



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

2010 Interim Results

30 August 2010

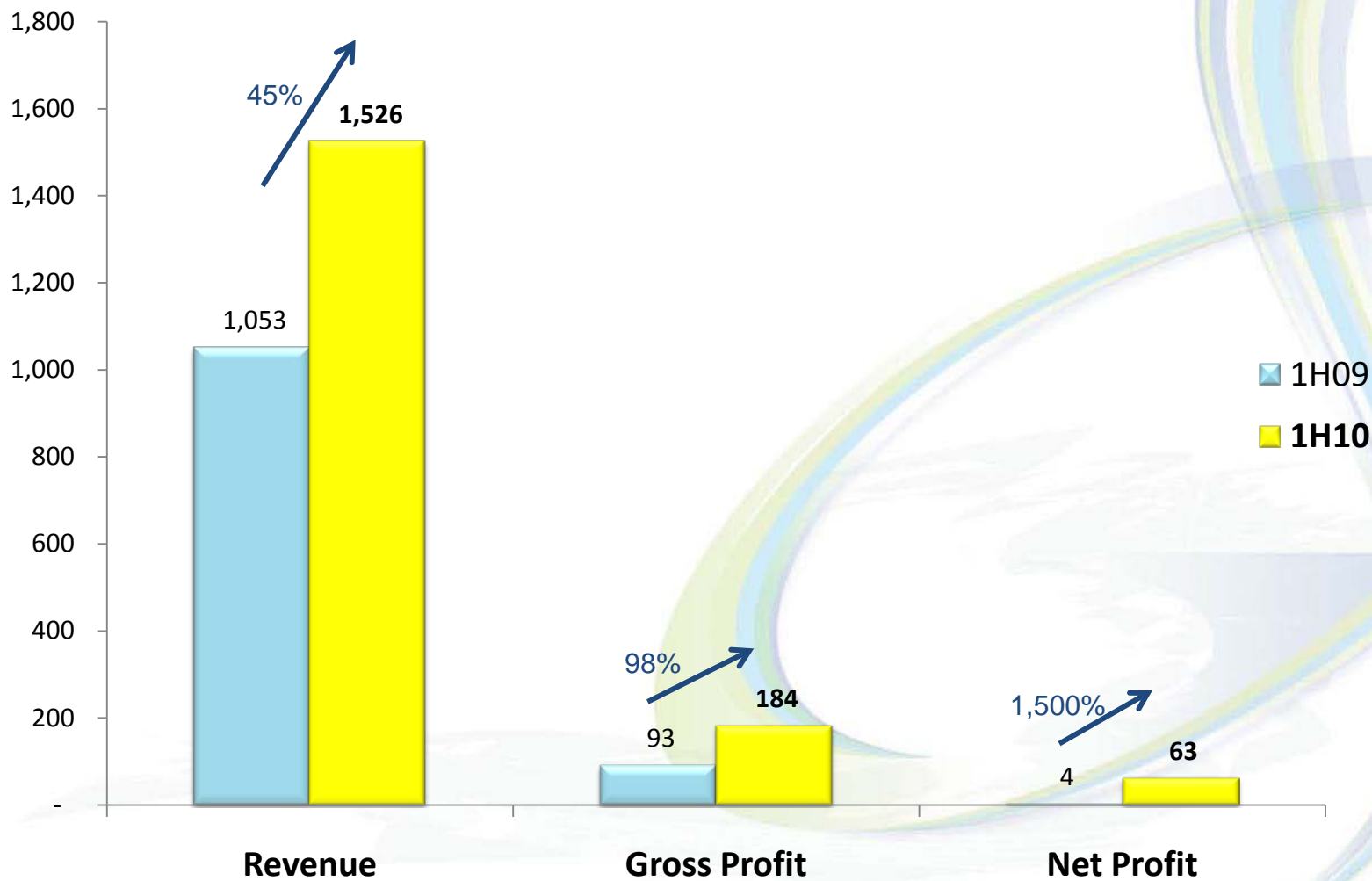


AGENDA

- ◆ Financial Overview
- ◆ Operation Overview
- ◆ Business Outlook & Development Plans
- ◆ Company Profile
- ◆ Appendix

