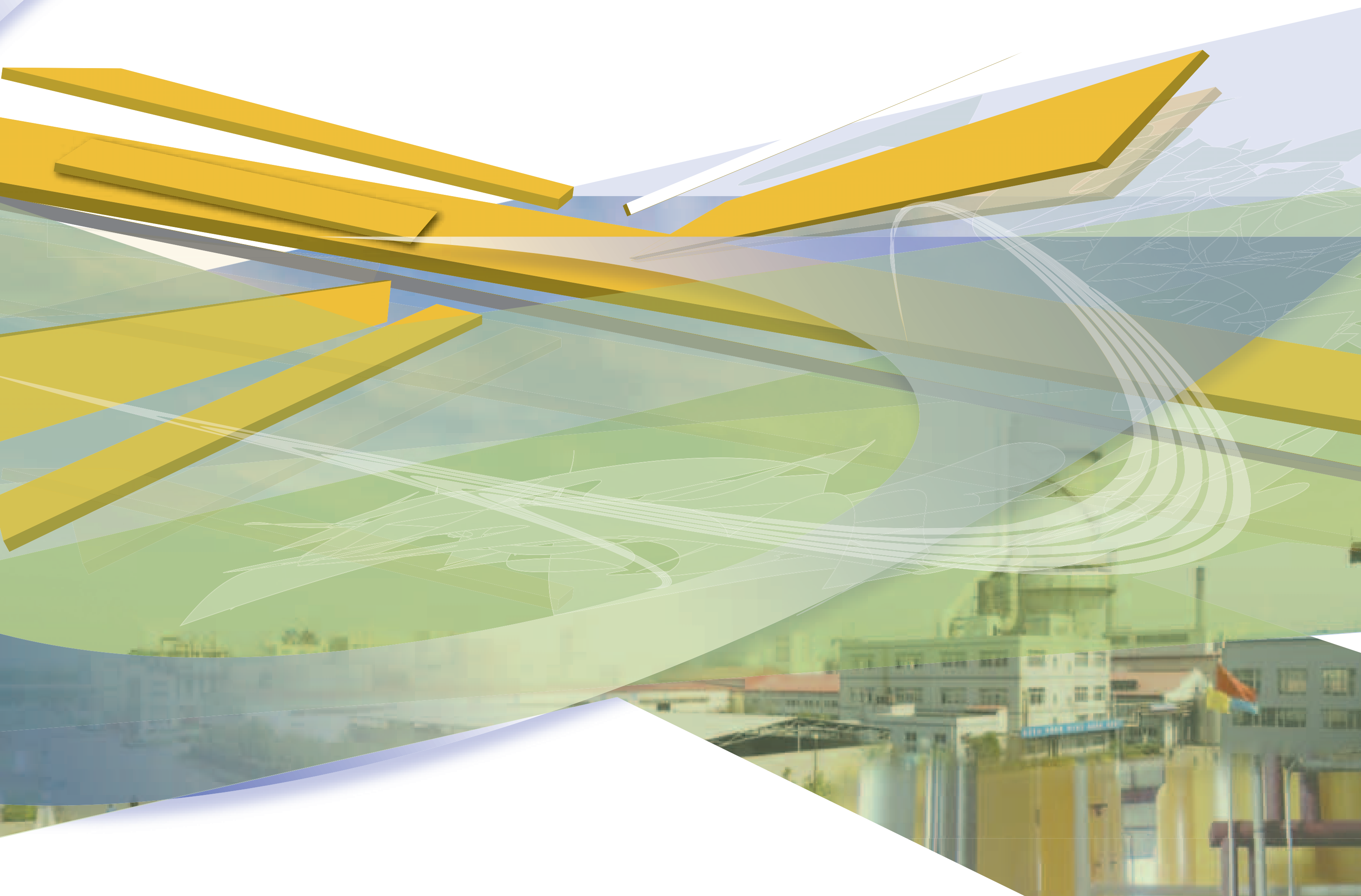
大成糖業控股有限公司*

GLOBAL Sweeteners Holdings Limited

(incorporated in the Cayman Islands with limited liability)

Stock Code: 03889

INTERIM REPORT 2009



*For identification purpose only

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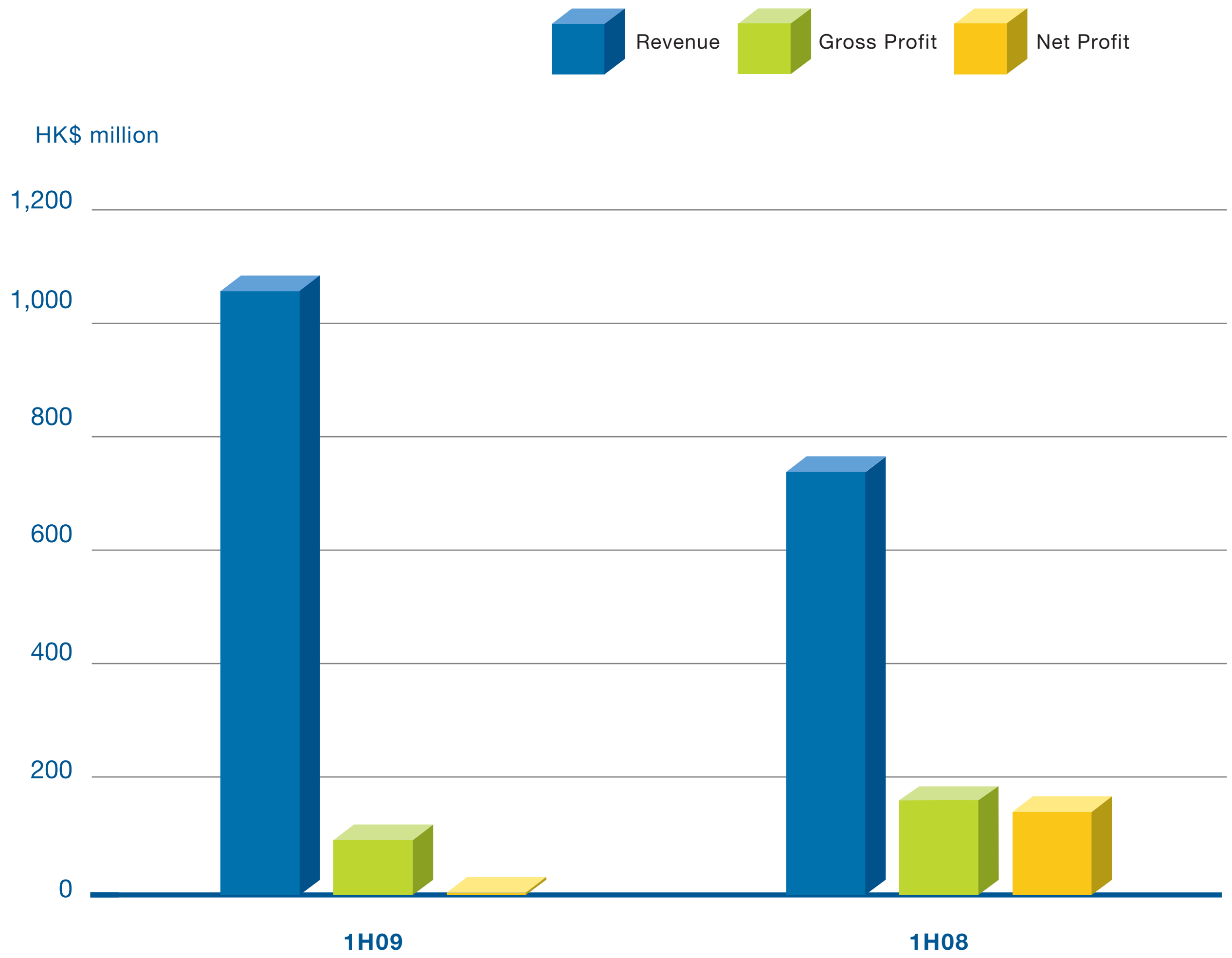
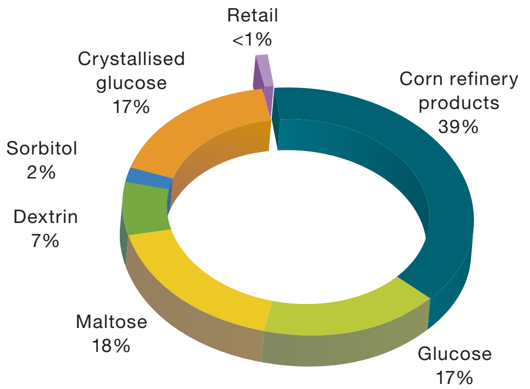
FINANCIAL HIGHLIGHTS

