



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

Corporate Presentation

June 2011



AGENDA

- ▶ Business Outlook & Development Plans
- ▶ 2010 Annual Results
 - ▶ Financial Overview
 - ▶ Operation Overview
- ▶ Company Profile

Business Outlook & Development Plans



UPSTREAM: RAW MATERIAL – CORN

Corn Price Movement in China (Jan 07 – May 11)



Source: eFeedlink. Based on average price from Northeast China (Jilin, Liaoning and Shandong)

- Grain prices remain high in China as a result of natural disasters, expect this situation will continue in 2011/2012 harvest with unstable climate condition
- Good corn harvest in 2010/2011 : approx. 172 million MT
- The Group's corn purchasing price for 2011 expects to rise by approx. 15% (2010: RMB1,650/MT, VAT excl.)
- Outlook on upstream corn refinery: stable business with sustainable price and demand

SUGAR PRICE IN CHINA

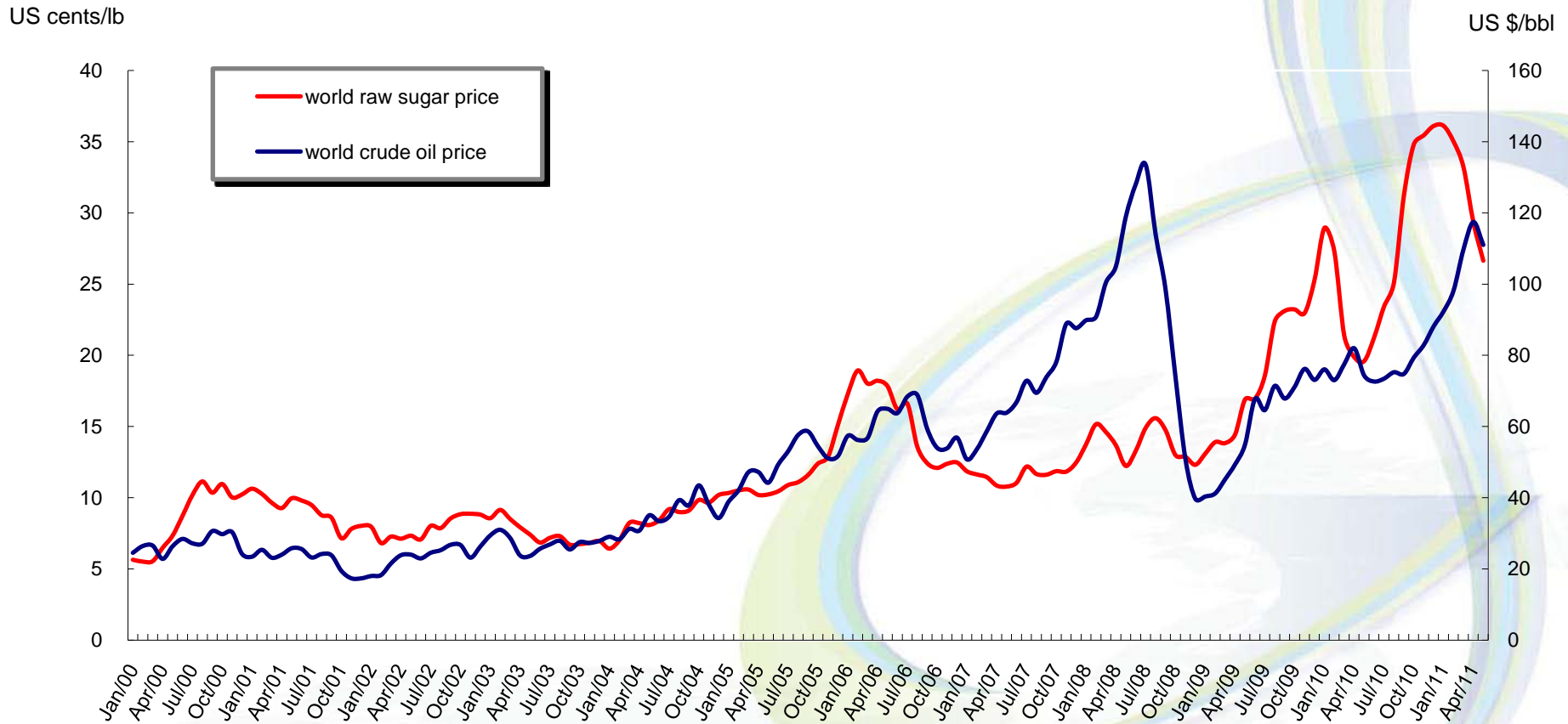


Source: www.ec-sugar.com

- ◆ Due to extreme climate conditions in major sugarcane production regions, sugar production dropped by 15% this year
- ◆ Sugar price remain high in China (currently at approx. RMB 7,300/MT)
- ◆ Positive outlook on sweeteners demand and prices

SUGAR & OIL PRICES CORRELATIONS

Sugar & Crude Oil Price Movement (Jan 2000 – May 2011)



Source: New York Board of Trade and Energy Information Administration

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

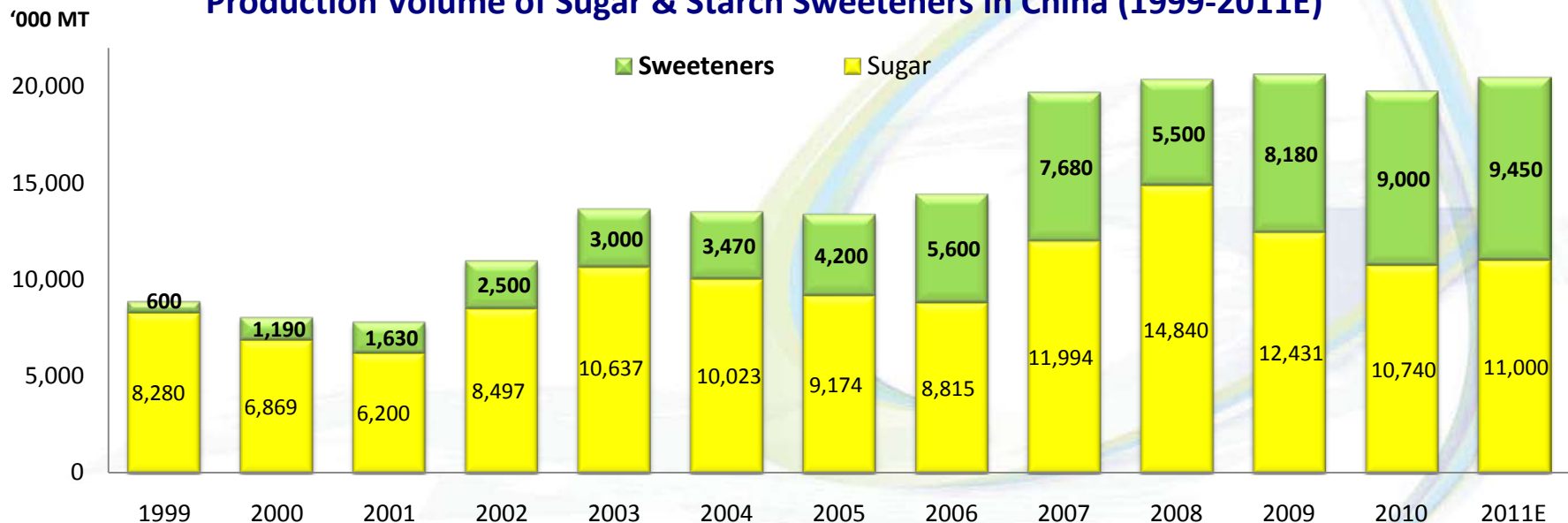
Raw Material:

