

Sugar Price Trend in China (Mar 01 – Aug 08)



Source: www.ec-sugar.com

- Cane sugar price continues to drop starting from the peak in 2006 because of over-supply
- Current sugar price is close to RMB 3,000/MT, which is close to the production cost of cane sugar
- Expect sugar price would rebound from the bottom in 2009

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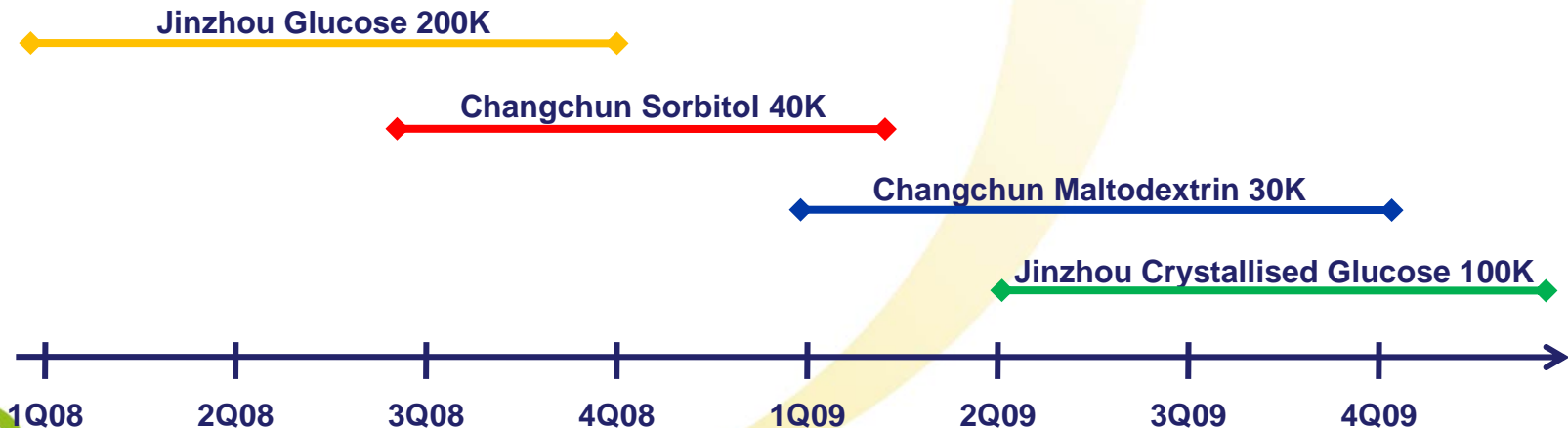
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FUTURE DEVELOPMENT

DEVELOPMENT STRATEGIES

- Capacity Growth: sustainable organic turnover growth of approx. 20-25%
 - 200,000 mtpa glucose/maltose plant in Jinzhou
 - 40,000 mtpa sorbitol plant in Changchun
 - 30,000 mtpa maltodextrin plant in Changchun
 - 100,000 mtpa crystallised glucose plant in Jinzhou

Construction Timetable:



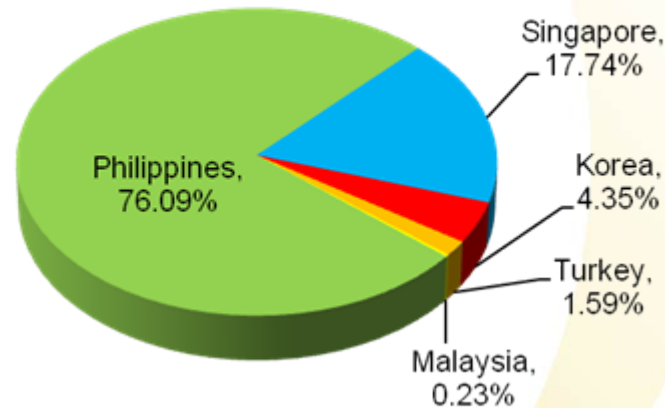
DEVELOPMENT STRATEGIES

- Further enhance the growth of GLOBAL SWEETENERS with M&A strategies
 - Collaborations with global giants on sweeteners business
 - Penetrating into other food related business through M&A
- Retail business – launching our retail packaged sweetener products to end-users:
 - Successfully launched our products at the 'Food of the World China Exhibition' in Shanghai in September
 - Established sales and marketing strategies for our retail brand → *Life Essentials* (康奥多)
 - Target customers:
 - Food catering industries: hotels, cafes and restaurants
 - Domestic users: supermarkets and stores
- Expect to launch our products in food catering industries in 2H08