(HK$ million)	Unaudited six months ended 30 June 2009	2008	Change%
Revenue	**1,053**	741	42.1
Gross profit	**93**	165	(43.7)
Profit before tax	**11**	151	(92.7)
Net profit attributable to equity holders of the parent	**4**	141	(97.2)
Basic earnings per share (HK cents)	**0.38**	13.5	(97.2)
Interim dividend per share	**Nil**	Nil	N/A



REVENUE AND SALES ANALYSIS

REVENUE



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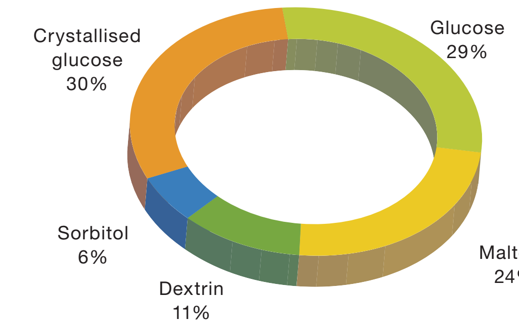

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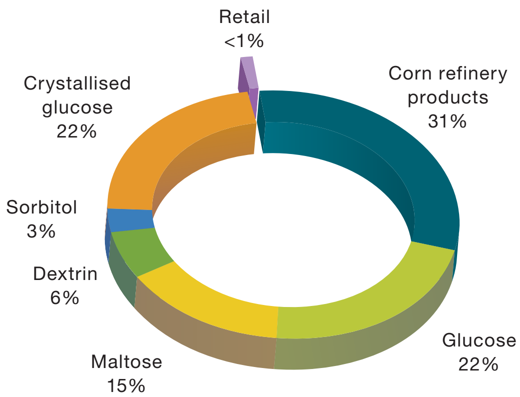
GROSS PROFIT



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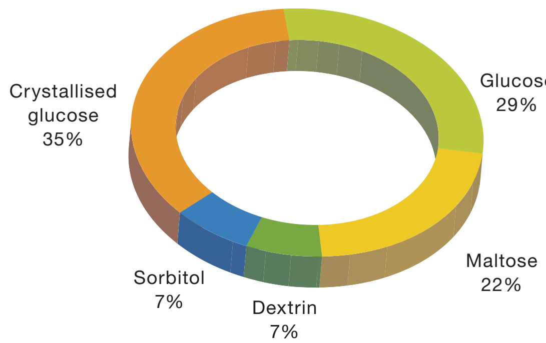

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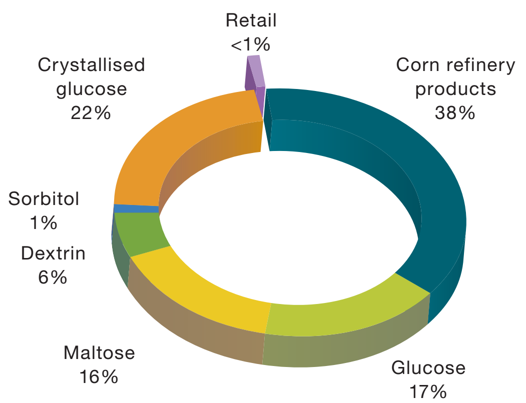
SALES VOLUME



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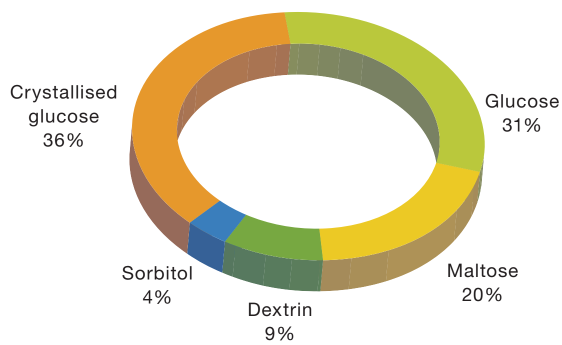

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent non-executive Directors

Chan Yuk Tong
Gao Yunchun
Ho Lic Ki
Yan Man Sing Frankie *(Resigned on 29 May 2009)*

COMPANY SECRETARY

Lee Chi Yung, ACCA, HKICPA

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUDITORS

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

LEGAL ADVISERS

Chiu & Partners
41st Floor, Jardine House
1 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Bank of Bermuda (Cayman) Limited
36C Bermuda House
3rd Floor, British American Tower
Dr. Roy's Drive, George Town
Grand Cayman, Cayman Islands
British West Indies

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
26th Floor
Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

WEBSITE

www.global-sweeteners.com

STOCK CODE:

03889

Dear fellow shareholders,

BUSINESS REVIEW

The financial turmoil and its lingering effect continued to tighten its grip on the market in the first half of the year, particularly during the first quarter, when poor demand and severe competition made the operating environment even more challenging. Leveraging on its strong financial position and proven management expertise, along with extensive sales and distribution network and long-established customer relationships, the Company strived to maintain stable sales volume and market share during the period under review. For the six months ended 30 June 2009, the Group sold a total of 334,000 MT of sweetener products, representing a 9.8% decrease from that of the same period of the previous year. The average selling price of sweetener products also dropped significantly during the period as a result of the persistent low sugar price and weak demand. Notwithstanding the decrease of the Group's revenue from its downstream business as a result of weak sugar price and the global economic downturn, the consolidated revenue during the period under review increased by 42.1% to HK$1,053 million. Such increase was attributable to the acquisition of the upstream business which was completed in September last year. With the products prices dropped, the Group's gross profit and operating profit margins were adversely affected, leading to a 97.2% decline in the profit attributable to equity holders of the Company to HK$4 million.

The sluggish market condition in the last quarter of 2008 continued into the first quarter of 2009, characterised by food manufacturers' cautious manner in order placing and low product prices. However, with the implementation of the State's economic stimulus plan, coupled with signs of recovery in the overall economy, the consumption sentiment has gradually restored. The Group's operating results began to improve in the second quarter as sugar price rebounded from its bottom.