Corn, Potatoes, Tapioca

Regions:

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

Production Volume of Sugar & Starch Sweeteners in China (1999-2011E)

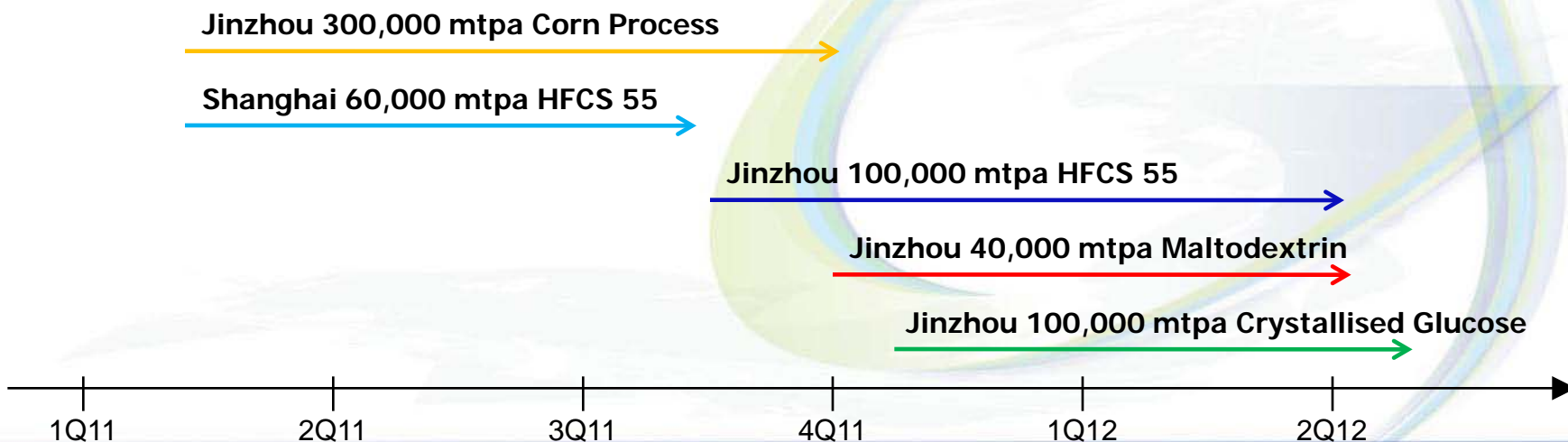


Source DNCNET, Guangxi Sugar Association (GSA) and USDA

CAPACITY EXPANSION

Expansion Plans	Designed Capacity (mtpa)	Location	CAPEX (HK\$ million)
Corn Refinery	300,000	Jinzhou	100
HFCS 55	60,000	Shanghai	100
HFCS 55	100,000	Jinzhou	200
Maltodextrin	40,000	Jinzhou	50
Crystallised Glucose	100,000	Jinzhou	150
		Total	600

Expansion Timetable:

