大成糖業控股有限公司*

GLOBAL Sweeteners Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03889 HK
913889 TW

INTERIM REPORT 2010

* For identification purpose only

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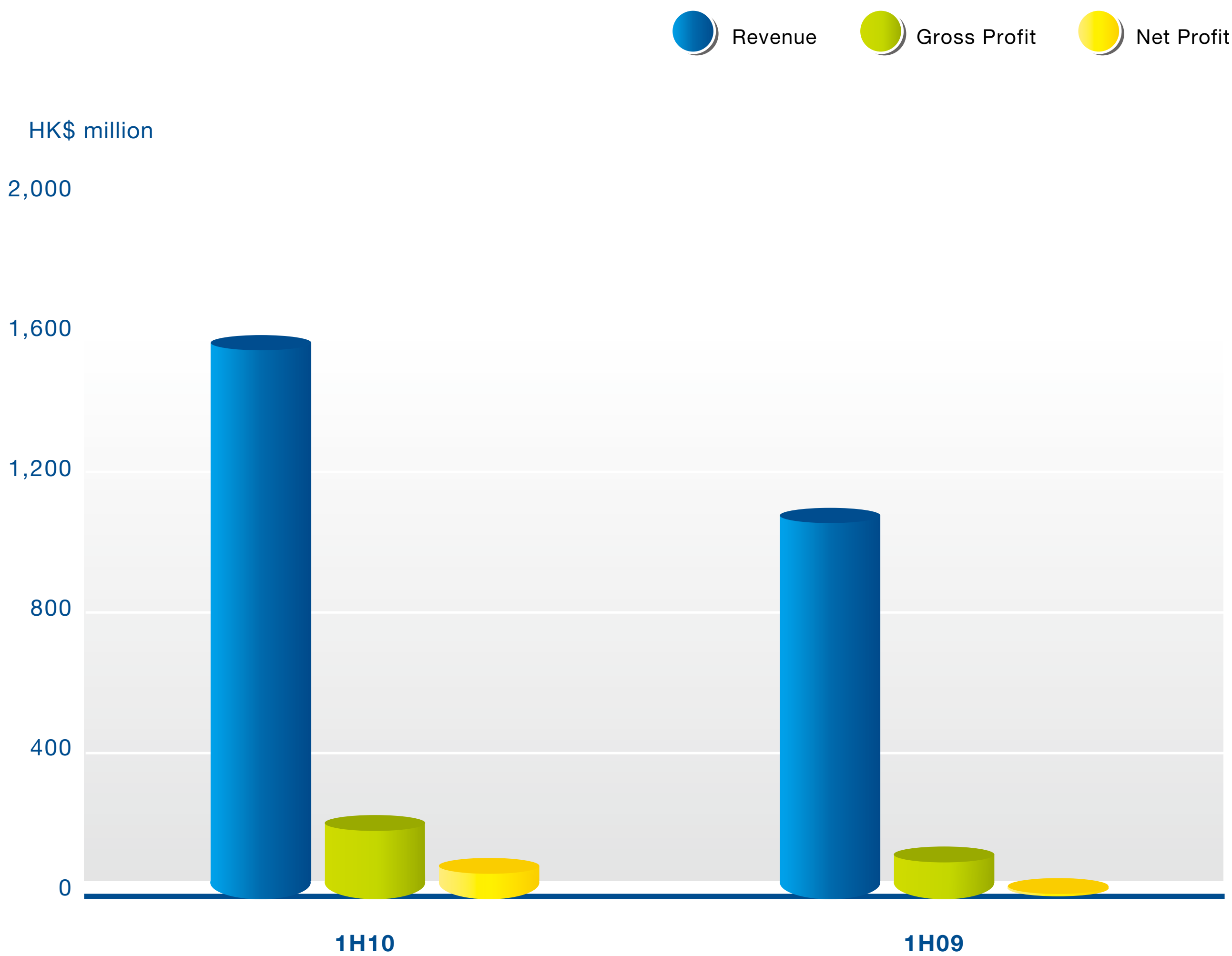
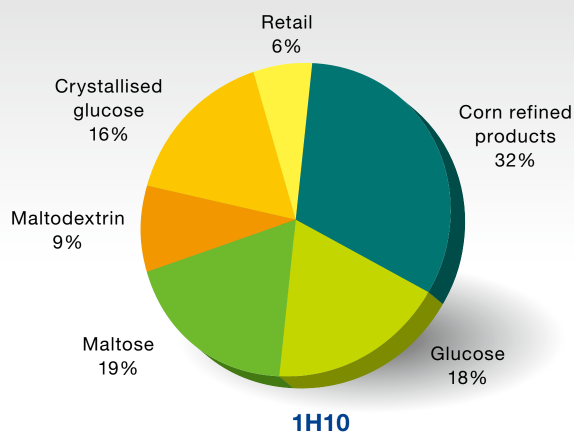
FINANCIAL HIGHLIGHTS

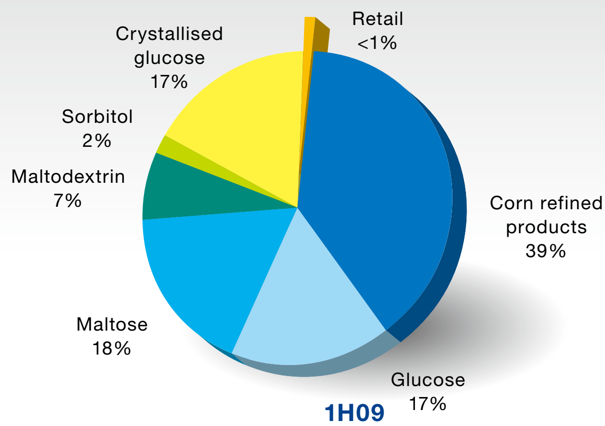
(HK$ million)	Unaudited six months ended 30 June 2010	2009	Change %
Revenue	**1,526**	1,053	44.9
Gross profit	**184**	93	97.3
Profit before tax	**80**	11	600.2
Net profit attributable to owners of the Company	**63**	4	1,492.9
Basic earnings per share (HK cents)	**5.68**	0.38	1,394.7
Interim dividend per share	**Nil**	Nil	N/A



