

Starting from the second half of 2009, with production capacity of the Vietnam plant stabilising, overall operating results and profit of the Group rebounded. However, uncertainties arising from the global economy and continuing rise in raw carbohydrate prices presented a challenging operating environment for us. To mitigate the impact of raw material prices on costs and to earn more stable profits, we directed our attention towards maintaining the selling prices of existing products while developing higher profit margin products and markets.

In the fiscal year of 2009, the Group recorded turnover of US\$289,000,000, a decrease of approximately 17% against 2008. The decline was mainly due to the installation of environmental protection equipment that had been proceeding for the first three quarters. Other factors included substantial reduction in production capacity for GA, lysine and modified starch, which led to a contraction in sales volume and turnover. Still, market demand for MSG continued to be strong and we were able to flexibly adjust production processes and strengthen the pricing strategy of the Group's products. Consequently, we achieved a 10.6% increase in gross profit. Depreciation of the Vietnam Dong by nearly 10% did however offset the book profit of the Vietnam plant. Our ability to mitigate the negative impact of a volatile currency, combined with a surge in sales in the second half year enabled the Group to report a net profit of US\$17,980,000, representing an increase of approximately 114% against 2008. Since a water fee of approximately US\$7,700,000 which was levied for violating environmental standards was fully recognised in the 2008 financial year, such a fee had no further impact on 2009 profits.

集團於二零零九年下半年開始，在越南廠生產產能的逐步穩定下，整體營運業績與利潤已漸漸在提升。雖然受限於全球景氣的不穩定與醃質原料價格持續上漲的影響，對營運仍具相當的挑戰，然集團主要目標仍致力於維持產品售價，經營較高毛利之產品與地區，以降低原料價格飆漲所帶來對成本直接之衝擊，並得以獲取較穩定之利潤。

綜觀集團於二零零九年之營運與盈利，營業額達2億8仟9佰萬美元，較二零零八年減少約17%，主要是受到前三季環保處理設備尚未裝置完成的限制，谷氨酸、賴氨酸與變性澱粉產品等之生產產能大幅減少，造成銷售量與營收的降低。但由於味精市場需求仍強勁，集團彈性調整生產工序及強化產品售價之策略下，反而使毛利得有10.6%的增長。而雖然越南盾在二零零九年內銀行匯價有近10%的貶值，反蝕越南廠在帳面上之利潤，但集團也努力調控匯率與財務之操作，降低衝擊，俾使淨利仍達1仟7佰9拾8萬美元，較二零零八年度增加約114%。獲利大幅增加的主要原因為二零零八年下半年之銷售已隨著產量逐漸增加而提升，使利潤得以維持；同時，二零零八年已全額認列約770萬美元的環保水費，不影響二零零九年獲利。



In terms of geographical distribution and performance of each business segment, both were affected by reduced output from the Vietnam plant. To address this problem, we looked to our raw material supply chain to supplement the lower output, subsequently supplying products to markets where we are able to derive higher margin, such as Vietnam and Japan. In the case of Vietnam, the market proved to be the Group's major profit contributor, achieving significant growth during the period. Expectedly, the global downturn that affected economies around the world did suppress the sale of our products in certain markets. Turnover from ASEAN countries dropped by a substantial 61.5% year-on-year as the Group was unable to meet the needs of local customers due to reduced output.

Sales of other products by the Group were either affected by reduced capacity. With international lysine prices remaining low, we opted to suspend production of this product during the period. Modified starch was affected by environmental protection equipment installation at the Vietnam plant as well as a shortage of cassava; hence sales fell by 54.3% from the previous year.

The performance of our operations in China was yet satisfactory during the year. However, favourable government policies have triggered a new round of consolidation which has resulted in a noticeable rise in sales, driving up prices. Already, we have achieved a modest improvement in business performance over 2008.

As the environmental issue came to our attention in 2008, we sought to immediately remedy by improving related facilities and systems. In addition to making improvements specified by the Vietnam government, we invested in wastewater treatment facilities and a recycling solid fertiliser plant. Subsequently, the Vietnam plant gained ISO14001 environmental management certification from The British and Standard Institution and OHSAS18001 Occupation Health and Safety Assessment Series for health and safety management systems accreditations in November 2009. We are committed to thoroughly enhancing our environmental protection credentials, and will continue to improve all aspect of our operation, including the hardware and software of the Group's management system as well as training of supervisors and staff. Vouching for the effectiveness of our labours over the past year, we have earned recognition from the Environmental Protection Department in Vietnam.

以各地區市場分析與業務經營分析，受到越南產能未全年度充分發揮的影響，主要產品出貨數量部份受到限制，故集團啟動原料供應鍊之運作以降低衝擊，並優先供應高毛利之銷售地區如越南與日本市場等，使集團最主要獲利來源的越南市場在期內仍錄得成長。但相對地，受到全球景氣尚未完全復甦的影響，許多地區之經濟表現尚不穩定，此也影響在某些地區的銷售業績，尤其在東盟市場的營業額較去年同期大幅下滑61.5%，即因為產量之限制，導致無法滿足此等地區客戶之需求。

相同的，集團的其他各項產品同樣受到產能未完全恢復的因素而影響銷售的數量，而賴氨酸因為國際價格仍處低迷，在本期內，賴氨酸仍然是暫時停止生產的狀態。另外，變性澱粉也因改善環保設備的影響與越南木薯原料的短缺，銷售亦較上一年度減少54.3%。