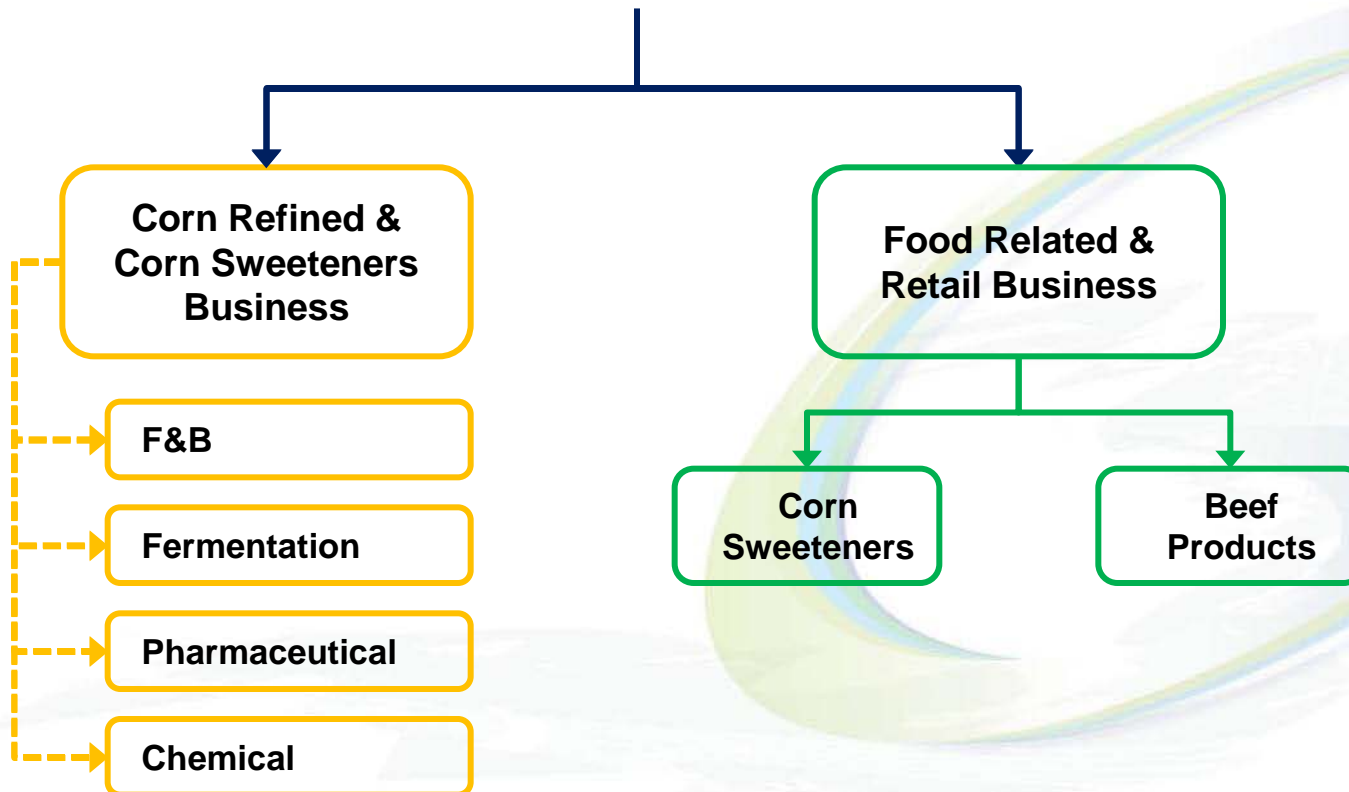


CAPACITY OVERVIEW

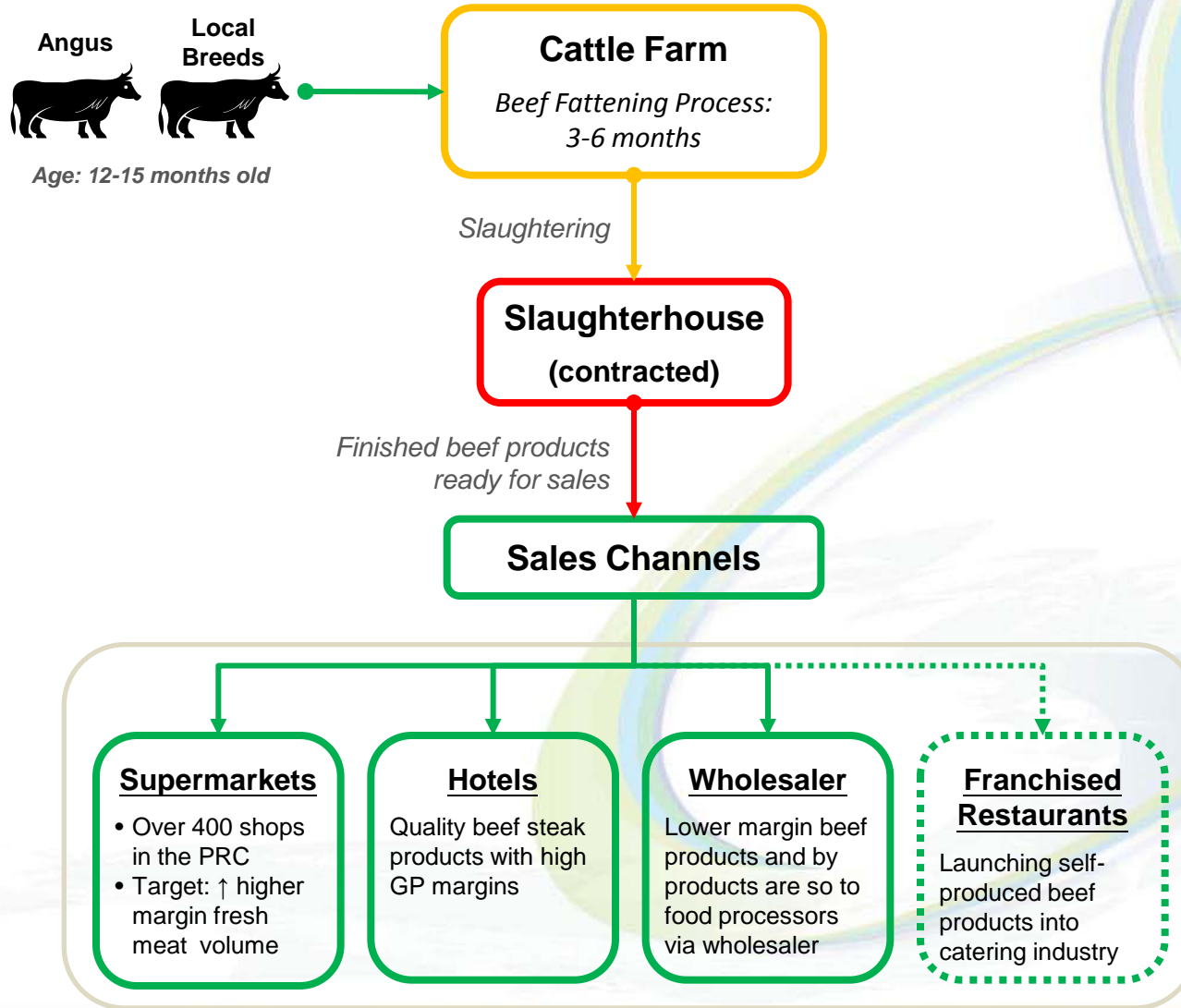
Designed Capacity (mtpa)	2010	2011	2012	2013
<u>Upstream</u>				
Corn Starch	420,000	630,000	630,000	1,050,000
Corn Refined Products	180,000	270,000	270,000	450,000
Upstream Sub-total	600,000	900,000	900,000	1,500,000
<u>Downstream</u>				
Glucose / Maltose Syrup	820,000	820,000	820,000	820,000
Maltodextrin	20,000	20,000	60,000	60,000
HFCS*	120,000	180,000	280,000	480,000
Sorbitol	60,000	60,000	60,000	60,000
Crystallised Glucose	240,000	240,000	340,000	340,000
Downstream Sub-total	1,260,000	1,320,000	1,560,000	1,760,000
Total	1,860,000	2,220,000	2,460,000	3,260,000

* JV total capacity: 120,000 mtpa

FOOD RELATED & RETAIL BUSINESS



CATTLE FATTENING BUSINESS*



* This beef cattle business is operated in the PRC under a JV with a local partner, in which GSH holds 62% interest.