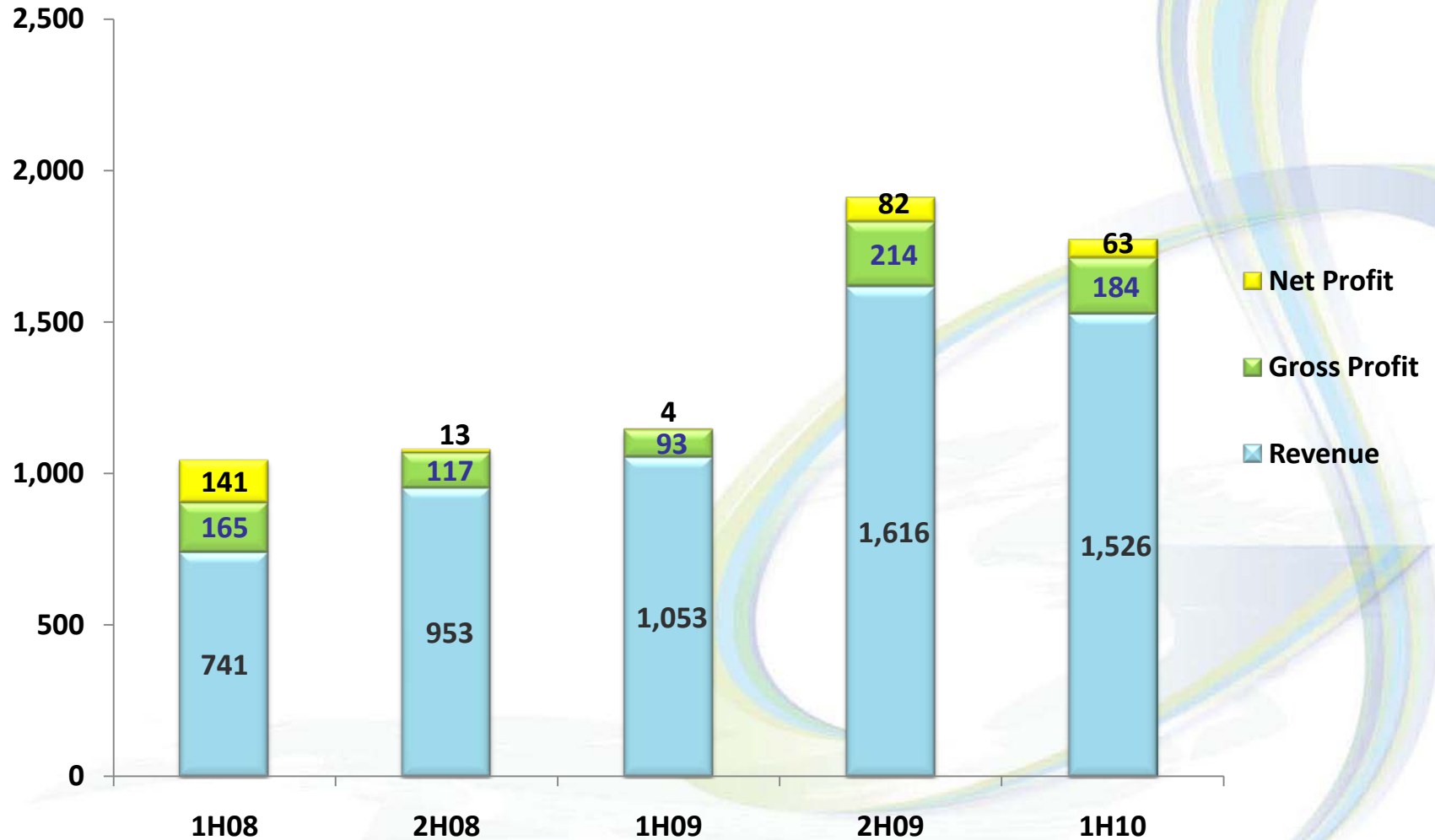
RESULTS HIGHLIGHTS

HK\$ million



STEADY RECOVERY PACE SINCE 2H09

HK\$ million



2010 INTERIM RESULTS

Financial Overview



OPERATING RESULTS

HK\$ million	1H10	1H09	Change
Revenue	1,526	1,053	45%
• Corn Refined Products	491	416	18%
• Corn Sweeteners	933	637	46%
• Retail Business	102	-	N/A
Gross Profit	184	93	97%
• Corn Refined Products	45	29	55%
• Corn Sweeteners	136	64	113%
• Retail Business	3	-	N/A
Gross Margin	12%	9%	3%
• Corn Refined Products	9%	7%	2%
• Corn Sweeteners	15%	10%	5%
• Retail Business	3%	-	N/A
EBITDA	154	76	103%
Net Profit	63	4	1,493%
• Net Margin	4.2%	0.4%	3.8%
Basic Earnings Per Share (HK cents)	5.7	0.4	1,395%
Dividend Per Share – Interim (HK cents)	-	-	N/A

FINANCIAL POSITION

HK\$ million	30 June 10	31 Dec 09	Change
Non-current Assets	1,569	1,601	(2%)
Current Assets	1,631	1,253	30%
Current Liabilities	879	993	(12%)
Cash and Bank Balances	369	297	24%
Shareholder's Equity	1,866	1,630	14%
Interest Bearing Borrowings	851	801	6%

KEY FINANCIAL RATIOS

HK\$ million	30 June 10	31 Dec 09
Current Ratio	1.86	1.26
Quick Ratio	1.15	0.89
Gearing Ratio (net debt/equity)	25.8%	30.8%
ROE	6.8%	10.5%
Inventories Turnover Days	84 days	57 days
Trade Receivables Turnover Days	56 days	66 days
Trade Payables Turnover Days	17 days	8 days

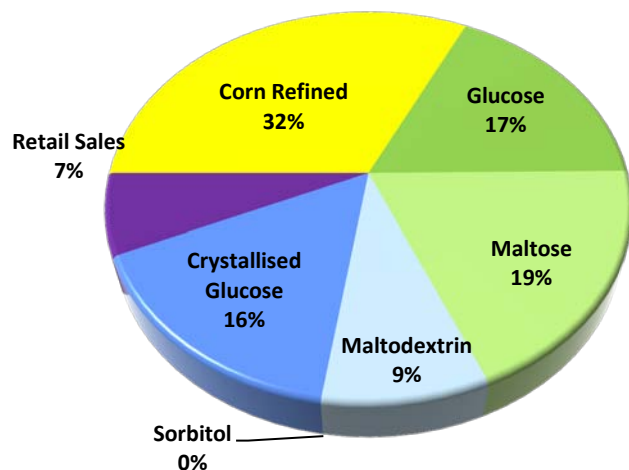
2010 INTERIM RESULTS

Operation Overview

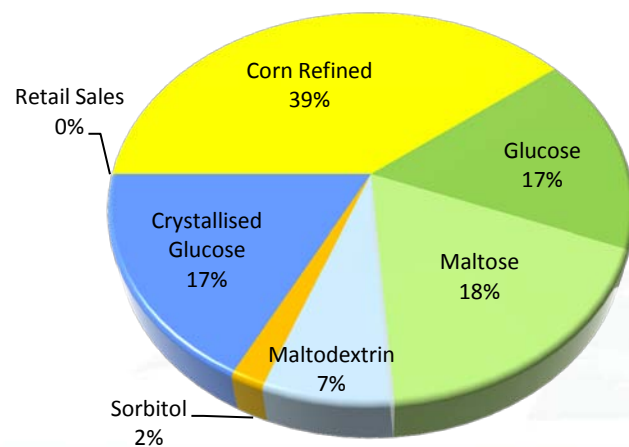


REVENUE BREAKDOWN

1H2010



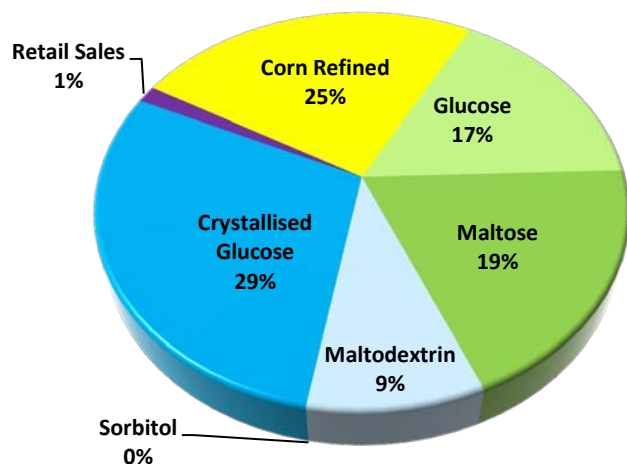
1H2009



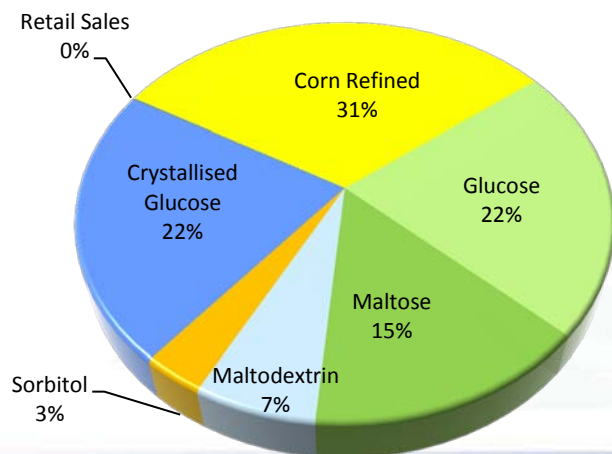
Revenue (HK\$ million)	1H10	1H09	Change
<u>Upstream</u>			
Corn Refined Products	491	416	18%
<u>Downstream</u>			
Glucose Syrup	269	174	54%
Maltose Syrup	287	187	54%
Maltodextrin	134	73	84%
Sorbitol	-	19	N/A
Crystallised Glucose	243	184	32%
Sweeteners Sub-total	933	637	46%
<u>Retail</u>			
	102	-	N/A
Total	1,526	1,053	45%