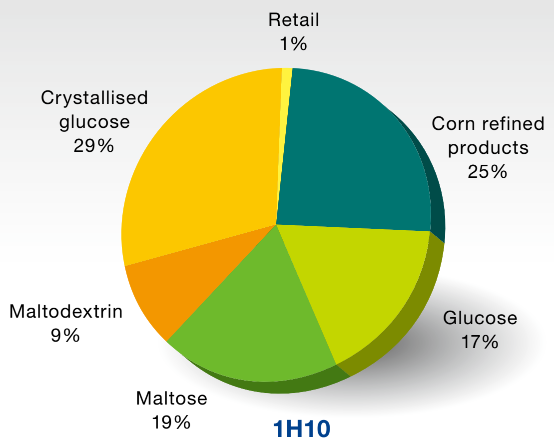
REVENUE AND SALES ANALYSIS

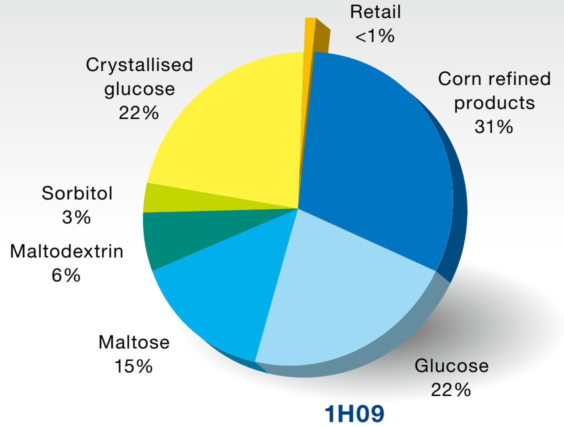
REVENUE



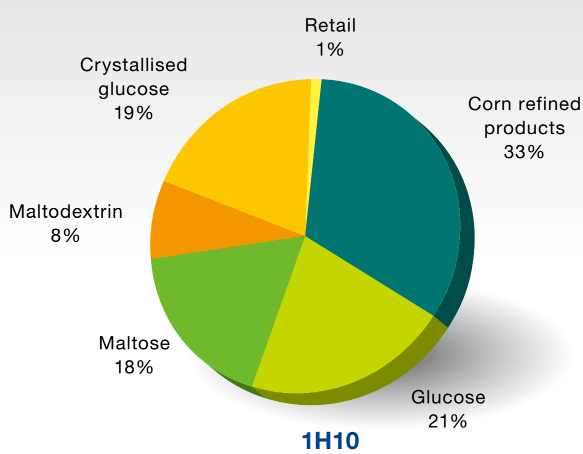


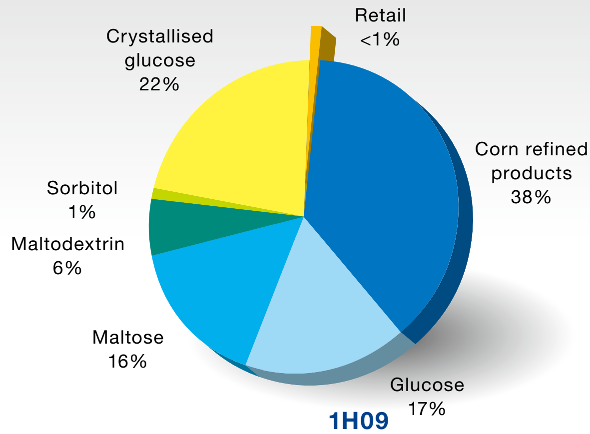
GROSS PROFIT





SALES VOLUME





CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Kong Zhanpeng *(Chairman)*
Zhang Fazheng
Lee Chi Yung
Wang Guifeng

Independent non-executive Directors

Chan Yuk Tong
Gao Yunchun
Ho Lic Ki

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
18/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

LEGAL ADVISERS

Chiu & Partners
40th Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

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

Bank of China (Hong Kong)
Bank of China Tower
1 Garden Road
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
P.O. Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

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 HK
913889 TW

To the Shareholders:

I am pleased to present the interim report of Global Sweeteners Holdings Limited for the six-month period ended 30 June 2010.

For the six-month period ended 30 June 2010, the Group recorded a revenue of HK$1,526 million, representing a growth of 44.9% over the same period last year. With the increase in sales volume, the utilisation rate of the Group's production facilities rose during the period under review, leading to a decrease in the unit cost. As a result, the Group's gross profit increased by 97.3% to approximately HK$184 million, while the gross profit margin remained at 12.1%.

BUSINESS REVIEW

In view of the global economy recovery since the middle of last year and the effect of the implementation of various economic stimulus measures in the PRC, we saw a turnaround in both the market sentiment and consumption sentiment in the PRC, contributing to a steady rise in the demand of all kinds of commodity. The prices of the Group's upstream products, such as corn starch rebounded substantially compared to the same period last year, while the prices of downstream sweetener products remained strong due to the consistently high sugar price.

During the period, benefiting from the improvement in the demand and selling prices of its products, the Group took opportunity to expand its sales and at the same time further strengthened its cost control, the profit attributable to the owner of the Company for the period increased by 15 times over the same period last year to HK$63 million.

Despite the upsurge of corn price during the period under review, the Group managed to control the average corn cost at around RMB1,650 per metric tonne for the first half of the year by closely monitoring the market trend and stocking up corn kernel in a timely manner. As raw materials for other industries, the corn refined products prices surged driven by the enormous demand. With effective cost control on raw materials and upward adjustments in the selling prices, the Group's upstream corn refined business performed satisfactorily during the period.

The downstream sweetener business stayed on the recovery trend since the second half of last year and maintained a sound development under the support of a solid demand. With the expectation that cane sugar production continues to shrink this year as a result of the natural disasters and the rebound of crude oil prices to above US$70, giving support to the price of sugar as a substitute energy source, thus benefiting the prices of sweeteners to rise accordingly.

With significant improvements in the market as compared to the same period last year, the Group was able to fully leverage on its advantages of large scale production, distribution network and strong customer base. For the six-month period ended 30 June 2010, the Group sold 401,000 metric tonnes of sweetener products in total, representing a 20.1% increase over the same period last year.

To meet the vast demand for sweetener products from all sectors, all the facilities of the Group's production lines were running in full capacity during the period; with the only exception of its new glucose/maltose syrup production line with an annual production capacity of 200,000 metric tonnes established in Jinzhou last year which recorded a utilisation rate of 60%.

On the other hand, as the sorbitol market remained sluggish, the Group suspended the production of sorbitol and switched the related production line to produce crystallised glucose with higher profit margin during the period to maintain the overall performance, showing the Group's ability to capitalise the flexibility of its production facilities amidst market volatility.

During the period under review, as the export market has yet to fully recover, the Group's total export of corn refined products and sweeteners for the six months ended 30 June 2010 were 16,000 metric tonnes and 11,000 metric tonnes respectively. The total export sales volume dropped by 14.8% as compared to the same period last year and accounted for 4.4% of the total sales volume. However, benefiting from the recovery of the products selling prices, the Group's export sales for the period increased by 12.3% to HK$69 milion. Currently, the Group's major export markets remain to be the Philippines, Japan and South Korea.

The Group continued to realise its business development plan outlined upon listing. While consolidating the existing sweetener business, it will also strive to extend its business into the food-related industry. The Group commenced its beef cattle business last year and tapped into the higher value-added cattle fattening business this year. The beef business recorded a gross profit of HK$3 million during the first half of the year.

Currently, the Group has cattle farms set up in Dalian, Liaoning Province and Pingliang, Gansu Province, with 1,130 heads of cattle in total. The finished beef products are sold directly to supermarket chains and a number of renowned hotels in the PRC.

On the other hand, the Group was successfully listed in Taiwan through the issue of Taiwan Depository Receipts (913889.TW) in March this year. The listing of TDR provided its newly commenced beef cattle business with funding, further enhanced the liquidity of the shares of Global Sweeteners and expanded its shareholder base.

OUTLOOK

Affected by droughts since the end of last year, the yield of sugarcane in the major sugarcane-producing regions within the country shrank substantially. Although the situation has alleviated since the second quarter of this year, it will not boost the sugarcane supply in the short term. Sugar price remained high at RMB5,100 per metric tonne in July and August. In view of the supply shortage and the stabilisation of oil prices, sugar price is expected to stay at about RMB5,000 per metric tonne throughout the year.

The Group is currently one of the major corn sweetener manufacturers in the PRC. Backed by a vast market demand for sweeteners, it is expected that both the sales and selling price for the year will grow steadily. The Group has land reserve in Jinzhou production site for future expansion so as to respond promptly to any growth in market demand. However, as the capacity utilisation rate of the new Jinzhou glucose/maltose syrup plant with an annual production capacity of 200,000 metric tonnes remained at around 60%, while the crystallised glucose production line in Changchun is capable of catering for the existing customer orders, the construction of the crystallised glucose plant with a production capacity of 100,000 metric tonnes and the maltodectrin production line with a production capacity of 40,000 metric tonnes in Jinzhou, initially scheduled to start in the second quarter of this year, has been postponed. Such expansion plans will be resumed when the customer orders exceed the existing production capacity.

To control corn cost efficiently and maintain the gross profit margin of the upstream business at a sound level, the Group will continue to respond to corn price fluctuation flexibly through purchasing and selling corn kernel in a timely manner.

In respect of the new business line, beef products currently produced by the Group are mostly frozen beef products as the beef business is still at its early stage. The Group is planning to allocate more resources to develop its fresh beef products with a higher gross profit margin. In addition, the Group is actively looking into exporting high-quality beef products to overseas markets and is currently applying for an export license for its beef products.

