

Report of the Directors 董事會報告

The directors of the Company ("Directors") present their report and the audited accounts for the year ended 31 December, 2007.

Principal Activities

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the production of fermentation-based amino acids, food additive products and cassava starch based industrial products. Details of the principal activities of its subsidiaries are set out in Note 9 to the accounts.

There have been no significant changes in the nature of these activities during the year under review.

Results and Appropriations

The results of the Group for the year ended 31 December, 2007 are set out in the consolidated income statement on page 53.

An interim dividend of 0.26202 US cents (2.0437 HK cents) per share was declared and paid to the shareholders during the year under review. The directors recommend the declaration and payment of a final dividend of 0.29105 US cents (2.2702 HK cents) per share for the year ended 31 December, 2007. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or about 19 June 2008 to the shareholders whose names appear on the register of members of the Company on 6 June 2008.

Share Capital

Details of the movements in the share capital of the Company are set out in Note 15 to the accounts.

Distributable Reserves

As at 31 December, 2007, the Company's share premium reserve of approximately US\$194,098,000 (subject to the Cayman Companies Law and the articles of association of the Company) and retained earnings of approximately US\$14,811,000 were available for distribution to the Company's shareholders.

Purchase, Sale or Redemption of Securities

During the year ended 31 December, 2007, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

Reserves

Movements in the reserves of the Group and of the Company during the year are set out in Note 16 to the accounts.

本公司董事（「董事」）謹此呈報截至二零零七年十二月三十一日止年度的董事會報告及經審核賬目。

主要業務

本公司為投資控股公司，其附屬公司主要從事以發酵技術生產氨基酸產品、食品添加劑及木薯澱粉工業產品。其附屬公司主要業務的詳情載列於賬目附註9。

該等業務於回顧年度並無重大轉變。

業績及分派

本集團截至二零零七年十二月三十一日止年度的業績載於第53頁的綜合收益表。

於回顧年度已宣派及派付中期股息每股0.26202美仙（2.0437港仙）。董事建議宣派截至二零零七年十二月三十一日止年度末期股息每股0.29105美仙（2.2702港仙）。倘若在本公司應屆股東週年大會獲得股東批准，則末期股息將約於二零零八年六月十九日以現金派發予在二零零八年六月六日名列本公司股東名冊之股東。

股本

本公司股本變動的詳情載於賬目附註15。

可供分派儲備

本公司於二零零七年十二月三十一日有股份溢價賬約194,098,000美元（須符合開曼群島公司法及本公司組織章程細則的規定）及保留盈利約14,811,000美元可供分派予本公司股東。

購買、出售或贖回證券

本公司及其任何附屬公司於截至二零零七年十二月三十一日止年度內概無購買、出售或贖回本公司任何股份。

儲備

本集團及本公司於本年度的儲備變動載於賬目附註16。

Report of the Directors (continued) 董事會報告(續)

Property, Plant and Equipment

Details of movements in the Group's property, plant and equipment during the year are set out in Note 7 to the accounts.

Major Customers and Suppliers

During the year, the five largest customers of the Group accounted for approximately 34% of the Group's consolidated turnover. In addition, the five largest suppliers of the Group accounted for approximately 57% of the Group's consolidated purchases for the year. Sales to the Group's largest customer and purchases from the Group's largest supplier accounted for less than 13% and 25% of the Group's consolidated sales and consolidated purchases respectively.

At no time during the year, did a director, an associate of a director or a shareholder of the Company, which to the knowledge of the directors owns more than 5% of the Company's issued share capital, were an interest in the share capital of any of the five largest customers of the Company.

Directors

The Directors during the year under review and up to the date of this report are:

Executive Directors

Yang, Tou-Hsiung
Yang, Cheng
Yang, Kun-Hsiang
Yang, Chen-Wen
Wang, Joel J.

Non-executive Directors

Huang, Ching-Jung
Chou, Sze-Cheng

Independent Non-executive Directors

Chao, Pei-Hong
Chuang, Shu-Fen (resigned on 1 April 2008)
Ko, Jim-Chen
Chen, Joen-Ray (appointed on 1 April 2008)

According to Article 87(1) of the Company's articles of association, Mr Yang, Chen-Wen, Mr. Wang, Joel J., Mr. Huang, Ching-Jung and Mr. Ko, Jim-Chen will retire by rotation at the forthcoming annual general meeting of the Company. According to Article 86(3) of the Company's articles of association, Mr. Chen, Joen-Ray, who was appointed by the board of directors of the Company as an independent non-executive Director on 1 April 2008, will hold office until the forthcoming annual general meeting and shall then be eligible for re-election. All such Directors being eligible, offer themselves for re-election.