INVESTMENT HIGHLIGHTS

- ◆ Supported by sustainable international oil price, sugar price is expected to stay at high level
- ◆ Foreign investment in China's agricultural sector ↑ → reflects the market value of the industry
- ◆ ↑ flexibility in product mix adjustment → captures the opportunity of sugar price increase
 - HFCS 42 → HFCS 55
 - Liquid glucose → crystallised glucose
- ◆ ↑ upstream corn processing capacity → secures raw material supply further in response to market changes

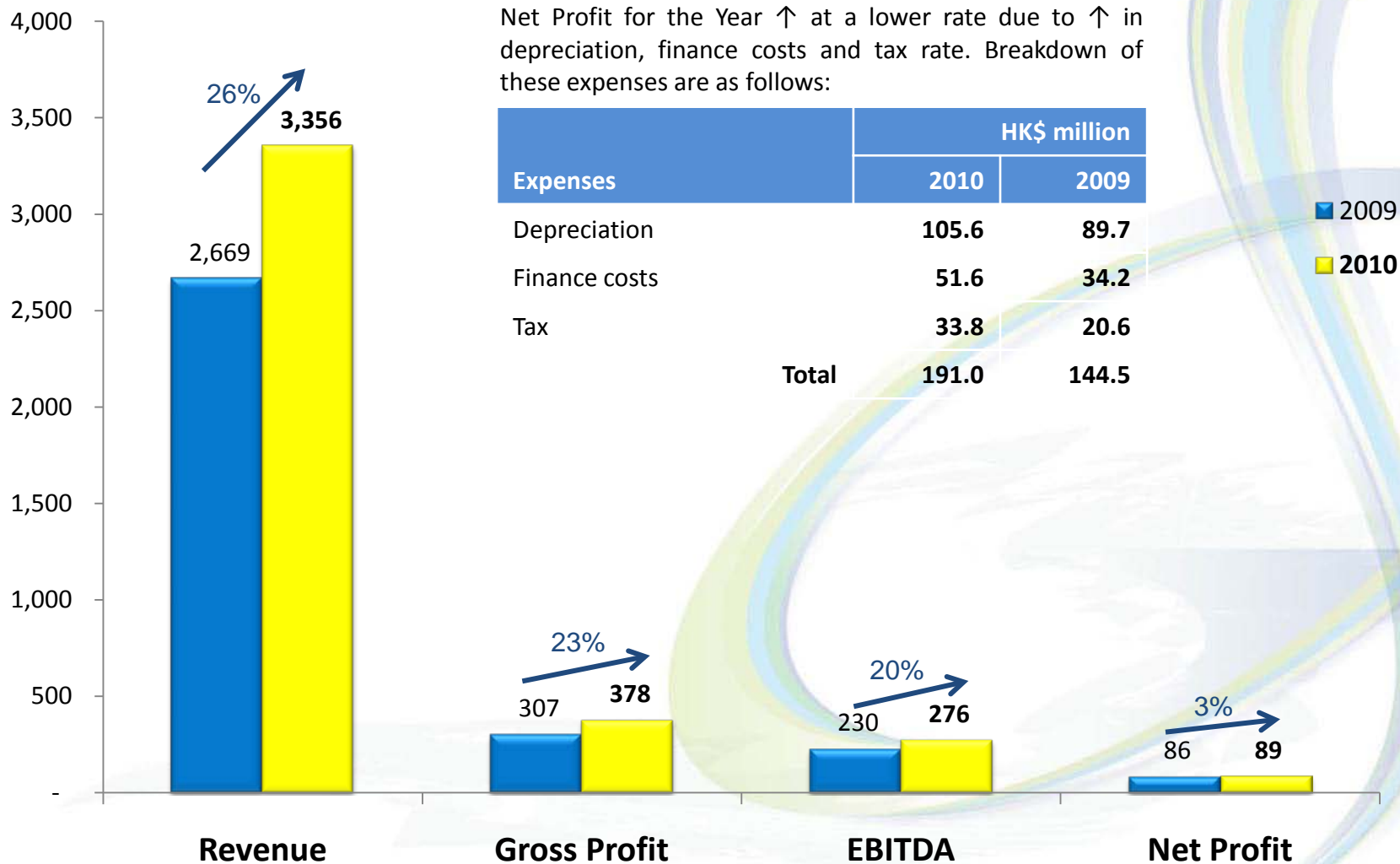
2010 ANNUAL RESULTS

Financial Overview



RESULTS HIGHLIGHTS

HK\$ million



OPERATING RESULTS

HK\$ million	2010	2009	Change
Revenue	3,356	2,669	25.7%
• Corn Refined Products	1,224	988	23.9%
• Corn Sweeteners	1,966	1,544	27.3%
• Retail Business	166	137	21.5%
Gross Profit	378	307	23.1%
• Corn Refined Products	127	97	30.9%
• Corn Sweeteners	243	209	16.3%
• Retail Business	8	2	445.7%
Gross Margin	11.2%	11.5%	(0.3%)
• Corn Refined Products	10.4%	9.8%	0.6%
• Corn Sweeteners	12.4%	13.5%	(1.1%)
• Retail Business	4.8%	1.1%	3.7%
EBITDA	276	230	20.0%
Net Profit	89	86	3.5%
• Net Margin	2.7%	3.2%	(0.5%)
Basic Earnings Per Share (HK cents)	7.9	8.2	N/A
Dividend Per Share – Final (HK cents)	-	1.0	N/A

FINANCIAL POSITION

HK\$ million	31 Dec 10	31 Dec 09	Change
Non-current Assets	1,558	1,601	(2.7%)
Current Assets	1,716	1,253	37.0%
Current Liabilities	1,025	1,043	(1.7%)
Cash and Bank Balances	378	297	27.3%
Shareholder's Equity	1,927	1,636	17.8%
Interest Bearing Borrowings	879	801	9.7%

KEY FINANCIAL RATIOS

HK\$ million	31 Dec 10	31 Dec 09
Current Ratio	1.67	1.20
Quick Ratio	1.10	0.85
Gearing Ratio (net debt/equity)	26.1%	30.8%
ROE	4.6%	5.3%
Inventories Turnover Days	72 days	57 days
Trade Receivables Turnover Days	69 days	66 days
Trade Payables Turnover Days	26 days	8 days

