

2019 INTERIM RESULTS

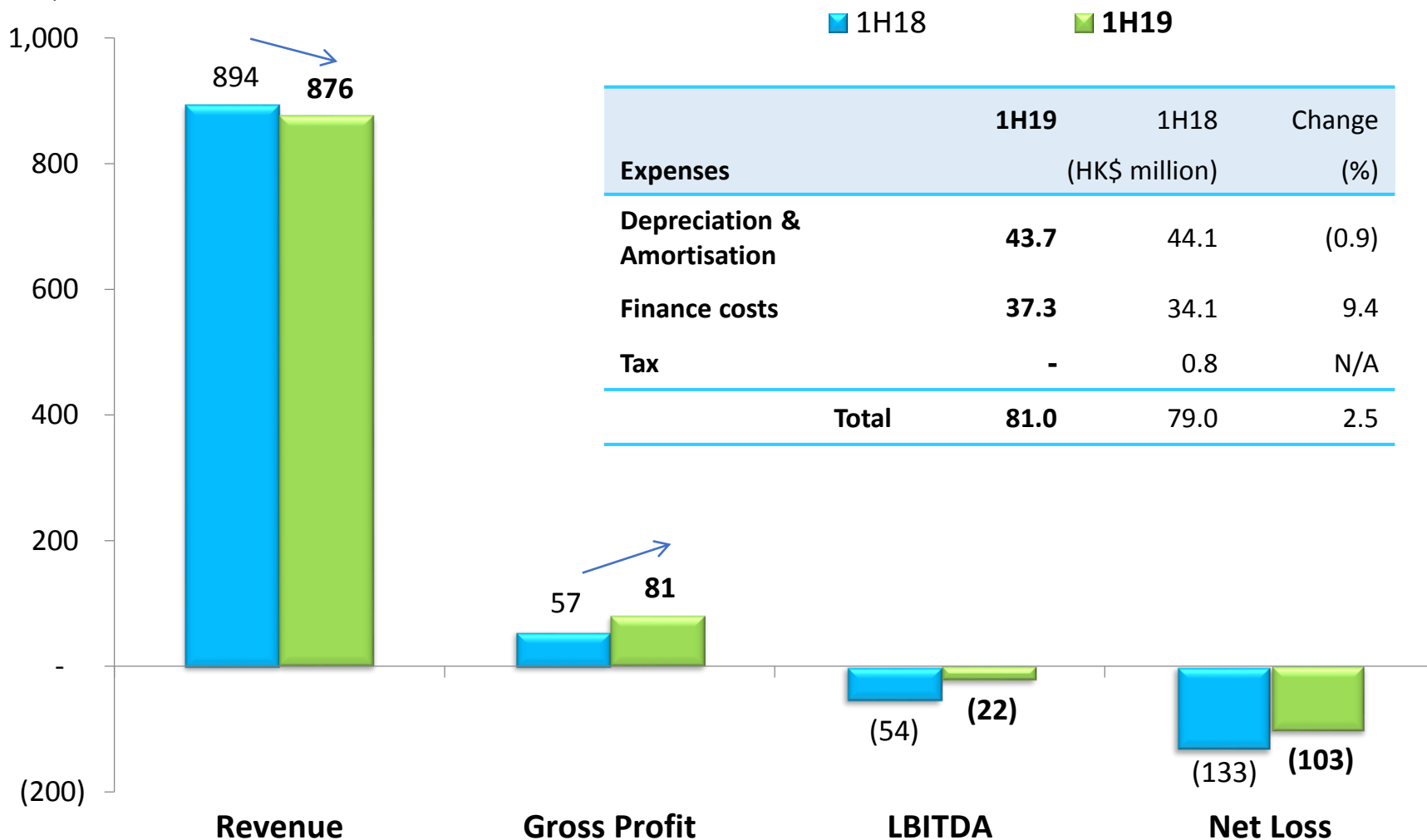
Financial Overview



RESULTS HIGHLIGHTS

Gross profit for 1H19 ↑ by 42% due to improved operation efficiency on the upstream operation.
Net loss narrowed to HK\$102.6 million.

HK\$ million



OPERATING RESULTS



HK\$ million	1H19	1H18	% Change
Revenue	876.0	894.5	(2.1)
• Upstream Products	410.4	331.8	23.7
• Corn Sweeteners	465.6	562.2	(17.2)
• Trading of Amino Acids	-	0.5	N/A
Gross Profit / (Loss)	80.7	56.8	42.1
• Upstream Products	29.2	(17.8)	N/A
• Corn Sweeteners	51.5	74.6	(31.0)
• Trading of Amino Acids	-	-	-
Gross Profit / (Loss) Margin (%)	9.2	6.3	2.9 % pt
• Upstream Products	7.1	(5.4)	12.5 % pt
• Corn Sweeteners	11.1	13.3	(2.2) % pt
• Trading of Amino Acids	-	-	-
LBITDA	(21.6)	(53.8)	N/A
Loss Before Tax	(102.6)	(132.0)	N/A
Net Loss	(102.6)	(132.8)	N/A
Net Loss Margin (%)	(11.7)	(14.8)	N/A
Basic Loss Per Share (HK cents)	(6.7)	(8.7)	N/A
Dividend Per Share – Interim (HK cents)	-	-	-

FINANCIAL POSITION



HK\$ million	30 Jun 19	31 Dec 18	% Change
Non-current Assets	914.8	936.5	(2.3)
Current Assets	647.2	635.8	1.8
Current Liabilities	1,549.7	1,659.8	(6.6)
Cash and Cash Equivalents	83.8	99.6	(15.9)
Total Deficit	(414.0)	(313.2)	N/A
Interest Bearing Borrowings	1,007.4	1,009.3	(0.2)