Biographical Details of Directors and Senior Management

Brief biographical details of the Directors and senior management are set out on pages 26 to 29.

物業、廠房及設備

本集團物業、廠房及設備於本年度變動的詳情載於賬目附註7。

主要客戶及供應商

於本年度，本集團五大客戶佔本集團綜合營業額約34%。此外，本年度本集團五大供應商佔本集團綜合採購額約57%。來自本集團最大客戶的銷售及最大供應商的採購分別佔本集團綜合銷售及綜合採購少於13%及25%。

於年內任何時間，概無董事、董事之聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東，於本公司任何五大客戶之股本中擁有權益。

董事

於回顧年度及截至本報告日期在任的董事如下：

執行董事

楊頭雄
楊正
楊坤祥
楊辰文
王肇樹

非執行董事

黃景榮
周賜程

獨立非執行董事

趙培宏
莊淑芬(於二零零八年四月一日辭任)
柯俊禎
陳忠瑞(於二零零八年四月一日獲委任)

根據本公司之組織章程細則第87(1)條，楊辰文先生、王肇樹先生、黃景榮先生及柯俊禎先生將於本公司應屆股東週年大會上輪席退任。根據本公司之組織章程細則第86(3)條，於二零零八年四月一日獲本公司董事會委任為獨立非執行董事的陳忠瑞先生的任期將直至應屆股東週年大會為止，並符合資格重選連任。所有該等董事符合資格及願意重選連任。

董事及高級管理層履歷

董事及高級管理層的簡歷詳載於第26至29頁。

Report of the Directors (continued) 董事會報告(續)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 31 December, 2007, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:—

董事於股份、相關股份及債券之權益及淡倉

於二零零七年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文董事被認為或被視為擁有之權益及淡倉），或(b)規定須列入證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或(c)根據香港聯合交易所有限公司證券上市規則（「上市規則」）所載之上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：—

Name 姓名	Number of ordinary shares in which interested (other than under equity derivatives) 擁有權益之普通股數目 (股本衍生工具除外)	Interests in shares 於股份中之權益		Total number of ordinary shares 普通股總數	Percentage of issued shares of the Company 佔本公司已發行 股份百分比
		Number of ordinary shares in which interested under physically settled equity derivatives 透過實物結算股本 衍生工具擁有權益 之普通股數目 (Note 2) (附註2)			
Mr. YANG, Tou-Hsiung 楊頭雄先生	169,730,196 (Note 1) (附註1)	4,500,000		174,230,196	11.44%
Mr. YANG, Chen-Wen 楊辰文先生	—	4,500,000		4,500,000	0.30%
Mr. YANG, Cheng 楊正先生	—	4,500,000		4,500,000	0.30%
Mr. YANG, Kun-Hsiang 楊坤祥先生	—	4,500,000		4,500,000	0.30%
Mr. WANG, Joel J. 王肇樹先生	750,000	—		750,000	0.05%
Mr. HUANG, Ching-Jung 黃景榮先生	200,000	—		200,000	0.01%
Mr. CHAO, Pei-Hong 趙培宏先生	500,000	—		500,000	0.03%
Ms. CHUANG, Shu-Fen 莊淑芬女士	500,000	—		500,000	0.03%

Report of the Directors (continued) 董事會報告(續)

Notes:

