




Chairman's Statement
主席報告書



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Chairman 主席



Armed with modern technology and sound management, we have successfully created a number of quality products to cater to the consumers' tastes and demands.

憑著現代科技設備與管理，我們開創多種優質產品，
以迎合消費者的口味和要求。



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Looking back at 2020, the global economy was hit hard by the COVID-19 pandemic and economic activities in all key regions saw a sharp decline as a result. Consumption largely stagnated and the supply of some commodities was off-balance for a short while during the year due to transport interruptions caused by various lockdowns and containment measures. Almost all major economies around the world, including the US, the European Union, the PRC, Asia, and Central and South America, were seriously affected. Global economic growth was also dealt a blow by the pandemic and economic activities were sluggish, adding much uncertainty to the overall economic environment. Vietnam, the Group's largest market, imposed rather stringent entry restrictions on foreigners and managed to bring the pandemic under effective control. However, its main trading partners were still adversely affected by the pandemic, and its economic growth slowed as a result. Nevertheless, Vietnam managed to achieve a positive Gross domestic product (GDP) growth of 2.91% for 2020, which was a relatively impressive economic performance when compared with other countries. The overall economic development of Vietnam is expected to remain in a positive and upward trend.


In terms of the financials for the year, the Group's revenue amounted to approximately US\$360,741,000, an increase of approximately US\$2,884,000, or around 0.8%, against last year. Despite the sales of MSG, hydrochloric acid and soda falling due to weaker demand and intensified market competition, the performance of modified starch, maltose, fertilisers and feed products, and the trading of distribution products and coffee beans in the PRC rose significantly. Moreover, the gross profit for the year amounted to approximately US\$72,556,000, a growth of 9.0% from last year, and gross profit margin was 20.1%. The increase in gross profit was primarily due to greater demand for and the increase in selling prices of modified starch, maltose, and fertilisers and feed products. Net profit for the year increased by approximately US\$1,092,000 to approximately US\$16,677,000, when compared with last year, and net profit margin was 4.6%. The loss provision for goodwill and assets of some of the Group's affiliated companies also affected the net profit of the year during the year.

綜觀2020年，全球經濟受到「2019冠狀病毒病」(疫情)衝擊，各個主要區域的經濟活動均大幅放緩。於年內，整體消費趨緩停滯，大部份區域實施隔離措施，導致運輸受限，使部份商品供需短期失衡，全球幾乎所有主要經濟體例如美國、歐盟、中國、亞洲、中南美洲等都受到顯著影響。全球經濟增長受到衝擊，經濟活動陷入低迷氛圍，使整體經營環境充滿變數。集團最大的市場—越南，實施較嚴格的入境管制，並已穩定地控制疫情，惟由於主要貿易夥伴仍遭受疫情影響，越南的經濟增速仍有所放緩。雖然如此，越南於2020年的本地生產總值(GDP)仍增長2.91%，經濟表現較其他國家亮眼。各界預計，越南整體的經濟發展將朝正面成長。

集團於本年之營運與獲利方面，營業額約3億6千萬美元，較去年增加約288萬美元，提升約0.8%。雖然味精與鹽酸、蘇打之銷售業績因需求下降以及市場競爭而下滑，但是變性澱粉、麥芽糖、肥飼料以及中國區的貿易代理品和咖啡豆等等的業績有較明顯之提升。另外，本年毛利約7,256萬美元，較去年上升9.0%，毛利率達20.1%。毛利增加主要由於年內變性澱粉、麥芽糖、肥飼料產品之需求及售價提升所致。本年淨利約1,668萬美元，較去年增加約109萬美元，淨利率為4.6%。本年影響淨利之另一因素為集團於年內對部份關係企業之商譽與資產有提列減損所致。