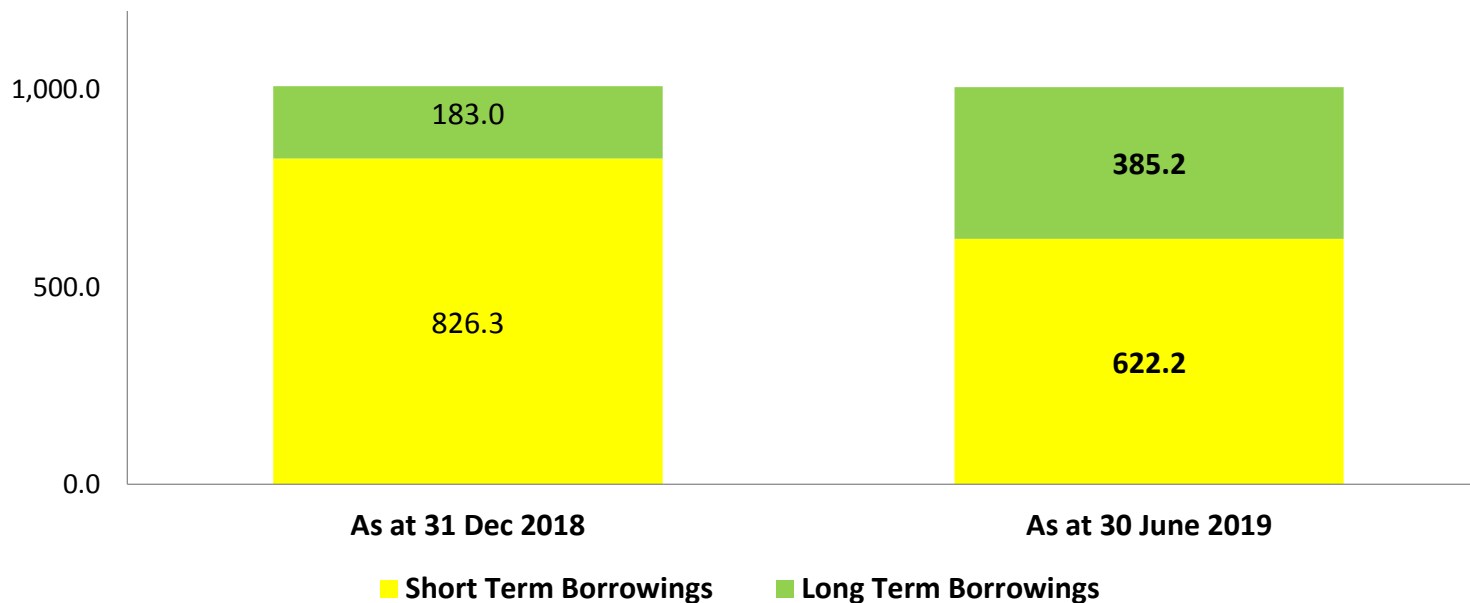
BANK BORROWINGS ANALYSIS



HK\$ million	30 Jun 19	31 Dec 18	% Change
Short Term Borrowings	622.2	826.3	(24.7)
Long Term Borrowings	385.2	183.0	110.5
Total	1,007.4	1,009.3	(0.2)

Average interest rate for 1H19 was 5.5% (FY18: 7.0 %).

HK\$ million



KEY FINANCIAL RATIOS



	30 Jun 19	31 Dec 18
Current Ratio	0.4	0.4
Quick Ratio	0.2	0.2
Gearing Ratio*	169.8 %	145.0 %
Inventories Turnover Days	71 Days	53 Days
Trade Receivables Turnover Days	28 Days	38 Days
Trade Payables Turnover Days	108 Days	93 days

* Gearing ratio is calculated by debt (i.e. total interest-bearing bank borrowings) to total deficit and debts (i.e. aggregate total of shareholders deficit, non-controlling interests and total interest-bearing bank borrowings).

2019 INTERIM RESULTS

Operation Overview

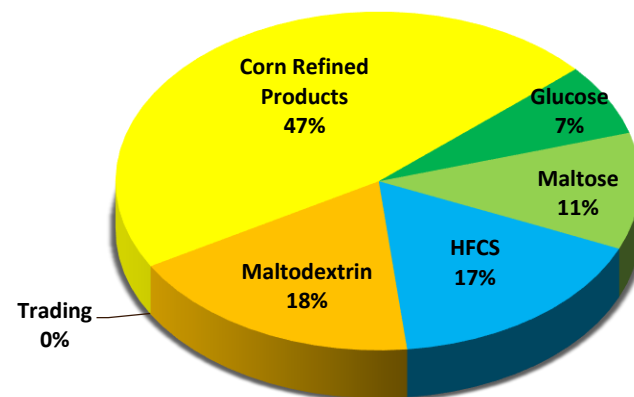


REVENUE BREAKDOWN

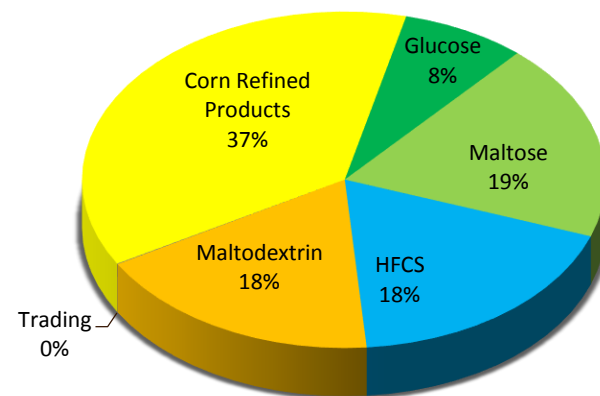


Revenue (HK\$ million)	1H19	1H18	% Change
Upstream			
Corn Refined Products	410.4	331.8	23.7
Downstream			
Glucose Syrup	60.2	68.6	(12.3)
Maltose Syrup	97.5	170.4	(42.8)
HFCS	146.9	162.7	(9.7)
Maltodextrin	161.0	160.5	0.3
Sweeteners Sub-total	465.6	562.2	(17.2)
Trading			
Amino Acids	-	0.5	N/A
Total	876.0	894.5	(2.1)

