

Management Discussion and Analysis

管理層討論及分析

BUSINESS OVERVIEW

Although the global economy was still slack in the review period under the impact of the global financial crisis that erupted in the second half of last year, the price of petroleum and raw materials such as molasses had climbed from their low points last year and posed considerable pressure on cost and sales of the Group. The cutting back and suspension of production in Vietnam, the Group's major production base, since the fourth quarter last year led to reduction in turnover and increase in costs in the review period. At the concerted effort of all staff, the Group made an overall turnover of US\$133,462,000 for the period, down by approximately 27% or US\$49,273,000 year-on-year. The notable reduction in turnover was from the reduced production capacity, but with average selling price up markedly, overall profit did not decline as substantially as that of turnover. Gross profit of the Group for the period reduced to US\$32,061,000 from US\$33,933,000, representing a decrease of approximately 5.5% or US\$1,872,000, which was far less than decline in revenue. As for net profit, it decreased by approximately 11% or US\$975,000 to US\$8,303,000 with net profit margin at 6.2% which was slightly higher than 5.1% recorded in the same period last year.

Taking into account the effect of reducing production capacity on the market and customers, the Group's MSG sales strategy for the period was geared towards providing stable supply as committed to long-term customers and increasing supply to end users. These efforts were aimed at fulfilling the Group's commitment to long-term customers and avoiding substantial drop in profit. Also, to alleviate the impact brought by reduction in MSG production, the Group kicked off its supply chain mechanism and imported GA to produce MSG for sale. Thus, MSG, the major product of the Group, recorded sales of US\$102,978,000 for the period, representing a decrease of approximately 13.4% or US\$15,979,000 when compared with the same period last year. Production of lysine was suspended because of low demand and international price, and environmental protection issues. The Group stopped selling GA to industry peers during the period but used it to produce MSG to meet market demand. The Group will gradually resume putting out GA starting from the third quarter. Since installation of wastewater treatment equipment was not completed during the period, turnover from starch product dropped by 38.7%. The Group expects its revenue to return to normal level after completion of installation of all relevant facilities in the third quarter.

As a result of the production cut and suspension at the Vietnam plant, revenue from all different markets of the Group declined in different degrees. However, the percentages of decline in major markets including Vietnam, Japan and China were only 16.2%, 8.4% and 11.8% respectively which were lower than the 27% drop in total turnover. This proved the effectiveness of the Group's core market and product strategies in helping it minimise loss. The Group thanks its long term partners for their continuous support and care during this challenging period.

業務總覽

期內雖然世界經濟因受去年下半年全球金融海嘯影響，景氣依然低迷，但石油價格及集團原料如糖蜜已由去年谷底大幅上升，因此在成本和銷售上均有不少之壓力。集團最主要的生產基地越南，因去年自第四季開始部分的減產、停產造成營收之減少及成本上升。然公司在所有同仁竭力努力下，期內整體營收為133,462,000美元，比去年同期減少49,273,000美元，約27%。營收雖因產能所限而有較大幅減少，但因平均售價有顯著提昇，整體獲利並未隨著營收減少而有較大的衰退，期內毛利為32,061,000美元，雖比去年同期33,933,000美元下降1,872,000美元約5.5%，遠低於營收之下跌。淨利為8,303,000美元，比去年同期下降975,000美元，約11%。但淨利率為6.2%，略高於去年同期5.1%。

因考慮到部份減產對市場及客戶的影響，期內集團的味精銷售策略，致力穩定供應給長期客戶及增加精耕末端產品市場，以維護公司對長期客戶之承諾，並避免利潤大幅下跌。同時為減少味精大幅減產之衝擊，期內啟動供應鏈機制，採購谷氨酸再精製為味精銷售，故集團最主要的味精產品，銷售金額於期內達102,978,000美元，比去年同期減少15,979,000美元，約13.4%。賴氨酸則因需求不振，國際價格低迷及環保問題考量，暫停生產。谷氨酸於期內不再出售與同業，進而製成味精以因應市場需求，然自第三季開始將可逐步恢復供應谷氨酸。澱粉產品期內因廢水處理設備尚未全部完成，因此減少38.7%，預估第三季因相關設備可全部安置完成，應可恢復正常銷售。