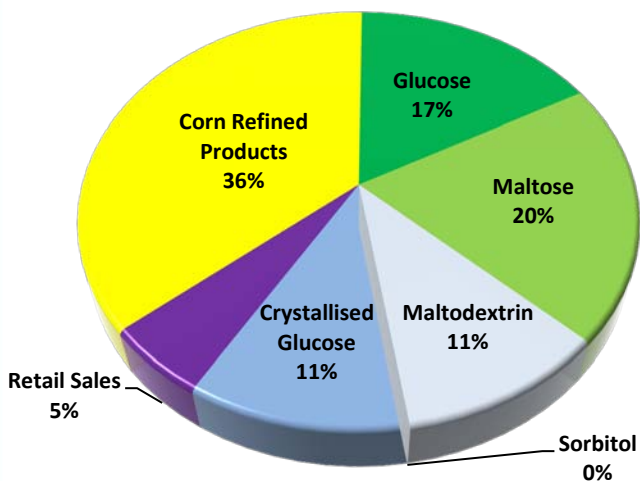
2010 ANNUAL RESULTS

Operation Overview

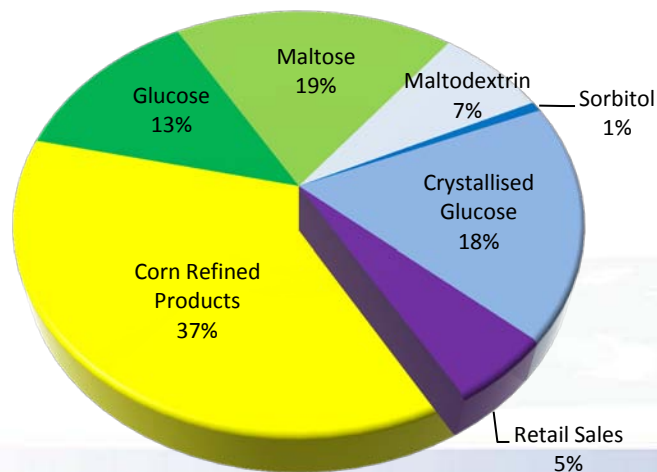


REVENUE BREAKDOWN

2010 Revenue Breakdown



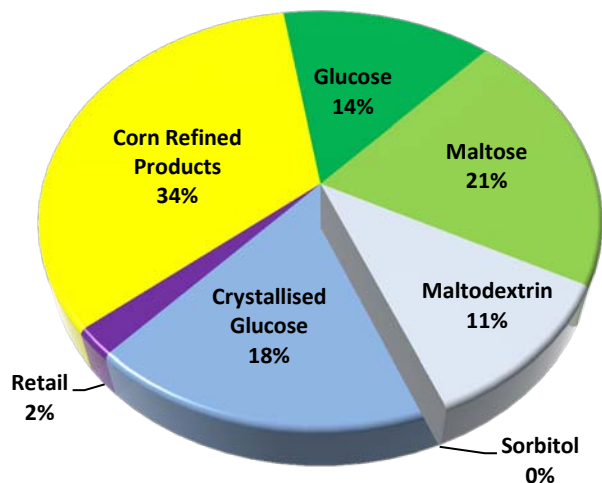
2009 Revenue Breakdown



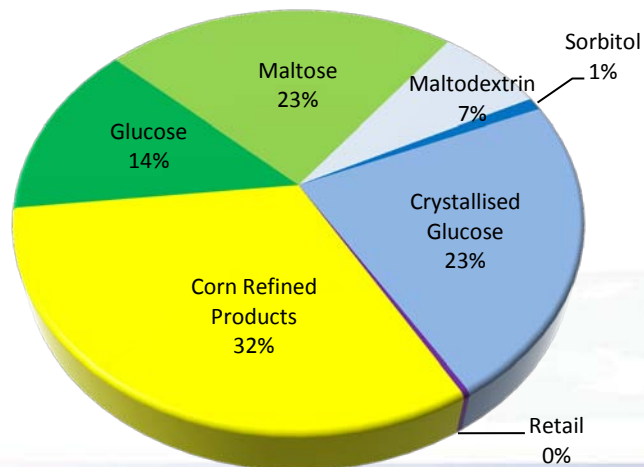
Revenue (HK\$ million)	2010	2009	Change
Upstream			
Corn Refined Products	1,224	988	23.9%
Downstream			
Glucose Syrup	561	347	61.5%
Maltose Syrup	678	500	35.7%
Maltodextrin	356	197	80.9%
Sorbitol	0	20	N/A
Crystallised Glucose	371	480	(22.7%)
Sweeteners Sub-total	1,966	1,544	27.3%
Retail	166	137	21.5%
Total	3,356	2,669	25.7%

GROSS PROFIT BREAKDOWN

2010 Gross Profit Breakdown



2009 Gross Profit Breakdown



Gross Profit (HK\$ million)	2010	2009	Change
Upstream			
Corn Refined Products	127	97	30.9%
Downstream			
Glucose Syrup	54	42	28.6%
Maltose Syrup	79	72	9.7%
Maltodextrin	42	22	90.9%
Sorbitol	0	3	N/A
Crystallised Glucose	68	70	(2.9%)
Sweeteners Sub-total	243	209	16.3%
Retail	8	2	445.7%
Total	378	307	23.1%

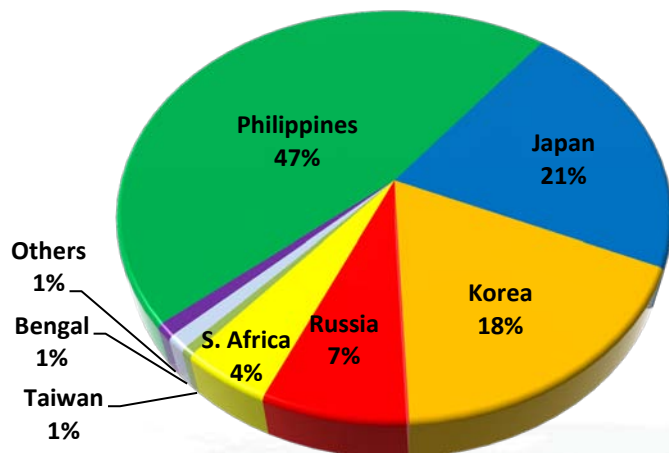
SALES ANALYSIS

	Sales Volume ('000 MT)			Gross Profit Margin		
	2010	2009	Change	2010	2009	Change
<u>Upstream</u>						
Corn Refined Products	464	462	0.4%	10.4%	9.8%	0.6%
<u>Downstream</u>						
Glucose Syrup	246	178	38.2%	9.6%	12.0%	(2.4%)
Maltose Syrup	244	225	8.6%	11.7%	14.4%	(2.7%)
Maltodextrin	113	79	44.1%	11.8%	11.1%	0.7%
Sorbitol	0	6	N/A	N/A	16.7%	N/A
Crystallised Glucose	168	298	(43.6%)	18.3%	14.6%	3.7%
Sweeteners Sub-total	771	786	(1.8%)	12.4%	13.5%	(1.1%)
<u>Retail</u>	7	8	(12.5%)	4.8%	1.1%	3.7%
TOTAL	1,242	1,256	(1.0%)	11.2%	11.5%	(0.3%)