The slowdown in sales led to underutilisation of the Group's capacity during the period, which in turn increased the Group's average unit cost. Consequently, the Group's overall profit margin in the first half of the year dropped significantly as compared with the corresponding period last year.

For the upstream business, with the completion of the acquisition of the corn refinery in Jinzhou in September 2008, the Group is equipped with vertically integrated production facilities. By supplying corn starch to its downstream production lines directly, the Group could effectively lower its production costs. However, the prices of upstream corn refined products remained weak during the first quarter of the year as a result of the economic downturn. The profit of the upstream segment was pressured. However, since the end of March of this year, the prices of upstream products gradually picked up, contributing to a turnaround on the profitability of the upstream business in the second quarter. The Group is optimistic about the outlook for the upstream business, should the recovery momentum continue in the second half of the year.

The Group's new glucose syrup/maltose syrup plant in Jinzhou with production capacity of 200,000 mtpa was completed by the end of 2008. Production commenced in the second quarter this year. During the period, in face of adverse market conditions, the new plant strived to promote sales and develop its customer base. Consequently, the new plant was running at low utilisation rate during the period. With the revival of consumption sentiment and rebound in sugar price, the Group believes that the capacity utilisation rate of the new plant will improve in the second half of the year.

Despite the decline in sales volume as a result of weak market demand and change in customer mix in the HFCS operation in Shanghai, the gross profit from this business segment for the period remained stable. Since the second quarter, the sales team of this joint venture has been actively marketing and seeking new customers to broaden its income base, and is planning to export its HFCS products to overseas markets.

During the period under review, sales volume and turnover of sorbitol products decreased from those of the same period last year, owing to slowdown of the end users' market.

The Group's effort in exploring overseas markets since last year has proven to be successful. Satisfactory growth of the Group's export sales was recorded in the first half of the year, based on year-on-year comparison in terms of total export volume and export to turnover percentage. During the period under review, the Group exported 22,000 MT of corn refined products and 9,000 MT of sweetener products, representing a 230.9% increase in export volume comparing that of the corresponding period last year. The Group will continue to expand its export business, with current focus on Asian markets, including Japan, the Philippines, South Korea and Russia.

With respect to the Group's retail operation, the launching of retail packaged consumable sweetener products under the Group's self-owned brand, *Life Essentials*, continued its brand building process during the period. In the first half of 2009, the Group invested approximately RMB754,000 in the marketing of *Life Essentials* sweetener products. The Group intends to accelerate market penetration through raising brand awareness to lift the sales of these products. The Group, in accordance with its plan at the time of listing, also extended its business to food-related industry and has started launching other food-related products. This new business line was operating at breakeven level in the first half of 2009.

During the period under review, to better utilise the cash on hand and lower the finance cost of the Group, the Board has resolved to early repay part of the bank borrowings, thus lowering the gearing ratio of the Group. On the other hand, the Group also secured new banking facilities with various banks to ensure adequate working capital for operation and future development needs. Up until now, the Group still maintain a strong financial position.

OUTLOOK

With the rebound in international sugar prices in the second quarter of 2009, the Group envisages the average selling price of its products to rise steadily in the second half of the year, and will thus enhance its profitability. Given an improving economic environment and revival of market confidence, it is expected that the Group's businesses will continue its growth momentum of the second quarter and will further improve its operation efficiency.

Orders from beverage and food processing industries gradually picked up in July and August. With the arrival of peak season of the industry in the second half of the year, the Group expects the demand for various sweetener products to rise in steady pace.

The construction of the new 40,000 mtpa crystallised glucose production line in Changchun will be completed by the end of third quarter this year. By then, the Group's crystallised glucose capacity will be increased to 240,000 mtpa. This facility can also be modified and switch to produce sorbitol, which gives the Group higher flexibility and efficiency in response to market changes.

The aforementioned additional production lines, together with the 200,000 mtpa Jinzhou facilities, which commenced operation in the first half of the year, will lift the Group's total sweetener production capacity to 1.26 million mtpa. Enhanced production capacity and integrated operation will further consolidate the Group's leading position in the PRC sweeteners market.

Taking the opportunity of the peak season and the substantial growth in production capacity, the Group will further enhance its sales volume and capacity utilisation by more aggressive marketing activities with existing and potential customers, and broadening of sales channels. In addition to lowering unit cost, the Group will strive to exercise more stringent control over raw material purchase, operating and financial expenses, with an aim of improving overall efficiency.

The Group is actively expanding its export sales, with emphasis on developing Japan and other Asian markets with high consumption. In order to fully capitalise on the strategic location of the Jinzhou plant, the Group is planning to gradually shift its export operations to Jinzhou. Such arrangement will lower the transportation costs and shorten delivery time, and enable the Group to respond more promptly to the demand from overseas customers.

Notwithstanding the Group's sweeteners retail business is still under its brand-building process, this business segment has proven to possess strong growth potential with positive response from the market. During the period under review, the Group has expanded its product range and started launching other food-related products. The Group has set up a joint venture with a PRC-based company which possesses expertise in high quality beef products manufacturing. Taking advantage from the joint venture partner's well-established sales network, and at the same time actively exploring new sales channels, this new joint venture is principally engaged in the sales of high end beef and beef steak products to the retail market. In the first half of 2009, the Group has invested approximately HK$8 million in this business. Given the domestic consumers' growing health consciousness and brand awareness, there should be enormous room for development for reputable and quality food products. Meanwhile, the Group is studying the feasibility of extending further upstream to secure beef cattle resources and tapping into the cattle fattening business.

This beef products retail business is expected to have profit contribution to the Group this year. Considering a stable development in this new business line, the Group expects this segment will gradually account for 8 to 10% of the Group's revenue in three year's time.

The overall economy has shown clear signs of stable recovery, with significant increase in domestic consumption and fixed assets investment. The management will closely monitor the changing market environment and adjust the Group's development direction and pace accordingly, at the same time, review its planned expansion projects. The Group is currently examining different alternatives in the capital market, including listing in overseas stock market, to further strengthen the Group's financial position. Meanwhile, in view of various uncertainties in the market, the Group will maintain prudent operating strategies. The Group will continue to strengthen its profitability through enhancing capacity utilisation and cost control. Looking ahead, with the improvement of the overall market condition, the Group is expected to have more satisfactory performance in the second half of the year.

Kong Zhanpeng
Chairman
17 September 2009

MANAGEMENT DISCUSSION AND ANALYSIS

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 and corn sweeteners, categorised into upstream and downstream products. The Group's upstream products include corn starch, gluten meal, corn oil and other corn refined 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).

BUSINESS ENVIRONMENT

The selling prices of the Group's products are affected by the prices of its 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 the variety of product specifications.

The operating environment since the second half of 2008 was very challenging with the outbreak of melamine-tainted food incidents in China and the global financial tsunami. It imposed pressure on the selling prices and quantity of products sold by the Group. Such situation carried on till the first quarter of 2009. As a result, the production volume during the six months ended 30 June 2009 (the "Period") decreased by 7.3% as compared to the corresponding period in 2008. This significantly increased the unit production cost of corn sweeteners by 8.2% while the average selling prices decreased by 5.8%. As a result, the gross profit margin of corn sweeteners dropped by 12.3% to 10.0% (2008: 22.3%).