In the absence of large-scale fixed asset investment, the capital expenditure of the Group for the year is expected to be less than HK$50 million. With sufficient cash on hand and a relatively low gearing ratio, the Group will have greater flexibility in responding to the funding requirements of its diversified development in the future.

Having laid a strong foundation in corn refinery and corn sweeteners business, Global Sweeteners will continue to extend its business lines further downstream to retailing, with sweeteners as its core business. The launching of retail packaged sweeteners products and beef products were the Group's first step to extend its business line to the retail market for business diversification. Going forward, the Group will further diversify its retail product lines through the launching of new products.

Kong Zhanpeng
Chairman
30 August 2010

Global Sweeteners Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") are principally engaged in the production and sale of corn refined products, corn sweeteners, categorised into upstream and downstream products. Corn starch is then refined downstream to produce various corn sweeteners which are classified into three categories: corn syrup (glucose syrup and maltose syrup), corn syrup solid (crystallised glucose and maltodextrin) and sugar alcohol (sorbitol). The Group is also engaged in retail business through launching of its own branded sweeteners and beef products direct to supermarket chains and end users.

BUSINESS ENVIRONMENT

The selling prices of the Group's products are affected by the prices of their raw materials (principally corn kernels and corn starch), the demand and supply of each of the products and their respective substitutes in the market and variety of products specifications.

During the six months ended 30 June 2010 (the "Period"), the average price of corn kernels increased by 12.5% while the average selling price of corn starch upsurged by 33.2% as compared to the corresponding period last year.

FINANCIAL PERFORMANCE

The Group's consolidated revenue and gross profit for the Period increased by approximately 44.9% and 97.3% to approximately HK$1,526 million and HK$184 million respectively (2009: HK$1,053 million and HK$93 million) when compared to the corresponding period in 2009. Such increase was mainly attributable to the increase in average selling prices and sales volume. As a result, the Group's net profit for the Period increased by approximately HK$59 million to approximately HK$63 million (2009: HK$4 million) due to the Group's effort in expanding sales and cost control, and the improvement of market sentiment since year 2009..

Upstream products

(Sales amount: HK$491 million (2009: HK$416 million))
(Gross profit: HK$45 million (2009: HK$29 million))

During the Period, the sales volume of corn starch and other corn refined products were approximately 123,000 metric ton ("MT") (2009: 135,000 MT) and 76,000 MT (2009: 72,000 MT) respectively. Internal consumption of corn starch was approximately 59,000 MT (2009: 36,000 MT), which was used as raw material for the production in Jinzhou and Shanghai production sites.

With the recovery of market sentiment, the operating environment of upstream products has been improving during the first half of 2010. The selling prices of corn starch and other corn refined products increased by approximately 33.2% and 6.2% to HK$2,638 per MT and HK$2,184 per MT (2009: HK$1,980 and HK$2,057) respectively as compared to the corresponding period last year. However, corn price increased by 12.5% when compared to the corresponding period of 2009, as a result, the corn starch segment recorded a gross profit margin of approximately 17.6% (2009: 8.0%) while other corn refined products segment recorded a gross loss margin of approximately 7.3% (2009: gross profit margin: 5.2%) during the Period.

Corn syrup

(Sales amount: HK$556 million (2009: HK$361 million))
(Gross profit: HK$66 million (2009: HK$34 million))

During the Period, the sales volume of glucose syrup and maltose syrup increased by approximately 37.9% and 28.6% respectively as compared to the corresponding period last year.

Internal consumption of glucose syrup for downstream production decreased to approximately 183,000 MT (2009: 193,000 MT) during the Period. With the commencement of a new glucose/maltose production facility in Jinzhou in the second quarter of 2009, the sales volume of glucose syrup and maltose syrup increased to approximately 125,000 MT (2009: 90,000 MT) and 112,000 MT (2009: 87,000 MT) respectively. Consequently, the revenue of glucose syrup and maltose syrup grew by approximately 54.3% and 53.6% to approximately HK$269 million (2009: HK$174 million) and HK$287 million (2009: HK$187 million) respectively.

Despite the significant increase in raw material (corn starch) price during the Period, glucose syrup and maltose syrup segments recorded gross profit margins of approximately 11.3% (2009: 11.8%) and 12.3% (2009: 7.4%) respectively as a result of the increase in their selling prices by approximately 11.8% and 19.5% respectively as compared to the corresponding period last year,.

During the Period, the Group sold approximately 86,000 MT (2009: 48,000 MT) of glucose syrup to the GBT and its subsidiaries excluding the Group (the "GBT Group").

Corn syrup solid

(Sales amount: HK$377 million (2009: HK$257 million))
(Gross profit: HK$70 million (2009: HK$27 million))

The revenue of corn syrup solid increased by approximately 46.8% during the Period, as a result of the increase in selling prices and sales volume. Selling prices of crystallised glucose and maltodextrin increased by approximately 33.2% and 22.4% respectively, while sales volume of crystallsed glucose remained at similar level at approximately 119,000 MT (2009: 120,000 MT) and maltodextrin increased by approximately 50.2% to approximately 46,000 MT (2009: 31,000 MT). Consequently, the revenue of crystallised glucose and maltodextrin increased by approximately 32.0% and 84.0% respectively to approximately HK$243 million (2009: HK$184 million) and HK$134 million (2009: HK$73 million) respectively.

During the Period, crystallised glucose and maltodextrin recorded gross profit of approximately HK$54 million (2009: HK$21 million) and HK$17 million (2009: HK$6 million) respectively with gross profit margins of 22.1% (2009: 11.3%) and 12.6% (2009: 8.1%) respectively. The increase in gross profit margins was mainly due to the increase in selling price.

During the Period, the Group sold approximately 106,000 MT (2009: 111,000 MT) of crystallised glucose to the GBT Group.

Sugar alcohol

(Sales amount: Nil (2009: HK$19 million))
(Gross profit: Nil (2009: HK$3 million))

Due to the poor market sentiment of sorbitol, the production line was switched to produce crystallised glucose during the Period.

Retail business

(Sales amount: HK$102 million (2009: Nil)
(Gross profit: HK$3 million (2009: Nil)

In the year of 2009, the Group has entered into the beef business for product diversification. As at 30 June 2010, the Group has provided HK$90 million as general working capital for trading and fattening of beef cattle. During the Period, the beef business recorded a turnover and gross profit of HK$102 million (2009: Nil) and HK$3 million (2009: Nil) respectively.

During the Period, the Group has extended its business line to cattle fattening business. As at 30 June 2010, the Group had approximately 1,130 heads of cattle in ranch including 340 heads of Angus beef cattle and 790 heads of local cattle.

Export sales

During the Period, the Group exported approximately 16,000 MT (2009: 22,000 MT) of upstream corn refined products and 11,000 MT (2009: 9,000 MT) of corn sweeteners: their export sales amounted to approximately HK$33 million (2009: HK$35 million) and HK$36 million (2009: HK$26 million) respectively.

Operating expenses and income tax

Due to the increase in sales volume and number of headcounts of the Group, the operating expenses (other than finance costs) increased by 11.4%. The ratio of such operating expenses to turnover decreased to 5.2% (2009: 6.6%), resulting mainly from the stringent control over operating costs and the enhancement in operating efficiency.

Finance costs of the Group increased to approximately HK$25 million (2009: HK$17 million) for the Period due to the increase in the PRC bank borrowings amounted to HK$384 million for the purchase of corn kernels in Jinzhou.

During the Period, certain subsidiaries which tax concession period expired were then subject to corporate profit tax rate of 25.0%, the overall effective tax rate of the Group during the Period was approximately 20.4% (2009: 65.1%*).

* Such high tax rate for the corresponding period in 2009 was mainly due to the operating loss of Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng") and another subsidiary which amounted to approximately HK$13 million.