DEVELOPMENT STRATEGIES

- Continue to expand our overseas markets
- In 1H08, overseas sales contribute to approximately 4% of the Group's turnover.

Exports Breakdown By Regions



- The Group will continue to explore new markets with a target of 20% of exports to turnover.

CAPACITY EXPANSION PLAN

Designed Capacity (mtpa)	2008	2009	2010
<u>Upstream</u>			
Corn Starch	420,000	420,000	420,000
Other Corn Refined Products	180,000	180,000	180,000
<u>Downstream</u>			
Glucose/Maltose Syrup	820,000	820,000	1,020,000
Maltodextrin	20,000	50,000	120,000
HFCS*	120,000	240,000	360,000
Sorbitol **	60,000	100,000	100,000
Crystallised Glucose	200,000	300,000	400,000
TOTAL	1,820,000	2,110,000	2,600,000

* Aggregate capacity in joint venture

** Prior to the acquisition of the 49% interest from the JV partner, Mitsui & Co., the Group owned 51% interest of the sorbitol business. Upon completion on 18 Feb 2008, it became a wholly-owned subsidiary of the Group

ESTIMATED SALES VOLUME

Sales Volume (mt)	2008	2009	2010
<u>Upstream</u>			
Corn Starch	20,000	0	0
Other Corn Refined Products	45,000	180,000	180,000
<u>Downstream</u>			
Glucose/Maltose Syrup	430,000	430,000	370,000
Maltodextrin	60,000	60,000	100,000
HFCS*	120,000	240,000	300,000
Sorbitol **	60,000	80,000	100,000
Crystallised Glucose	180,000	250,000	300,000
TOTAL	915,000	1,240,000	1,350,000

* Aggregate capacity in joint venture

** Prior to the acquisition of the 49% interest from the JV partner, Mitsui & Co., the Group owned 51% interest of the sorbitol business. Upon completion on 18 Feb 2008, it became a wholly-owned subsidiary of the Group



2008

COMPANY PROFILE

CORPORATE MILESTONES

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

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

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

• CDNP (Global-Nikken JV) established to produce sorbitol with a designed production capacity of 60,000 mtpa

• Acquired the 75% interest in Changchun Dihao

• Acquired the remaining 25% interest in Changchun Dihao

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

• Global Sweeteners Holdings Limited was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 20 September

• Jinzhou Dacheng with a designed capacity of 200,000 mtpa of liquid glucose and maltose was established

• Corn Essence was established in Shanghai principally for the Group's retail business

1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008

RATIONALE FOR THE SPIN-OFF



Corn
Sweeteners

- One of the largest corn sweetener producers in the PRC
- Vertical integrated production line and widen product portfolio
- Emphasis on brand building for end-users