During the Period, the average price of corn kernels remained flat while the average selling price of corn starch decreased by 6.4% as compared to the corresponding period last year. The situation exacerbated when the average selling price of corn starch reached the bottom at HK$1,960 per metric ton ("MT") in the first quarter of 2009. Consequently, the profitability of the upstream products was put under pressure. On the other hand, the quantity sold for corn sweeteners during the Period also dropped by 9.8% as compared to the corresponding period last year in response to the poor market sentiment.

FINANCIAL PERFORMANCE

The Group's consolidated revenue for the Period increased by approximately 42.1% to approximately HK$1,053 million (2008: HK$741 million) as compared to the corresponding period in 2008. Such increase was mainly attributable to the contribution from the upstream corn refinery which the Group acquired in September 2008. However, the gross profit for the Period dropped by 43.7% to approximately HK$93 million (2008: HK$165 million), which were caused by the decrease of average selling price and increase in unit production cost of the products. As a result, the Group's net profit for the Period decreased by approximately HK$137 million or approximately 97.2% to approximately HK$4 million (2008: HK$141 million).

Upstream products

(Sales amount: HK$416 million (2008: Nil))
(Gross profit: HK$29 million (2008: Nil))

On 24 September 2008, the Group completed the acquisition of Jinzhou Yuancheng Bio-chem Technology Co., Ltd. ("Jinzhou Yuancheng"), a corn refinery principally engaged in the manufacture and sale of corn starch and other corn refined products, from the subsidiaries of Global Bio-chem Technology Group Company Limited ("GBT" and together with its subsidiaries other than the members comprising the Group and the Company's jointly controlled entities, "GBT Group").

During the Period, the sales volume of corn starch and other corn refined products were approximately 135,000 MT (2008: Nil) and 72,000 MT (2008: Nil) respectively. Internal consumption of corn starch was approximately 36,000 MT (2008: Nil), which was used as raw material for the production in Jinzhou and Shanghai production sites.

The unfavourable operating environment since the second half of 2008 kept the selling prices of corn refined products low in the first quarter of 2009, especially for the price of corn starch which hit the lowest at HK$1,960 per MT. However, the market started to pick up since the end of March and the price of corn starch gradually recovered to HK$2,340 per MT by the end of June. As a result, the upstream business recorded gross profit margins of approximately 8.0% (2008: Nil) and 5.2% (2008: Nil) for the sales of corn starch and other corn refined products respectively during the Period.

Corn syrup

(Sales amount: HK$361 million (2008: HK$392 million))
(Gross profit: HK$34 million (2008: HK$84 million))

During the Period, the sales volume of glucose syrup decreased by approximately 22.5% while maltose syrup increased by 19.5% as compared to the corresponding period last year.

Internal consumption of glucose syrup for downstream production increased to approximately 193,000 MT (2008: 168,000 MT) or by approximately 14.9% during the Period. As a result, the sales volume of glucose syrup decreased by 22.5% to approximately 90,000 MT (2008: 116,000 MT). Consequently, the revenue of glucose syrup dropped by 19.9% to approximately HK$174 million (2008: HK$218 million). The revenue of maltose syrup for the Period, however, grew by approximately 7.0% to approximately HK$187 million (2008: HK$175 million) with increased sales volume by 19.5%.

Due to the decrease in selling prices and increase in unit production cost, the gross profit margins of glucose syrup and maltose syrup declined from approximately 22.1% and 20.4% to 11.8% and 7.4% respectively.

During the Period, the Group sold approximately 48,000 MT (2008: 3,700 MT) of glucose syrup to the GBT Group.

Corn syrup solid

(Sales amount: HK$257 million (2008: HK$303 million))
(Gross profit: HK$27 million (2008: HK$70 million))

The revenue of corn syrup solid decreased by approximately 15.1% during the Period as a result of the decrease in selling price and sales volume. Selling prices of crystallised glucose and maltodextrin dropped by 6.7% and 7.2% respectively; while the sales volume decreased by 11.0% and 3.2% respectively. Consequently, the revenue of crystallised glucose and maltodextrin decreased by approximately 17.0% and 10.1% respectively to approximately HK$184 million (2008: HK$221 million) and HK$73 million (2008: HK$81 million) respectively.

With the decrease in sales volume by 9.5% to approximately 151,000 MT (2008: 167,000 MT), the gross profit of corn syrup solid reduced substantially by 61.8%. During the Period, crystallised glucose and maltodextrin recorded gross profit of approximately HK$21 million (2008: HK$59 million) and HK$6 million (2008: HK$11 million) with gross profit margins of 11.3% (2008: 26.4%) and 8.1% (2008: 14.0%) respectively. The decline of gross profit margins was mainly due to the decrease in selling price and increase in unit production cost.

During the Period, the Group sold approximately 111,000 MT (2008: 116,500 MT) of crystallised glucose to the GBT Group.

Sugar alcohol

(Sales amount: HK$19 million (2008: HK$46 million))
(Gross profit: HK$3 million (2008: HK$12 million))

The revenue of sugar alcohol decreased by 58.3% to approximately HK$19 million (2008: HK$46 million) while the gross profit decreased by 74.8% to approximately HK$3 million (2008: HK$12 million). Due to the poor market sentiment of sorbitol, part of the production line was used for the production of crystallised glucose. As a result, sales volume of sorbitol decreased to approximately 6,000 MT (2008: 15,000 MT) during the Period. With lower selling price and higher unit production cost, the gross profit margin decreased to 15.8% (2008: 26.1%).

During the Period, the Group sold approximately 6,000 MT (2008: 6,600 MT) of sorbitol to GBT Group.

Export sales

During the Period, the Group exported approximately 22,000 MT (2008: Nil) of upstream corn refined products and 9,000 MT (2008: 10,000 MT) of corn sweeteners; their export sales amounted to approximately HK$35 million (2008: Nil) and HK$26 million (2008: HK$36 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 65.9%. The ratio of such operating expenses to turnover increased to 6.9% (2008: 5.9%), resulting mainly from the increase in selling expenses of approximately HK$20 million and administrative expenses of approximately HK$7 million due to the acquisition of Jinzhou Yuancheng in September 2008.

Finance costs of the Group increased to approximately HK$17 million (2008: HK$14 million) for the Period due to the increase in PRC bank borrowings with higher interest rate which amounted to approximately HK$225 million as a result of the acquisition of Jinzhou Yuancheng.

The income tax rate for each of the subsidiaries remained the same during the Period. However, due to the operating loss of Jinzhou Yuancheng and a newly operated subsidiary amounted to approximately HK$13 million, and certain subsidiaries which tax concession period have expired and were then subject to 25% of corporate profit tax, the overall effective tax rate of the Group increased to approximately 65.1% (2008: 7.0%).

Performance of joint ventures

As at 30 June 2009, the Group has one joint venture project with Cargill Inc. which is principally engaged in the manufacture and sale of high fructose corn syrup ("HFCS"). During the Period, share of profits of jointly controlled entities amounted to approximately HK$3 million (2008: HK$5 million).