期內因受主要外銷生產基地越南廠部份減停產之影響，全部銷售市場分別有不同程度之下跌，集團最主要的市場越南、日本和中國分別衰退16.2%、8.4%及11.8%。但都低於總營收減少27%的幅度。這也是集團核心市場及產品的策略奏效，將集團的損失減低到最少，同時在此也要感謝和味丹國際長期合作的夥伴，在公司面臨經營挑戰之際給予支持和愛護。

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BUSINESS OVERVIEW (continued)

Although nearly all major products of the Group including fermented amino acids products, modified starch and specialty chemicals faced possible drop in turnover because of the restricted production capacity in the first half of 2009, the Company was able to flexibly adjust production processes to improve efficiency, and maximise production capacity while complying with environmental requirements, hence minimised the drop in turnover. It also took the opportunity to fine-tune its domestic sales and retail system and strategies so as to strengthen and consolidate the Vietnam and China markets. When the environmental protection equipment and solid fertilizer recycle production lines are completed in the third and fourth quarter respectively, production of the Group is expected to gradually resume normal and be able to excel in due course.

BUSINESS ANALYSIS

(1) Sales analysis by product

Unit: US\$'000

Item 項目		First half of 2009 2009年上半年		First half of 2008 2008年上半年		Growth/(Drop) (%) 增/減(%)	
		USD'000	%	USD'000	%	Diff.	%
		千美元	%	千美元	%	差額	%
MSG	味精	102,978	77.2	118,957	65.1	(15,979)	(13.4)
GA	谷氨酸	425	0.3	12,634	6.9	(12,209)	(96.6)
Lysine	離氨酸	842	0.6	14,913	8.2	(14,071)	(94.4)
Starch	變性澱粉/ 天然澱粉	11,216	8.4	18,286	10.0	(7,070)	(38.7)
Specialty Chemicals	特用化學品	7,036	5.3	8,768	4.8	(1,732)	(19.8)
Fertilizer	肥料	6,505	4.9	5,131	2.8	1,374	26.8
Others	其他	4,460	3.3	4,046	2.2	414	10.2
Total	總共	133,462	100.0	182,735	100.0	(49,273)	(27.0)

1. MSG and GA

Turnover from MSG business in the period was US\$102,978,000, down by 13.4% or US\$15,979,000 against the same period last year. The decrease in turnover was mainly attributable to the reduced production capacity and the Group's strategy to reduce MSG supply for industrial use and certain supply to overseas customers. However, the Group continued to meet demand for MSG product of long-term customers and at the best of its ability cater for the sales need of its own brand products. As for GA, the Group adjusted related sales strategy. With the understanding of customers, it suspended sales of GA and processed the product and used it to produce MSG to satisfy market demand. Thus, the turnover of GA was only US\$425,000 for the period, a notable decrease of 96.6% when compared with US\$12,634,000 in the same period last year. To maintain cooperative relationship with long-term GA customers, the Group's Vietnam plant will gradually resume supply of GA starting in the third quarter. Turnover from the two products accounted for 77.5% of the Group total as compared to 72% in the same period last year.

業務總覽(續)

雖然在2009年上半年幾乎集團主要產品，如氨基酸發酵產品、變性澱粉和特化產品，因產能均受到限制，面臨營收下降之壓力，但公司仍靈活調整生產流程，提高效率，以求在完全符合環保要求下，發揮最大生產效能，使營收下跌減少到最低程度。同時，藉此機會重新調整內銷及零售體系及策略，深耕、鞏固越南及中國市場。隨著味丹越南廠環保設備及資源化固體肥料生產線逐步到位，並將於第三、四季分別完工，預期將可於集團計畫內逐步恢復正常生產，預計未來將有更佳表現。

經營分析

(一) 產品銷售分析

單位：千美元

1. 味精和谷氨酸

味精營收為102,978,000美元，比去年同期減少15,979,000美元，下降13.4%。味精營收減少主要是因產能減少，基於策略考量，減少工業用味精之供應及部分外銷客戶之供應，但優先供應有長期供應關係之合作夥伴，並儘量滿足自有品牌銷售之需求。谷氨酸則因銷售策略改變，在取得客戶之理解下，暫停出售谷氨酸，將全部谷氨酸繼續加工，做成味精銷售以支應市場之需求，故谷氨酸期內營收僅425,000美元，遠低於去年同期12,634,000美元，下降96.6%。為維持谷氨酸客戶長期合作關係，味丹越南廠將於今年第三季開始逐漸恢復供應谷氨酸，此兩項產品佔總營收比重由去年同期72%增加到77.5%。