Performance of joint ventures

As at 30 June 2010, the Group has one joint venture project with Cargill Inc. which is principally engaged in the manufacture and sale of high fructose corn syrup. During the Period, share of profit of jointly controlled entities amounted to approximately HK$500,000 (2009: HK$3 million).

Net profit attributable to shareholders

As a result of the increase in overall gross profit and the sales volume, the net profit attributable to shareholders for the Period increased by approximately 1,492.9% to approximately HK$63 million (2009: HK$4 million).

IMPORTANT TRANSACTION

Listing of Taiwan Depositary Receipts ("TDR") on Taiwan Stock Exchange Corporation ("Taiwan Stock Exchange")

The Company made an application to the Taiwan Stock Exchange and the Taiwan Central Bank on 8 December 2009, and to the Taiwan Securities and Futures on 2 February 2010, for the offering and listing of 100 million units of TDR, representing 100 million new shares of the Company and 100 million shares of the Company transferred by Global Corn Bio-chem Technology Company Limited, a wholly owned subsidiary of GBT ("TDR Issue") to the depositary bank for the TDRs, on the Taiwan Stock Exchange. The Company obtained approvals from all the relevant authorities by 26 February 2010. The TDRs of the Company were listed on Taiwan Stock Exchange on 25 March 2010, with an offer price of NT$15.5 per unit of TDR. The Company raised about HK$184 million net proceeds from the issue of the new shares pursuant to the TDR Issue.

As announced by the Company on 18 March 2010, the Board intended to use the net proceeds from the TDR Issue for the working capital for the Group's high end beef products business. The Board considered that the listing of TDR was an appropriate means of raising extra funds for the Group's future business development. Taking into account the Group's current working capital requirement, the prevailing market conditions and the cost involved in the TDR Issue when compared with other means of fund raising exercises, the Board believed the TDR Issue would be the most appropriate method as it could enhance the capital base of the Company and broaden the Company's shareholder base with a minimal dilution effect of up to approximately 8.70%, enhance the public awareness of the Group in Taiwan and provide an additional fundraising platform for the Group on one hand, and without having to incur additional interest costs nor to increase the Group's gearing ratio on the other hand.

Subsequent to the TDR Issue, GBT's interest in the Company was reduced from approximately 66.75% to approximately 52.24%.

As at the date of this report, the Group had utilised a total of approximately HK$90 million of the proceeds for the retail business. The remaining proceeds are placed on short term deposits with licensed banks in Hong Kong.

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The Group had net borrowings of approximately HK$482 million (31 December 2009: HK$505 million). The decrease in net borrowings was mainly due to the increase in cash and cash equivalents of approximately HK$184 million as a result of the issue of TDR in March 2010.

Structure of interest bearing borrowings

As at 30 June 2010, the Group's bank borrowings amounted to approximately HK$851 million (31 December 2009: HK$801 million), of which approximately 11.8% (31 December 2009: 12.5%) was denominated in Hong Kong dollars while the remainder was denominated in Renminbi. The average interest rate during the Period was approximately 6.1% (2009: 6.6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 53.4% (31 December 2009: 78.6%) and 46.6% (31 December 2009: 21.4%) respectively. The change in repayment pattern was mainly due to the reallocation of certain short term bank borrowings to long term bank borrowings 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 with the Group. As at 30 June 2010, out of the amounts due from fellow subsidiaries, approximately HK$111 million representing trade nature portion (31 December 2009: HK$51 million) was taken into consideration in the calculation of trade receivables turnover days. During the Period, trade receivables turnover days decreased to approximately 56 days (31 December 2009: 66 days) as stringent control on credit terms has been applied. Meanwhile, the outstanding balances of approximately HK$20 million (31 December 2009: HK$3 million) as at 30 June 2010 arising from purchase transactions with the 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 17 days (31 December 2009: 8 days) as part of the cash flow management. With the increase in the inventory level of corn kernels of Jinzhou Yuancheng as of 30 June 2010 to approximately 218,000 MT (31 December 2009: 124,000 MT), the inventories turnover days increased to approximately 84 days (31 December 2009: 57 days) for the Period.

The current ratio and quick ratio as at 30 June 2010 increased to approximately 1.86 (31 December 2009: 1.26) and 1.15 (31 December 2009: 0.89) due to the increase in cash and cash equivalents as a result of the issue of TDR. 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 equivalents) to equity were approximately 26.6% (31 December 2009: 28.1%), 45.6% (31 December 2009: 49.0%) and 25.8% (31 December 2009: 30.8%) respectively. The gearing ratio improved as a result of the issue of TDR which increased the cash and cash equivalents of approximately HK$184 million. Interest coverage (i.e. EBITDA over finance costs) remained at approximately 6.1 times (2009: 6.7 times) during the Period.

FOREIGN EXCHANGE EXPOSURE

Most of the operations of the Group were carried out in the PRC in which transactions were denominated in Renminbi, the Group does not intend to hedge its exposure to foreign exchange fluctuations in Renminbi. However, the Group will constantly review the economic situation, development of business segments and overall foreign exchange risk profile and will consider appropriate hedging measures in future when necessary.

FUTURE PLANS AND PROSPECTS

It is the Group's mission to become one of the leading corn sweeteners manufacturers in Asia and a major player in global market. To achieve 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 Board believes 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.

The Company will continue to observe the market movements and review from time to time the need and feasibility and the timetable of capacity expansion. The expansion plans will be funded by the Group's internal resources and bank borrowings.

In the long run, the Board intends to establish new production facilities in the existing locations of the Group's production facilities and other locations in the PRC with an ultimate goal to increase its production capacity and market share. It is currently expected that the construction of these new production facilities will be undertaken by new subsidiaries of the Company or joint ventures with third parties.

In view of business diversification, the launching of retail packaged sweeteners products and beef products was the Group's first step to extend its business line to the retail market. Currently, these products are sold directly to consumers via nationwide supermarket chains in the PRC. The Group will continue to diversify its retail product range in future through the launching of new products.

With respect to the raw material price fluctuation, it is always the Group's objective to secure our corn kernel supply at the lowest cost. To better utilise our current corn storage facilities and subject to market moves, the Group will explore possibilities to further reduce our corn cost and secure our corn supply with a more comprehensive corn procurement policy and network.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2010, the Group has approximately 1,200 full time employees in Hong Kong and the PRC. The Group emphasises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for enhancing 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. Our staff benefits provided by the Group include mandatory 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' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2010, the interests and short 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 Law of Hong Kong ("SFO")) of the directors and chief executive of the Company as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code ("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	18,256,000 ordinary shares of HK$0.10 each (L) (Note 2)	0.56
	GBT	Interest of a controlled corporation	241,920,000 ordinary shares of HK$0.10 each (L) (Note 2)	7.45
	The Company	Beneficial owner	1,984,000 shares (L) (Note 3)	0.17
Lee Chi Yung	The Company	Beneficial owner	3,000,000 shares (L) (Note 4)	0.26

Notes:

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

2. Among the 18,256,000 shares and 241,920,000 shares which were interested by Mr. Kong Zhanpeng as beneficial owner and interest of controlled corporation, 5,216,000 shares and 69,120,000 shares of which were the assured entitlements of the rights shares available to Mr. Kong Zhanpeng and Hartington Profits Limited under the rights issue of GBT as announced by GBT on 14 June 2010, respectively. Hartington Profits Limited is a company incorporated in the British Virgin Islands, the entire issued share capital of which is beneficially owned by Mr. Kong Zhanpeng.

3. These shares are held by Hartington Profits Limited.

4. These shares are underlying shares comprised in the options granted to Mr. Lee Chi Yung pursuant to the Scheme.

Saved as disclosed above, as at 30 June 2010, none of the directors and the chief executive of the Company has any interests 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) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by directors of Listed Issuers contained in the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules").

