

Report of 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, 2011.

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, 2011 are set out in the consolidated income statement on page 51.

The Board recommend the payment of a final dividend of 0.311 US cents per share, totalling US\$4,740,000 (2010: US\$3,670,000) for the year ended 31 December, 2011. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or about 15 June 2012 to the Shareholders whose names appear on the register of members of the Company on 1 June 2012.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 14 to the accounts.

DISTRIBUTABLE RESERVES

As at 31 December, 2011, 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\$17,139,000 were available for distribution to the Company's shareholders.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December, 2011, 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 15 to the accounts.

本公司董事（「董事」）謹此呈報截至二零一一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

本集團截至二零一一年十二月三十一日止年度的業績載於第51頁的綜合收益表。

董事會建議宣派截至二零一一年十二月三十一日止年度末期股息每股0.311美仙，合共4,740,000美元（二零一零年：3,670,000美元）。待股東於本公司應屆股東週年大會上批准後，末期股息將於二零一二年六月十五日或前後以現金方式支付予於二零一二年六月一日名列本公司股東名冊的股東。

股本

本公司股本變動的詳情載於賬目附註14。

可供分派儲備

本公司於二零一一年十二月三十一日有股份溢價儲備約194,098,000美元（根據開曼群島公司法及本公司組織章程細則計算）及保留盈利約17,139,000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二零一一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15。

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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 financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods and services from its five largest suppliers and sold less than 30% of its goods and services to its five largest customers.

At no time during the year, did a director, an associate of a director or any shareholder of the Company, which to the knowledge of the directors own more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers or suppliers 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
Yang, Kun-Chou (appointed on 8 March 2012)

Non-executive Directors

Huang, Ching-Jung
Chou, Szu-Cheng

Independent Non-executive Directors

Chao, Pei-Hong
Ko, Jim-Chen
Chen, Joen-Ray

According to Article 87(1) of the Company's articles of association, Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng, and Mr. Chao, Pei-Hong will retire by rotation at the forthcoming annual general meeting of the Company. Mr. Yang Kun-Chou, being a director appointed by the Board of Directors on 8 March 2012, will be subject to re-election at the forthcoming annual general meeting. 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 28.

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財務報表附註7。

主要客戶及供應商

本年度內，本集團從其五位最大供應商購入之貨品及服務少於30%，向其五位最大客戶售出之貨品及服務亦少於30%。

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或供應商之股本中擁有權益。

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
楊坤洲（於二零一二年三月八日委任）

非執行董事

黃景榮
周賜程

獨立非執行董事

趙培宏
柯俊禎
陳忠瑞

根據本公司之組織章程細則第87(1)條，楊頭雄先生、楊正先生及趙培宏先生將於本公司應屆股東週年大會上輪席退任。於二零一二年三月八日獲董事會委任為董事的楊坤洲先生將於應屆股東週年大會上重選連任。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28頁。

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DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

(a) As at 31 December, 2011, 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、相關股份及債權證之權益及淡倉

(a) 於二零一一年十二月三十一日，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)根據證券及期貨條例第352條之規定須列入該條所述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	Interests in shares 於股份中之權益	
	Number of ordinary shares 普通股數目	Percentage of issued shares of the Company 佔本公司已發行 股份百分比
Mr. YANG, Tou-Hsiung 楊頭雄先生	169,730,196 (Note 1) (附註1)	11.15%
Mr. YANG, Cheng 楊正先生	169,730,196 (Note 2) (附註2)	11.15%
Mr. HUANG, Ching-Jung 黃景榮先生	200,000	0.01%
Mr. CHAO, Pei-Hong 趙培宏先生	500,000	0.03%

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Notes:

1. Mr. YANG, Tou-Hsiung's interest in shares was held in the following capacity:-

Capacity	身份	Number of ordinary shares 普通股數目
Interest of company controlled by him	於其控制之公司中之權益	169,730,196 *
* Mr. YANG, Tou-Hsiung was 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 of the Company.	* 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 股本公司股份之持有人。	

2. Mr. YANG, Cheng's interest in shares was held in the following capacity:

Capacity	身份	Number of ordinary shares 普通股數目
Interest of company controlled by him	於其控制之公司中之權益	169,730,196 *
* Mr. YANG, Cheng was entitled to exercise or control the exercise of more than one-third of the voting power of King International and King International is the holder of such 169,730,196 shares of the Company.	* 楊正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 股本公司股份之持有人。	

Save as disclosed above, as at 31 December 2011, none of the Directors or chief executives 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.