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(1) Sales analysis by product (continued)

2. Lysine

As international lysine price continued to stay low, the Group started to shift part of the capacity to producing GA to support MSG supply in the second half of last year. Lysine production was stopped in the period. Thus, the turnover from lysine was only US\$842,000 for the period, representing a marked decrease of 94.4% when compared to US\$14,913,000 in the same period last year and accounted for less than 1% of the total turnover of the Group. The Group expects all environmental protection equipment to be installed in its Vietnam plant in the fourth quarter and by then it will assess market conditions and re-consider production of lysine.

3. Modified Starch/Natural Starch

Decreased production capacity caused turnover from starch business to drop by 38.7% to US\$11,216,000, from US\$18,286,000 in the previous period. The percentage of turnover contribution of starch products to total turnover of the Group also decreased, by 10%, to 8.4%. Wastewater treatment equipment relevant to the production of modified starch are being installed and should be finished in the third quarter for full production to resume as planned.

4. Specialty chemicals and Fertilizer

During the period, demand for caustic soda and hydrochloric acid softened because of the economic slowdown, affecting the sales volume and price of the Group's products. Besides, the Group did not exercise full production of these products after taking into account of restricted production capacity. However, it expects supply to return to normal by the fourth quarter of the year, driven by reviving market and improved production capacity. The turnover from specialty chemicals reached US\$7,036,000, which was US\$1,732,000 less than that of the same period last year. Turnover contribution from the segment to total turnover increased from 4.8% in the same period in 2008 to 5.3%.

Fertilizer products were the only ones that were supported by expanded capacity during the period with Phase II of our solid fertilizer plant commencing operation in the third quarter last year. Turnover from this product category was US\$6,505,000, a gain of around 26.8%, or US\$1,374,000, when compared to US\$5,131,000 in the same period last year, accounting for 4.9% of the total turnover of the Group versus 2.8% in the last corresponding period.

經營分析(續)

(一) 產品銷售分析(續)

2. 賴氨酸

由於國際賴氨酸價格依然低迷，集團自去年下半年開始已將部分生產設備轉作谷氨酸，進而生產味精，於期內賴氨酸停止生產，故賴氨酸於期內營收僅842,000美元，比去年同期14,913,000美元大幅衰退94.4%，佔總營收比重不到1%。預估於第四季相關環保設備完工後，將再視市場狀況再行考量生產賴氨酸。

3. 變性澱粉／天然澱粉

澱粉事業亦受到減產之衝擊，營收由去年同期18,286,000美元，減少為11,216,000美元，下降38.7%。澱粉產品佔總營收也由10%下降為8.4%，目前變性澱粉正積極進行相關廢水處理設備之安裝工程，應可依原計劃於第三季逐步恢復全量生產。

4. 特用化學品及肥料

期內鹽酸、蘇打雖因金融風暴影響，需求略有減緩，數量與價格都有下降，又因整理生產考量，生產並沒有全載。於估今年第四季，因市場逐漸恢復與整體生產增加，將逐步恢復全量生產。特用化學品銷售金額為7,036,000美元比去年同期減少1,732,000美元，整體特化產品銷售比重由去年同期4.8%上升為5.3%。

肥料產品因第二期固體肥料設備於去年第三季開始投入生產，故肥料是唯一產能有增加的產品，營收為6,505,000美元，比去年同期5,131,000美元增加1,374,000美元約26.8%，佔總營收比重由2.8%提高到4.9%。

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BUSINESS ANALYSIS (continued)

