

I Global Bio-chem Technology Group Co., Ltd.

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I-2 Feedstock supply

Thanks to continuing recovery of global economy and market demand, corn supply of Global Bio-chem for its downstream products has witnessed growth from 2009 to 2010, with annual growth rate of about █%. Among main products of Global Bio-chem, corn starch is the major application area of corn, which consumes more than █% of the company's total purchased corn by volume from 2009 to 2010.

According to 2010 annual report of Global Bio-chem, its average purchasing price of corn is about USD █/t in 2010, which has a significant increase with growth rate of █% compared with that of 2009. Based on CCM International's survey, the purchasing price of corn greatly increases after Feb. 2011 and it will keep rising in the rest time of 2011, with the uptrend of international commodity prices and reduction in domestic grain output due to severe drought in 2010.

Table I-2-1 Feedstock supply situation of Global Bio-chem, 2009-2010

Feedstock	Supply, '000 tonne		Average purchasing price, USD/t	
	2009	2010	2009	2010
Corn	█	█	█	█

Source: CCM International and Global Bio-chem's annual report 2010

I-3 Production of native starch and modified starch

Optimistic about the future of corn starch industry in China, Global Bio-chem expands its production capacity and output of corn starch to █t/a and █tonnes respectively in 2010. Also, average Ex-work price of corn starch of this company is about USD █/t in 2010, with annual growth rate of █% compared with that of 2009. The manufacturing technology of corn starch is wet method in Global Bio-chem.

Table I-3-1 Production of native starch of Global Bio-chem, 2009-2010

Native starch	Capacity, '000 t/a		Output, '000 tonne		Average Ex-work price, USD/t		Manufacturing technology
	2009	2010	2009	2010	2009	2010	
Corn starch	█	█	█	█	█	█	Wet method

Source: CCM International and Global Bio-chem's annual report 2010

Based on the company's annual report and CCM International's survey, production capacity of modified starch of Global Bio-chem is █t/a both in 2009 and 2010, of which modified food starch takes up █% of total production capacity. Influenced by uncertain global economy and more intense competition, output of this company's modified starch decreased slightly in 2010.

With growing price of corn, average Ex-work price of modified starch of Global Bio-chem in 2010 increases by █%-█% compared with that of 2009. In addition, both modified food starch and non-food modified starch are produced through wet method.

Table I-3-2 Production of modified starch of Global Bio-chem by application, 2009-2010

Product	Capacity, '000 t/a		Output, '000 tonne		Ex-work price, USD/t		Manufacturing technology
	2009	2010	2009	2010	2009	2010	
Modified food starch	█	█	█	█	█	█	Wet method
Non-food modified starch	█	█	█	█	█	█	Wet method

Source: CCM International and Global Bio-chem's annual report 2010

I-4 Other integrated business based on key feedstock

In addition to corn starch and modified starch, Global Bio-chem's other four corn-based products are corn oil, corn sweeteners, amino acids and polyol chemicals. In 2010, the annual production capacities of these four products are █t/a, █t/a, █t/a and █t/a respectively. Facilities of four products are located in Jilin Province and Liaoning Province, the key corn production bases and transportation hubs in China. Only corn sweeteners have another production base in Shanghai, whose facility is situated around food and beverage manufacturers.

Global Bio-chem has established a leading position in the global lysine market through years of efforts in developing fermentation technology. Also, this segment remains the largest profit contributor to the company. Since 2010, the recovery of overseas markets and continuous growth in demand helps lift the export volume and market prices of lysine products. Export of the company's lysine products reaches █ tonnes, whose sales value accounts for about █% of the company's total revenue in the first half of 2010. As one of major products of Global Bio-chem, amino acids resume the healthy condition with increasing demand thanks to recovering global economy in 2010. With the rise in market price, Global Bio-chem's gross profit of amino acids, accounting for about █% of the total gross profit, surges significantly by █% in 2010.

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