1H19 Revenue Breakdown



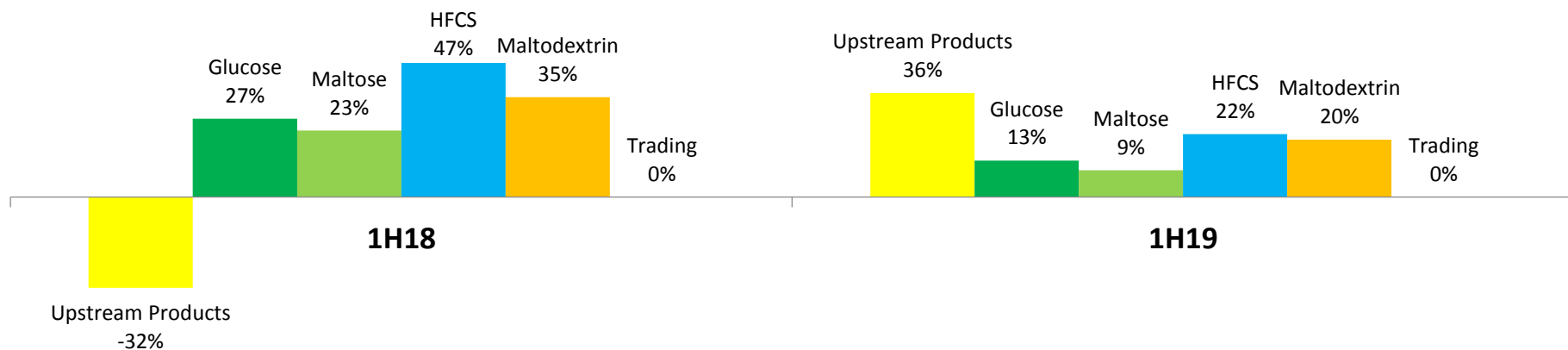
1H18 Revenue Breakdown



GROSS PROFIT BREAKDOWN



Gross Profit/ (Loss) (HK\$ million)	1H19	1H18	% Change
Upstream			
Corn Refined Products	29.2	(17.8)	N/A
Downstream			
Glucose Syrup	10.3	15.5	(33.5)
Maltose Syrup	7.5	13.1	(42.7)
HFCS	17.7	26.4	(33.0)
Maltodextrin	16.0	19.6	(18.4)
Sweeteners Sub-total	51.5	74.6	(31.0)
Trading			
Amino Acids	0	0	-
Total	80.7	56.8	42.1



SALES ANALYSIS



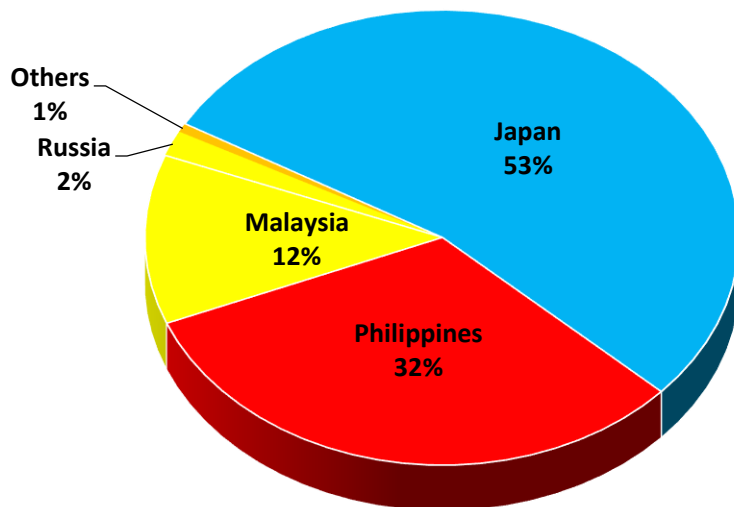
	Sales Volume ('000 MT)			Gross Profit/ (Loss) Margin (%)		
	1H19	1H18	% Change	1H19	1H18	% pt Change
<u>Upstream</u>						
Corn Refined Products	168	134	25.4	7.1	(5.4)	12.5
<u>Downstream</u>						
Corn Syrup	97	132	(26.5)	11.7	13.7	(2.0)
Corn Syrup Solid	53	55	(3.6)	9.9	12.2	(2.3)
Sweeteners Sub-total	150	187	(19.8)	11.1	13.3	(2.2)
<u>Trading</u>						
Amino Acids	-	1	N/A	-	-	-
Total	318	322	(1.0)	9.2	6.3	2.9

EXPORTS BREAKDOWN

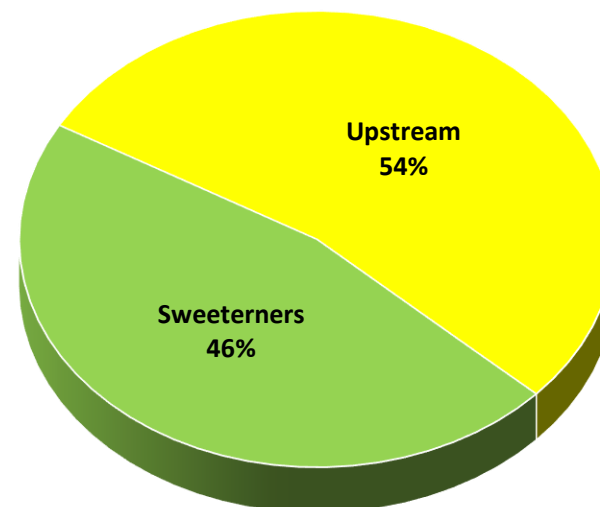


	1H19	1H18	% Change
Export Sales Revenue (HK\$ Million)	65.6	68.4	(4.1)
Exports Sales Volume ('000 MT)	26.0	27.0	(3.7)
Export Contribution (%)	7.5	7.7	(0.2) % pt