(2) Market Analysis

Unit: US\$'000

REGIONS 地區		First half of 2009 2009上半年		First half of 2008 2008上半年		Growth/(Drop)(%) 增/減(%)	
		US'000 千美元	%	US'000 千美元	%	Diff 差額	%
Vietnam	越南	65,081	48.8	77,649	42.5	(12,568)	(16.2)
Japan	日本	31,622	23.7	34,538	18.9	(2,916)	(8.4)
China	中國	24,350	18.2	27,622	15.1	(3,272)	(11.8)
Taiwan	台灣	4,475	3.4	5,124	2.8	(649)	(12.7)
Asean countries	東盟	3,590	2.7	24,736	13.5	(21,146)	(85.5)
European	歐洲	1,916	1.4	5,684	3.1	(3,768)	(66.3)
Other regions	其他	2,428	1.8	7,382	4.1	(4,954)	(67.1)
Total	總計	133,462	100.0	182,735	100.0	(49,273)	(27.0)

1. VIETNAM

In the first half of 2009, sales of MSG in this market reached a level similar to that of the same period last year. However, as output of GA and lysine, which were sold primarily in Vietnam, was markedly reduced, turnover from them dropped markedly by around 16.2% or US\$12,568,000 to US\$65,081,000 from US\$77,649,000 in the previous period. Contribution from Vietnam to total turnover increased to 48.8% for the period from 42.5% in the previous corresponding period. The Group expects turnover from the market to increase when the Group gradually resumes GA production.

2. JAPAN

The Group enjoys long-standing relationship with its Japanese customers, which has bolstered steady growth of its business in the market over the years. Thus, MSG business in the market did not decline in Japan during the period, although demand for lysine and modified starch of the market was not fully met because of the production reduction in Vietnam. As a result, turnover from Japan was down by 8.4%, or US\$2,916,000, from US\$34,538,000 in the last corresponding period to US\$31,622,000, the smallest decline among all markets of the Group. Contribution from the Japan market to total turnover increased from 18.9% in the same period last year to 23.7%.

3. CHINA

Turnover from China was US\$24,350,000, representing a decrease of 11.8%, or US\$3,272,000, against US\$27,622,000 in the same period last year. The decrease was mainly attributable to sharp decline in supply of modified starch resulting from decreased production at Vedan Vietnam and the marked decrease in sales during the period with Shandong Snowflake undertaking production adjustment in the first quarter. The latter, however, has gradually resumed production since the second quarter. Turnover from the China market to total turnover increased to 18.2% from 15.1% in the same period last year.

經營分析(續)

(二) 市場銷售分析

單位：千美元

1. 越南市場

2009年上半年，味精於此市場銷售營收亦尚能維持去年同期水準，但因谷氨酸及賴氨酸大幅減產，而其主要市場為越南，故營收大幅減少，期內越南市場銷售金額為65,081,000美元，比去年同期77,649,000美元減少12,568,000美元約16.2%。越南市場營收佔集團總營收比重由去年同期42.5%，提高到48.8%。預估下半年開始逐漸恢復供應谷氨酸，應有助於越南市場營收。

2. 日本市場

日本市場的主要客戶均和集團保持長久友好的合作關係，多年來一直是在穩定中發展，故味精業務期內在市場並無下跌，但賴氨酸和變性澱粉則是因部份停減產而無法充分供應，導致日本市場營收減少8.4%，金額減少2,916,000美元，由去年同期34,538,000美元下滑為31,622,000美元，是所有地區營收下跌最少的市場。日本市場佔總營收比重因而由去年同期18.9%上揚到23.7%。

3. 中國市場

中國市場營收為24,350,000美元比去年同期27,622,000美元減少11.8%，金額3,272,000美元，主要是變性澱粉受味丹越南供應減少而大幅減少，同時山東味丹雪花第一季因生產調整，期內銷售大幅減少有關，但在第2季已逐步恢復生產。中國區佔總營收比重由去年同期15.1%增加為18.2%。

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4. ASEAN COUNTRIES

During the period, ASEAN countries were affected the most by the production reduction at Vedan Vietnam. Turnover from this market to total turnover dropped to 2.7% from 13.5% in the same period last year. Turnover of the segment plunged by 85.5%, or US\$21,146,000, to US\$3,590,000 from US\$24,736,000 in the last corresponding period mainly because of MSG supply falling short of demand and the very limited supply of GA and lysine to the market which is a major consumer of these products.

