

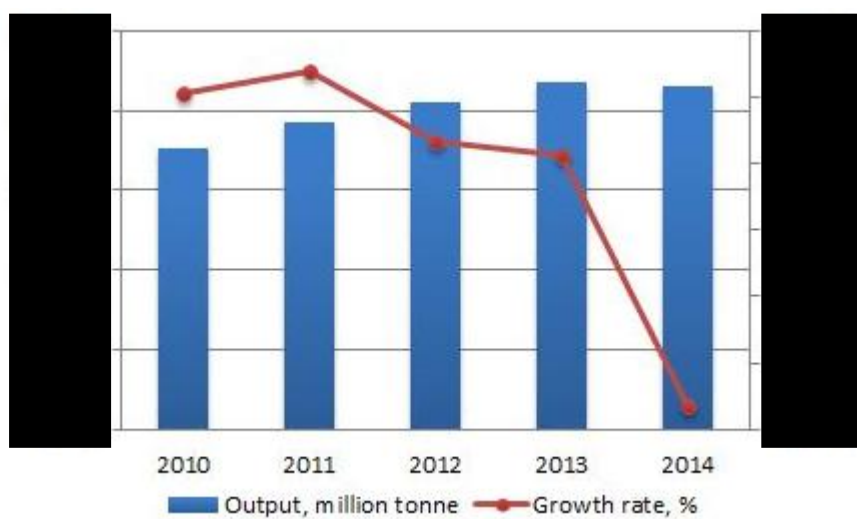
Note: Key data/information in this page is hidden, while that in the report is not.

1 Market analysis of corn starch and four common starch sugars in China

1.1 Overview of starch sugars in China

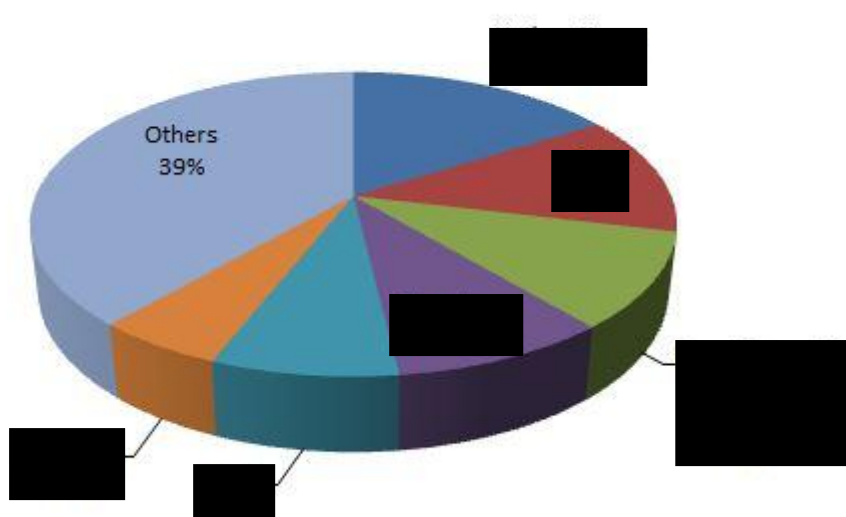
1.1.1 Supply of corn in China

Figure 1.1.1-1 Output of corn in China, 2010-2014



Source: CCM

Figure 1.1.1-2 Distribution of corn output in China, 2014



Source: National Bureau of Statistics of China

Table 1.1.1-1 Output of corn in China by province/region, 2005-2014, million tonne

Province/region	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Heilongjiang	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Jilin	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Inner Mongolia Autonomous Region	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Shandong	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Hebei	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Liaoning	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Others	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX
Total	XX	XX	XX	XX	XX	XX	XX	XX	XX	XX

Source: National Bureau of Statistics of China

Table 1.1.1-2 Output and consumption by volume of corn in China, 2010-2014, million tonne