至於中國區的營運，雖然仍未達理想，但受惠於政府新政策所引發的市場產銷秩序的另一波整合和穩定，主要產品銷量和售價有顯著提升，營運績效比二零零八年稍有進步。

在二零零八年越南廠發生環保事件後，集團立即集合所有資源全心全力投入改善環保設備與系統，除配合越南政府所要求的相關改善規定外，更斥鉅資強化現有與新增廢水處理設備，也同時再增設資源化肥料生產廠。而在軟體方面，經過這一段時間的努力，公司已於二零零九年十一月取得由BSI (The British Standard Institution)所頒授的ISO14001環境管理系統與OHSAS18001職業安全衛生管理系統認證。集團希望藉從觀念、制度與軟硬體設備，由內而外徹底改善，做好環保工作。經過去年以來的貫徹執行，這些相關的改善措施也獲得越南政府環保部門首長的肯定。集團將會持續任何對環保的工作與使命，集團會將環保的理念深植於所有主管與同仁的觀念與習慣中，以期從內心的觀念化做具體的行動表現，實際達到公司的「愛護環境，永續經營」之目標。

PROSPECTS FOR 2010

Looking at the first quarter of 2010, material and energy prices continued to rise, creating greater concern over market instability. An imbalance in supply and demand for agricultural products drove manufacturers around the world to scurry for what products were available; hence pushing up prices for major materials used by the Group, namely, molasses and cassava; and pressuring the production cost in 2010. To better protect the Group from rising prices, we established a special unit to focus on securing raw materials. This unit will also conduct more extensive acquisitions to stabilise the cost of securing raw materials. Taking into account the uncertain economic environment and rise in price of carbohydrates, we will continue to employ a prudent business strategy in 2010. Our primary goals will be to leverage the Group's core strengths, access a steady supply of raw materials and stabilise production costs while our ultimate objective is to generate greater profits. To enhance profitability, we will aim to bolster sales in major markets and control the selling price of our products.

The Group will take advantage of the changing economic climate to quickly implement marketing strategies. As well, we will develop our distribution and sales channels in order to realise the full potential of the Group's sales network. At the same time, we will take advantage of the burgeoning market in Vietnam to launch new products and enhance our sales presence by, leveraging our well established distribution channels. And such efforts will help further boost our brand awareness. With a booming economy in Vietnam and China, the Group will identify cooperative projects to enhance our geographical coverage, raise our international experience, and ultimately broaden our revenue and profit streams.

二零一零年之展望

二零一零年第一季的經濟情勢，似乎仍籠罩在不確定的氣氛當中。能源及原物料的價格也不斷有提高的趨勢，增添市場經營不穩定的變數。尤其是農產品供給與需求不平衡，全球生產廠商均於各地搶購農產品原料，如此更帶動集團主要原料糖蜜與木薯價格呈現持續上漲的趨勢，使得集團在二零一零年的生產成本預計將受到壓力；對此，集團已成立專責單位，針對原料來源的取得，積極採取更多元化與廣泛的收購，以期穩定原料取得之成本。故基於整體經濟景氣的不確定與醱質原料價格的飛漲，集團於二零一零年仍將採取較穩健的經營策略，發揮核心優勢，掌握原料來源及穩定生產成本為主要重心，將獲利視為主要的營運目標，並鞏固主要銷售市場，穩定售價來爭取獲利空間。

集團也將利用此經濟轉變的契機，加緊整合集團的行銷策略與強化通路架構，精耕銷售網絡，以發揮通路價值。同時，配合越南快速成長的貿易市場，集團將藉由已成熟的通路基礎，規劃投入相關新產品與銷售之運作，延伸品牌的加乘效果。另一方面，對於日益蓬勃的越南與中國的經濟環境，集團也將掌握機會，積極檢討尋找各項合作項目，結合地緣利基與國際經驗，以期擴張經營綜效及增加盈利之來源。



In 2009, the Group saw improvements in its results and profit as production resumed at the Vietnam plant and prices for our products stabilised. However, we also faced pressure from rising raw material prices which caused costs to increase and profits to diminish. To ease these pressures, the Group will integrate production, sales and procurement strategies. The management remains optimistic about the fundamentals of the Group's core businesses as market demand for our products have continued to grow. Moreover, the Group is leading the industry in production technologies and distribution. As environmental protection improvement work is completed, we are growing confident of capitalising on our strengths in production and sales through prudent business approach. We will seek to make significant strides, setting higher result and profit targets for the Group. That said, we will continue to abide by principles consistent with being a responsible business. Accordingly, our objective is to generate fruitful results for our shareholders and the Group while at the same time contribute to society.

By order of the Board
Yang Tou-Hsiung
Chairman

Hong Kong, 13 April 2010

集團於二零零九年在越南廠的產能逐步恢復與售價維持之下，使業績與利潤獲得回升，但集團同時也感受到原料價格不斷上漲的壓力，使成本增加，壓縮利潤的空間。面對此壓力，集團將整合產銷與採購策略，以因應任何可能產生之衝擊。儘管如此，管理層相信集團核心產業的基本面仍深具潛力，市場對產品的需求亦處增長的趨勢；同時，集團的生產技術與行銷網絡在業界亦具備領先的競爭力，尤其在完成環保改善後，我們將更有信心以更穩健的經營策略，發揮產銷優勢，引領集團業績與獲利得以持續成長。更進一步，集團將秉持善盡社會責任、務實經營發展與提升成長獲利之理念，努力不斷地朝此方向邁進，創造集團更高的業績目標與盈利水準，以期望股東、社會與企業均能共享豐厚及圓滿的成果與回報。

承董事會命
主席
楊頭雄

香港二零一零年四月十三日