1. Mr. YANG, Tou-Hsiung's interest in shares are held in the following capacities:—

附註：

1. 楊頭雄先生以下列身份持有股份權益：

Capacity	身份	Number of ordinary shares 普通股數目	Number of ordinary shares through physically settled equity derivatives *** 透過實物結算股本衍生工具持有之普通股數目 ***
Beneficial owner	實益擁有人	—	4,500,000 **
Interest of company controlled by him	於楊頭雄先生控制之公司中擁有權益	169,730,196 *	—
* Mr. YANG, Tou-Hsiung is entitled to exercise or control the exercise of more than one-third of the voting power of King International Limited ("King International") and King International is the holder of such 169,730,196 shares.		* 楊頭雄先生有權行使或控制行使King International Limited (「King International」) 超過三分之一的投票權，而King International 為該批169,730,196股股份之持有人。	
** Mr. YANG, Tou-Hsiung is interested in 4,500,000 shares of the Company pursuant to the options granted to him on 13 June, 2003 under the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13 June, 2004 to 12 June, 2008.		** 楊頭雄先生根據首次公開售股前購股權計劃於二零零三年六月十三日獲授的購股權而於4,500,000 股本公司股份擁有權益。該等購股權的行使價為0.801 港元，行使期由二零零四年六月十三日至二零零八年六月十二日止。	
*** These derivatives are unlisted.		*** 該等衍生工具均為非上市。	
2. Various interests of the Directors and chief executives of the Company pursuant to physically settled equity derivatives are through share options granted pursuant to the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13 June 2004 to 12 June 2008.		2. 本公司董事及最高行政人員根據實物結算股本衍生工具擁有之各項權益乃透過本集團首次開發售前購股權計劃授出之購股權擁有。該等購股權之行使價為0.801 港元，行使期由二零零四年六月十三日至二零零八年六月十二日止。	

Report of the Directors (continued) 董事會報告 (續)

Save as disclosed above, as at 31 December, 2007, none of the Directors or chief executive of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Share Option Schemes

On 13 June, 2003, the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme were approved by shareholders under which the Directors may, at their discretion, offer any employee (including any executive director of the Company) of the Group, options to subscribe for shares in the Company subject to the terms and conditions stipulated in the two schemes.

Options to subscribe for 29,770,000 shares had been granted to the Directors and employees of the Group on 13 June, 2003 under the Pre-IPO Share Option Scheme. No further options can be, or have been, issued under the Pre-IPO Share Option Scheme from 27 June, 2003, the date of listing of the shares on the Stock Exchange. No options have been granted under the Post-IPO Share Option Scheme as at 31 December, 2007.

除上文所披露外，於二零零七年十二月三十一日，概無董事或本公司最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有或被視為擁有(a)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所之任何權益或淡倉（包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須記入有關條文所述之登記冊內之權益或淡倉；或(c)根據上市規則所載上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益或淡倉。

購股權計劃

二零零三年六月十三日，股東已批准首次公開售股前購股權計劃及首次公開發售後購股權計劃。據此，董事可酌情向本集團的任何僱員（包括任何本公司執行董事）授出購股權，根據該兩項購股權計劃的條款及條件認購本公司的股份。

二零零三年六月十三日，已根據首次公開售股前購股權計劃向董事及本集團僱員授出可認購29,770,000股股份之購股權。自二零零三年六月二十七日（即股份於聯交所上市之日）起，再不可亦再無根據首次公開售股前購股權計劃授出購股權。於二零零七年十二月三十一日，概無根據首次公開售股後購股計劃授出購股權。

Report of the Directors (continued) 董事會報告(續)

Details of the share options outstanding as at 31 December, 2007 which have been granted to the Directors of the Company under the Pre-IPO Share Option Scheme are as follows:

以下是根據首次公開售股前購股權計劃向本公司董事授出，而於二零零七年十二月三十一日尚未行使之購股權詳情：

Directors/ Employees 董事／僱員	Number of options 購股權數目			Held as at 31 December, 2007 於二零零七年 十二月 三十一日持有	Exercise price 行使價	Date of grant 授出日期	Exercise period 行使期
	Held as at 1 January, 2007 於二零零七年 一月一日持有	Granted during the period 期內授出	Exercised during the period 期內行使				
Mr. YANG, Tou-Hsiung 楊頭雄先生	4,500,000	–	–	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Chen-Wen 楊辰文先生	4,500,000	–	–	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Cheng 楊正先生	4,500,000	–	–	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Kun-Hsiang 楊坤祥先生	4,500,000	–	–	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日

Report of the Directors (continued) 董事會報告(續)

Directors' Service Contracts

Each of Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng, Mr. Yang, Kun-Hsiang, Mr. Yang, Chen-Wen and Mr. Wang, Joel J. has entered into a service agreement with the Company for an initial period of three years. Such service agreements may continue thereafter unless terminated by not less than three months' notice in writing served by either party following the expiration of the end of the initial term or at any time thereafter.