Item	2010	2011	2012	2013	2014	CAGR
Output	XX	XX	XX	XX	XX	XX
Consumption	Feed	XX	XX	XX	XX	XX
	Food	XX	XX	XX	XX	XX
	Starch products	XX	XX	XX	XX	XX
	Alcohol	XX	XX	XX	XX	XX
	Fuel ethanol	XX	XX	XX	XX	XX
	Corn seed and storage	XX	XX	XX	XX	XX

Source: CCM

Table 1.1.1-3 Output and consumption of corn deep processing products in China, 2010-2014, million tonne

Item	2010	2011	2012	2013	2014	CAGR
Output of starch products	XX	XX	XX	XX	XX	XX
Consumption	Starch sugar	XX	XX	XX	XX	XX
	Food	XX	XX	XX	XX	XX
	Medical	XX	XX	XX	XX	XX
	Paper	XX	XX	XX	XX	XX
	Chemical	XX	XX	XX	XX	XX
	Modified starch	XX	XX	XX	XX	XX
	Monosodium glutamate	XX	XX	XX	XX	XX
	Beer	XX	XX	XX	XX	XX

Source: CCM

1.1.2 Market overview of starch sugar in China

✓ Starch sugar market overview

With the development of China's food industry, the sole sweetener could not meet the demand of the consumers. As a natural and healthy sweetener, starch sugar has developed very fast

during last decade. China's total output of starch sugar rose from XX million tonnes in 2005 to XX million tonnes in 2013, with a CAGR of XX%.

China's manufacturers of starch sugar mainly distribute at North China and Northeast China, where are also the main corn planting regions. Shandong Province, Jilin Province and Hebei Province are three major production places of China's corn processing products and starch sugar.

Table 1.1.2-1 SWOT analysis for starch sugar industry by major regions in China, 2014

Item	Shandong	Jilin	Hebei
Strength	XX	XX	XX
Weakness	XX	XX	XX
Opportunity	XX		
Threat	XX		

Source: CCM

✓ Market trend

- Increasing market concentration level

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1.2 Market analysis and forecast of corn starch and four common starch sugars in China

1.2.1 Market analysis and forecast on starch in China

1.2.1.1 Supply analysis of corn starch by province

Table 1.2.1.1-1 Supply of corn starch in China by province/region, 2010, 2012, 2014

Province/region	2010		2012		2014	
	Capacity, t/a	Output, t	Capacity, t/a	Output, t	Capacity, t/a	Output, t
Shandong	XX	XX	XX	XX	XX	XX
Jilin	XX	XX	XX	XX	XX	XX
Hebei	XX	XX	XX	XX	XX	XX
Heilongjiang	XX	XX	XX	XX	XX	XX
Henan	XX	XX	XX	XX	XX	XX
Others	XX	XX	XX	XX	XX	XX
Total	XX	XX	XX	XX	XX	XX

Source: CCM

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2 Cost analysis of corn starch and four common starch sugars in China

2.1 Starch of Xiwang Property Holdings Company Limited

✓ Production cost of starch

Table 2.1-2 Production cost of starch in Xiwang Property Holdings Company Limited, 2014

Item		Starch		
		Unit price	Unit consumption	Total
		(RMB/t)	(t/t)	(RMB/t)
Raw materials	Corn	XX	XX	XX
	Yield	XX		
Sub materials	By-product deduction	XX		XX
Utilities	Electricity expense (RMB/kWh)	XX	XX	XX
	Steam (RMB/t)	XX	XX	XX
	Water expense (RMB/t)	XX	XX	XX
Waste water treatment		XX	XX	XX
Package	25kg/bag	XX	XX	XX
Direct labor costs		Number		
	Production staff	XX	XX	XX
Indirect labor cost	Management staff	XX	XX	XX
Total labor costs		XX	XX	XX
Depreciation	Equipment	XX	XX	XX
Overhead costs			XX	XX
Maintenance		XX	XX	XX
Total production cost		XX	XX	XX

Source: CCM