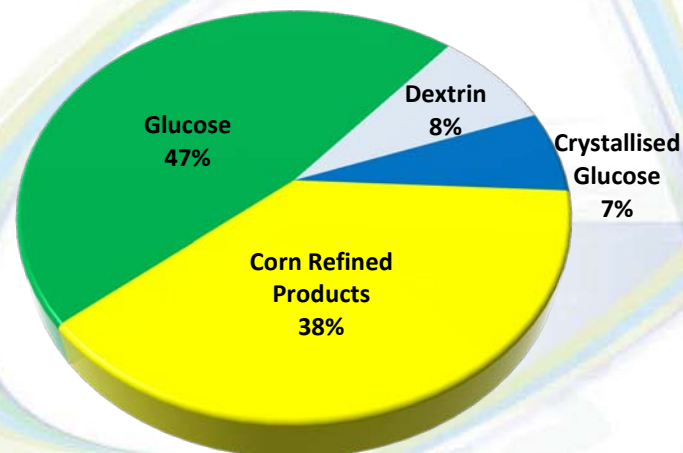
EXPORTS BREAKDOWN

	Sales Volume ('000 MT)			Revenue (HK\$ million)		
	2010	2009	Change	2010	2009	Change
Export Sales	94,000	75,000	25.3%	269	163	65.0%
Export to Revenue (%)	7.6%	6.0%	1.6%	8.0%	6.1%	1.9%

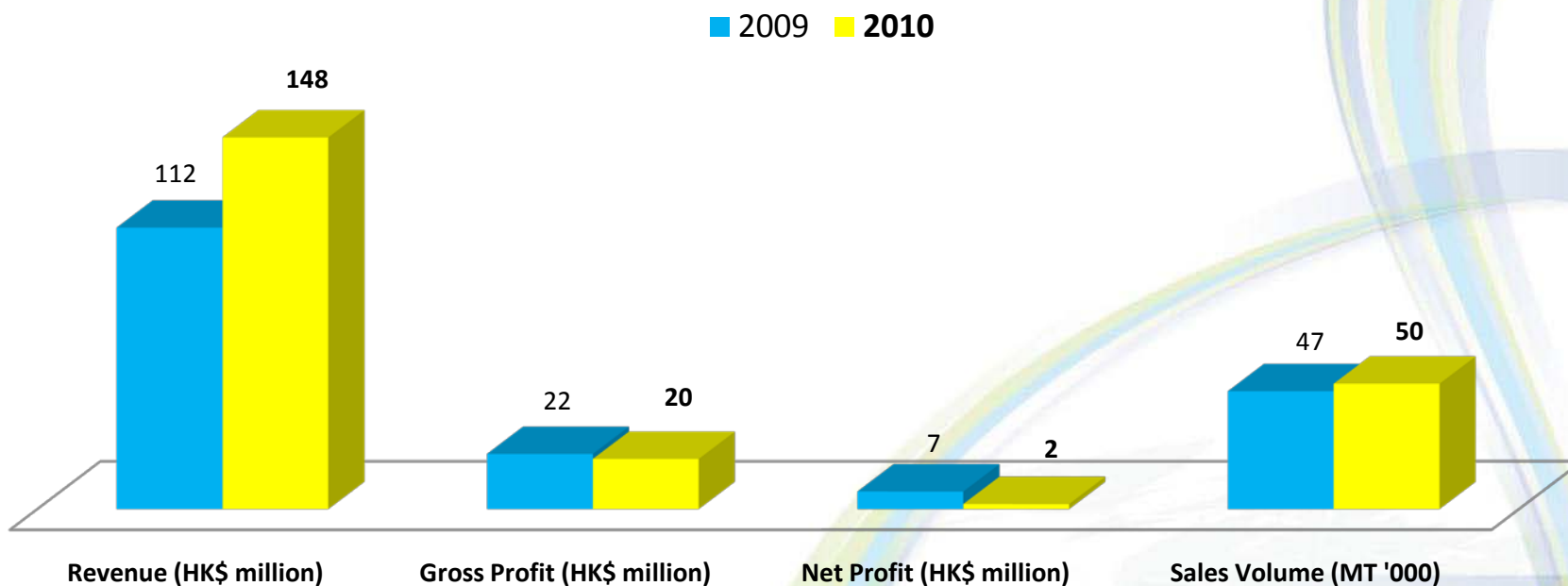
Exports Breakdown by Region 2010



Exports Breakdown by Product 2010



HFCS PERFORMANCE UNDER JV



- ◆ ASP ↑ → turnover ↑
- ◆ Sales volume ↑ with raw material price ↑ & low utilization rate → gross profit and net profit ↓
- ◆ HFCS market: users are more inclined to use HFCS 55 which is a closer substitute of cane sugar. The JV is producing HFCS 42 which is only an intermediate product.