GROSS PROFIT BREAKDOWN

1H2010



1H2009



Gross Profit (HK\$ million)	1H10	1H09	Change
Upstream			
Corn Refined Products	45	29	55%
Downstream			
Glucose Syrup	30	21	48%
Maltose Syrup	35	14	157%
Maltodextrin	17	6	186%
Sorbitol	-	3	N/A
Crystallised Glucose	54	21	158%
Sweeteners Sub-total	136	64	113%
Retail			
	3	-	N/A
Total	184	93	97%

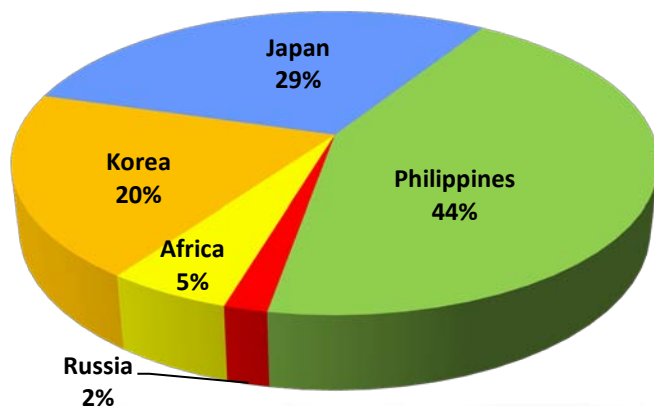
SALES ANALYSIS

	Sales Volume ('000 MT)			Gross Profit Margin		
	1H10	1H09	Change	1H10	1H09	Change
<u>Upstream</u>						
Corn Refined Products	199	207	(4%)	9%	7%	2%
<u>Downstream</u>						
Glucose Syrup	125	90	38%	11%	12%	(1%)
Maltose Syrup	112	87	29%	12%	7%	5%
Maltodextrin	46	31	50%	13%	8%	5%
Sorbitol	-	6	N/A	-	16%	N/A
Crystallised Glucose	119	120	(1%)	22%	11%	11%
Sweeteners Sub-total	402	334	20%	15%	10%	5%
<u>Retail</u>	5	-	N/A	3%	-	N/A
TOTAL	606	541	12%	12%	9%	3%

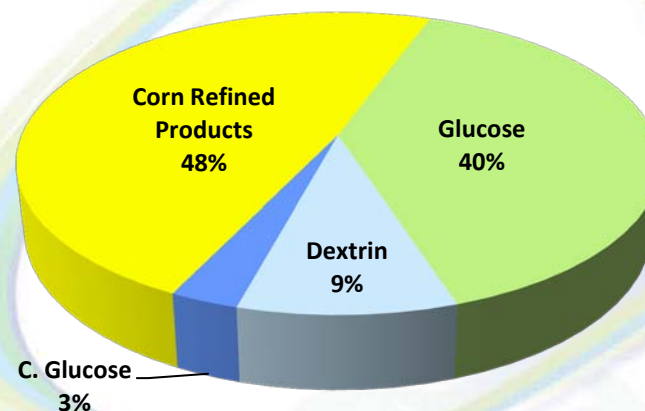
EXPORTS BREAKDOWN

	Sales Volume ('000 MT)			Revenue (HK\$ million)		
	1H10	1H09	Change	1H10	1H09	Change
Export Sales	33	46	(28%)	90	104	(13%)
Export to Revenue (%)	5%	9%	(4%)	6%	10%	(4%)

