

To: Business Editors

GLOBAL SWEETENERS 2022 INTERIM REVENUE AMOUNTED TO HK\$155,000,000

30 August 2022 – Global Sweeteners Holdings Limited (“Global Sweeteners” or the “Company”, Stock Code: 03889) together with its subsidiaries (the “Group”) announced unaudited results for the six months ended 30 June 2022 (the “Period”). The Group reported a consolidated revenue of approximately HK\$155,000,000 (2021: HK\$356,400,000) and a net loss of approximately HK\$117,500,000 (2021: net profit: HK\$7,200,000).

During the Period, the Group’s production facility in Shanghai had been affected by the COVID lockdown in the city. Both sales volume and revenue of the Group retreated significantly year-on-year. Moreover, the absence of the recognition of the one-off gain on debt restructuring that the Group recorded in the corresponding period last year subsequent to the completion of the repurchase agreements led to a significant decrease in other income during the Period. Owing to the aforesaid reasons, the Group recorded a net loss for the Period.

Due to the improvement in corn sweetener prices as driven by rising sugar price, the average selling price of the Group’s sweetener products had increased, which was sufficient to offset the increase in raw material costs. In addition, the portion of expenses in relation to suspension of operation has been allocated to other expenses. As a result, the Group’s consolidated gross profit only dropped by approximately 17.6 per cent to approximately HK\$11,200,000 (2021: HK\$13,600,000), while the gross profit margin increased by 3.4 percentage points to 7.2 per cent (2021: 3.8 per cent).

To improve the performance and the financial position of the Group, the management of the Group will continue to focus its efforts in: (1) speeding up the process of resumption of the remaining part of the land and properties owned by the Group in Luyuan District, Changchun in order to reduce its financial burden; (2) actively negotiating with banks/creditors to push forward the debt restructuring plan to lower the debt level of the Group; (3) closely monitoring market changes to identify the opportunity for full/partial resumption of production operations to improve the operating cash flow of the Group; and (4) introducing potential investors to further strengthen the working capital and financial position of the Group.

In July, the Group entered into a subscription agreement with Hartington Profits Limited for the subscription of new shares. Upon the completion of new shares subscription, the Company is expected to receive net proceeds of approximately HK\$30,000,000, which will be used for general working capital and to reduce part of the financial pressure from bank and other borrowings/ payables.

The Group will continue to push forward its debt restructuring plan, in order to improve its financial position. It is expected that the debt restructuring plan of a portion of the loans owed by the Group will be completed before the end of this year.

About Global Sweeteners

Global Sweeteners (stock code: 03889.HK) is listed on the Main Board of The Stock Exchange of Hong Kong Limited in September 2007 and is principally engaged in the production and sale of corn refined products (including corn starch, corn oil, gluten meal and fibre), and various corn sweeteners (including glucose and maltose syrup, HFCS and maltodextrin) for food and beverage, chemical, confectionery, daily, cosmetics and pharmaceutical products manufacturers. Global Sweeteners is a non-wholly owned subsidiary of Global Bio-chem Technology Group Company Limited (stock code: 00809.HK), the issued shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited.

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Global Sweeteners' financial highlights

	For the six months ended 30 June		
	2022	2021	Change %
	(Unaudited)	(Unaudited)	
Revenue (HK\$ million)	155.0	356.4	(56.5)
Gross profit (HK\$ million)	11.2	13.6	(17.6)
(Loss) Profit before tax (HK\$ million)	(117.5)	7.2	N/A
(Loss) Profit for the Period (HK\$ million)	(117.5)	7.2	N/A
Basic (loss) earnings per share (HK cents)	(7.7)	0.5	N/A
Interim dividend per share (HK cents)	Nil	Nil	N/A