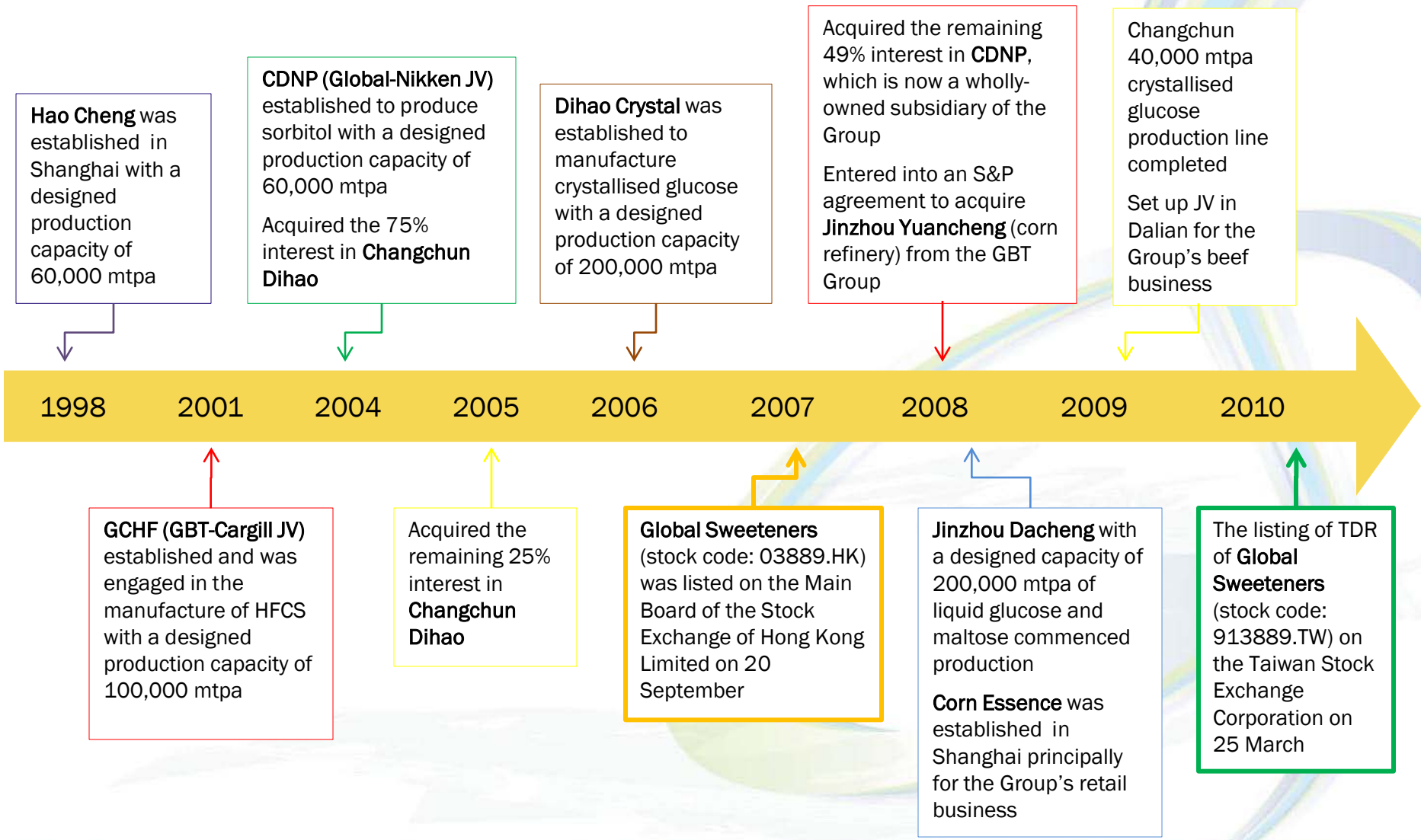
OPERATING COST STRUCTURE

	2010	2009
Raw Material	77.0%	74.3%
Utilities	8.9%	10.9%
Labour	0.6%	0.6%
Depreciation	3.3%	4.7%
Production Overhead	2.5%	2.5%
Selling and Distribution Expenses	5.3%	4.3%
Administrative Expenses	2.4%	2.7%