附註:

1. 楊頭雄先生以下列身份持有股份權益:

* 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 股本公司股份之持有人。

2. 楊正先生以下列身份持有股份權益:

* 楊正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 股本公司股份之持有人。

除上文所披露者外，於二零一一年十二月三十一日，概無本公司董事或最高行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第 XV 部）之股份、相關股份及債權證中，擁有或被視為擁有 (a) 根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例有關條文彼被認為或被視為擁有之權益及淡倉）；或 (b) 根據證券及期貨條例第 352 條須列入該條所述之登記冊內之任何權益或淡倉；或 (c) 根據上市規則所載之上市公司董事進行證券交易的標準守則須知會本公司及聯交所之任何權益或淡倉。

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SHARE OPTION SCHEMES

On 13 June, 2003, the Pre-IPO Share Option Scheme and the 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, granted under the Pre-IPO Share Option Scheme from 27 June, 2003, the date of listing of the shares on the Stock Exchange. As at 31 December 2011 and 2010, there was no share option outstanding under the Pre-IPO Share Option Scheme. The Pre-IPO Share Option Scheme has been expired on 2008 and no further options could be granted under the Pre-IPO Share Option Scheme.

As at 31 December 2011, no option had been granted or exercised under the Share Option Scheme.

DIRECTORS' SERVICE CONTRACTS

Each of Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng, Mr. Yang, Kun-Hsiang and Mr. Yang, Chen-Wen 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.

Mr. Yang, Kun-Chou has entered into a service agreement with the Company for a fixed period of three years commencing on 8 March 2012.

Each of Mr. Huang, Ching-Jung and Mr. Chao, Pei-Hong 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, Szu-Cheng has entered into a service agreement with the Company for a term of three years and both parties may upon or before the expiration of the original term or any renewed term (as the case may be) thereof, agree in writing to extend the term of the service agreement for three year.

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。於二零一一年及二零一零年十二月三十一日，概無首次公開售股前購股權計劃項下之購股權尚未行使。首次公開售股前購股權計劃已於二零零八年期滿，故再無其他購股權可按首次公開售股前購股權計劃授出。

於二零一一年十二月三十一日，概無購股權計劃項下的購股權已授出或已行使。

董事服務合約

楊頭雄先生、楊正先生、楊坤祥先生及楊辰文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。

楊坤洲先生已與本公司訂立服務協議，由二零一二年三月八日起固定年期為三年。

黃景榮先生及趙培宏先生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為期三年之服務協議，而雙方可於原有期限或其任何重續期限（視乎情況而定）屆滿前以書面方式同意延長服務協議三年。

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Mr. Ko, Jim-Chen has entered into a service contract with the Company for a term of three year and both parties may upon or before the expiration of the original term or any renewed term (as the case may be) thereof, agree in writing to extend the term of the service contract for three year.

Mr. Chen, Joen-Ray has entered into a service contract with the Company for a term of three year and both parties may upon or before the expiration of the original term or any renewed term (as the case may be) thereof, agree in writing to extend the term of the service contract for three year.

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.

CONTINUING CONNECTED TRANSACTIONS

Transactions with Taiwan Vedan Enterprise Corporation ("Taiwan Vedan")

For the year ended 31 December, 2011, the Company entered into the following transactions with its substantial shareholder, 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	A. 向台灣味丹銷售貨品	(i)	1,313
B. Technological support fee paid to Taiwan Vedan	B. 向台灣味丹支付技術支援費	(ii)	2,734
C. Agency commission income received from Taiwan Vedan	C. 收取台灣味丹的代理佣金收入	(iii)	57
Agency commission expense paid to Taiwan Vedan	向台灣味丹支付代理佣金開支	(iii)	-

柯俊禎先生已與本公司訂立為期三年之服務合約，而雙方可於原有期限或其任何重續期限（視乎情況而定）屆滿前以書面方式同意延長服務合約三年。

陳忠瑞先生已與本公司訂立為期三年之服務合約，而雙方可於原有期限或其任何重續期限（視乎情況而定）屆滿前以書面方式同意延長服務合約三年。

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）則不可撤銷之服務合約。

董事所擁有之合約權益

除上文所詳述之服務合約外，並無董事在本公司或其任何附屬公司於年內所訂立而對本集團業務屬重大之合約中擁有重大權益。

持續關連交易

與台灣味丹企業股份有限公司（「台灣味丹」）之交易

截至二零一一年十二月三十一日止年度，本公司與其主要股東及關連人士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：