DIRECTORS' RIGHT TO ACQUIRE SHARES 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 acquired benefits by means of the acquisition of shares in or debentures of the Company granted to any directors or 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 PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

At 30 June 2010, so far as is known to the directors, the following persons (other than the directors or chief executives) 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 Divisions 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 share capital**
Global Corn Bio-chem Technology Company Limited ("Global Corn Bio-chem")	Beneficial owner	600,000,000 shares of HK$0.10 each (L)	52.20
GBT	Interest of a controlled corporation (Note 2)	600,500,000 shares of HK$0.10 each (L)	52.24

Notes:

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

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

Saved as disclosed above, no person, other than the directors and chief executive of the Company had, as of 30 June 2010, an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

PURCHASES, 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 THE 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 with 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 ("Listing Rules") throughout 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.

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in 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 and the code of conduct, throughout the Period.

AUDIT COMMITTEE

The Audit Committee of the Company (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 with written terms of reference in compliance with the code provisions of the Code. The Audit Committee comprises three independent non-executive Directors. The chairman of the Audit Committee is Mr. Chan Yuk Tong. The other members of the Audit Committee are 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, 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 and the Audit Committee.

REMUNERATION COMMITTEE

The members of the remuneration committee include an executive Director, Mr. Kong Zhanpeng and two independent non-executive Directors, Mr. Ho Lic Ki and Mr. Gao Yunchun. Mr. Kong Zhanpeng is the chairman of the remuneration committee. The duties of the remuneration committee are, among others, 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.

CONTINUING CONNECTED TRANSACTIONS EXECUTIVE COMMITTEE

As at the date of this report, the CCT Executive Committee comprises two executive Directors, namely Mr. Lee Chi Yung and Ms. Wang Guifeng, responsible for monitoring, review and management of the continuing connected transactions (the "CCT") between the Group on one part and GBT and its subsidiaries (other than the Group and the Company's jointly controlled entities) (collectively, the "GBT Group"). The main duties of the CCT Executive Committee are to prepare continuing connected transactions report and submitted to CCT Supervisory Committee on regular basis.

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

CCT SUPERVISORY COMMITTEE

The CCT Supervisory Committee comprising all independent non-executive Directors was 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 continuing connected transactions with GBT Group will be entered into in accordance with the respective agreements ("Master Agreement") entered into between the Group and the GBT Group, on normal commercial terms and on terms that are fair and reasonable and in the interests of the shareholders as a whole;

(2) to review, on a quarterly basis, the quarterly reports submitted by the CCT Executive Committee in relation to purchase of corn starch from the GBT Group by the Group and the sale of sorbitol and corn sweeteners by the Group to the GBT Group ("Proposed Sale and Purchase") as to whether they have been proceeded with in accordance with the Prescribed Guidelines (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 previous 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;

(4) in respect of the sales agency agency service (the "Sales Agency 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 half-year period ended 30 June or 31 December, with evidence and detailed calculations as to the amount of costs and expenses actually incurred by the GBT Group; and

(5) 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 transactions will be entered into in the interests of the Group and the shareholders as a whole.

As approved by the Board on 13 January 2009, the prevailing Prescribed Guidelines were adopted by the Board and prevailing during the Period. The principal terms of the prevailing Prescribed Guidelines are set out below:

(1) the Group shall not purchase corn starch from the GBT Group, or sell corn sweeteners and/or sorbitol to the GBT Group, or obtain the relevant utility services or sales agency services from the GBT Group, unless the GBT Group shall agree that the purchase/selling prices and fees payable and other commercial terms for these transactions shall be determined in the manner as prescribed under the Prescribed Guidelines.

(2) in respect of the purchase of corn starch from the GBT Group in slurry form:

(i) for the Group's purchase of corn starch in slurry form from the GBT Group for any particular calendar month (the "Relevant Month"), the CCT Executive Committee shall obtain the then quotations and other major commercial terms (including credit terms offered) for supply of corn starch of comparable specifications and quantities in slurry form from at least one (or such number as may be required by the CCT Supervisory Committee from time to time) independent supplier by the end of the month immediately prior to the Relevant Month. The CCT Executive Committee shall, prior to the end of the Relevant Month and in any event on or before the price determination date as referred to in paragraph (iv) below, obtain the then quotations and major commercial terms from independent supplier(s) for supply of corn starch;

(ii) if the quotations for supply of corn starch in slurry form obtained from the independent supplier(s) are exclusive of any of transportation, storage and/or insurance cost, the CCT Executive Committee shall estimate the additional unit cost to be incurred by the Group (whether by itself or through independent service provider(s)) in order for the Group to purchase the corn starch from such independent supplier (s) with supporting evidence ("Estimated Cost");

(iii) the CCT Executive Committee shall obtain from the GBT Group the average unit selling price and other major commercial terms (including credit terms offered) for supply of corn starch of comparable quantities and specifications by the GBT Group to its independent customers during the Relevant Month up to the price determination date as referred to in paragraph (iv) below; and

(iv) the total purchase price and the commercial terms in respect of corn starch supplied by the GBT Group in slurry form to the Group during the Relevant Month shall be calculated within five business days prior to the end of the Relevant Month, which shall be determined by the CCT Executive Committee by using the lower of (aa) the average unit selling price as referred to in paragraph (iii) above, less the unit transportation, storage, insurance, dehydration and/or packaging costs saved by reason of the supply of corn starch in slurry form which would otherwise be payable to the GBT Group by its independent customers; and (bb) the quotations from independent supplier(s) as referred to in paragraph (i) above plus the Estimated Cost (where applicable) for the Relevant Month, as the unit purchase price, and the most favourable terms to the Group among the commercial terms as referred to in paragraphs (i) and (iii) above as the terms of the purchase of corn starch from the GBT Group in slurry form for the Relevant Month.

(3) in respect of sales of corn sweeteners and sorbitol to the GBT Group for the Relevant Month, the unit selling price and other commercial terms in respect of corn sweeteners and sorbitol supplied by the Group to the GBT Group during the Relevant Month shall be determined by the CCT Executive Committee within five business days prior to the end of the Relevant Month in the following manner:

(i) the CCT Executive Committee shall obtain market information regarding the market unit price of corn sweeteners and sorbitol of comparable specification and quantities for the Relevant Month;

(ii) if there is insufficient information on market unit price available, the CCT Executive Committee shall obtain the average unit selling price and other major commercial terms offered by the Group to independent customers for sales of corn sweeteners and sorbitol of comparable specifications and quantities for the Relevant Month up to the price determination date as referred to in paragraph (3) above;

(iii) where the above market unit pricing information or the unit selling price offered to independent customers relate to corn sweeteners and sorbitol of different specifications, the CCT Executive Committee shall make a detailed analysis as to how the unit selling prices should be determined with reference to the above market unit pricing information or the unit selling price offered by the Group to independent customers to ensure that the proposed selling price of corn sweeteners and sorbitol with such particular specifications is fair and reasonable and on normal commercial terms.

(4) the CCT Executive Committee shall submit to the CCT Supervisory Committee a quarterly report within 15 days from the end of each quarter in relation to the purchase of corn starch from, and the sales of corn sweeteners and sorbitol to, the GBT Group during the quarter.

(5) in the event that there is any deviation from the terms of the relevant Master Agreements and/or any non-compliance of the Prescribed Guidelines in respect of any continuing connected transactions entered into by any member of the Group during the period covered by the quarterly or, in respect of the sales agency services from the GBT Group only, half-yearly report (including but not limited to non-compliance of the pricing basis), the CCT Supervisory Committee may request the Group to take such procedures (including price adjustments) as the CCT Supervisory Committee may consider appropriate to rectify such deviation or non-compliance.

(6) the auditors of the Group will be engaged to review the continuing connected transactions (other than the sales agency services from the GBT Group) on a quarterly basis, and the sales agency services from the GBT Group on a semi-annual basis, and shall report to the CCT Supervisory Committee the result of their review. Such report shall be in compliance with the requirements under Rule 14A.38 of the Listing Rules.