Net profit attributable to equity holders of the parent

As a result of the decrease in overall gross profit and the increase in selling and distribution costs, the net profit attributable to shareholders for the Period decreased by approximately 97.2% to approximately HK$4 million (2008: HK$141 million).

FINANCIAL RESOURCES AND LIQUIDITY

Net borrowing position

The Group had net borrowings of approximately of HK$125 million (31 December 2008: HK$199 million) as at 30 June 2009.

Structure of interest bearing borrowings

As at 30 June 2009, the Group's bank borrowings amounted to approximately HK$403 million (31 December 2008: HK$622 million), all of which were denominated in Renminbi (31 December 2008: 67.9%). The average interest rate during the Period remained at the similar level of approximately 6% (2008: 6%) per annum.

The percentage of interest bearing borrowings wholly repayable within one year and in the second to the fifth years were approximately 91.6% (31 December 2008: 54.9%) and 8.4% (31 December 2008: 45.1%) respectively. The change in repayment pattern was mainly resulted from the re-classification of certain long-term loans during the Period.

Turnover days, liquidity ratios and gearing ratios

Credit terms, normally 90 days, are granted to customers, depending on their credit worthiness and business relationships. As at 30 June 2009, out of the amounts due from fellow subsidiaries, approximately HK$72 million (31 December 2008: HK$23 million) represented the trade nature portion was taken into consideration in the calculation of trade receivables turnover days. During the Period, the trade receivables turnover days decreased slightly to approximately 51 days (31 December 2008: 56 days). Meanwhile, the outstanding balances of approximately HK$100 million as at 30 June 2009 (31 December 2008: HK$21 million) arising from the 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 approximately 45 days (31 December 2008: 22 days) as part of the cash flow management.

The inventory turnover days had decreased from approximately 62 days for the year ended 31 December 2008 to approximately 45 days for the period ended 30 June 2009 owing to the adoption of a more stringent inventory control.

The current ratio and the quick ratio as at 30 June 2009 decreased to approximately 1.02 (31 December 2008: 1.26) and 0.77 (31 December 2008: 0.97) respectively. 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 15.8% (31 December 2008: 23.3%), 26.2% (31 December 2008: 40.8%) and 8.1% (31 December 2008: 13.1%) respectively. The gearing ratio improved as bank borrowings reduced during the Period. Interest coverage (i.e. EBITDA over finance costs) dropped to approximately 4.4 times (2008: 13.8 times) mainly due to the substantial decline of net profit for the Period.

FOREIGN EXCHANGE EXPOSURE

Although most of the operations were carried out in the PRC in which transactions were denominated in Renminbi, the directors of the Company (the "Directors") consider that there is no material unfavourable exposure to foreign exchange fluctuation and there will be sufficient cash resources denominated in Hong Kong dollars for future dividends. During the Period, the Group did not use any financial instrument for hedging purposes and the Group did not have any hedging instrument outstanding as at 30 June 2009.

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 Directors believe that it is of utmost importance for the Group to maintain its leading position in the market by expanding its production capacity, and at the same time, expanding its sales network.

Expansion of production capacity

The Group has commenced the construction of a crystallised glucose production line (with sorbitol production capability after modification conducted) in Changchun (the "Changchun Facility") in the second half of 2008 and is expected to be completed by the end of the third quarter of 2009. The new production line will add 40,000 metric tonnes per annum ("mtpa") to either the Group's crystallised glucose capacity to 240,000 mtpa or sorbitol capacity to 100,000 mtpa.

Substantial portion of the above expected capital expenditures for the Changchun Facility has been incurred prior to its commencement of commercial production while the remaining amounts are expected to be settled within one year from the commencement date. The expansion plan of the Group in Changchun has been principally financed by the internal resources of the Group and the Directors are of the view that the existing technology know-how of the Group is sufficient for such expansion.

On 6 March 2009, the Company announced that, in light of the market condition and slowdown of the world economy, the Directors have resolved to change the intended use of the unutilised net proceeds of HK$331 million raised from the initial public offering of the Company's share in September 2007 to general working capital of the Company and/or repayment of bank borrowings. The Directors were of the view that such arrangement would reduce the finance cost of the Group and increase the Group's flexibility in financial management. Accordingly, the projects set out in the section headed "Future plans and use of proceeds" of the prospectus of the Company dated 10 September 2007 (the "Prospectus") has been postponed in view of the current market condition. 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. These expansion plans will be funded by the Group's internal resources and bank borrowings. The board of Directors (the "Board") is examining different alternatives in the capital market to further strengthen the Group's financial position, including listing in overseas stock markets.

In the long run, the Directors intend 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.

Retail market

During the year of 2008, the Group expanded its business to the retail market and some of the Group's consumable sweetener products were launched and sold under the Group's own brand "*Life Essentials*" on retail basis. Marketing expenses of approximately HK$754,000 (2008: Nil) were incurred during the Period. It is expected that such marketing expenses for 2009 will be around HK$1 million. During the Period, the Group also started launching other food related products into its retail business for product diversification. A joint venture has been set up for launching high end beef products to customers via supermarket chains in the PRC. During the first half of 2009, the Group has invested approximately HK$8 million in this joint venture. This new business is expected to have profit contribution by the end of 2009.

USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

Net proceeds of approximately HK$657 million were raised from the initial public offering of the Company's shares in September 2007. As at 31 December 2008, the Group had utilised a total of approximately HK$119 million of the proceeds for the construction of a new glucose production plant in Jinzhou, approximately HK$22 million for the construction of an additional crystallised glucose production line in Changchun and approximately HK$135 million had been utilised to repay bank borrowings. Other than that, the Group had also utilised a total of approximately HK$50 million of the proceeds for working capital in Hong Kong. The remaining proceeds were placed on short term deposits with licensed banks in Hong Kong. As announced by the Company on 6 March 2009, in order to better utilise the cash flow and to minimise unnecessary interest expenses of the Group, the Board resolved to reallocate about HK$331 million of the net proceeds from the initial public offering of the Company originally designated for construction of new production facilities in Changchun and for the acquisition and/or construction of HFCS production facilities to general working capital of the Group and/or repayment of bank borrowings. The Board is of the opinion that such arrangement of the unutilised proceeds will reduce the finance cost of the Group and increase the Company's flexibility in its financial management.

NUMBER AND REMUNERATION OF EMPLOYEES

As at 30 June 2009, the Group has approximately 1,110 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. Other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance related commission.

DISCLOSURE OF ADDITIONAL INFORMATION

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of an interim dividend in respect of the Period.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

At 30 June 2009, the interests and share positions in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Law of Hong Kong ("SFO")) of the directors and chief executive of the Company which had been notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO or which as recorded in the register required to be kept by the Company pursuant to 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 as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") are as follows:

Name of Director	The Company/ name of associated corporation	Capacity/nature of interest	Number and class of securities held *(Note 1)*	Percentages of the relevant class of issued share capital of the Company/ associated corporation
Kong Zhanpeng	GBT	Beneficial owner	13,040,000 ordinary shares of HK$0.10 each (L)	0.56%
	GBT	Interest of a controlled corporation	172,800,000 ordinary shares of HK$0.10 each (L) *(Note 2)*	7.45%

Notes:

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

2. These shares are held by Hartington Profits Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is beneficially owned by Mr. Kong Zhanpeng.