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Notes:

- (i) The Group has been selling certain GA (acronym as "glutamic acid"), MSG (acronym as "monosodium glutamate") and cassava starch based industrial products to Taiwan Vedan and its subsidiaries (other than members of the Group) ("Taiwan Vedan Group") for use in Taiwan. On 23 December 2011, the Company and the Taiwan Vedan Group entered into an agreement in respect of the sales of such products by the Group to the Taiwan Vedan Group for a term of three years from 1 January 2012 to 31 December 2014 ("Taiwan Sales Agreement"). At the relevant time, the Company estimated that the annual total aggregate amount of sales of the products to the Taiwan Vedan Group will not exceed the maximum cap of US\$3,000,000 for each of the three financial years ending 31 December 2014. 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.

US\$1,313,000 represents the annual total aggregate amount of sales of the products by the Group to the Taiwan Vedan Group for the financial year ended 31 December 2011, which has not exceeded the relevant maximum cap of US\$4,800,000 as disclosed in the previous announcement dated 23 December 2008.

- (ii) The Taiwan Vedan Group has been providing certain technological support services to the Group. On 23 December 2011, the Company and Taiwan Vedan entered into an agreement in respect of the provision of such services by the Taiwan Vedan Group to the Group for a term of three years from 1 January 2012 to 31 December 2014 ("Technology Support Agreement"). At the relevant time, the Company estimated that the annual total aggregate amount of service fee payable pursuant to the Technology Support Agreement will not exceed the maximum cap of US\$2,500,000 for each of the three financial years ending 31 December 2014. The Directors believe that the technology support from Taiwan Vedan Group will benefit the Group's future business developments.

US\$2,734,000 represents the annual total aggregate amount of service fee payable by the Group to the Taiwan Vedan Group for the financial year ended 31 December 2011, which has not exceeded the relevant maximum cap of US\$3,000,000 as disclosed in the previous announcement dated 24 December 2009.

附註:

- (i) 本集團素來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、味精及木薯澱粉工業產品，以供其於台灣使用。於二零一一年十二月二十三日，本公司與台灣味丹集團就本集團向台灣味丹集團銷售該等產品訂立協議，由二零一二年一月一日至二零一四年十二月三十一日止，為期三年（「台灣銷售協議」）。於相關時間，本公司估計銷售產品予台灣味丹集團之年度總額將不會超過截至二零一四年十二月三十一日止三個財政年度各年之最高上限3,000,000美元。董事相信根據台灣銷售協議向台灣味丹集團銷售產品，將為本集團帶來額外收入。

於截至二零一一年十二月三十一日止財政年度，本集團向台灣味丹集團銷售產品之年度總額為1,313,000美元，並未超過於日期為二零零八年十二月二十三日之過往公告所披露之相關最高上限4,800,000美元。

- (ii) 台灣味丹集團素來向本集團提供若干技術支援服務。於二零一一年十二月二十三日，本公司與台灣味丹就台灣味丹集團向本集團提供該等服務訂立協議，由二零一二年一月一日至二零一四年十二月三十一日止，為期三年（「技術支援協議」）。於相關時間，本公司估計根據技術支援協議應付之服務費總額將不會超過截至二零一四年十二月三十一日止三個財政年度各年之最高上限2,500,000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。

於截至二零一一年十二月三十一日止財政年度，本集團應付台灣味丹集團之服務費總額為2,734,000美元，並未超過於日期為二零零九年十二月二十四日之過往公告所披露之相關最高上限3,000,000美元。

Report of Directors 董事會報告

(iii) Each of Taiwan Vedan and the Company has been acting as the sole and exclusive agent of the other party to sell, distribute, supply and/or provide the products that are produced or proposed to be produced by the Group from time to time to the customers in Vietnam, ASEAN countries and the PRC or in Taiwan (as the case may be). On 23 December 2011, the Company and Taiwan Vedan entered into an agreement (“Agency Agreement”) in respect of such transactions for a term of three years from 1 January 2012 to 31 December 2014. At the relevant time, the Company estimated that the annual total aggregate amount of commission to be received by each of the Group and the Taiwan Vedan Group will not exceed the maximum cap of US\$150,000 and US\$80,000 for each of the three financial years ending 31 December 2014. The Directors believe that the Group will continue to benefit from the transactions as the Group will receive additional commission income, and, it will also continue to benefit from the transactions in respect of additional sales to customers in Taiwan which may not be satisfied by the production capacity of, or the available products from, the Taiwan Vedan Group.