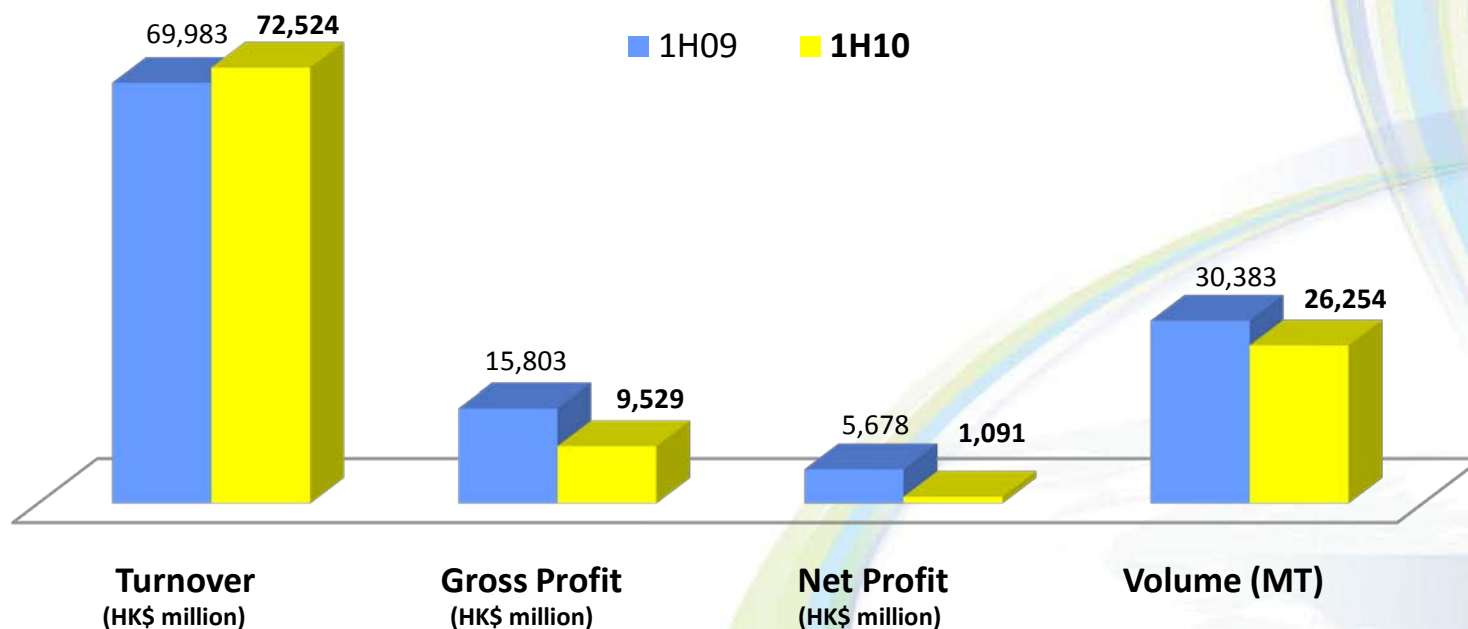
Exports Breakdown by Region 1H10



Exports Breakdown by Product 1H10



HFCS PERFORMANCE UNDER JV



◆ ASP ↑ → Turnover ↑

◆ Sales volume ↓ with raw material price ↑ → Gross profit and net profit ↓

OPERATING COST STRUCTURE

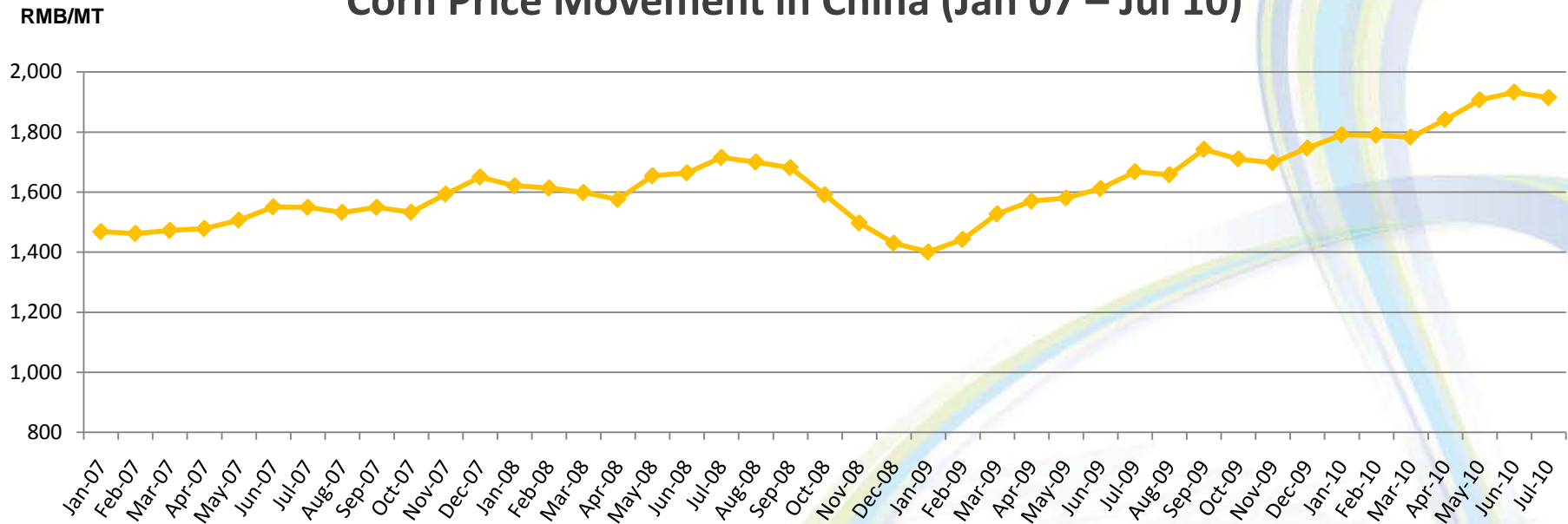
	1H10	1H09
Raw Material	76.6%	74.3%
Utilities	9.8%	10.9%
Labour	0.9%	0.6%
Depreciation	3.4%	4.7%
Production Overhead	2.7%	2.5%
Selling and Distribution Expenses	4.4%	4.3%
Administrative Expenses	2.2%	2.7%

Business Outlook & Development Plans



UPSTREAM: RAW MATERIAL – CORN

Corn Price Movement in China (Jan 07 – Jul 10)

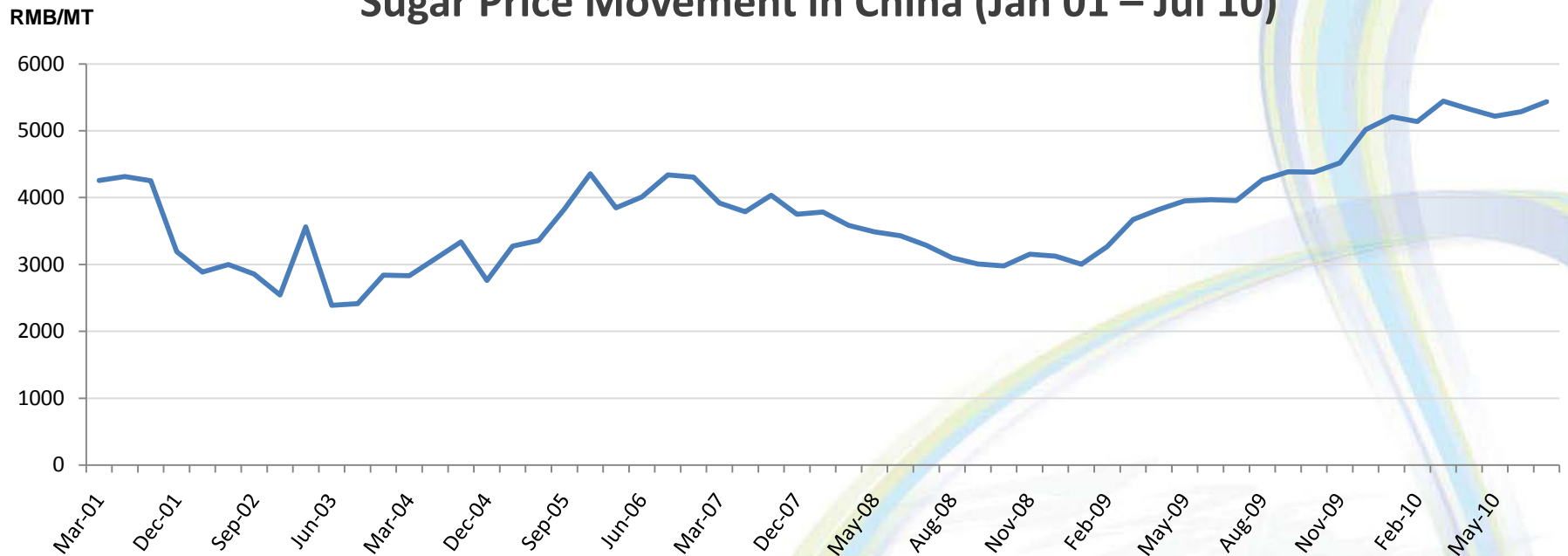


Source: eFeedlink. Based on average price from Northeast China (Jilin, Liaoning and Shandong)

- Grain prices in China is expected to increase with tightened supply as a result of natural disasters
- Corn harvest for 2010/2011 estimate: approx. 155-160 million MT
- The Group's corn purchasing price for 2010 stays at around RMB1,650/MT (2009: RMB1,600/MT)
- Upstream corn refinery: positive outlook with sustainable price and demand

SUGAR PRICE IN CHINA

Sugar Price Movement in China (Jan 01 – Jul 10)