RAW MATERIALS/COSTS

Although material costs dropped sharply in the fourth quarter last year alongside the economic downturn, in the first half of 2009, the Group saw raw material prices fluctuated with the price of molasses climbed about 40% and energy cost rose with oil prices, while the price of cassava and liquid ammonia dropped around 50% and 26% respectively. However, when international demand picks up and the prices of oil and most agricultural products start to rise in the second half of 2009, the prices of cassava and molasses will follow. The Group has already made procurement plans that will allow it to satisfy production demand in the second half year at stable costs.

FINANCIAL REVIEW

(1) Cash flow and financial resources

As at June 2009, cash and bank deposits of the Group amounted to US\$22,692,000, which was US\$13,594,000 lower than that of the last corresponding period and was mainly used to repay bank borrowings. Total bank borrowings decreased from US\$53,152,000 at end of last year to US\$40,612,000. Total repayment was US\$12,540,000 during the period, down by 23.6%. Account receivables slightly increased by approximately 2.4% or US\$698,000. Inventory reduced by approximately 2.2% or US\$1,621,000. Account payables amounted to US\$15,708,000, an increase of approximately 9.6% or US\$1,373,000 against the end of last year. Bank borrowings are mainly denominated in the US dollar (93.6%) and Taiwan dollar (6.4%). To fund the setting up of solid fertilizer production lines and purchase of concentration equipment during the period, long-term loans increased to US\$11,673,000 from US\$7,552,000 at the end of last year. Short-term loans dropped significantly by US\$14,719,000 to US\$23,941,000 against US\$38,660,000 at the end of last year. Of all the loans, 28.7% were long-term loans and 71.3% were short-term loans. Gearing ratio (total loans over shareholders interest) was 15.3%. Net gearing ratio (after deducting cash and deposit) was 6.7%. Current ratio rose from 1.85 to 2.20 because of decreased short-term loans. Interest expenses declined as both loan rate and loan amount down, and net interest cost was US\$597,000, about 0.4% of the total turnover.

4. 東盟市場

期內東盟市場是因味丹越南部分減停產影響最嚴重的市場。東盟市場佔總營收比由去年同期13.5%下降為2.7%，營收由去年同期24,736,000美元劇減為3,590,000美元，減少85.5%金額21,146,000美元。主要原因除味精供應量減少無法滿足此市場需求外，東盟市場也是谷氨酸、賴氨酸的主要外銷市場，而比兩項產品的大規模減產，造成東盟市場於期內營收的大幅萎縮。

原料／成本

雖然集團原料在去年第四季因全球金融海嘯影響，有較明顯下跌，但在2009年上半年，集團原料漲跌互見，糖蜜價格在期內比去年同期大幅的上揚約40%，能源成本亦因石油上漲亦有所上升，然木薯和液氨和去年同期比則分別下滑約50%及26%。預計2009年下半年因國際需求復甦，及在石油價格和大部份農產品價格上揚之下，木薯和糖蜜應是上升之趨勢。集團已進行採購佈局，穩定採購價格與數量以因應下半年生產之需。

財務回顧

(一) 流動資金與財政資源

截至2009年6月止集團現金和銀行存款為22,692,000美元，比去年底減少13,594,000美元，主要是用於償還銀行借款，總借款由去年底53,152,000美元下降為40,612,000美元，期內償還金額為12,540,000美元減少23.6%。應收帳款略增698,000美元約2.4%，存貨則減少1,621,000美元約2.2%；應付貨款為15,708,000美元，比去年底增加1,373,000美元約9.6%。借款主要為美元佔93.6%，其餘為新台幣借款佔6.4%，期內增設固體肥料生產線及濃縮設備，長期借款由去年底7,552,000美元上升為11,673,000美元。短期借款則大幅減少14,719,000美元，由去年底38,660,000美元下降為23,941,000美元。長期和短期借款比例為28.7%比71.3%。資本負債比(總借款比股東權益)為15.3%，淨資本負債比(總借款扣除現金和存款)則為6.7%，流動比率因短期借款減少，由1.85提高為2.20。利息支出因借款利率下跌及借款金額減少，淨利息費用為597,000美元，佔總營收0.4%。

Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW (continued)

(2) Capital Expenditure

During the period, the Group's capital expenditure amounted to US\$22,132,000, mainly used in setting up solid fertilizer production lines and purchase of concentration equipment for improving environmental protection provisions and resources recycling. Most of the equipment will be delivered for installation to begin in the third quarter and testing to follow. All related works are expected to be completed in the fourth quarter. To support the above investment, the Group has secured long-term loans of US\$11,000,000 and US\$9,000,000 for a term of six and five years respectively from two banks. The two loans were available and allocated during the period and are expected to be all used up at the end of the year. The remaining balances will be paid by internal funds.