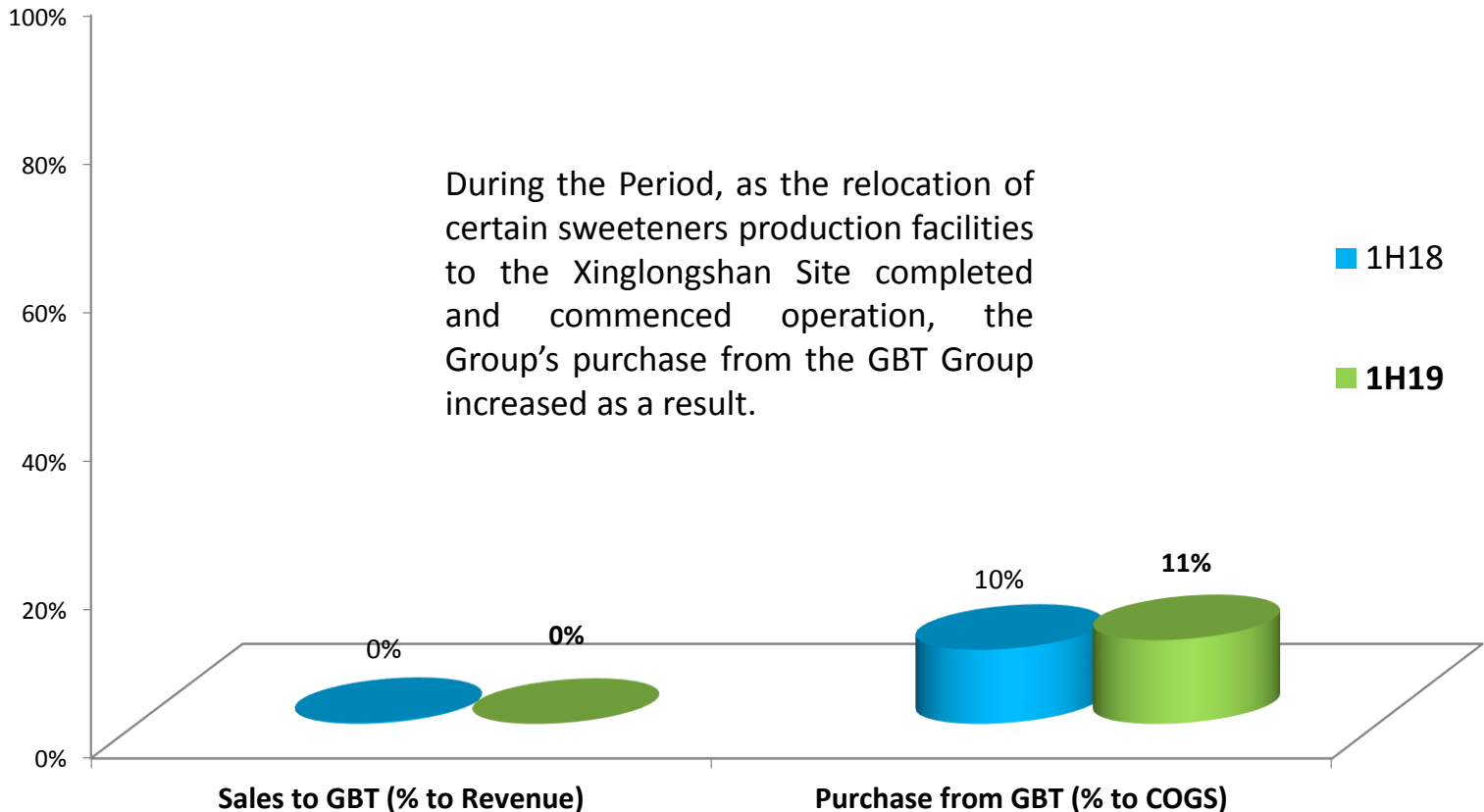
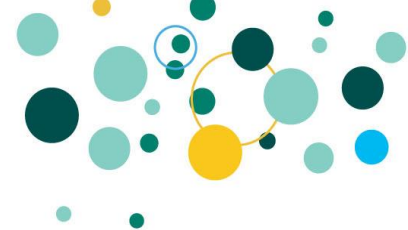
Export Sales by Region 1H19




Export Sales by Product 1H19



CCT – SALES TO & PURCHASE FROM GBT



OPERATING COST STRUCTURE



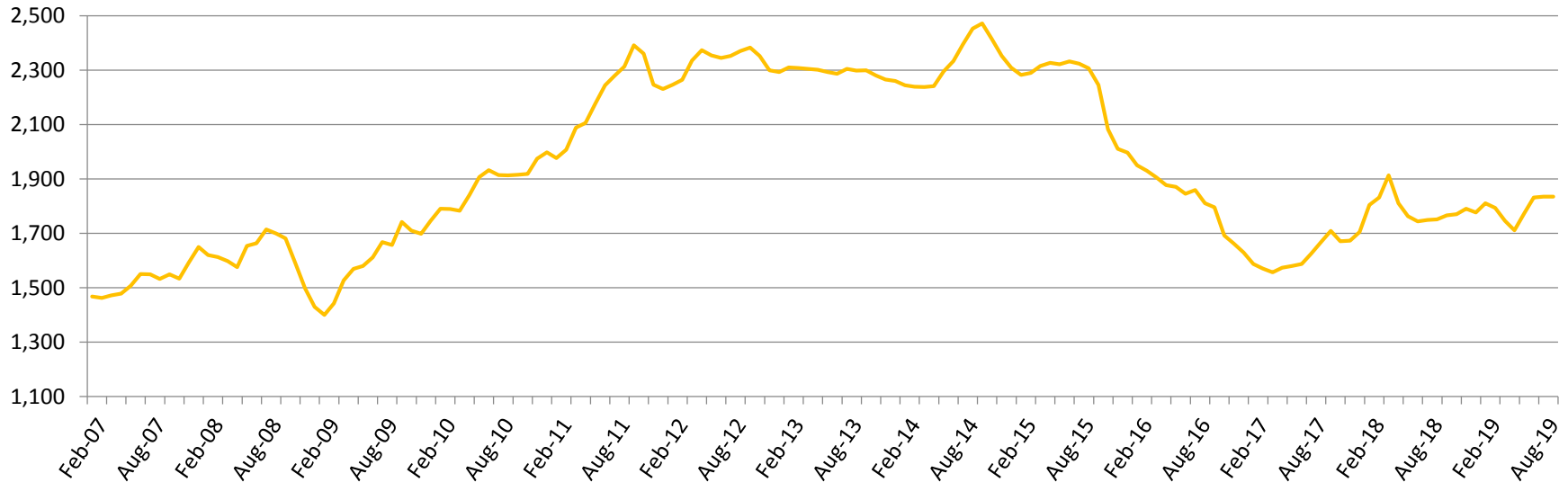
	1H19	1H18
Raw Material (Corn / Corn Starch)	58.2 %	57.4%
Utilities (Water, Electricity, Steam & Wastewater Treatment)	9.4 %	10.5%
Labour	6.7 %	5.3%
Depreciation	3.9 %	4.4%
Production Overhead (Consumable and Packaging)	12.7 %	11.2%
Selling, Administrative and Other Expenses	9.1 %	11.2%