Source: www.ec-sugar.com

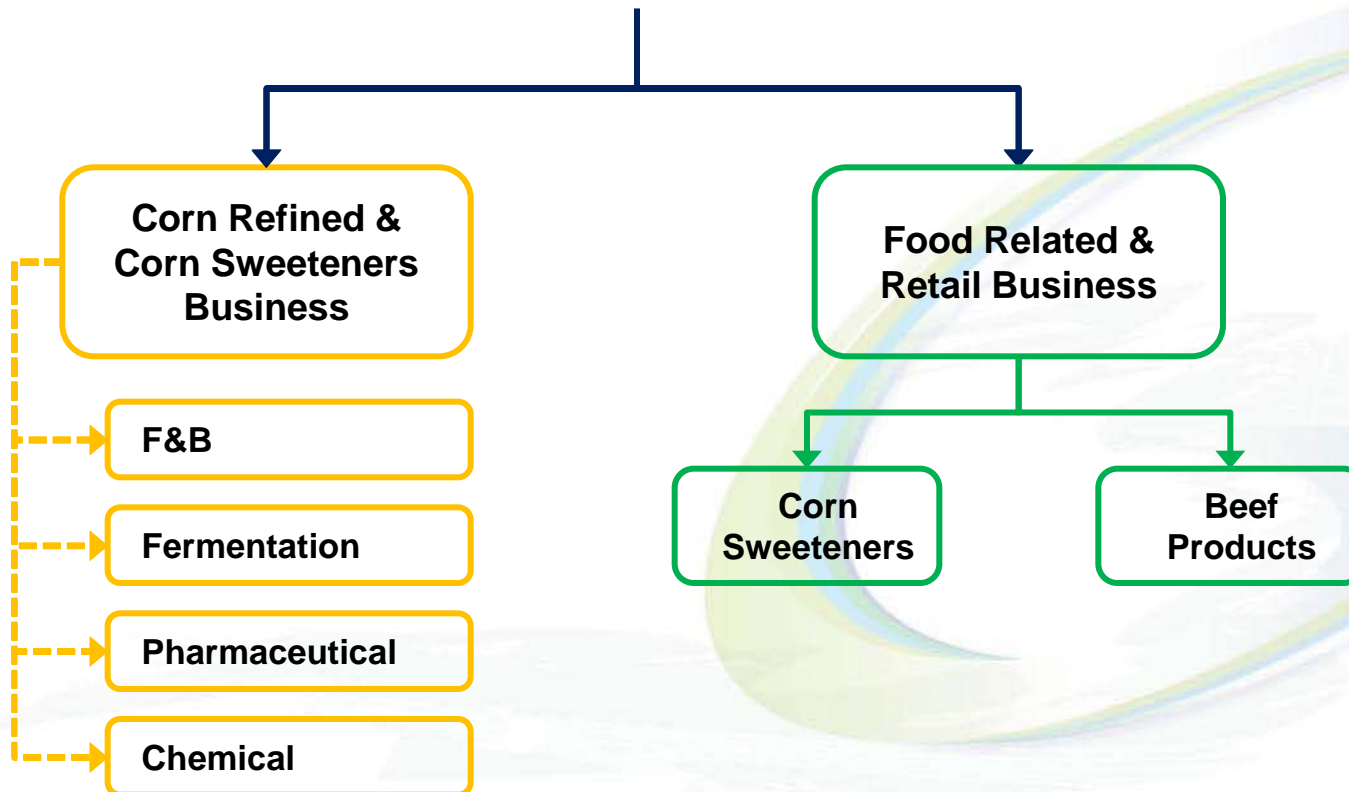
- ◆ PRC sugar price is expected to remain at high level (around RMB 5,000/MT) with lower production volume due to drought and flood in major production regions
- ◆ Positive outlook on sweeteners prices and demand as substitutes of cane sugar

CAPACITY OVERVIEW

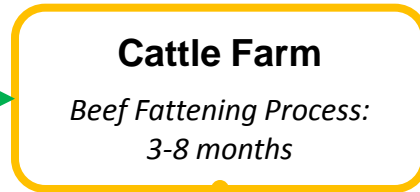
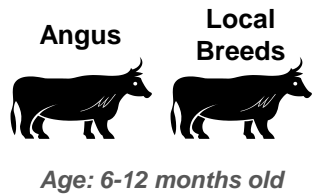
Designed Capacity (mtpa)	2010	2011	2012
<u>Upstream</u>			
Corn Starch	420,000	420,000	840,000
Corn Refined Products	180,000	180,000	360,000
Upstream Sub-total	600,000	600,000	1,200,000
<u>Downstream</u>			
Glucose / Maltose Syrup	820,000	820,000	820,000
Maltodextrin	20,000	60,000	60,000
HFCS*	120,000	220,000	220,000
Sorbitol	60,000	60,000	60,000
Crystallised Glucose	240,000	340,000	340,000
Downstream Sub-total	1,260,000	1,500,000	1,500,000
Total	1,860,000	2,100,000	2,700,000