Each of Mr. Huang, Ching-Jung, Mr. Chao, Pei-Hong and Ms. Chuang, Shu-Fen has entered into a service agreement with the Company for an initial term of one year. Such service agreements may continue thereafter unless terminated by one month's notice in writing served by either party following the expiration of the end of the initial term or at any time thereafter.

Mr. Chou, Sze-Cheng has entered into a service contract with the Company for a term commencing on 31 May 2006 ("Commencement Date") and shall continue until the year falling on the third year from the Commencement Date or the annual general meeting of the Company to be held in the third year from the Commencement Date, whichever is earlier or otherwise terminated by the giving of one month's notice in writing thereof by either party to the other.

Mr. Ko, Jim-Chen has not entered into service contract with the Company, and has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment, other than statutory compensation.

Directors' Interests in Contracts

Except for the service contracts detailed above, no director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

董事服務合約

楊頭雄先生、楊正先生、楊坤祥先生、楊辰文先生及王肇樹先生已分別與本公司訂立初步為期三年之服務協議，該等服務協議可於其後繼續生效，除非其中一方於初步年期屆滿後或於其後任何時間發出不少於三個月書面通知終止服務協議。

黃景榮先生、趙培宏先生及莊淑芬女士已分別與本公司訂立初步為期一年之服務協議，該等服務協議可於其後繼續生效，除非其中一方於初步年期屆滿後或於其後任何時間發出不少於一個月書面通知終止服務協議。

周賜程先生已與本公司訂立服務合約，年期由二零零六年五月三十一日（「開始日期」）起開始，並將繼續生效，直至由開始日期後計滿三年之年度或開始日期起計第三年內將舉行之本公司股東週年大會（以較早者為準）為止，或除非其中一方向另一方發出一個月書面通知終止合約。

柯俊禎先生並無與本公司訂立服務合約，與本公司亦無訂立固定服務年期，惟將根據本公司組織章程細則於股東週年大會上輪席退任及重選連任。

在應屆股東週年大會上擬重選之董事並無與本公司訂立本公司在一年內不作賠償（法定賠償除外）則不可撤銷之服務協議。

董事所擁有之合約權益

除上文所詳述之服務合約外，並無董事在年內本公司或其任何附屬公司參與訂立而對本集團業務有重大影響之合約中擁有重大權益。

Report of the Directors (continued) 董事會報告(續)

Connected Transactions

For the year ended 31 December, 2007, the Company entered into the following transactions with one of its controlling shareholder, Taiwan Vedan Enterprise Corporation ("Taiwan Vedan"), a connected person of the Company, which constituted continuing connected transactions of the Company subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules:

		Note 附註	US\$'000 千美元
A.	Sale of goods to Taiwan Vedan		
	向台灣味丹銷售貨品		
		(i)	2,584
B.	Technological support fee paid to Tung Hai Fermentation Industrial Co. Ltd. and Taiwan Vedan		
	向東海醱酵工業股份有限公司及台灣味丹支付技術支援費		
		(ii)	2,653

Notes:

註：

- (i) On 14 December 2005, the Company and Taiwan Vedan entered into an agreement in respect of the sales of certain GA (acronym as "glutamic acid"), MSG (acronym as "monosodium glutamate") and cassava starch-based industrial products by the Group to Taiwan Vedan and its subsidiaries (other than members of the Group) ("Taiwan Vedan Group") for a term of three years from 1 January 2006 to 31 December 2008 ("Taiwan Sales Agreement"). The parties entered into a supplemental agreement on 4 January 2007 to increase the cap under the Taiwan Sales Agreement to the revised cap of US\$4,100,000 for the three financial years ended 31 December 2006, 2007 and 2008. The Directors believe that the sale of goods to the Taiwan Vedan Group pursuant to the Taiwan Sales Agreement will generate additional income to the Group.
- (ii) On 14 December 2005, the Company and Taiwan Vedan entered into an agreement in respect of the provision of certain technological support services by the Taiwan Vedan Group to the Group for a term of three years from 1 January 2006 to 31 December 2008 ("Technology Support Agreement"). The parties entered into a supplemental agreement on 4 January 2007 to increase the cap under the Technology Support Agreement to the revised cap of US\$2,800,000 for the three financial years ended 31 December 2006, 2007 and 2008. The Directors believe that the technological support from the Taiwan Vedan Group will benefit the Group's future business developments.