UPSTREAM RAW MATERIAL – CORN



Corn Price Movement in China (Jan 07 – Aug 19)

RMB/MT



Source: Yumi.com - Based on average price from Northern China (Jilin, Liaoning and Shandong)

- PRC corn harvest for 2018/19: approx. 253 million MT (2017/18: 210 million MT) (Source: Ministry of Agriculture of China)
- Changes in the provincial corn subsidies programme + demand driven by corn-based ethanol → the Group's corn purchasing cost for 2019 ↑
- Improvement in operational efficiency + new basis for the assessment of VAT → upstream profit margin improved
- In light of the uncertainties around the global economic atmosphere, the Group will continue to optimise facilities utilization and secure raw material supply through the connection of Nongtou

DOWNSTREAM SUBSTITUTE – SUGAR



Source: www.msweet.com.cn

- 2018/19 PRC sugar production maintained at 10.6 million MT (2017/18: 10.5 million MT) (source: USDA)
- PRC sugar price as at end of August: approx. RMB5,850/ MT → huge difference still exists between international and PRC sugar prices → PRC government imposed tariff to uphold sugar price at home
- Certain end users in Huadong area opted for vertical integration and have their own feedstock for sweeteners → sweeteners market shrunk and intensified competition
- Strategy on corn sweeteners business: continues to focus on high value-add products and markets; and streamlining/ improving production flow for further cost saving

CORPORATE STRATEGIES



(1) The debt-equity swap proposal

During the Period, discussion has been on-going with the Further Revised Debt-Equity Swap Proposal which includes a series of action-plans:

- to convert part of the debt of the Group, the GBT Group and Dajincang into equity to lower the debt ratio and to release the Group from the obligations pursuant to the financial guarantee contracts;
- to introduce strategic investors into the Group and the GBT Group to finance their future development;
- to restructure the business of the Group and the GBT Group to cope with market changes.

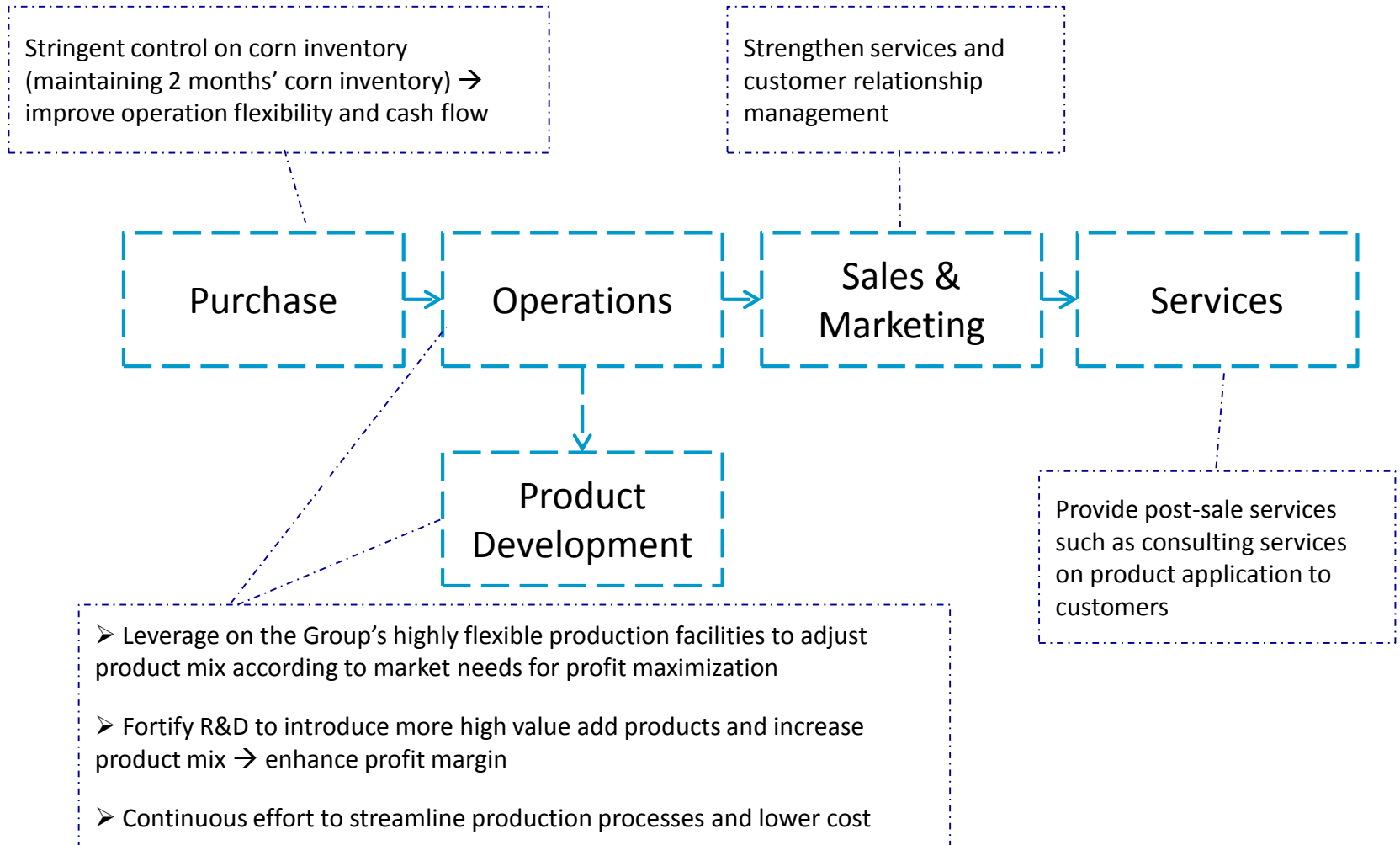
Meanwhile, the principal lending banks agreed (1) not to withdraw any banking facilities already provided; (2) to take all possible measures to ensure the renewal of all existing bank borrowings; and (3) to allow interest payment to be settled annually instead of monthly to ease the pressure of cash flow of the Group.