* JV total capacity: 120,000 mtpa

FOOD RELATED & RETAIL BUSINESS



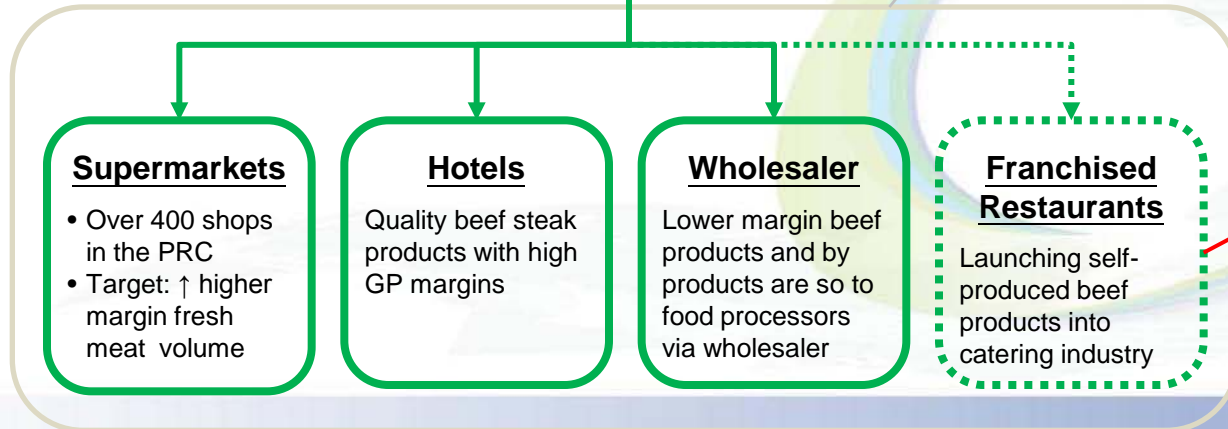
CATTLE FATTENING BUSINESS



Slaughtering



Finished beef products
ready for sales



3-Year Expansion Plans

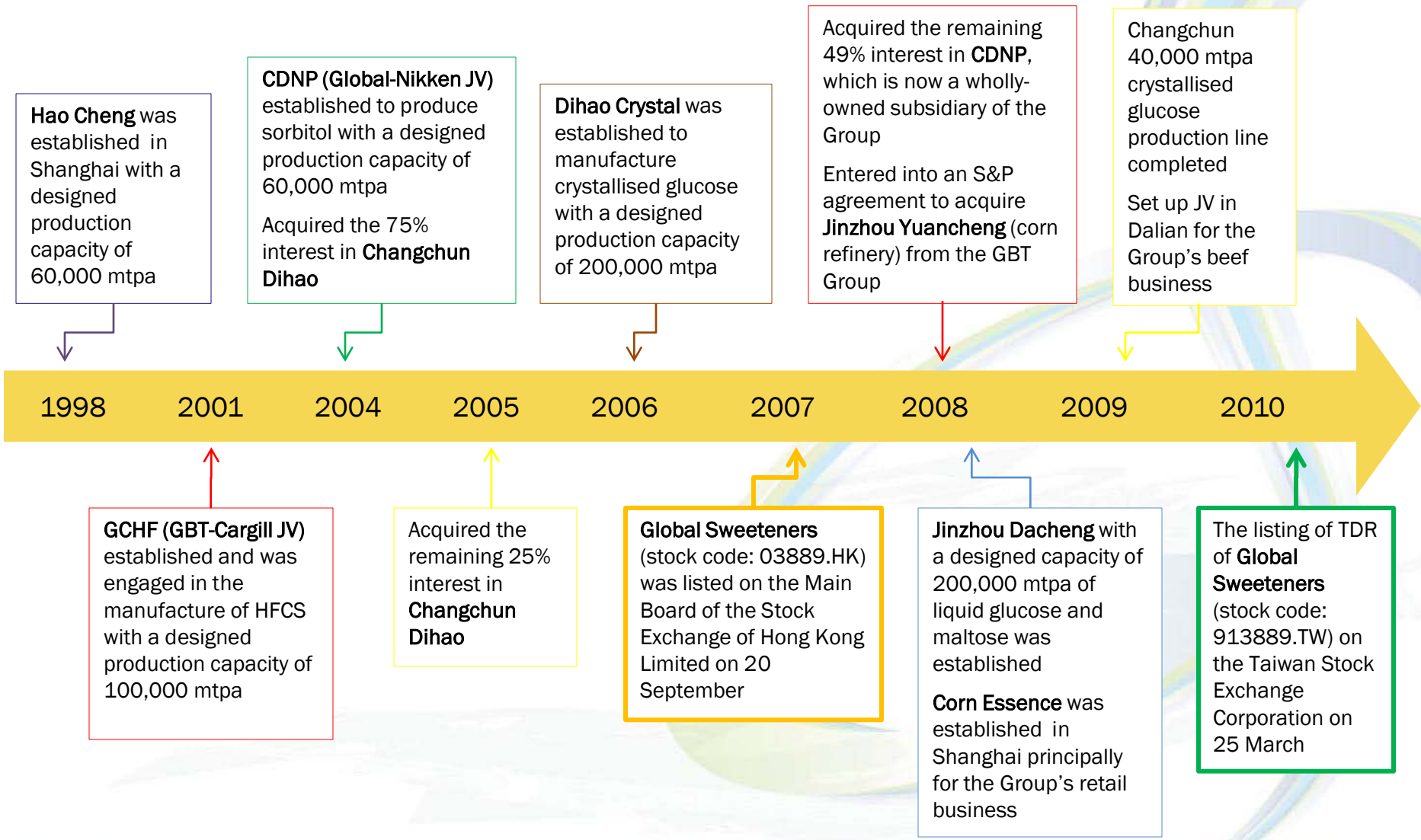
YEAR	Revenue (HK\$ million)
2010	200
2011	340
2012	570