Saved as disclosed above, as at the date of this report, 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) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions in which they are deemed or taken to have under such provisions of the SFO), or as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTEREST IN SHARES AND UNDERLYING SHARES

At 30 June 2009, so far as is known to the Directors, the interests or short positions of the persons (other than the Directors or chief executive of the Company) 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 X V of the SFO or as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	**Capacity/nature of interest**	**Number of shares held** *(Note 1)*	**Percentage of the Company's issued share capital**
Global Corn Bio-chem Technology Company Limited ("Global Corn Bio-chem")	Beneficial owner	700,500,000 shares of HK$0.10 each (L)	67.3%
GBT	Interest of a controlled corporation	700,500,000 shares of HK$0.10 each (L) *(Note 2)*	67.3%

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. 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 has, as of the date of this report, an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company 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 formalizing 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 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

The CCT Executive Committee comprises two executive Directors, namely Mr. Zhang Fusheng and Ms. Wang Guifeng, responsible for monitoring, review and management of the continuing connected transactions (the "CCT") between the Group on one part and the GBT Group on the other part. 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 Agreements") 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 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 revised Prescribed Guidelines were adopted by the Board and prevailing during the Period since its adoption. The principle terms of the revised 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 specifications 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.

For principal terms of the Prescribed Guidelines prior to the adoption of the revised Prescribed Guidelines on 13 January 2009, please refer to the annual report of the Company dated 23 April 2009.

During the Period, two meetings were held by the CCT Supervisory Committee to review the CCT Quarterly Reports submitted by the CCT Executive Committee in respect of the Proposed Sale and Purchase and the Utility Services entered into by the Group with the GBT Group during the Year. Details of findings have been published on 15 May 2009 and 27 August 2009. 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 at 1 January 2009 and 30 June 2009	Date of grant of share options	Exercise period of share options	Vesting period of share options	Exercise price of share options *HK$ per Share*	Closing price of Company's share immediately before the date of grant of options *HK$ per Share*
Employees	3,330,000	7 July 2008	7 July 2008 to 6 July 2011	—	1.59	1.63
Employee	100,000	7 July 2008	1 March 2009 to 6 July 2011	7 July 2008 to 1 March 2009	1.59	1.63
Employee	100,000	7 July 2008	14 April 2009 to 6 July 2011	7 July 2008 to 14 April 2009	1.59	1.63
Employees	4,642,000	17 September 2008	17 September 2009 to 16 September 2011	17 September 2008 to 17 September 2009	0.99	0.87
Total	8,172,000					

No share option was exercised, lapsed or cancelled during the Period.

On behalf of the Board
Kong Zhanpeng
Chairman

Hong Kong, 17 September 2009

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Notes	Six months ended 30 June 2009 (Unaudited) HK$'000	2008 (Restated) (Unaudited) HK$'000
REVENUE			
Sales of goods	5	**1,052,788**	740,666
Cost of sales		**(959,565)**	(575,200)
Gross profit		**93,223**	165,466
Other income	5	**4,905**	14,028
Negative goodwill		**—**	24,036
Selling and distribution costs		**(44,843)**	(25,064)
Administrative expenses		**(27,716)**	(20,273)
Other expenses		**—**	1,597
Finance costs	6	**(16,969)**	(13,513)
Share of profits of jointly controlled entities		**2,839**	5,057
PROFIT BEFORE TAX	7	**11,439**	151,334
Tax	8	**(7,442)**	(10,168)
PROFIT FOR THE PERIOD		**3,997**	141,166
OTHER COMPREHENSIVE INCOME			
Exchange difference on translation of financial statements of operations outside Hong Kong		**1,152**	58,173
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**5,149**	199,339
PROFIT ATTRIBUTABLE TO:			
Equity holders of the parent		**3,970**	141,166
Minority interests		**27**	—
		3,997	141,166
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the parent		**5,122**	199,339
Minority interests		**27**	—
		5,149	199,339
EARNINGS PER SHARE			
— Basic	9	**HK0.38 cents**	HK13.5 cents
— Diluted	9	**HK0.38 cents**	N/A
DIVIDEND PER SHARE	10	**—**	—

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2009

	Notes	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,203,160**	1,243,713
Prepaid land premiums		**105,312**	110,266
Deposits paid for acquisition of property, plant and equipment		**9,688**	5,176
Goodwill		**183,538**	183,538
Deferred tax assets		**—**	987
Interests in jointly controlled entities	11	**94,480**	91,634
Total non-current assets		**1,596,178**	1,635,314
CURRENT ASSETS			
Inventories		**239,110**	241,356
Trade receivables	12	**234,360**	237,986
Prepayments, deposits and other receivables		**51,192**	59,293
Due from the immediate holding company	17(c)	**21,085**	21,085
Due from fellow subsidiaries	17(c)	**114,294**	45,456
Due from jointly controlled entities	17(c)	**3,044**	2,460
Tax recoverable		**11,133**	11,133
Cash and cash equivalents		**277,901**	423,113
Total current assets		**952,119**	1,041,882
CURRENT LIABILITIES			
Trade payables	13	**136,524**	65,069
Other payables and accruals		**133,378**	99,508
Interest-bearing bank and other borrowings		**369,086**	341,573
Due to the ultimate holding company	17(c)	**34,439**	168,538
Due to fellow subsidiaries	17(c)	**252,167**	139,753
Due to a jointly controlled entity		**—**	86
Tax payable		**4,619**	9,873
Total current liabilities		**930,213**	824,400
NET CURRENT ASSETS		**21,906**	217,482
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,618,084**	1,852,796
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		**33,708**	280,899
Deferred tax liabilities		**47,907**	46,373
Total non-current liabilities		**81,615**	327,272
Net assets		**1,536,469**	1,525,524
EQUITY			
Equity attributable to equity holders of the parent			
Share capital	14	**104,500**	104,500
Reserves		**1,426,747**	1,421,024
		1,531,247	1,525,524
Minority interests		**5,222**	—
Total equity		**1,536,469**	1,525,524

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2009

	Attributable to equity holders of the parent									
	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 31 December 2008 and 1 January 2009	**104,500**	**574,473***	**12,253***	**77,389***	**149,147***	**1,992***	**605,770***	**1,525,524**	**–**	**1,525,524**
Profit for the period	**–**	**–**	**–**	**–**	**–**	**–**	**3,970**	**3,970**	**27**	**3,997**
Other comprehensive income:										
Exchange difference on translation of financial statements of operations outside Hong Kong	**–**	**–**	**–**	**–**	**1,152**	**–**	**–**	**1,152**	**–**	**1,152**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**1,152**	**–**	**3,970**	**5,122**	**27**	**5,149**
Other movements:										
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**
At 1 January 2008	104,500	574,473	12,253	56,843	60,453	–	471,946	1,280,468	–	1,280,468
Profit for the period	–	–	–	–	–	–	141,166	141,166	–	141,166
Other comprehensive income:										
Exchange difference on translation of financial statements of operations outside Hong Kong	–	–	–	–	58,173	–	–	58,173	–	58,173
Total comprehensive income for the period	–	–	–	–	58,173	–	141,166	199,339	–	199,339
At 30 June 2008 (Unaudited)	104,500	574,473	12,253	56,843	118,626	–	613,112	1,479,807	–	1,479,807

* These reserve accounts comprise the consolidated reserves of the Group of HK$1,426,747 (unaudited) (31 December 2008: HK$1,421,024,000) on the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2009

	Six months ended 30 June 2009 (Unaudited) HK$'000	2008 (Restated) (Unaudited) HK$'000
Net cash inflow from operating activities	**223,672**	44,968
Net cash outflow from investing activities	**(101,830)**	(81,333)
Net cash outflow from financing activities	**(268,206)**	(13,318)
DECREASE IN CASH AND CASH EQUIVALENTS	**(146,364)**	(49,683)
Cash and cash equivalents at beginning of period	**423,113**	889,127
Effect of foreign exchange rate changes, net	**1,152**	45,280
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**277,901**	884,724
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	**277,901**	884,724

30 June 2009

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 2009 are authorised for issue in accordance with a resolution of the directors (the "Directors") passed on 17 September 2009.