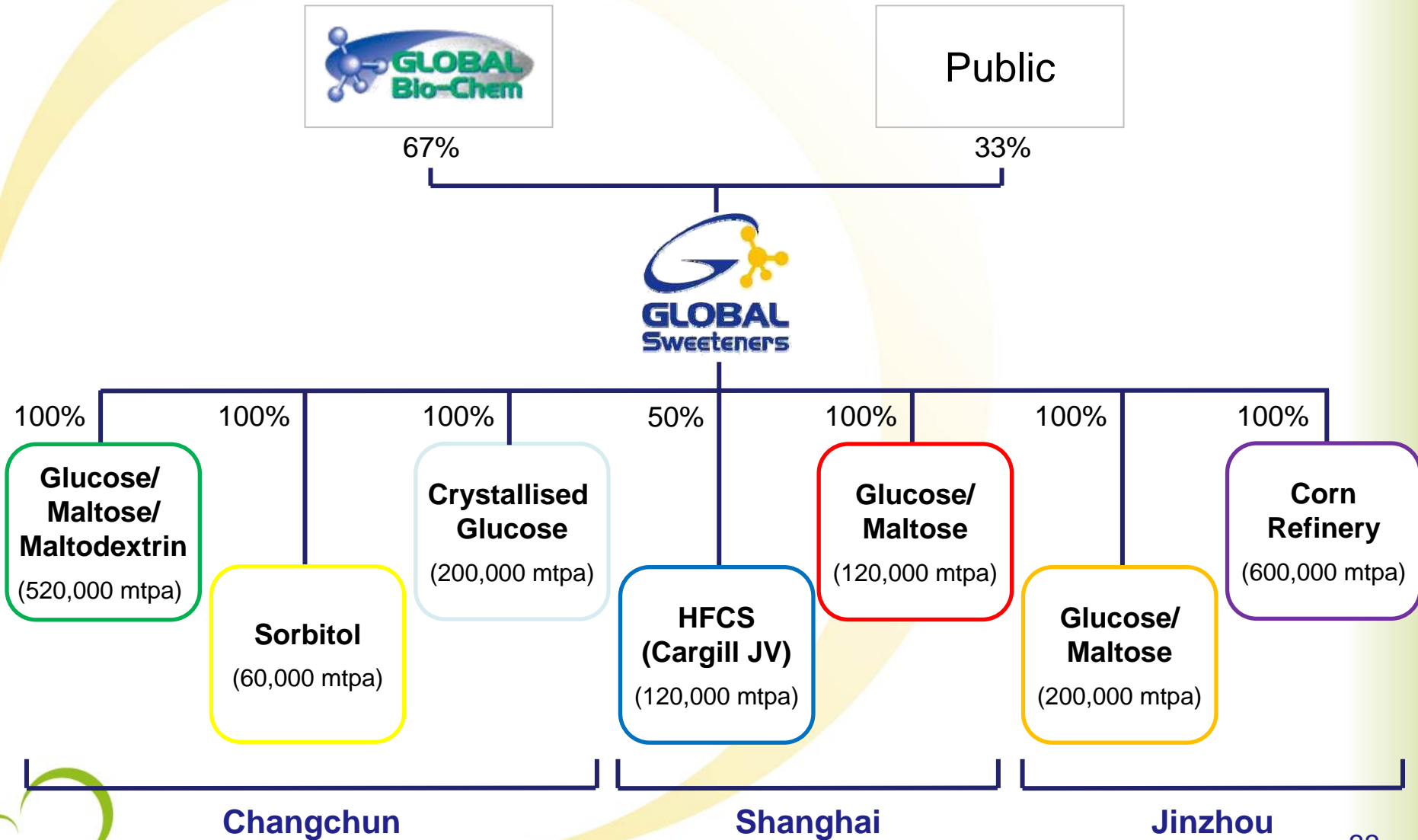
Amino
Acids

Polyol
Chemicals

Modified
Starch

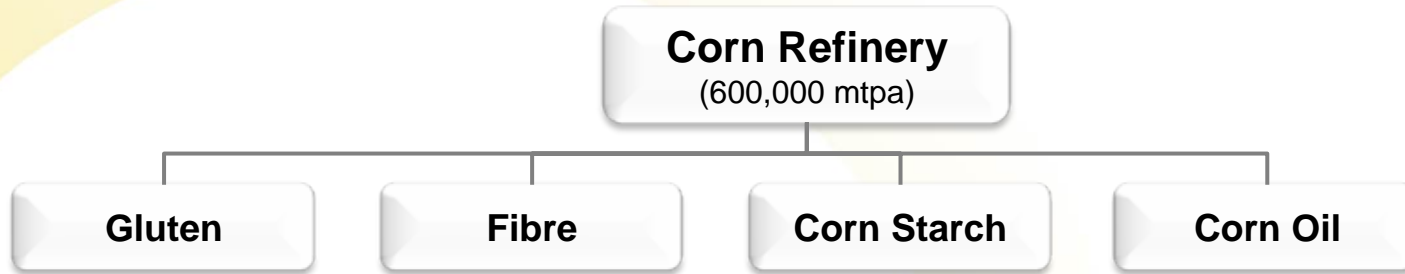
- One of the top three lysine producers in the world and the largest corn refiner in Asia
- Focus on polyol business as growth driver
- Continue to research and develop new corn-based products (adding value to corn)