US\$57,000 represents the annual total aggregate amount of commission received by the Group for the financial year ended 31 December 2011, which has not exceeded the relevant maximum cap of US\$150,000 as disclosed in the previous announcement dated 31 December 2008.

Transactions with Shandong Xue Hua Bio-chemical Co., Ltd. (“Xue Hua”)

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.

For the year ended 31 December 2011, Ordino and the JV Company entered into the following transaction with Xue Hua, a connected person of the Company which constituted continuing connected transaction of the Company subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules:

(iii) 台灣味丹及本公司各自作為另一方之唯一獨家代理，以不時銷售、分銷、供應及／或提供由本集團生產或擬生產之產品予位於越南、東盟國家及中國或台灣（視乎情況而定）之客戶。於二零一一年十二月二十三日，本公司及台灣味丹就該等交易訂立協議（「代理協議」），由二零一二年一月一日至二零一四年十二月三十一日止，為期三年。於相關時間，本公司估計本集團及台灣味丹集團各自將予收取之年度佣金總額將不會超過截至二零一四年十二月三十一日止三個財政年度各年之最高上限150,000美元及80,000美元。董事相信，本集團將繼續受惠於該等交易，此乃由於本集團將獲得額外佣金收入，而其亦將繼續受惠於有關額外銷售予台灣客戶之該等交易，台灣味丹集團之產能可能未能滿足或無法提供產品予該等客戶。

於截至二零一一年十二月三十一日止財政年度，本集團收取之年度佣金總額為57,000美元，並未超過於日期為二零零八年十二月三十一日之過往公告所披露之相關最高上限150,000美元。

與山東雪花生物化工股份有限公司（「雪花」）之交易

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」）與雪花訂立合營合約，在中國成立合營公司山東味丹雪花實業有限公司（「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。

截至二零一一年十二月三十一日止年度，Ordino及合營公司與本公司之關連人士雪花進行下列交易，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：

		Note 附註	RMB'000 人民幣千元
A. Purchase of certain raw materials by the JV Company from Xue Hua	A. 合營公司向雪花購買若干原材料	(i)	14,298

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Notes:

- (i) The JV Company has been purchasing certain raw materials (including GA, steam, electricity, starch and sulfuric acid) from Xue Hua. On 23 December 2011, Ordino, Xue Hua and the JV Company entered into an agreement in respect of the purchase of such raw materials by the JV Company from Xue Hua ("Raw Materials Purchase Agreement") for a term of three years from 28 December 2011 to 27 December 2014 (with the JV Company's right to renew for successive terms of three years each until the end of the term of the JV Company subject to compliance with the relevant requirements under the Listing Rules). At the relevant time, the Company estimated that the annual total aggregate amount of the raw materials to be purchased by the JV Company from Xue Hua pursuant to the Raw Materials Purchase Agreement will not exceed the maximum cap of RMB15,000,000 for each of the three financial years ending 27 December 2014. The Directors are of the view that such transactions will provide cost benefits to the Group for its GA and MSG manufacturing businesses.

RMB14,298,000 represents the annual total aggregate amount of the raw materials purchased by the JV Company from Xue Hua for the financial year ended 31 December 2011, which has not exceeded the relevant maximum cap of RMB200,000,000 as disclosed in the previous announcement dated 23 December 2008.

Confirmations

The aforesaid continuing connected transactions for the year ended 31 December 2011 have been reviewed by independent non-executive Directors of the Company. The independent non-executive Directors confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his unqualified letter containing his findings and conclusions in respect of the continuing connected transactions disclosed by the Group on pages 39 to 42 of the annual report in accordance with paragraph 14A.38 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

附註:

- (i) 合營公司素來向雪花購買若干原材料(包括谷氨酸、蒸汽、電力、澱粉及硫酸)。於二零一一年十二月二十三日, Ordino、雪花及合營公司就合營公司向雪花購買該等原材料訂立協議(「原材料採購協議」), 合約期由二零一一年十二月二十八日至二零一四年十二月二十七日止, 為期三年(合營公司有權不斷於合營公司之年期屆滿時重續三年, 惟須遵守上市規則項下之相關規定)。於相關時間, 本公司估計合營公司根據原材料採購協議向雪花購買之原材料之年度總額將不會超過截至二零一四年十二月二十七日止三個財政年度各年之最高上限人民幣15,000,000元。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。