The Company was incorporated in the Cayman Islands under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands as an exempted company with limited liability on 13 June 2006. The principal activity of the Company is investment holding. The Group is involved in the manufacture and sale of corn refined products and corn-based sweetener products. 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.

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

The accounting policies adopted in the preparation of the interim condensed financial statements are the same as those used in the annual financial statements for the year ended 31 December 2008, except for the change of accounting policy used to account for the Group's interests in jointly controlled entities as detailed in note 3 below and the adoption of the following Hong Kong Financial Reporting Standards ("HKFRSs"), which are mandatory for annual periods beginning on or after 1 January 2009.

HKFRSs (Amendments)	Improvements to HKFRSs
HKAS 1 (Revised)	Presentation of Financial Statements
HKFRS 2 (Amendments)	Vesting Conditions and Cancellations
HKFRS 7 (Amendments)	Improving Disclosure about Financial Instruments
HKFRS 8	Operating Segments
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 and HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKAS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or an Associate
HK(IFRIC) — Int 9 & HKAS39 (Amendments)	Embedded Derivatives
HK(IFRIC) — Int 13	Customer Loyalty Programmes
HK(IFRIC) — Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) — Int 16	Hedges of a Net Investment in a Foreign Operations

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

As a result of the adoption of HKAS 1 (Revised), details of changes in equity during the period arising from transactions with equity holders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense are recognised as part of profit or loss for the period, or otherwise in the other comprehensive income. Entities may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. The Group has elected to present the components of profit or loss in a single consolidated statement of comprehensive income. Corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

HKFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group's chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. The adoption of HKFRS 8 did not result in significant changes in the Group's segment information to be presented, as segment information are previously presented in a manner consistent with the basis used for internal reporting purpose.

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:

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009[1]
HKFRSs (Amendments)	Amendments to HKFRS 5 as part of Improvement to HKFRSs issued in 2009[2]
HKAS 27 (Revised 2008)	Consolidated and Separate Financial Statements[2]
HKAS 39 (Amendment)	Eligible Hedged Items[2]
HKFRS 1 (Amendment)	First-time Adoption of Hong Kong Financial Reporting Standard[3]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[3]
HKFRS 3 (Revised 2008)	Business Combinations[2]
HK(IFRIC) — Int 17	Distribution of Non-cash Assets to Owners[2]
HK(IFRIC) — Int 18	Transfer of Assets from Customers[4]

1 The amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 January 2010
4 Effective for transfer on or after 1 July 2009

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. CHANGES OF ACCOUNTING POLICY

During the period, the Directors elected to change the accounting policy used to account for the Group's jointly controlled entities from proportionate consolidation to equity method because the Directors considered that the adoption of equity method would save cost for the preparation of these financial statements but would still provide useful financial information about the economic activity of the Group to the readers. The effect of this change did not result in any impact on the profit and the equity attributable to equity holders of the parent in the periods prior to the change.

The financial condition as at 31 December 2008, the results of operation and the cash flows for the six months ended 30 June 2008 previously reported by the Group have been restated to apply the equity method for the interests in jointly controlled entities, as set out below:

	The Group, as previously reported HK$'000	**Effect of accounting for interests in jointly controlled entities under equity method** HK$'000	**The Group, as restated** HK$'000
Items of condensed consolidated statement of comprehensive income for the six months ended 30 June 2008			
Turnover	809,925	(69,259)	740,666
Gross profit	175,770	(10,304)	165,466
Share of profits of jointly controlled entities	—	5,057	5,057
Profit before taxation	152,049	(715)	151,334
Profit for the period	141,166	—	141,166
Profit attributable to equity holders of the parent	141,166	—	141,166
Items of condensed consolidated statement of financial position as at 31 December 2008			
Non-current assets	1,604,471	30,843	1,635,314
Interests in jointly controlled entities	—	91,634	91,634
Current assets	1,099,529	(57,647)	1,041,882
Current liabilities	830,793	(6,393)	824,400
Net current assets	268,736	(51,254)	217,482
Non-current liabilities	347,683	(20,411)	327,272
Net assets	1,525,524	—	1,525,524
Total equity attributable to equity holders of the parent	1,525,524	—	1,525,524
Total equity	1,525,524	—	1,525,524
Items of condensed consolidated statement of cash flows for the six months ended 30 June 2008			
Net cash inflow from operating activities	45,816	(848)	44,968
Net cash outflow from investing activities	(81,644)	311	(81,333)
Decrease in cash and cash equivalents	(49,146)	(537)	(49,683)
Cash and cash equivalents at beginning of period	905,599	(16,472)	889,127
Cash and cash equivalents at end of period	901,733	(17,009)	884,724

4. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has two 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; and

(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.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. These reportable segments are the basis on which the Group reports its segment information and no operating segments have been aggregated to form the above reportable operating segments. Intersegment revenue are eliminated on consolidation. Intersegment sales and transactions are charged at prevailing market prices.

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		Eliminations		Consolidated	
	Six months ended 30 June							
	2009	2008	2009	2008	2009	2008	2009	2008
				(Restated)				(Restated)
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Segment revenue:								
Sales to external customers	415,562	–	637,226	740,666	–	–	1,052,788	740,666
Intersegment sales	86,931	–	–	–	(86,931)	–	–	–
Total revenue	502,493	–	637,226	740,666	(86,931)	–	1,052,788	740,666
Segment results	6,024	–	26,529	158,903	–	–	32,553	158,903
Unallocated revenue							7,744	19,085
Unallocated expenses							(11,889)	(13,140)
Finance costs							(16,969)	(13,514)
Profit before tax							11,439	151,334
Tax							(7,442)	(10,168)
Profit for the period							3,997	141,166

4. SEGMENT INFORMATION *(continued)*

(b) Geographical information

	Mainland China		Regions other than Mainland China		Consolidated	
	Six months ended 30 June					
	2009	2008	**2009**	2008	**2009**	2008
		(Restated)		(Restated)		(Restated)
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue:						
Sales to external customers	**991,657**	708,716	**61,131**	31,950	**1,052,788**	740,666

5. 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	
	2009	2008
		(Restated)
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Bank interest income	**503**	5,876
Sales of scrap and raw materials	**3,908**	1,420
Exchange gains/(loss)	**(539)**	6,578
Others	**1,033**	154
	4,905	14,028

6. FINANCE COSTS

	Six months ended 30 June	
	2009	2008
		(Restated)
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans:		
Wholly repayable within five years	**16,969**	13,513