(3) Exchange Rate

Vietnam has also been adversely affected by the global financial crisis since September 2008. The Vietnam Dong depreciated by 1.8% during the period. Since export sales of Vedan Vietnam were mainly settled in US dollars, the Group was able to maintain exchange balance. For Vedan Shanghai and Xiamen Maotai, which serve mainly domestic demand in China, the exchange rate between RMB and US dollars stayed stable during the period.

(4) Dividend

Basic earnings per share for the period were 0.55 US cents. The Board of Directors has resolved to give out dividend of 0.273 US cents, representing a payout ratio of 50%.

PROGRESS OF THE ENVIRONMENTAL PROTECTION ISSUE AT THE VIETNAM PLANT

- In early May 2009, Head of the Environmental Protection Department of Vietnam visited the Vietnam plant to review conditions. His report confirmed that the environmental protection standards at Vedan Vietnam have improved and are meeting standards under government regulations. It also requested the Company to implement and complete all improvement initiatives proposed according to schedule.
- The Company is working according to the improvement proposal approved by the Environmental Protection Department. The 3rd and 4th batch of crucial equipment for concentration facility and resources recycling in solid fertilizer production have been delivered and are currently being installed. Related works are expected to be completed in the fourth quarter for all operations to return to normal.
- As of end of June 2009, the Vietnam plant has been in full compliance to environmental protection regulations including having repaid the environmental fee equivalent to US\$5,785,000, which represented 75% of the total fee, on time. It will repay the remaining US\$1,928,000 in the second half of 2009.

財務回顧 (續)

(二) 資本支出

期內資本支出為22,132,000美元，主要為改善環保及資源回收設備擴增固體肥料生產線及濃縮設備，大部分設備均已陸續抵達並於第3季開始安裝試俾，預計第4季可全部完成。為支應上述投資，集團已獲得兩家銀行分別提供11,000,000美元及9,000,000美元之長期貸款，期限分別為6和5年，已分別於期內分批動撥，預計年底前動用完畢，其餘款項將由自有資金支應。

(三) 匯率

去年9月以來，受全球性金融風暴影響，越南亦受影響，期內越盾貶值1.8%。味丹越南因出口以美元為主，外匯尚可自行平衡。味丹上海廠及茂泰廈門廠則是以國內銷售為主，期內人民幣對美金匯率維持穩定走勢。

(四) 股利

本期每股基本股利為0.55美仙，董事會決定派發股息每股0.273美仙，派息率為50%。

越南廠環保事件現況

- 越南環保部部長於5月初到場覆查，依其公告之覆查結果，肯定味丹越南在環保方面之改善，目前已能符合越南政府環保規定，並要求公司須依原改善計劃如期完成。
- 目前公司依提報環保部核准之改善計畫，最重要的濃縮設備及為達到資源回收之固體肥料設備已陸續抵達越南廠，並正積極展開安裝試俾工作，預計第四季能完成正常運轉，屆時產能即可恢復正常營運。
- 越南廠迄6月底已完全遵守規定，如期繳納環保水處理費，累計約等值美金5,785,000美元佔總額75%，其餘1,928,000美元將於2009年下半年繳納完畢。

Management Discussion and Analysis 管理層討論及分析

PROGRESS OF THE ENVIRONMENTAL PROTECTION ISSUE AT THE VIETNAM PLANT (continued)

- Regarding the damage claims from the neighbouring farmers and fishermen, the Environmental Protection Department had scholars from the National University of Ho Chi Minh City formed an investigation taskforce to verify the claims of the farmers and fishermen and assess the extent of responsibility of Vedan and other plants that caused the pollution. The investigation report is expected to be completed in the second half of the year.
- Vedan Vietnam has started works related to ISO14001 environmental management system in early 2009 and expects to gain accreditation by November 2009.
- Phuoc Thai factory of Vedan Vietnam in Dong Nai Province had completed environmental protection measures which are all in compliance with local government standards. Besides, other starch factories in Binh Phuoc, Gia Lai and Ha Tinh provinces also finished installation of equipments in relation to environmental protection at the bio-gas production lines. These facilities will start operation in the new production season.