If the Further Revised Debt-Equity Swap Proposal is materialised, the Group's financial position will improve substantially.

CORPORATE STRATEGIES (CON'T)



(2) GSH's value chain



CORPORATE STRATEGIES (CON'T)



(3) Relocation opportunities:

- facilities upgrade
- further cost reduction through streamlining and improving production flow
- product mix and production capacity re-structure targeting high-end users

The relocation of the 60,000 mtpa glucose/maltose production facilities and the 30,000 mtpa maltodextrin production facilities were completed in April 2017 and January 2018 respectively.

In respect of the other relocation projects, in view of changes in the operating environment, the Group is in the process of reviewing the relocation projects and revising the feasibility studies for submission to, among others, the relevant government parties for approval. As such, the updated time frame is revised as follows:

Projects/ Products	Designed Capacity	*Commence Time	Completion Time
Crystallised Glucose	100,000 mtpa	Sep 2019	Sep 2020
Corn Refinery	600,000 mtpa	Pending	Pending

* *The tentative commencement dates of construction are dependent on availability of the relevant approval documents, finalisation of facilities designs and capital. Thus, the relocation schedule will be adjusted accordingly as and when appropriate.*

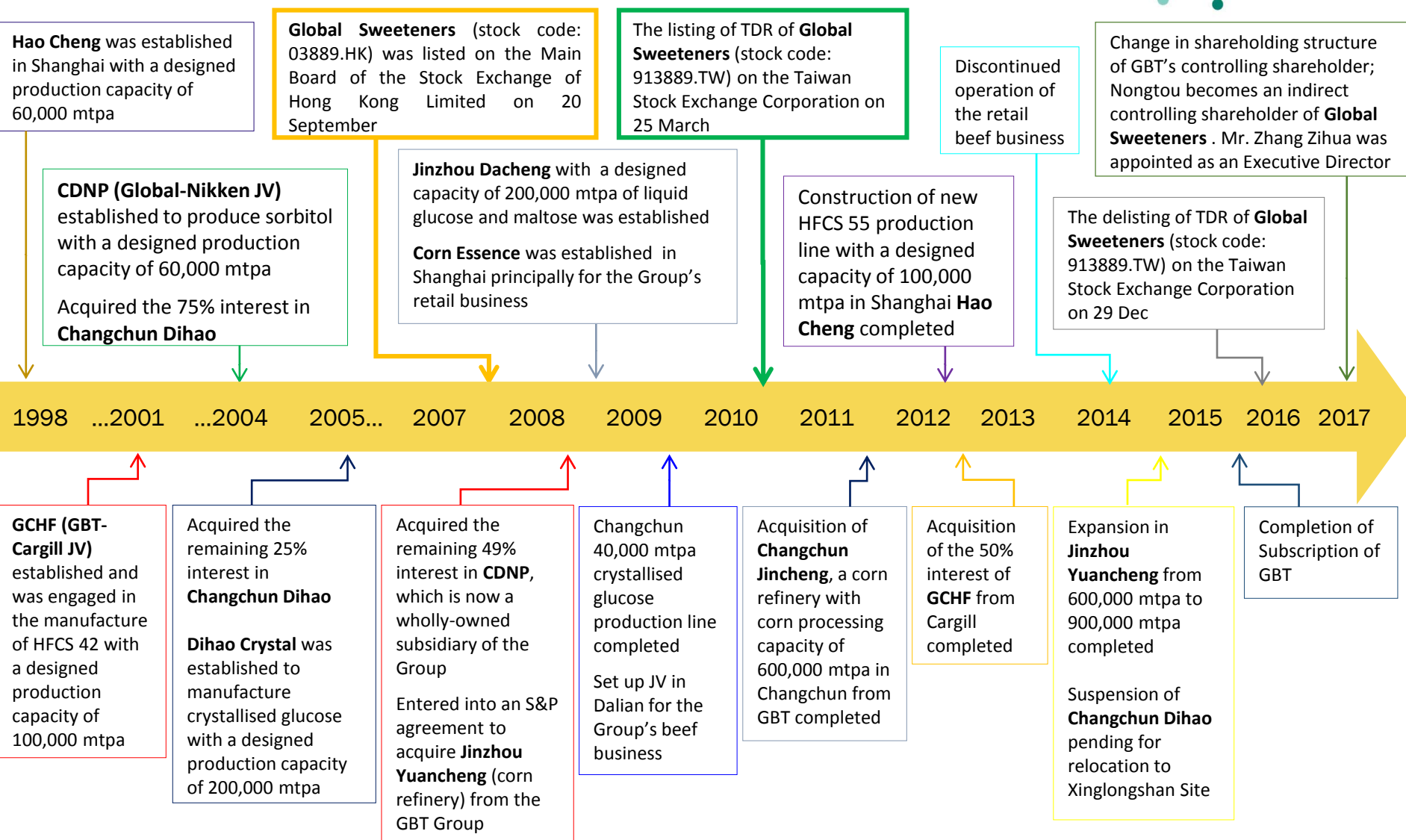
CAPACITY OVERVIEW



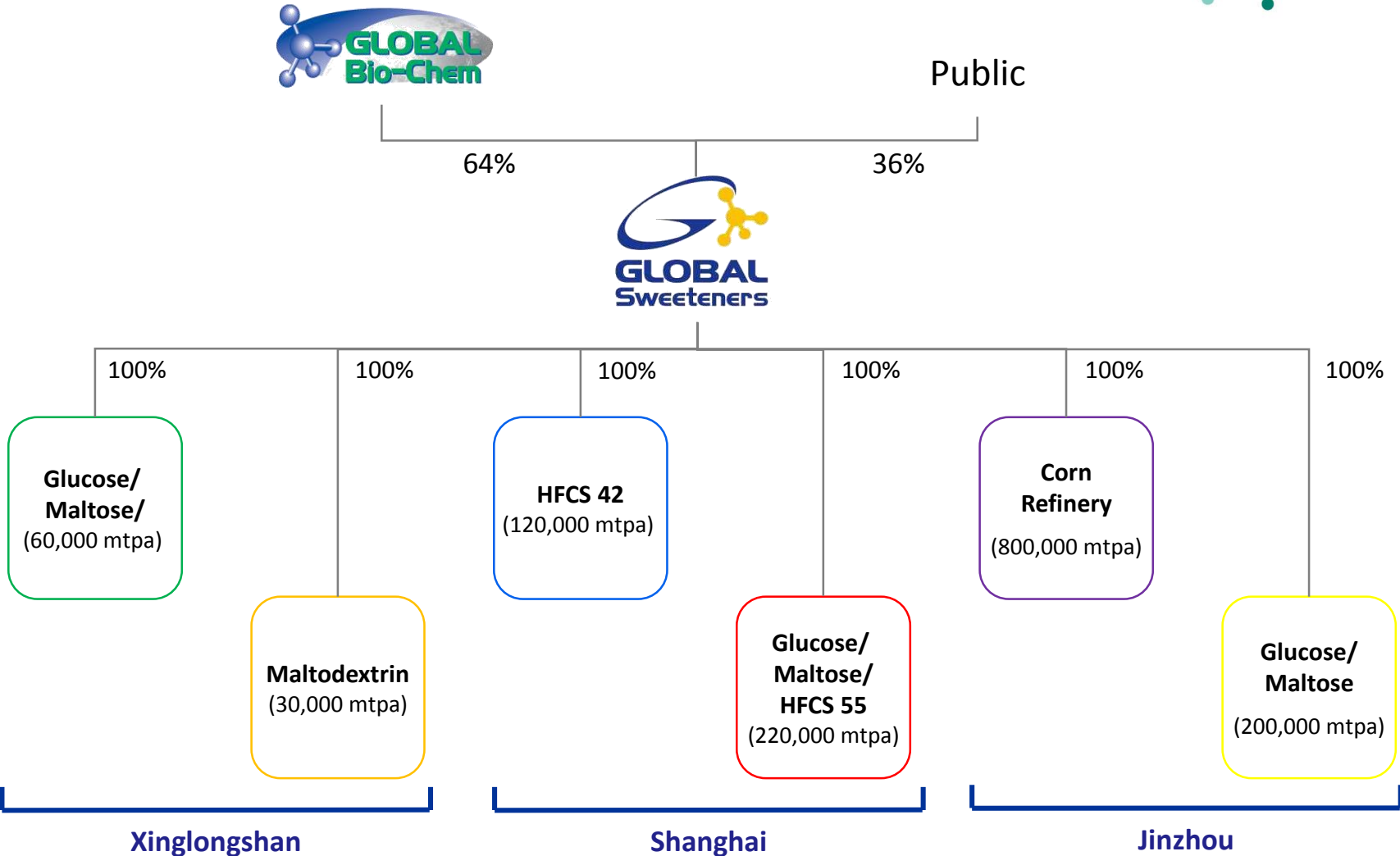
Designed Capacity (mtpa)	2018	2019
<u>Upstream</u>		
Corn Starch	560,000	560,000
Corn Refined By-products	240,000	240,000
Upstream Sub-total	800,000	800,000
<u>Downstream</u>		
Glucose / Maltose Syrup	360,000	360,000
HFCS	220,000	220,000
Maltodextrin	30,000	30,000
Crystallised Glucose	-	-
Downstream Sub-total	610,000	610,000
Total	1,410,000	1,410,000