30 June 2009

7. PROFIT BEFORE TAX

The Group's profit from operating activities is arrived at after charging:

		Six months ended 30 June	
		2009	2008
			(Restated)
	Note	**(Unaudited)**	(Unaudited)
		HK$'000	HK$'000
Raw materials and consumables used		**766,005**	493,542
Depreciation		**43,109**	20,647
Amortisation of prepaid land premiums		**4,954**	630
Negative goodwill		**—**	24,036
Write back of trade receivables	12	**(5)**	(1,597)
Employee benefits expense		**15,681**	8,241

8. TAX

	Six months ended 30 June	
	2009	2008
		(Restated)
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Provisions for the period:		
Hong Kong profits tax	**—**	—
PRC corporate income tax	**7,442**	10,168
Tax charge for the period	**7,442**	10,168

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 2009. During the prior period, the statutory tax rate was 25%, except for one subsidiary, which was granted Technological Advanced Enterprise status and entitled to a lower applicable tax rate of 15% according to Article 75 of the Detailed Rules and Regulation for the Implementation of the Income Tax Law of the PRC for Enterprises with Foreign Investment and Foreign Enterprises.

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 enjoy the statutory tax rate within 5 years after the implementation of the EITL. Among them, the enterprises that enjoy the enterprise income tax rate of 15% shall be subject to the enterprise income tax rate of 18% in 2008, 20% in 2009, 22% in 2010, 24% in 2011 and 25% in 2012.

8. TAX *(continued)*

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 (2008: none) 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 (2008: two) as it remained exempt from income tax for its first two profitable years of its operations.

The remaining PRC subsidiaries of the Group have not made any provision for income tax 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.

9. EARNINGS PER SHARE

The basic earnings per share for the period ended 30 June 2009 is calculated based on the consolidated profit for the period attributable to ordinary equity holders of the parent of approximately HK$3,997,000 (2008: HK$141,166,000) and the weighted average number of ordinary shares in issue during the period of 1,045,000,000 (2008: 1,045,000,000).

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

As the exercise price of the share options was higher than the average market price of the Company's ordinary shares during the period ended 30 June 2009, no shares were assumed to have been issued on the deemed exercise of the Company's outstanding share options during the period ended 30 June 2009. Therefore, the diluted earnings per share amount was equal to the basic earnings per share amount for the period ended 30 June 2009.

No diluted earnings per share was presented for the six months ended 30 June 2008 as there were no dilutive potential ordinary shares in existence for the six months ended 30 June 2008.

10. DIVIDEND

The Directors do not recommend the payment of any interim dividend for the six months ended 30 June 2009 (six months ended 30 June 2008: nil).

11. INTERESTS IN JOINTLY CONTROLLED ENTITIES

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
Share of net assets	**54,480**	51,634
Loan to a jointly controlled entity	**40,000**	40,000
	94,480	91,634

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 17(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.

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

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Share of the jointly controlled entities' assets and liabilities:		
Current assets	**61,520**	57,647
Non-current assets	**19,993**	20,791
Current liabilities	**(5,970)**	(6,393)
Non-current liabilities	**(21,063)**	(20,411)
Net assets	**54,480**	51,634

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

Share of the jointly controlled entities' results:

	Six months ended 30 June 2009 (Unaudited) HK$'000	2008 (Unaudited) HK$'000
Revenue	**34,991**	69,259
Other income	**289**	1,014
	35,280	70,273
Total expenses	**(31,936)**	(64,501)
Tax	**(505)**	(715)
Profit after tax	**2,839**	5,057

12. TRADE RECEIVABLES

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
Trade receivables	**234,360**	237,991
Impairment	**—**	(5)
Total	**234,360**	237,986

The Group normally allows credit terms of 90 days to established customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest-bearing. Significant concentrations of risk exist where the Group has material exposures to trade receivables from one customer located in Mainland China which accounted for 10% of the total trade receivables as at 30 June 2009 (2008: 23%).

12. TRADE RECEIVABLES *(continued)*

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

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
Within 1 month	**86,563**	103,103
1 — 2 months	**57,092**	67,303
2 — 3 months	**38,400**	34,133
Over 3 months	**52,305**	33,447
Total	**234,360**	237,986

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

	2009 (Unaudited) HK$'000	2008 (Restated) (Audited) HK$'000
At 1 January 2009/1 January 2008	**5**	1,585
Impairment losses reversed	**(5)**	(1,705)
Exchange realignment	**—**	125
At 30 June 2009/31 December 2008	**—**	5

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

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
Neither past due nor impaired	**182,055**	204,539
Less than 1 month past due	**21,421**	16,227
1 to 3 months past due	**24,541**	7,257
Over 3 months past due	**6,343**	9,963
Total	**234,360**	237,986

12. TRADE RECEIVABLES *(continued)*

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

13. TRADE PAYABLES

The Group normally obtains credit terms ranging 30 to 90 days from its suppliers, which are normally settled on a cash basis. The carrying amounts of trade payables approximate to their fair values.

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

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Restated) (Audited) HK$'000
Within 1 month	**14,779**	50,087
1 — 2 months	**99,327**	4,892
2 — 3 months	**17,160**	1,815
Over 3 months	**5,258**	8,275
Total	**136,524**	65,069

14. 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 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Authorised:		
100,000,000,000 (31 December 2008: 100,000,000,000) ordinary shares of HK$0.10 each	**10,000,000**	10,000,000
Issued and fully paid:		
1,045,000,000 (31 December 2008: 1,045,000,000) ordinary shares of HK$0.10 each	**104,500**	104,500

15. CONTINGENT LIABILITIES

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

The Company provided guarantees for banking facilities granted to certain subsidiaries. These subsidiaries utilised the banking facilities to the extent of about HK$366,292,000 as at 30 June 2009 (31 December 2008: HK$332,584,000).

16. COMMITMENTS

The Group had capital commitments as follows:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Contracted, but not provided for:		
Land premiums and leasehold buildings	**18,095**	22,701
Plant and machinery	**15,400**	16,470
Capital contributions	**—**	8,479

17. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

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

	Notes	Six months ended 30 June 2009 HK$'000 (Unaudited)	2008 HK$'000 (Restated) (Unaudited)
Purchases from fellow subsidiaries			
— corn starch slurry	(i)	**286,443**	329,708
Purchases from jointly controlled entities			
— corn sweeteners	(i)	**—**	2,773
Sales to fellow subsidiaries			
— corn sweeteners	(ii)	**249,641**	176,314
— sorbitol	(ii)	**18,469**	19,147
Sales to jointly controlled entities			
— corn sweeteners	(ii)	**—**	10,073
— corn starch	(ii)	**7,076**	—
Utility costs charged to a jointly controlled entity	(iii)	**5,184**	6,718
Utility costs charged by a fellow subsidiary	(iii)	**45,527**	39,206

17. RELATED PARTY TRANSACTIONS *(continued)*

(a) Transactions with related parties *(continued)*

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

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

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

(b) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Short term employee benefits	**2,554**	3,718
Post-employment benefits	**6**	125
Total compensation paid to key management personnel	**2,560**	3,843

(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.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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 21 to 37 which comprises the condensed consolidated statement of financial position as at 30 June 2009 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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

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

17 September 2009