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, the Utility Services and the Sales Agency Services entered into by the Group with the GBT Group during the Period. Details of findings have been published on 14 May 2010 and 20 August 2010. As reported by the CCT Supervisory Committee, (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 and the Sales Agency 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.

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 10 years from that date.

The following share options were outstanding under the Scheme of the Company during the Period:

Participants	Number of share options							Price of Company's shares			
	At 1 January 2010	Lapsed during the Period	Exercised during the Period	At 30 June 2010	Date of grant of share options	Exercise period of share options	Vesting period of share options	Exercise price of share options	Immediately before the grant date	Weighted average closing price immediately before the exercise date	At exercise date of options
								HK$ per share	HK$ per share	HK$ per share	HK$ per share
Lee Chi Yung	3,000,000	–	–	3,000,000	7 July 2008	7 July 2008 to 6 July 2011	–	1.59	1.63	N/A	N/A
Employees	330,000	–	–	330,000	7 July 2008	7 July 2008 to 6 July 2011	–	1.59	1.63	N/A	N/A
Employees	368,000	(164,000)	(204,000)	–	17 September 2008	17 September 2009 to 16 September 2011	17 September 2008 to 17 September 2009	0.99	0.87	1.57	2.00
	3,698,000	(164,000)	(204,000)	3,330,000							

At 30 June 2010, the options granted to subscribe for 3,330,000 Shares remained outstanding, representing approximately 0.29% of the issued share capital of the Company at that date. No options to subscribe for Shares have been granted or cancelled during the Period.

As at the date of this report, 3,330,000 Shares were available for issue under the Scheme, representing approximately 0.29% of the issued share capital of the Company at that date.

DISCLOSURE PURSUANT TO RULE 13.51B(1) OF THE LISTING RULES

Since the publication of the latest annual report of the Company, Mr. Chan Yuk Tong was appointed as an independent non-executive director of Great Wall Motor Company Limited and Trauson Holdings Company Limited ("Trauson") on 18 May 2010 and 10 June 2010, respectively, which shares of both companies are listed on the Stock Exchange. The shares of Trauson have been listed on the Stock Exchange since 29 June 2010. In addition, Mr. Chan is an independent non-executive director of Jia Sheng Holdings Limited, which was renamed as Thunder Sky Battery Limited on 27 May 2010.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
REVENUE			
Sales of goods	4	**1,525,736**	1,052,788
Cost of sales		**(1,341,793)**	(959,565)
Gross profit		**183,943**	93,223
Other income	4	**14,223**	4,905
Selling and distribution costs		**(62,756)**	(44,843)
Administrative expenses		**(31,989)**	(27,716)
Other expenses		**1,295**	—
Finance costs	5	**(25,161)**	(16,969)
Share of profits of jointly controlled entities		**545**	2,839
PROFIT BEFORE TAX	6	**80,100**	11,439
Income tax expense	7	**(16,201)**	(7,442)
PROFIT FOR THE PERIOD		**63,899**	3,997
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of financial statements of operations outside Hong Kong		**(257)**	1,152
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**63,642**	5,149
PROFIT ATTRIBUTABLE TO:			
Owners of the Company		**63,238**	3,970
Minority interests		**661**	27
		63,899	3,997
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the Company		**62,981**	5,122
Minority interests		**661**	27
		63,642	5,149
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
— Basic	8	**HK5.68 cents**	HK0.38 cents
— Diluted	8	**HK5.67 cents**	HK0.38 cents

Details of the dividends proposed for the period ended 30 June 2010 are disclosed in note 9 to the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2010

	Notes	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**1,167,675**	1,199,849
Prepaid land premiums		**106,063**	109,072
Deposits paid for acquisition of property, plant and equipment		**6,444**	6,472
Goodwill		**183,538**	183,538
Deferred tax assets		**1,477**	26
Breeding biological assets	11	**9,054**	7,949
Interests in jointly controlled entities	12	**95,010**	94,465
Total non-current assets		**1,569,261**	1,601,371
CURRENT ASSETS			
Inventories		**621,692**	367,160
Trade and bills receivables	13	**364,787**	428,972
Prepayments, deposits and other receivables		**69,560**	79,268
Trading biological assets	11	**8,135**	1,219
Due from jointly controlled entities	18(c)	**17,954**	484
Due from the immediate holding company	18(c)	**21,086**	22,230
Due from fellow subsidiaries	18(c)	**159,120**	53,380
Tax recoverable		**—**	3,242
Cash and cash equivalents		**368,967**	296,556
Total current assets		**1,631,301**	1,252,511
CURRENT LIABILITIES			
Trade payables	14	**108,928**	48,831
Other payables and accruals		**111,927**	132,670
Interest-bearing bank and other borrowings		**454,494**	629,775
Due to the ultimate holding company	18(c)	**3,546**	3,189
Due to fellow subsidiaries	18(c)	**198,682**	174,884
Due to jointly controlled entities		**—**	101
Tax payable		**978**	3,995
Total current liabilities		**878,555**	993,445
NET CURRENT ASSETS		**752,746**	259,066
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,322,007**	1,860,437
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**396,067**	171,348
Deferred tax liabilities		**53,294**	53,294
Total non-current liabilities		**449,361**	224,642
Net assets		**1,872,646**	1,635,795
EQUITY			
Equity attributable to owners of the Company			
Share capital	15	**114,948**	104,927
Reserves		**1,751,321**	1,514,659
Proposed final dividends		**—**	10,493
		1,866,269	1,630,079
Minority interests		**6,377**	5,716
Total equity		**1,872,646**	1,635,795

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2010

	Attributable to owners of the Company										
	Issued share capital	Share Premium account	Asset revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Retained profits	Proposed final dividend	Total	Minority interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 31 December 2009 and 1 January 2010	104,927	579,388	24,534	88,305	150,226	1,667	670,539	10,493	1,630,079	5,716	1,635,795
Total comprehensive income for the period	–	–	–	–	(257)	–	63,238	–	62,981	661	63,642
Equity-settled share option arrangement	21	235	–	–	–	(95)	43	–	204	–	204
Issuance of Taiwan Depositary Receipts ("TDRs")	10,000	178,198	–	–	–	–	–	–	188,198	–	188,198
Share issue expenses	–	(4,700)	–	–	–	–	–	–	(4,700)	–	(4,700)
Final 2009 dividend declared	–	–	–	–	–	–	–	(10,493)	(10,493)	–	(10,493)
At 30 June 2010 (Unaudited)	114,948	753,121*	24,534*	88,305*	149,969*	1,572*	733,820*	–	1,866,269	6,377	1,872,646

* These reserve accounts comprise the consolidated reserves of the Group of HK$1,751,321,000 (unaudited) (31 December 2009: HK$1,514,659,000) on the condensed consolidated statement of financial position.

For the six months ended 30 June 2009

	Attributable to owners of the Company									
	Issued share capital	Share Premium account	Asset revaluation reserve	Statutory reserve fund	Exchange fluctuation reserve	Share option reserve	Retained profits	Total	Minority interests	Total equity
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
At 1 January 2009	104,500	574,473	12,253	77,389	149,147	1,992	605,770	1,525,524	–	1,525,524
Total comprehensive income for the period	–	–	–	–	1,152	–	3,970	5,122	27	5,149
Equity-settled share option arrangement	–	–	–	–	–	601	–	601	–	601
Capital contributions from minority shareholders	–	–	–	–	–	–	–	–	5,195	5,195
At 30 June 2009 (Unaudited)	104,500	574,473	12,253	77,389	150,299	2,593	609,740	1,531,247	5,222	1,536,469

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2010

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Net cash flows (used in)/from operating activities	**(85,783)**	223,672
Net cash flows used in investing activities	**(115,712)**	(101,830)
Net cash flows from/(used in) financing activities	**274,163**	(268,206)
INCREASE/(DECREASE)IN CASH AND CASH EQUIVALENTS	**72,668**	(146,364)
Cash and cash equivalents at beginning of period	**296,556**	423,113
Effect of foreign exchange rate changes, net	**(257)**	1,152
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**368,967**	277,901
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**302,513**	277,901
Non-pledged time deposits with original maturity of less than three months when acquired	**66,454**	—

1. CORPORATE INFORMATION

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 2010 are authorised for issue in accordance with a resolution of the directors (the "Directors") passed on 30 August 2010.