關連交易

截至二零零七年十二月三十一日止年度，本公司與其中一控股股東及關連人士，台灣味丹企業股份有限公司(「台灣味丹」)進行下列交易，而該等交易屬於須遵守上市規則第14A章申報及公告規定之持續關連交易：

1. 於二零零五年十二月十四日，本公司與台灣味丹就本集團向台灣味丹及其附屬公司（本集團成員公司除外）（「台灣味丹集團」）出售若干谷氨酸、味精及澱粉工業產品而訂立協議，由二零零六年一月一日至二零零八年十二月三十一日止，為期三年（「台灣銷售協議」）。各訂約方於二零零七年一月四日訂立補充協議，以將台灣銷售協議之上限增加至截至二零零六年、二零零七年及二零零八年十二月三十一日止三個財政年度之經修訂上限4,100,000美元。董事相信根據台灣銷售協議向台灣味丹集團銷售貨品，將為本集團帶來額外收入。
2. 於二零零五年十二月十四日，本公司與台灣味丹就台灣味丹集團向本集團提供若干技術支援服務而訂立協議，由二零零六年一月一日至二零零八年十二月三十一日止，為期三年（「技術支援協議」）。各訂約方於二零零七年一月四日訂立補充協議，以將技術支援協議之上限增加至截至二零零六年、二零零七年及二零零八年十二月三十一日止三個財政年度之經修訂上限2,800,000美元。董事相信從台灣味丹集團獲得技術支援，將對本集團之未來業務發展有利。

Report of the Directors (continued) 董事會報告(續)

For the year ended 31 December, 2007, the subsidiaries of the Company entered into various transactions with Shandong Xue Hua Bio-chemical Co., Ltd. ("Xue Hua"), which constituted continuing connected transactions as defined in the Listing Rules. The Directors are of the view that such transactions will provide cost benefits to the Group for its GA and MSG manufacturing businesses.

On 22 December, 2005, Ordino Investments Pte Ltd ("Ordino"), a wholly-owned subsidiary of the Company and Xue Hua entered into a joint venture contract to set up a joint venture company, Shandong Vedan Snowflake Enterprise Co., Ltd. ("JV Company") in the PRC. Upon the establishment of the JV Company, the JV Company becomes a 70% non wholly-owned subsidiary of the Company, and Xue Hua, which holds 30% of the equity interest in the JV Company, becomes a connected person of the Company under Chapter 14A of the Listing Rules.

Set out below is a table summarising the non-exempt continuing connected transactions with Xue Hua as at 31 December 2007 which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules:

截至二零零七年十二月三十一日止年度，本公司之附屬公司與山東雪花生物化工股份有限公司（「雪花」）訂立若干交易，構成持續關連交易（定義見上市規則）。董事認為，該等交易將為本集團的谷氨酸及味精製造業務帶來成本效益。

於二零零五年十二月二十二日，本公司全資附屬公司Ordino Investments Pte Ltd（「Ordino」）與雪花訂立合營協議，在中國成立合營公司山東味丹雪花廠（「合營公司」）。成立合營公司後，合營公司成為本公司擁有70%權益之非全資附屬公司，雪花則持有合營公司30%股權，根據上市規則第14A章，成為本公司之關連人士。

下表概述截至二零零七年十二月三十一日與雪花之間須遵守上市規則第14A章申報，公告及獨立股東批准規定之不獲豁免持續關連交易：

		Note 附註	US\$'000 千美元
C.	Supply of certain raw materials by Xue Hua to the JV Company	雪花向合營公司供應 若干原材料	(i) 12,707

Notes:

附註：

(i) On 28 December, 2005, Ordino, Xue Hua and the JV Company entered into an agreement ("Raw Materials Purchase Agreement") in respect of the supply of certain raw materials ("Raw Materials") by Xue Hua to the JV Company. The Raw Materials Purchase Agreement has taken effect from the date of approval by the relevant authority in the PRC on 14 December 2005 for a period of 3 years.