CORPORATE STRUCTURE



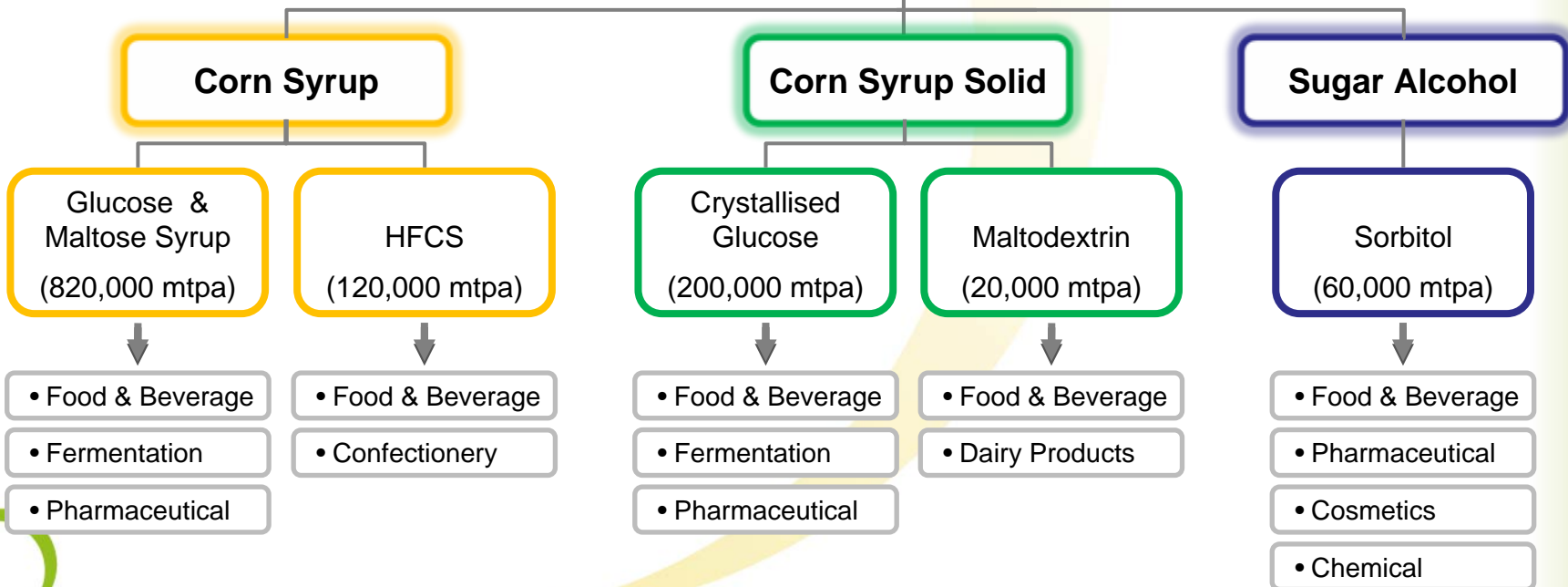
PRODUCT TREE

UPSTREAM



DOWNSTREAM

Corn Sweeteners



GEOGRAPHIC ADVANTAGE

Changchun Production Facilities

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

Jinzhou Production Facilities

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

Shanghai Production Facilities

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

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





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