**Tentative Timetable
→ to be launched in 2011**

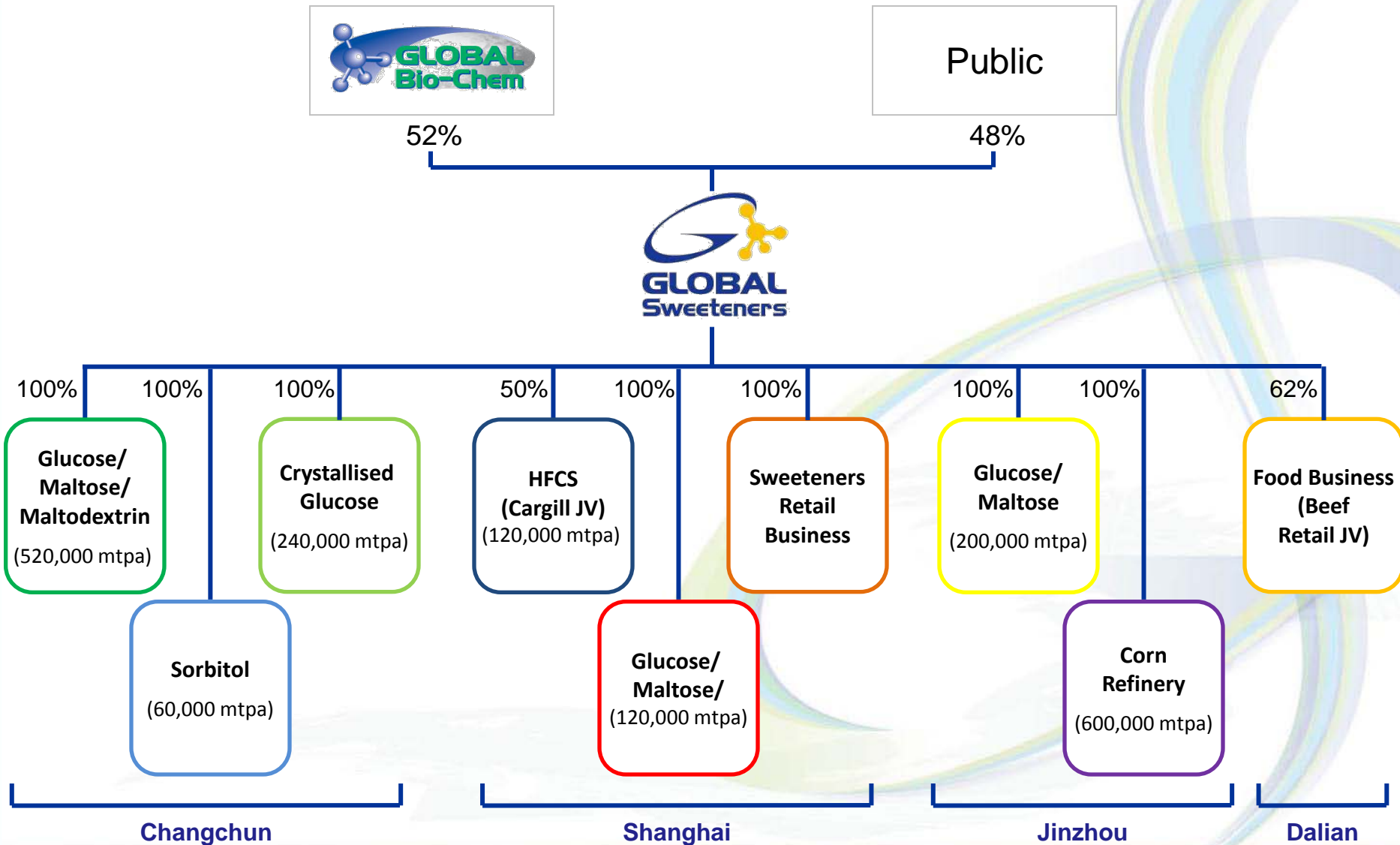
Company Profile



CORPORATE MILESTONES



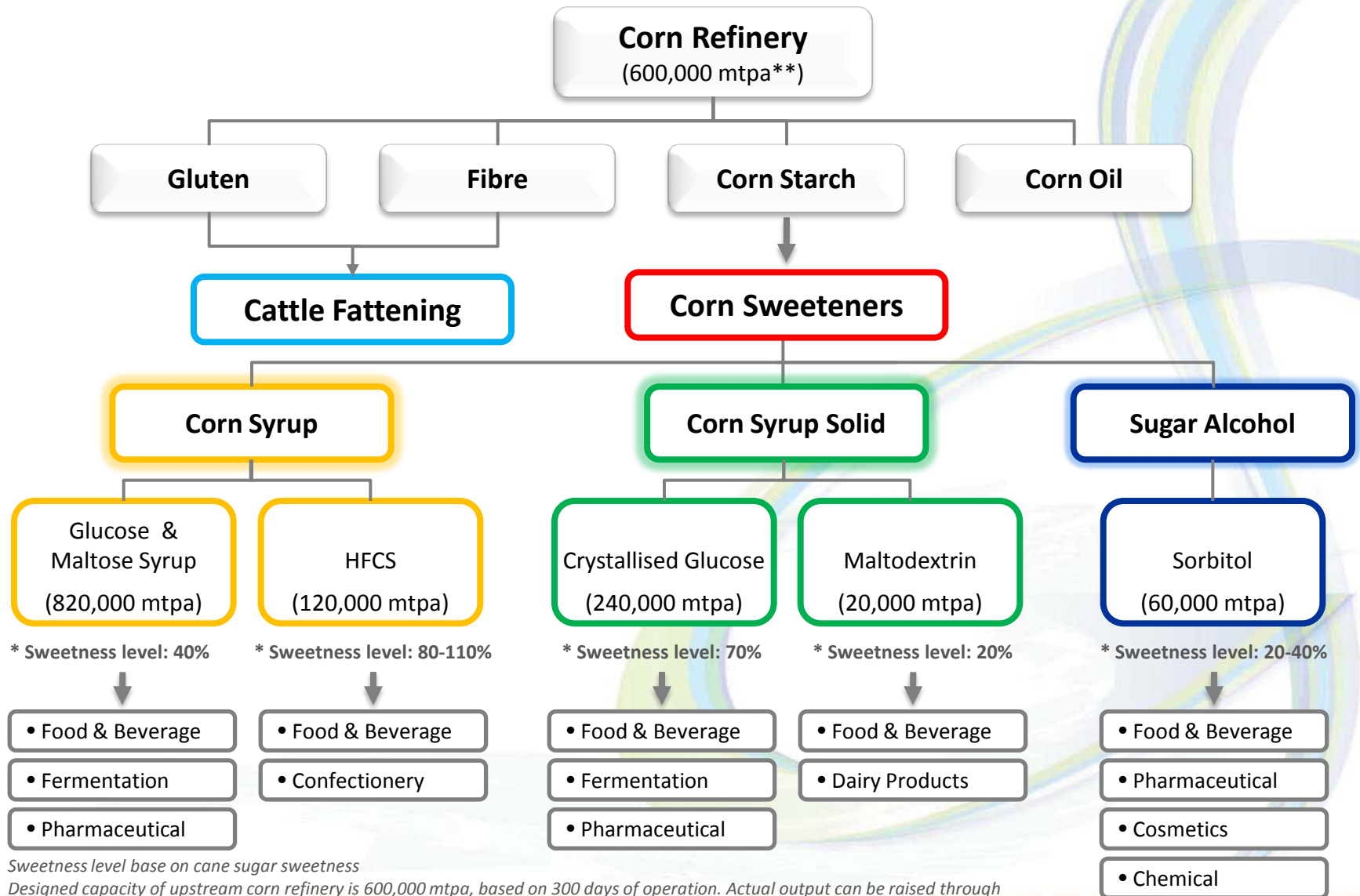
CORPORATE STRUCTURE



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)