(i) 於二零零五年十二月二十八日，Ordino、雪花及合營公司就有關雪花向合營公司供應若干原材料（「原材料」）訂立一項協議（「原材料採購協議」）。原材料採購協議已於二零零五年十二月十四日（即中國有關機關作出批准之日）生效為期三年。

Report of the Directors (continued) 董事會報告(續)

Under the Raw Materials Purchase Agreement, Xue Hua will guarantee to the JV Company that in the event of the GA products produced by the JV Company utilising the Raw Materials reaching 25,000 tonnes per annum, the lower of (a) the average profit before tax for each tonne of such GA products will be not less than RMB450; or (b) the annual profit before tax for such GA products produced will reach RMB11,470,000, and Xue Hua will reimburse the shortfall to the JV Company, up to a maximum term of 5 years and an amount of RMB71,420,000 (which includes the service fees payable by Xue Hua to Ordino under the Technology Services Agreement) or RMB60,570,000 (which excludes the service fees payable under the Technology Services Agreement).

Pursuant to the Raw Materials Purchase Agreement, Xue Hua is entitled to claim reasonable damages from the JV Company in case of the JV Company sells products to the Group at a price level lower than the then average selling price available from Xue Hua of a comparable product.

The annual aggregate amount of the Raw Materials to be purchased by the JV Company from Xue Hua will not exceed the maximum cap of RMB120,000,000 for each of the three financial years ending 31 December 2008.

根據原材料採購協議，雪花將向合營公司作出擔保，倘合營公司採用該等原材料所生產之GA產品每年超過25,000噸，則(以下較低者)(a)平均每噸該等GA產品之除稅前溢利將不會低於人民幣450元；或(b)所生產之該等GA產品全年除稅前溢利將達致人民幣11,470,000元，否則雪花將向合營公司補償差額，最多為期五年，最高金額為人民幣71,420,000元(包括雪花根據技術服務協議應付Ordino之服務費)或人民幣60,570,000元(不包括根據技術服務協議應付之服務費)。

根據原材料採購協議，倘合營公司向本集團出售產品，而價格低於雪花相若產品當時之平均售價，則雪花有權向聯營公司申索合理賠償。

於截至二零零八年十二月三十一日止三個財政年度各年，合營公司向雪花採購原材料之全年總金額將不會超過人民幣120,000,000元的上限。

Report of the Directors (continued) 董事會報告(續)

The directors, including the independent non-executive directors, of the Company have reviewed the continuing connected transactions of the Company and confirmed that:

- (a) the transactions were:
 - (i) entered into in the ordinary and usual course of business;
 - (ii) conducted on normal commercial terms; which were no less favourable than those available to or from independent third parties; and
 - (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole;
- (b) the aggregate amount for each of the above transactions has not exceeded the relevant caps disclosed in previous announcements.

Pre-emptive Rights

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

本公司董事(包括獨立非執行董事)已審閱上述本公司持續關連交易，並確認：

- (a) 該等交易：
 - (i) 於一般日常業務中進行；
 - (ii) 按不遜於與獨立第三者交易之一般商業條款進行；及
 - (iii) 根據有關之規管協議以公平合理且符合股東整體利益之條款進行。
- (b) 上述各項交易之總值並無超過過往公佈所披露之有關上限。

優先購買權

本公司組織章程細則或開曼群島法例並無優先購買權規定，要求本公司按比例向現有股東發售新股份。

Report of the Directors (continued) 董事會報告(續)

Substantial Shareholders' Interests and Short Positions in Shares

So far as was known to any Director or chief executive of the Company, as at 31 December, 2007, other than the interests and short positions of the Directors or chief executives of the Company as disclosed above, the following persons had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

主要股東權益及股份之淡倉

據任何董事及本公司最高行政人員所知，於二零零七年十二月三十一日，除上文所披露董事或本公司最高行政人員的權益及淡倉外，以下人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露的權益或淡倉，或列入本公司根據證券及期貨條例第336條所存置登記冊的權益或淡倉：

Name 名稱	Number of ordinary shares in which interested (other than under equity derivatives) 擁有權益之普通股數目 (股本衍生工具除外)	Percentage of issued shares of the Company 佔本公司已 發行股份百分比
Billion Power Limited ("Billion Power")	460,237,609 (Note 1) (附註1)	30.45%
Taiwan Vedan 台灣味丹	460,237,609 (Note 1) (附註1)	30.45%
King International Limited ("King International")	169,730,196 (Note 2) (附註2)	11.15%
Concord Worldwide Holdings Limited ("Concord Worldwide")	127,297,646 (Note 3) (附註3)	8.36%
High Capital Investments Limited ("High Capital")	127,297,646 (Note 4) (附註4)	8.36%