COMPANY PROFILE

CORPORATE MILESTONES



CORPORATE STRUCTURE

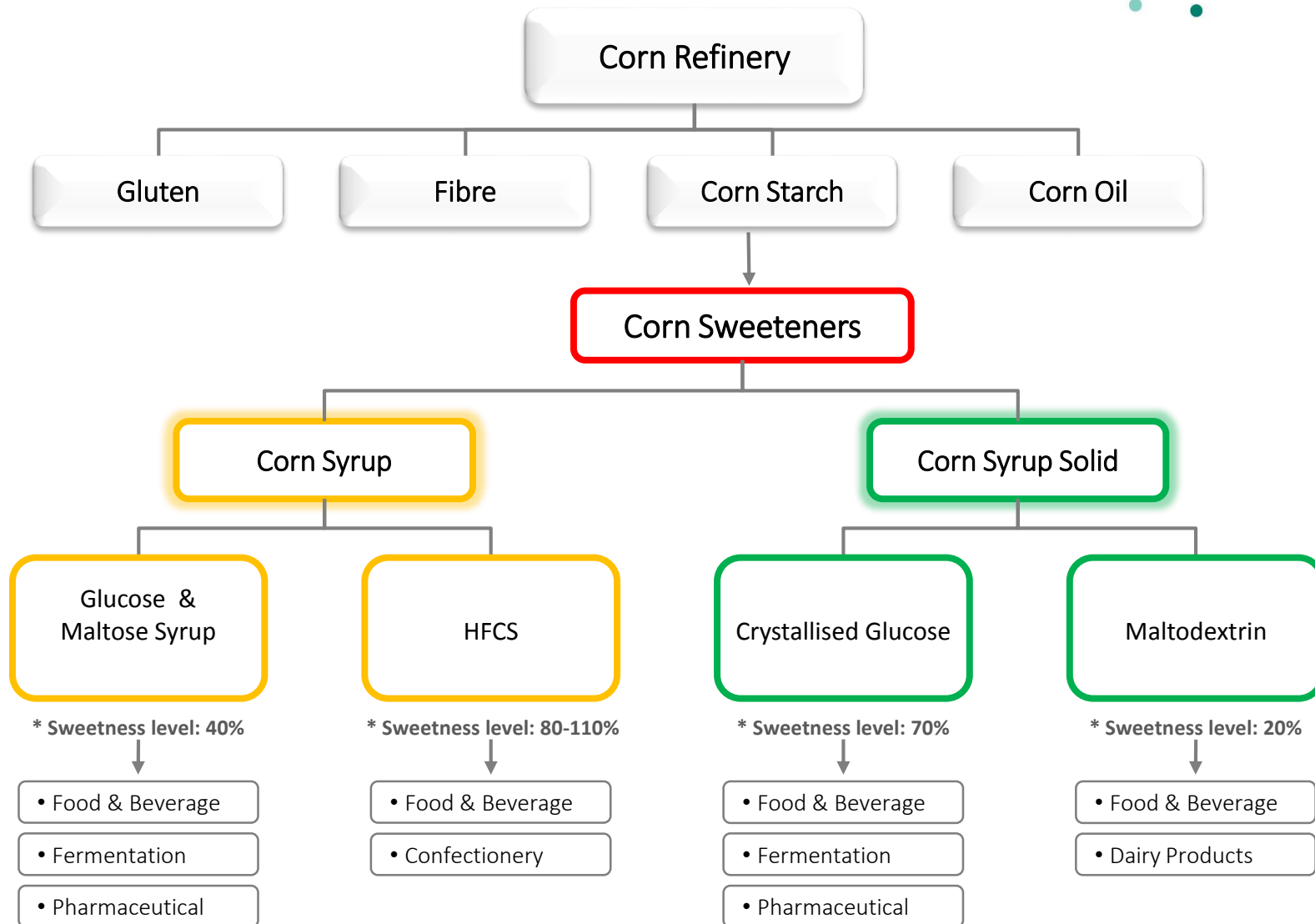


DIVERSIFIED PRODUCT MIX



UPSTREAM

DOWNSTREAM



* Sweetness level base on cane sugar sweetness

PRC SUGAR & SWEETENERS PRODUCTION

Natural Sweeteners

Sugar

Raw Material:

Cane, Beet

Regions:

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

Starch Sweeteners

Raw Material:

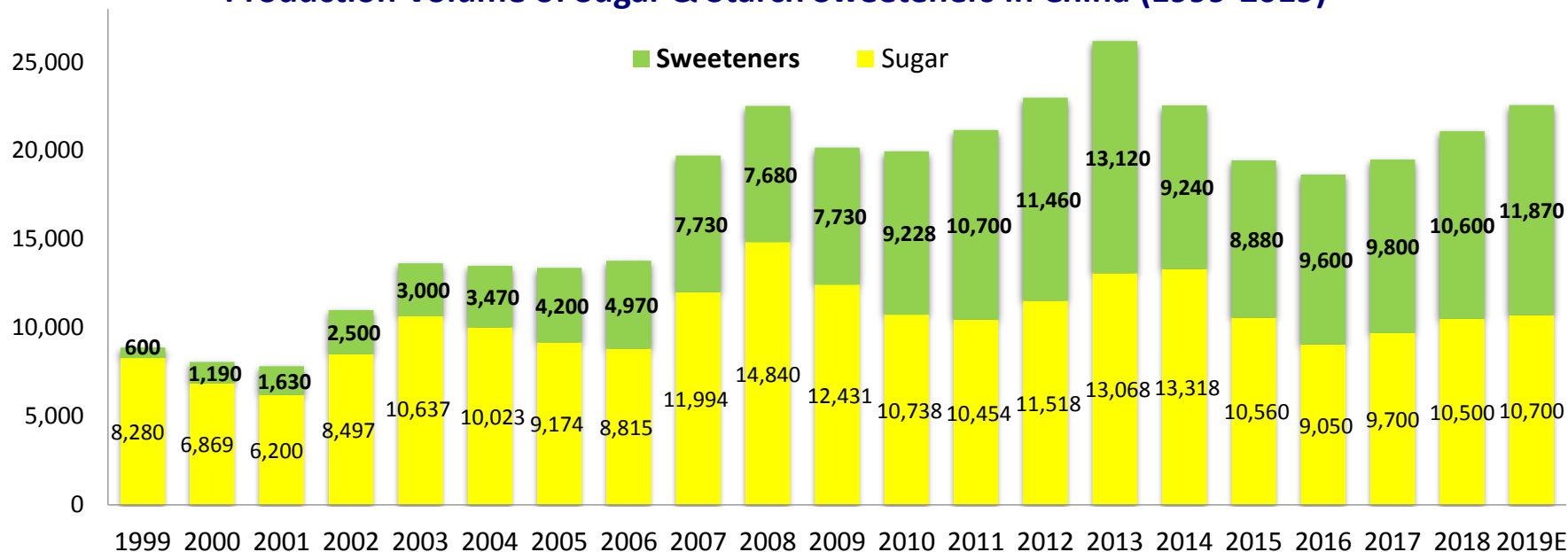
Corn, Potatoes, Tapioca

Regions:

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

'000 MT

Production Volume of Sugar & Starch Sweeteners in China (1999-2019)



Source: China Sugar Association / USDA / Cofeed



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



THANK YOU

- *The End* -