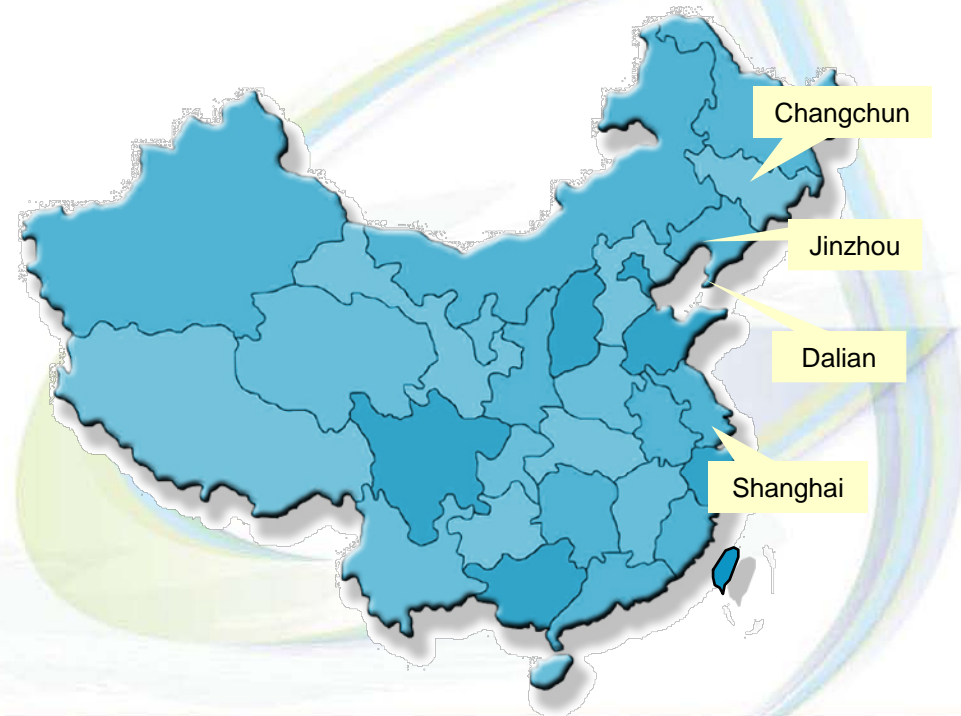
Dalian

- **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	√√	√√√	√√√



Appendix



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

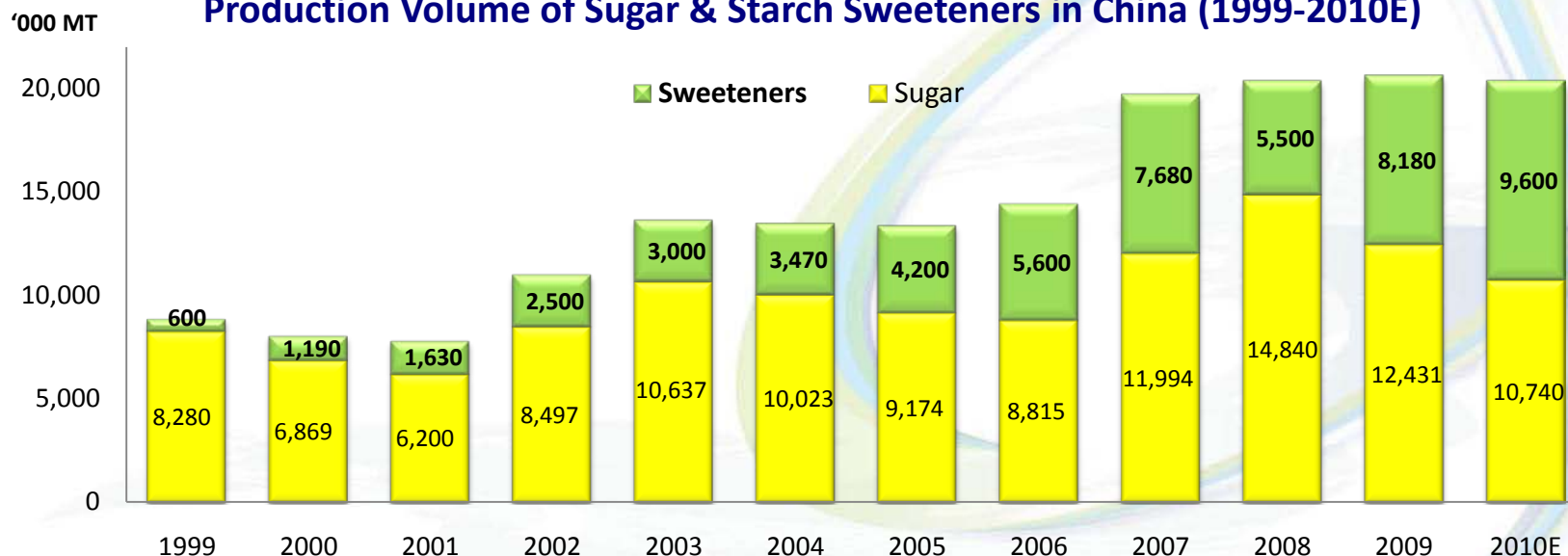
Raw Material:

Corn, Potatoes, Tapioca

Regions:

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

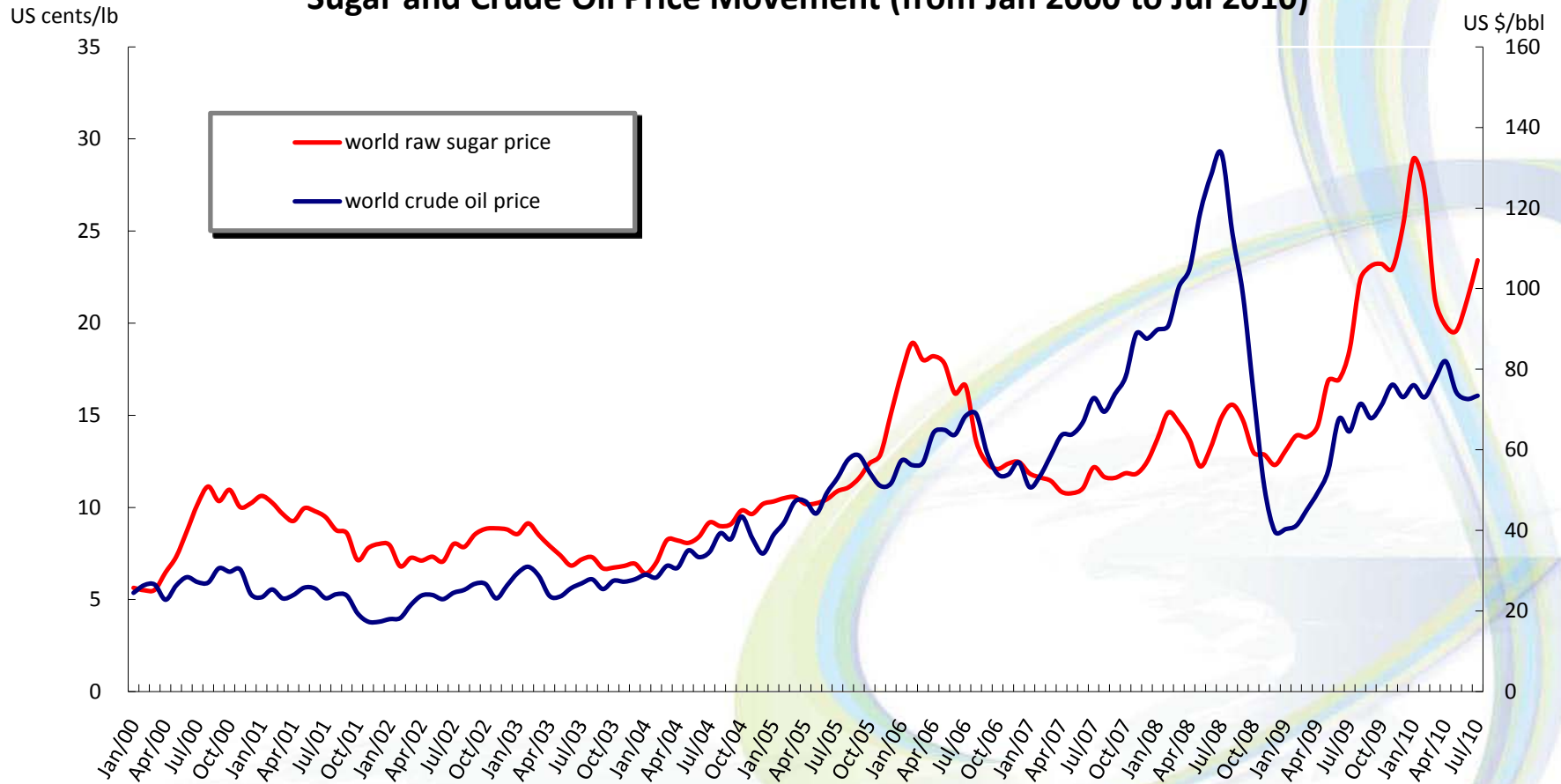
Production Volume of Sugar & Starch Sweeteners in China (1999-2010E)



Source DNCNET, Guangxi Sugar Association (GSA) and USDA

SUGAR & OIL PRICES CORRELATIONS

Sugar and Crude Oil Price Movement (from Jan 2000 to Jul 2010)



Source: New York Board of Trade and Energy Information Administration



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

2010 Interim Results

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