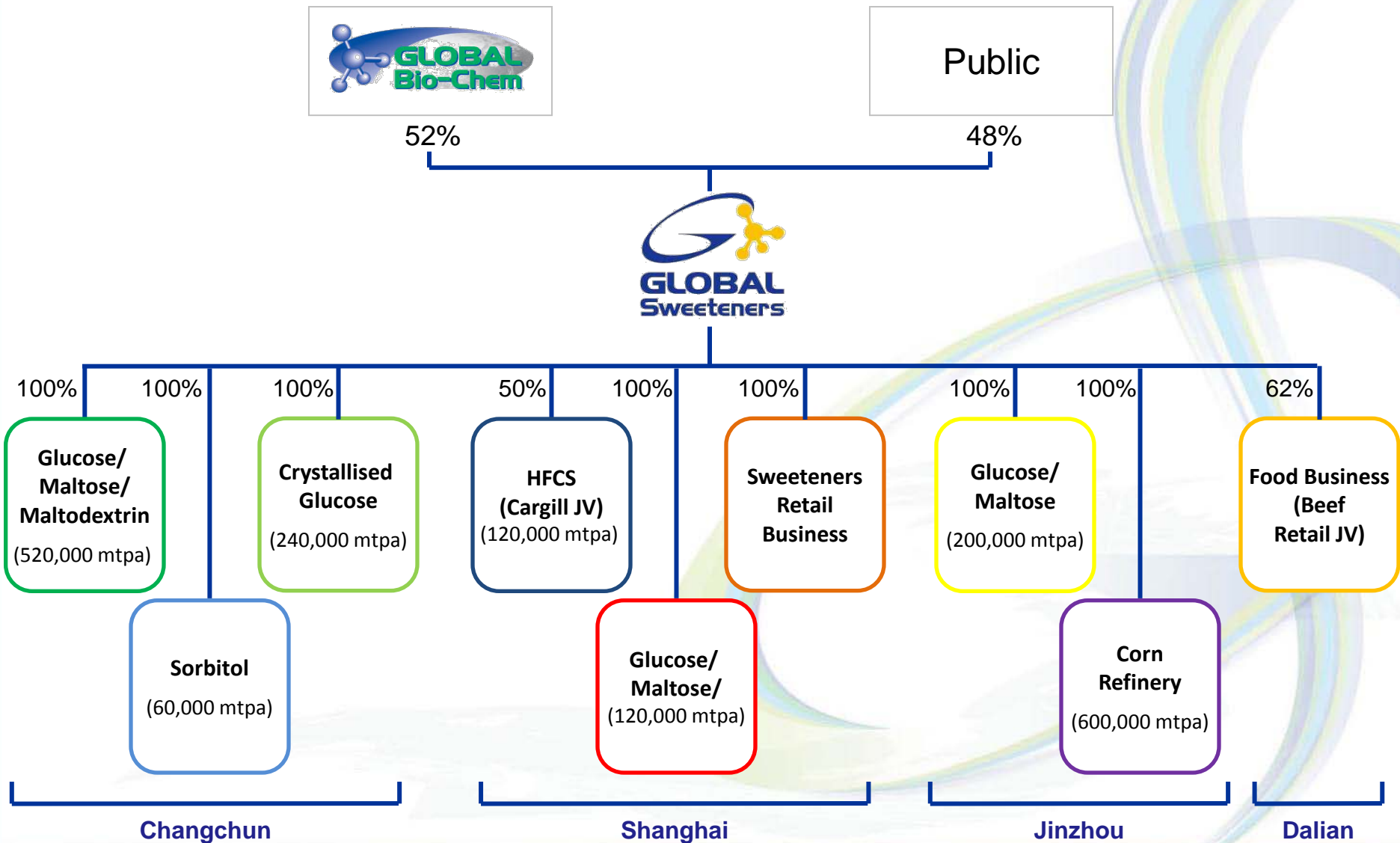
Company Profile



CORPORATE MILESTONES



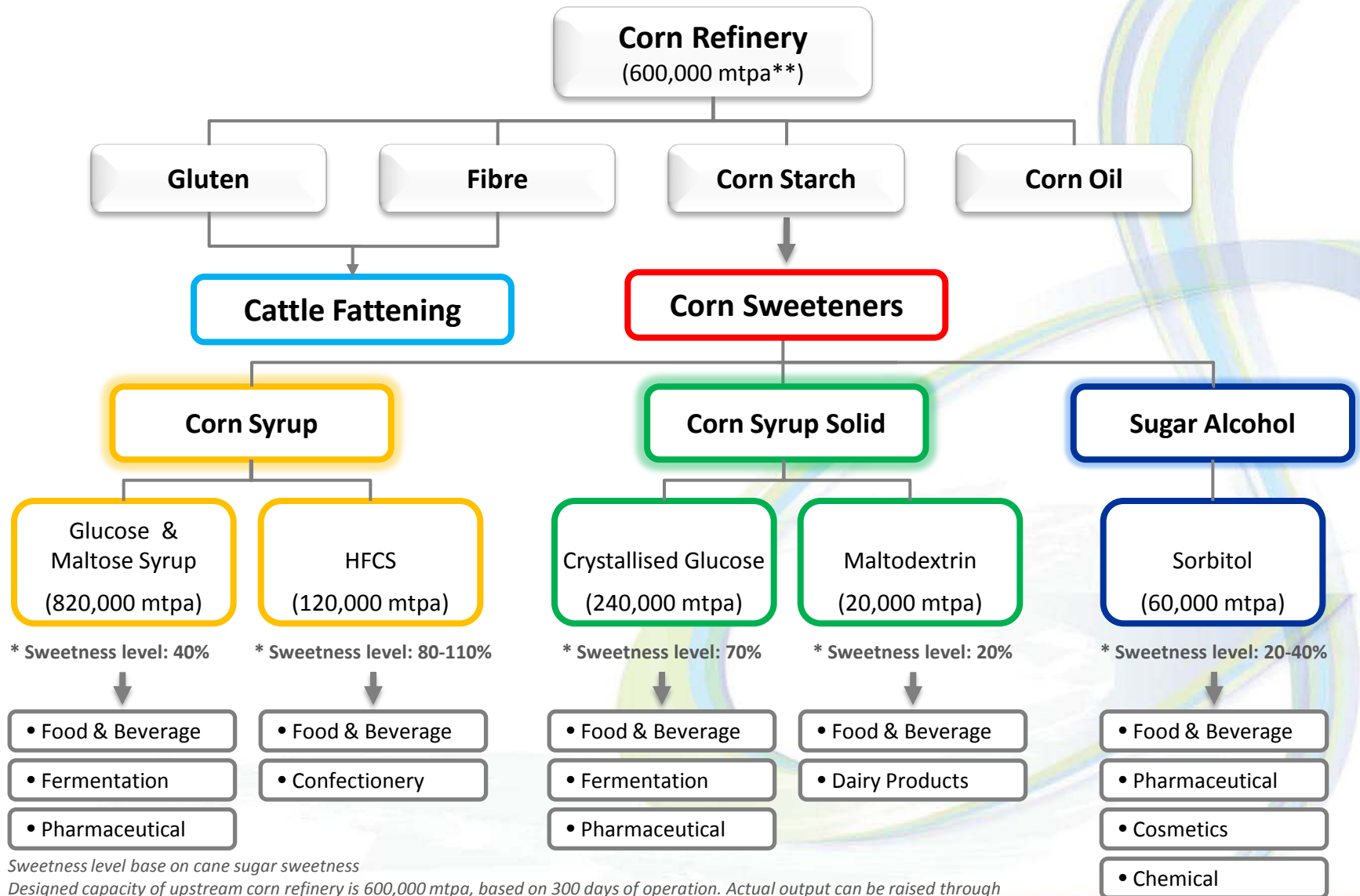
CORPORATE STRUCTURE



DIVERSIFIED PRODUCT MIX

UPSTREAM

DOWNSTREAM



* Sweetness level base on cane sugar sweetness

** Designed capacity of upstream corn refinery is 600,000 mtpa, based on 300 days of operation. Actual output can be raised through facilities adjustment and increasing operation days

GEOGRAPHIC ADVANTAGE

Changchun

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

Jinzhou

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

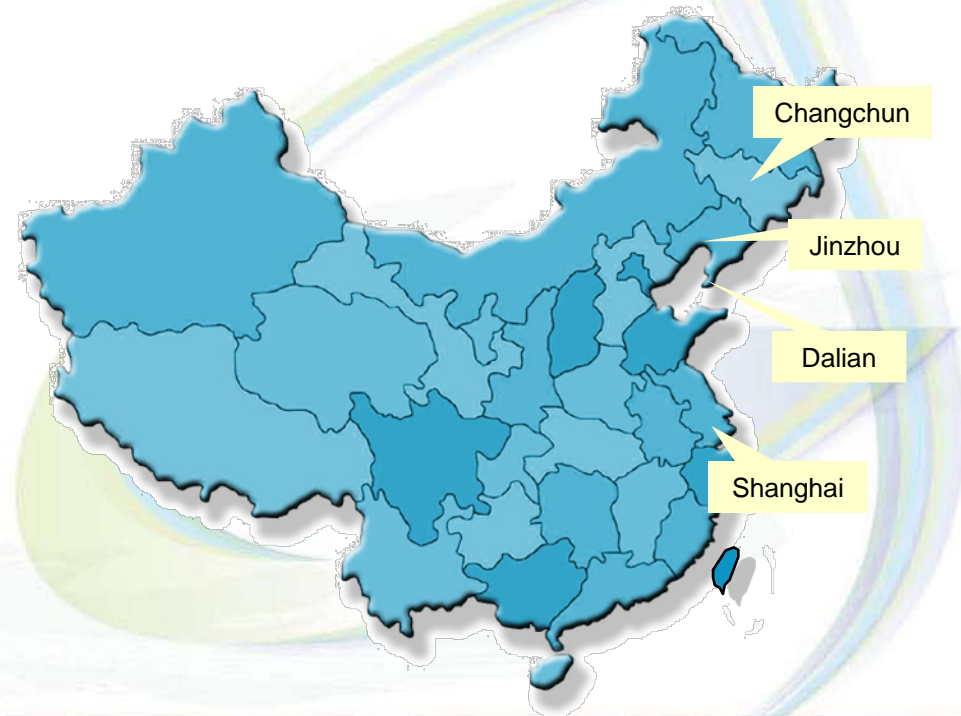
Dalian

- **MATERIAL** advantage → in proximity to nearby cattle farm
- Well-established infrastructure → nearby slaughterhouses
- A major traffic hub

Shanghai

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

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





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Corporate Presentation

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