Notes:

1. Taiwan Vedan is entitled to exercise or control the exercise of more than one third of the voting power of Billion Power and is therefore taken to be interested in these 460,237,609 shares held by Billion Power.
2. The capacity of King International in holding the 169,730,196 shares was as beneficial owner.
3. The capacity of Concord Worldwide in holding the 127,297,646 shares was as beneficial owner.
4. The capacity of High Capital in holding the 127,297,646 shares was as beneficial owner.

附註：

1. 台灣味丹有權行使或控制行使Billion Power 超過三分之一的投票權，故台灣味丹被視為擁有Billion Power所持有該460,237,609股股份之權益。
2. King International乃以實益持有人身份持有169,730,196股股份。
3. Concord Worldwide乃以實益擁有人身份持有127,297,646股股份。
4. High Capital乃以實益擁有人身份持有127,297,646股股份。

Report of the Directors (continued) 董事會報告(續)

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, no other person (not being a Director or chief executives of the Company) who had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

Directors' Interests in Competing Business

Four Directors of the Company, namely, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang and Yang, Chen-Wen, were also directors of the Group's controlling shareholder, Taiwan Vedan. In addition, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang and Yang, Chen-Wen indirectly held approximately 19.77 percent., 9.89 percent., 6.18 percent., and 8.24 percent. interest in Taiwan Vedan, respectively and they were therefore considered as having an interest in Taiwan Vedan under Rule 8.10 of the Listing Rules.

The Taiwan Vedan Group is principally engaged in, inter alia, the production of food additive products, including MSG products, and beverages in Taiwan, which may compete with the Group's business operations in respect of the Product Portfolio.

Since Messrs. Yang, Tou-Hsiung and Yang, Cheng are both responsible only for the overall strategic planning and the business development of the Taiwan Vedan Group and the Group and the daily operations of the Group are managed by Messrs. Yang, Kun-Hsiang, Yang, Chen-Wan and Wang, Joel J. together with an independent management team, the Directors are of the view that the management and the operational functions of the Group are independent of and separate from those of other members of the Taiwan Vedan Group.

For safeguarding the interests of the Group, the independent non-executive Directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, inter alia, that the Group's business operations in respect of the Product Portfolio is and continues to be run on the basis that it is independent of, and at arm's length from, that of Taiwan Vedan.

Auditors

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

Yang, Kun-Hsiang

Director and Chief Executive Officer

15 April 2008

除上文所披露者外，據董事或本公司最高行政人員所知，概無任何人士（並非董事或本公司最高行政人員）於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司及聯交所披露之權益或淡倉，或直接或間接擁有附有權利於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值5%或以上權益或持有該等股本之購股權。

董事於競爭業務之權益

本公司董事楊頭雄先生、楊正先生、楊坤祥先生及楊辰文先生亦為本集團控股股東台灣味丹之董事。此外，楊頭雄先生、楊正先生、楊坤祥先生、楊辰文先生分別間接持有台灣味丹約19.77%、9.89%、6.18%及8.24%權益，因此，根據上市規則第8.10條，彼等被視為擁有台灣味丹之權益。

台灣味丹集團主要在台灣從事（其中包括）食品添加劑產品（包括味精產品）及飲料生產業務，可能對本集團之產品系列業務構成競爭。

由於楊頭雄先生及楊正先生均僅負責台灣味丹集團及本集團之整體策略規劃及業務發展，而本集團日常業務則由楊坤祥先生、楊辰文先生及王肇樹先生以及一個獨立管理團隊管理，故董事認為，本集團之管理及營運功能乃獨立於台灣味丹集團之其他成員公司。

為保障本集團利益，本公司獨立非執行董事及審核委員會定期檢討本集團之業務及經營業績，以確保（其中包括）本集團之產品系列業務乃及繼續獨立於台灣味丹而營運及與其並無關聯。

核數師

本賬目已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟表示願意應聘連任。

承董事會命

楊坤祥

董事兼行政總裁

二零零八年四月十五日