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 registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-111, Cayman Islands. The principal place of business of the Company in Hong Kong is located at Unit 2403, Admiralty Centre, Tower 2, 18 Harcourt Road, Hong Kong. The Group is involved in the manufacture and sale of corn refined products, corn-based sweetener products, and cattle breeding and beef selling. There were no changes in the nature of the Group's principal activities during the period.

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 (the "Stock Exchange").

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 and the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

Significant accounting policies

Except as described below, the accounting policies adopted in the preparation of the interim condensed consolidated financial statements are the same as those used in annual financial statements for the year ended 31 December 2009. The Group has adopted the following new and revised HKFRSs for the first time for the current period's financial statements.

HKFRS 1 (Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment — Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 39 Amendment	*Amendment to HKAS 39 Financial Instruments: Recognition and Measurement — Eligible Hedged Items*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations — Plan to sell the controlling interest in a subsidiary*
HK Interpretation 4 (Revised in December 2009)	*Leases — Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
Improvements to HKFRSs 2009	Amendments to HKAS 1, HKAS 7, HKAS 17, HKAS 36, HKAS 38, HKAS 39, HKFRS 2, HKFRS 5, HKFRS8, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 16

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

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

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

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards — Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters*[2]
HKFRS 9	*Financial Instruments*[4]
HKAS 24 (Revised)	*Related Party Disclosures*[3]
HKAS 32 Amendment	Amendment to HKAS 32 *Financial Instruments: Presentation — Classification of Rights Issues*[1]
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Funding Requirement*[3]
HK(IFRIC)-Int 19	*Extinguishing Financial Liabilities with Equity Instruments*[1]

Apart from the above, the HKICPA has issued Improvements to HKFRSs 2010 which set out amendments and transition requirements for amendments to a number of HKFRSs. For Improvements to HKFRSs 2010, the amendments to HKFRS 3 and transition requirements for amendments arising as a result of HKAS 27 are effective for annual periods beginning on or after 1 July 2010 while the amendments to HKFRS 1, HKFRS 7, HKAS 1, HKAS 34 and HK(IFRIC) — Int 13 are effective for annual periods beginning on or after 1 January 2011 although there are separate transitional provisions for each standard or interpretation.

1 Effective for annual periods beginning on or after 1 February 2010
2 Effective for annual periods beginning on or after 1 July 2010
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 January 2013

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

For management purposes, the Group is organised into business units based on their products and has three reportable operating segments as follows:

(i) the corn refined products segment comprises the manufacture and sale of corn starch, gluten meal, corn oil and other corn refined products;

(ii) the corn based sweetener products segment comprises the manufacture and sale of glucose syrup, maltose syrup, high fructose corn syrup, crystallised glucose, maltodextrin and sorbitol; and

(iii) the biological products segment comprises the breed of cattle and sales of beef.

Management monitors the results of its operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of adjusted profit before tax. The adjusted profit before tax is measured consistently with the Group's profit before tax except that bank interest income and finance costs as well as corporate gains and expenses are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. SEGMENT INFORMATION *(continued)*

The Group's revenue is derived from customers based in the mainland of the People's Republic of China ("Mainland China") and in regions other than Mainland China. The geographical information is another basis on which the Group reports its segment information.

(a) Business units information

	Corn refined products		Corn based sweetener products		Biological products		Total	
	Six months ended 30 June							
	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Segment revenue:								
Sales to external customers	490,955	415,562	933,232	637,226	101,549	–	1,525,736	1,052,788
Intersegment sales	161,458	86,931	–	–	–	–	161,458	86,931
Reconciliation:								
Elimination of intersegment sales	(161,458)	(86,931)	–	–	–	–	(161,458)	(86,931)
Revenue	490,955	415,562	933,232	637,226	101,549	–	1,525,736	1,052,788
Segment results	49,645	6,024	43,383	26,529	1,665	–	94,693	32,553
Reconciliation:								
Bank interest income							339	503
Unallocated gains							14,430	7,241
Corporate and other unallocated expenses							(4,201)	(11,889)
Finance costs							(25,161)	(16,969)
Profit before tax							80,100	11,439

(b) Geographical information

	Mainland China		Regions other than Mainland China		Consolidated	
	Six months ended 30 June					
	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Segment revenue:						
Sales to external customers	1,457,078	991,657	68,658	61,131	1,525,736	1,052,788

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	
	2010	2009
	(Unaudited) HK$'000	(Unaudited) HK$'000
Bank interest income	**339**	503
Sales of scrap and raw materials	**6,535**	3,908
Exchange gains/(loss)	**347**	(539)
Government grants*	**6,241**	674
Others	**761**	359
	14,223	4,905

* Government grants during the current period represented the sundry tax refunds awarded to certain subsidiaries located in Mainland China according to the notice of local bureau on an annual basis and the rewards for environmental protection to certain subsidiaries located in Mainland China.

5. FINANCE COSTS

	Six months ended 30 June	
	2010	2009
	(Unaudited) HK$'000	(Unaudited) HK$'000
Interest on bank loans:		
Wholly repayable within five years	**21,280**	15,417
Finance costs for discounted bills receivable	**3,881**	1,552
	25,161	16,969

6. PROFIT BEFORE TAX

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

		Six months ended 30 June	
		2009	2009
	Note	**(Unaudited) HK$'000**	(Unaudited) HK$'000
Raw materials and consumables used		**1,015,321**	766,005
Depreciation		**45,146**	43,109
Amortisation of prepaid land premiums		**3,009**	4,954
Write back of trade receivables	13	**(1,535)**	(5)
Employee benefits expense		**20,884**	15,681

7. INCOME TAX EXPENSE

	Six months ended 30 June	
	2010	2009
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Provisions for the period:		
Hong Kong profits tax	**–**	–
PRC corporate income tax	**16,201**	7,442
Tax charge for the period	**16,201**	7,442

No provision for Hong Kong profits tax has been made as the Group did not generate any assessable profits arising in Hong Kong during the period.

The statutory tax rate for all subsidiaries in Mainland China is 25% for the six months ended 30 June 2010 (2009: 25%).

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

All of the Group's subsidiaries 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.

During the current period, tax on the assessable profit of one (2009: one) PRC subsidiary had been calculated at 50% of the applicable prevailing tax rate in the PRC.

No provision for income tax has been made for one of the Group's PRC subsidiaries (2009: one) as it remained exempt from income tax for its first two profitable years of its operations.

No provision for income tax has been made for the remaining PRC subsidiaries of the Group as they did not generate any assessable profits for the current and prior periods.

Tax recoverable represents excess of tax payments over estimated tax liabilities by certain group companies.

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

The basic earnings per share for the period ended 30 June 2010 is calculated based on the consolidated profit for the period attributable to ordinary equity holders of the Company of approximately HK$63,238,000 (2009:HK$3,970,000) and the weighted average number of ordinary shares in issue during the period of 1,112,797,000 (2009: 1,045,000,000).

The calculation of the diluted earnings per share amount is based on the profit attributable to ordinary equity holders of the Company for the six month ended 30 June 2010 of approximately HK$63,238,000 (2009:HK$3,970,000) and the weighted average number of ordinary shares of 1,115,202,000 (2009: 1,045,000,000), being the weighted average number of ordinary shares of 1,112,797,000 (2009: 1,045,000,000) in issue during the period, as used in the basic earnings per share calculation, plus the weighted average of 2,405,000 (2009: Nil) ordinary shares assumed to be issued at no consideration on the deemed exercise of the share options during the period.

9. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2010 (Six months ended 30 June 2009: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	2010	2009
	(Unaudited) **HK$'000**	(Audited) HK$'000
At 1 January 2010/1 January 2009	**1,199,849**	1,243,713
Additions	**13,108**	24,157
Surplus on revaluation	**—**	17,461
Disposals	**(136)**	(543)
Depreciation	**(45,146)**	(84,939)
At 30 June 2010/31 December 2009	**1,167,675**	1,199,849

11. BIOLOGICAL ASSETS

At the end of the reporting period, the Group's total amounts and quantities of the biological assets are as follows:

	30 June 2010	31 December 2009
	(Unaudited) **HK$'000**	(Audited) HK$'000
Breeding biological assets	**9,054**	7,949
Trading biological assets	**8,135**	1,219
	17,189	9,168

11. BIOLOGICAL ASSETS *(continued)*

The Group's biological assets comprise breeding cattle and trading cattle.

The Group's biological assets were revalued at the end of each year on a fair value basis. As at 31 December 2009, the Group's biological assets were independently valued by Jilin Shengxiangmingda Property Valuation Company (吉林聖祥茗達資產評估有限公司). The fair value less estimated point-of-sale costs of the biological assets was determined using the market approach, which was determined based on the most recent market transaction prices.

12. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Share of net assets	**55,010**	54,465
Loan to a jointly controlled entity	**40,000**	40,000
	95,010	94,465

The long term loan of HK$40 million to a jointly controlled entity represents a quasi-equity loan which is stated at cost less impairment. The long term loan of HK$40 million 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.

The Group's trade receivable balances due from the jointly controlled entities are disclosed in note 18(c) to the financial statements.

Particulars of the jointly controlled entities are as follows:

Name	Nominal value of paid-up share/ registered capital	Place of incorporation/ Registration and operations	Percentage of Ownership interest	Percentage of Voting power and profit sharing	Principal activities
Global Bio-chem-Cargill (Holdings) Limited	HK$1,000	Hong Kong	50	50	Investment holding
GBT-Cargill High Fructose (Shanghai) Co., Ltd.*	US$3,000,000	Mainland China	50	50	Manufacture and sale of high fructose corn syrup

* Wholly-foreign-owned enterprise

All of the above investments in jointly controlled entities are indirectly held by the Company.

12. INTERESTS IN JOINTLY CONTROLLED ENTITIES *(continued)*

The following table illustrates the summarised financial information of the Group's jointly controlled entities:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Share of the jointly controlled entities' assets and liabilities:		
Current assets	63,880	60,860
Non-current assets	17,611	18,254
Current liabilities	(5,675)	(3,859)
Non-current liabilities	(20,806)	(20,790)
Net assets	55,010	54,465

	Six months ended 30 June	
	2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Share of the jointly controlled entities' results:		
Revenue	36,262	34,991
Other income	534	289
	36,796	35,280
Total expenses	(36,182)	(31,936)
Tax	(69)	(505)
Profit after tax	545	2,839

13. TRADE AND BILLS RECEIVABLES

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Trade receivables	318,564	269,667
Bills receivables	47,272	161,985
Impairment	(1,049)	(2,680)
Total	364,787	428,972

The Group normally allows credit terms of 90 days to established customers and credit terms of 180 days was allowed to two major customers with long term business relationship and good credit history. 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 exists where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 26% of the total trade and bill receivables as at 30 June 2010 (2009:7%).

13. TRADE AND BILLS RECEIVABLES *(continued)*

An aged analysis of the trade and bills receivables as at the reporting period, based on the invoice date, is as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Within 1 month	171,614	174,663
1 – 2 months	78,002	114,686
2 – 3 months	58,293	95,369
Over 3 months	56,878	44,254
Total	364,787	428,972

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

	2010 (Unaudited) HK$'000	2009 (Audited) HK$'000
At 1 January 2010/1 January 2009	2,680	—
Impairment losses recognised	—	2,680
Impairment losses reversed	(1,535)	—
Amount written off as uncollectible	(96)	—
At 30 June 2010/31 December 2009	1,049	2,680

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

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Neither past due nor impaired	335,634	413,548
Less than 1 month past due	578	9,248
1 to 3 months past due	13,568	4,011
Over 3 months past due	15,007	2,165
Total	364,787	428,972

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 any 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.

14. 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 end of the reporting period, based on the invoice date, is as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Within 1 month	**75,410**	33,115
1 – 2 months	**18,212**	5,666
2 – 3 months	**6,186**	2,516
Over 3 months	**9,120**	7,534
Total	**108,928**	48,831

15. 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 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Authorised:		
100,000,000,000 (31 December 2009: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000
Issued and fully paid:		
1,149,478,000 (31 December 2009: 1,049,274,000) ordinary shares of HK$0.10 each	**114,948**	104,927

As at 30 June 2010, the issued and fully paid share capital is 1,149,478,000 with ordinary shares of HK$0.10 each. The movements in share capital were as follows:

(1) On 6 January 2010, the subscription rights attaching to 204,000 option shares were exercised at the subscription price of HK$0.99 per share, resulting in the issue of 204,000 shares of HK$0.10 each, for a total cash consideration, before expenses, of approximately HK$202,000.

15. SHARE CAPITAL *(continued)*

(2) On 12 March 2010, the Company has launched a public offering of 100 million units of Taiwan Depositary Receipt ("TDR") in Taiwan representing the combination of 100 million new shares of the Company issued by the Company and 100 million of the Company's shares transferred by the immediate holding company, Global Corn Bio-Chem. On 18 March 2010, the Company has entered into the underwriting agreement with the underwriters at the offer price of NT$15.5 (equivalent to approximately HK$3.79) per TDR. The 100,000,000 new shares of HK$0.10 each were issued by the Company on 23 March 2010, which resulted in net cash proceeds of approximately HK$184 million, net of related expenses from the TDR offering. On 25 March 2010, TDRs of the Company were listed on the Taiwan Stock Exchange.

16. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities at the end of the reporting period.

The Company provided guarantees for banking facilities granted to certain subsidiaries. These subsidiaries utilised the banking facilities to the extent of about HK$1,348,315,000 as at 30 June 2010 (31 December 2009: HK$1,452,000,000).

17. COMMITMENTS

The Group had capital commitments as follows:

	30 June 2010 (Unaudited) HK$'000	31 December 2009 (Audited) HK$'000
Contracted, but not provided for:		
Land premiums and leasehold buildings	**24,095**	29,473
Plant and machinery	**18,883**	8,273
Capital contributions	**8,479**	8,479

18. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

During the period, the following related party transactions were noted:

	Notes	Six months ended 30 June 2010 HK$'000 (Unaudited)	2009 HK$'000 (Unaudited)
Purchases from fellow subsidiaries			
— corn starch	(i)	**424,649**	286,443
Sales to fellow subsidiaries			
— corn sweeteners	(ii)	**370,713**	249,641
— sorbitol	(ii)	**—**	18,469
Sales to a jointly controlled entity			
— corn starch	(ii)	**23,545**	7,076
Utility costs charged to a jointly controlled entity	(iii)	**5,874**	5,184
Utility costs charged by a fellow subsidiary	(iii)	**45,655**	45,527

(i) The Group sourced corn starch from fellow subsidiaries. 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 used the utility facilities provided by the Group. The utility costs were charged based on the actual costs incurred.

(b) Compensation of key management personnel of the Group

	Six months ended 30 June 2010 (Unaudited) HK$'000	2009 (Unaudited) HK$'000
Short term employee benefits	**3,474**	2,554
Post-employment benefits	**6**	6
Total compensation paid to key management personnel	**3,480**	2,560

(c) Balances with the related parties

Balances with group companies and jointly controlled entities are unsecured, interest-free and have no fixed terms of repayment. The balances approximate to their fair value.

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 20 to 35 which comprises the condensed consolidated statement of financial position as at 30 June 2010 and the related condensed consolidated statements of comprehensive 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 enquiries, 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

30 August 2010