於截至二零一一年十二月三十一日止財政年度, 合營公司向雪花購買原材料之年度總額為人民幣14,298,000元, 並未超過於日期為二零零八年十二月二十三日之過往公告所披露之相關最高上限人民幣200,000,000元。

確認

本公司獨立非執行董事已審閱上述截至二零一一年十二月三十一日止年度的持續關連交易。獨立非執行董事確認上述關連交易乃(a)於本集團一般日常業務中進行; (b)按一般商業條款或不遜於本集團向獨立第三方提供或本集團獲獨立第三方提供的條款進行; 及(c)根據有關的規管協議以公平合理且符合本公司股東整體利益的條款進行。

本公司核數師已獲聘根據香港會計師公會頒佈的香港核證工作準則第3000號「審核或審閱歷史財務資料以外的核證工作」及參照實務說明第740號「關於香港上市規則所述持續關連交易的核數師函件」就本集團的持續關連交易作出報告。核數師已根據香港聯合交易所有限公司證券上市規則第14A.38段發出無保留意見函件, 當中載有核數師對本集團於年報第39至42頁所披露的持續關連交易的發現及結論。本公司已將核數師函件副本送呈香港聯合交易所有限公司。

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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.

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, 2011, 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:

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。

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，於二零一一年十二月三十一日，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	Capacity 身份	Number of ordinary shares 普通股數目	Percentage of issued shares of the Company 佔本公司已 發行股份百分比
Billion Power Limited ("Billion Power")	Beneficial owner 實益擁有人	460,237,609 (Note 1) (附註1)	30.22%
Taiwan Vedan 台灣味丹	Interest held by its controlled corporation 於其控制之企業之權益	460,237,609	30.22%
King International Limited ("King International")	Beneficial owner 實益擁有人	169,730,196	11.15%
Concord Worldwide Holdings Limited	Beneficial owner 實益擁有人	127,297,646	8.36%
High Capital Investments Limited	Beneficial owner 實益擁有人	127,297,646	8.36%

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Notes:

1. Billion Power is a wholly-owned subsidiary of Taiwan Vedan. Taiwan Vedan is therefore taken to be interested in these 460,237,609 shares held by Billion Power.

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, as at 31 December 2011, no other person (not being a Director or chief executives of the Company) 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Five Directors of the Company, namely, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang, Yang, Chen-Wen and Yang, Kun-chou were also directors of the Group's controlling shareholder, Taiwan Vedan. In addition, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang, Yang, Chen-Wen and Yang, Kun-Chou indirectly held approximately 19.77 percent., 9.89 percent., 6.18 percent., 8.24 percent, and 6.18%. 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 of the Group ("Product Portfolio").

附註：

1. Billion Power為台灣味丹的全資子公司，故台灣味丹被視為擁有該等由Billion Power所持有之460,237,609股股份之權益。

除上文所披露者外，據董事或本公司最高行政人員所知，於二零一一年十二月三十一日，概無其他人士（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須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。

董事於競爭業務之權益

本公司五名董事楊頭雄先生、楊正先生、楊坤祥先生、楊辰文先生及楊坤洲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、楊辰文先生及楊坤洲先生分別間接持有台灣味丹約19.77%、9.89%、6.18%、8.24%及6.18%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（「產品系列」）構成競爭。

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Since Messrs. Yang, Tou-Hsiang 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 and Yang, Chen-Wen together with an independent management team. In Taiwan Vedan, Mr. Yang, Kun-Chou is mainly responsible for the sales of the products of the Company and products of other companies which the Company acts as an agent within Taiwan. In the Group, he provides guidance and assistance for selling the Group's products the sales of in Vietnam and China markets. Taiwan Vedan and the Group are operated by separate sales teams which are independent of each other, while market segmentation shall comply with the details of the territorial delineation agreement signed by the Group and Taiwan Vedan. 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.

AUDITOR

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

20 March 2012

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及楊辰文先生以及一個獨立管理團隊管理。楊坤洲先生於台灣味丹主要負責該公司產品及代理其他公司產品於台灣市場之銷售工作，於本集團則為輔導協助本集團產品於越南以及中國市場之銷售工作，兩邊分別由獨立銷售團隊各自運作，互不統屬，市場區隔則遵守本集團與台灣味丹簽訂之區域劃分協議內容來進行。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獨立於台灣味丹公平營運，並將繼續如此。

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

二零一二年三月二十日