PROSPECTS

In the coming half year, the Group will continue to push forward with works in relation to adding environmental processing equipment and solid fertilizer production facilities at its Vietnam plant to make sure production will resume smoothly and as early as possible, allowing it to forge ahead in realising the goal becoming a green enterprise that values the environment and is dedicated to building a sustainable environment.

To secure stable carbohydrate sources at competitive cost has been a consistent pursuit of the Group. The Group deferred plantation of cassava in Cambodia and Laos because of the environmental incident last year. It expects to continue related plan in the second half year to address the anticipated vigorous fluctuation in price of raw materials in the future. The Group has set up "Carbohydrates Operation Division" for active exploration in carbohydrate sources and related areas.

Recently, many MSG manufacturers in China have expanded production capacities notably. This trend has not only affected the MSG market in the country, but has also led to more intense competition in the international market. In mid-August 2009, China and ASEAN countries signed the ASEAN-China Free Trade Agreement which will take effect on 1 January 2010. The agreement will boost trading activities between China and all ASEAN countries meaning the different products of the Group will be presented with bigger challenges. However, the agreement will also present a good opportunity to the Group to integrate the resources of its companies in China and Vietnam and optimise operational efficiency.

The global financial crisis and economic downturn have caused rapid changes to the operating environment. The Group, however, has seized the opportunity to reform its business. Apart from stepping up distribution channel development, the Group also put efforts into boosting its sale teams, assessing import trends or the potential of new products. Moreover, to shape up internally, the Group has started work in relation to gaining ISO14001 environmental management certification and implementation of an Enterprise Resources Planning (ERP) system. Expansion of international market will be a key focus of the Group in the hope of resuming supply to existing markets and customers. All these efforts are going to help consolidate the foundation and facilitate growth of the Group in the years to come.

越南廠環保事件現況(續)

- 有關附近農漁民要求賠償損失，越南環保部已要求胡志明市國立大學之學者專家，共同組成專案調查小組，確認農漁民損失及釐清味丹及其他造成污染廠商之責任，預計此調查報告將於今年下半年內完成。
- 味丹越南廠已於今年初展開ISO14001環境管理系統認證活動，預估2009年11月取得認證。
- 味丹越南在同奈省的福泰總廠，已全面進行並完成符合越南政府的環保規定外，其餘在平福省、嘉萊省與河靜省的澱粉廠，也都完成BIOGAS生產的環保處理設施，將都會在新產季開始時，投入生產使用。

展望

未來半年，集團除繼續努力依計劃於今年下半年完成增設環保相關處理設備、固體肥料廠擴廠，確保越南廠能早日恢復正常營運，同時更要朝「愛護環境，永續經營」的綠色企業目標邁進。

取得穩定有競爭力的醱源是集團多年來努力的目標，於東寮兩國推廣木薯種植是因去年環保事件而暫緩推動，預計下半年將繼續進行，以因應未來原料價格變化日益激烈之趨勢。集團已成立專責的「醱源經營室」，將更積極的在醱源及相關領域上，進行業務開拓。

面臨中國味精業者近來的大肆擴充產能，不僅對國內味精市場造成沖擊，並且對國際市場競爭更加激烈。同時，中國和東盟已於八月中簽署「中國—東盟自由貿易區」協定，自2010年1月1日起生效，此勢必使中國和東盟各國間貿易更加密切往來，集團的各項產品，也將面臨挑戰。但這將亦是集團一個良好的商機，將積極整合中國區和越南區各公司資源，充分發揮營運效益。

國際經濟、全球金融海嘯的影響，經營環境變化快速，集團掌握此時機，進行公司經營改造，除了加強精耕市場通路外，增加銷售團隊、評估進口或生產新產品項目也是經營強化的重點。另外，在集團內部，除已展開推動ISO14001環境管理系統認證外，也正進行企業資源整合系統(ERP)的推動，而國際市場業務的拓展，更將是公司重要的工作，以期儘快恢復供應原有的市場與客戶。這些工作的展開，都將為集團創造更穩固基礎，有助於集團的未來成長。