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The performance of the Group's major geographic markets and segments varied in accordance with the demand for products and the degree of competition in different markets. In Vietnam, the performance of various products including MSG, modified starch and feed products improved alongside the increasing market demand, benefiting from stable product quality, strong brand influence and the support of well-established sales channels. However, the selling prices and sales volume and thus the revenue of seasonings, maltose, hydrochloric acid and soda of specialty chemicals and feed products dropped due to the COVID-19 pandemic, weaker demand and price competition in the market. Therefore, the Group's revenue from Vietnam decreased by 4.0% year-on-year during the period. In the PRC market, products such as MSG, seasonings and starch, which were impacted by the pandemic, limitations on product transportation and weaker demand, recorded a decrease in sales volume, hence the Group's performance in those segments faced a downturn compared with last year. However, revenue from trading of distribution products, bulk food ingredients and coffee beans increased remarkably year-on-year, owing to segmentation of sales regions and stronger sales channels. The overall revenue of the PRC market recorded a growth of around 7.7% compared with 2019. The recovery of the Japanese economy was relatively slow. The COVID-19 pandemic, coupled with price competition, dragged down the sales volume of the Group's MSG, modified starch and feed products in Japan. As a result, the Group's performance in this market decreased by around 5.6% year-on-year. As for the ASEAN market, the sales volume of its main products including MSG, modified starch and fertilisers dropped due to weaker market demand, and as a result revenue from the market fell by 2.8% year-on-year. In the US, as sales jumped significantly due to the Group's effort in promoting modified starch and maltose products as well as exploring new markets and new customers, the performance of its US operation increased by approximately 24.9%.



集團各主要市場與業務經營方面，各地市場對不同產品的需求與競爭均有個別表現。在越南市場，憑藉集團穩定的品質、品牌力與銷售通路，配合市場需求，味精、變性澱粉與飼料等產品的業績均有所成長。但因受到疫情影響，調味料、麥芽糖、特化產品之鹽酸與蘇打與肥料產品，因面對需求下降及市場低價競爭之影響，售價與銷售量均下跌，使該等產品營收有較大幅度之下滑。故集團本年內越南市場的營收較去年下跌4.0%。中國區的營運方面，主要受到疫情影響，產品運輸及需求受到限制，味精、調味料與澱粉的銷量減少，業績較去年下滑；但是年內之貿易代理品項，大宗食材與咖啡豆，因強化銷售區域區隔與通路，營收卻較去年有較大幅度之成長，使中國區整體營收較前期增長約7.7%。另外，日本市場的營運方面，因其經濟景氣復甦較慢，再加上疫情擴散，且多項產品面對市場價格競爭，味精、變性澱粉與飼料等產品於該市場的銷售量均有下降，使集團於此市場的業績較前期下滑約5.6%。而東盟市場主要產品方面，變性澱粉與肥料產品亦因市場需求疲弱導致銷售量下降，使本期此等地區之業績與前期較前期下滑2.8%。除此之外，美國市場整體之營運因積極推展變性澱粉與麥芽糖產品，成功開發市場新客戶，銷售顯著成長，業績也上升約24.2%。



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The Group's major products are MSG and seasonings. Although operations and sales remained stable in Vietnam, the PRC and other overseas markets were impacted by the COVID-19 pandemic and international market competition, hence the overall revenue declined by around 0.6% against 2019. With regard to another of the Group's key product categories; modified starch products, the supply and price of its main raw material, cassava, stabilised when compared with last year and its products with new specifications were also launched during the period. The demand for modified starch products was lower in Japan and the ASEAN market, but the product recorded stable growth in Vietnam, the US and the PRC. Therefore, the sales and revenue of modified starch increased overall. Maltose was another key starch product of the Group that also benefited from the stable price and supply of raw materials and the introduction of high value-added products, boosting the sales volume during the year. In particular, maltose achieved satisfactory sales growth in the US, and therefore, revenue from starch products and maltose increased by approximately 7.5% against last year. Observing the market potential and bright development prospects of these products, the Group is working hard on the development of these products and their variants, hoping to offer more diverse and high value-added products. As for hydrochloric acid and soda products within the specialty chemicals segment, industries related to these products, including the iron and steel, electroplating and chitin sectors, were seriously impacted by the pandemic and demand decreased sharply. Hydrochloric acid and soda also recorded lower selling prices and sales volumes due to market competition, and revenue of these products dropped markedly during the year. Overall revenue of specialty chemicals decreased significantly by 23.7% year-on-year. With regard to the Group's fertilisers and feed products, although overall demand for fertilisers and feed products was weakened due to climate change and the outbreak of the pandemic, overall sales of fertilisers and feed products increased by around 2.4% year-on-year as a result of the acquisition of new customers and the improvement of product structure. With regard to trading of distribution products in the PRC, including bulk food ingredients and coffee beans, performance surged notably and recorded growth of 67.8% year-on-year, primarily due to the Group's strategy to strengthen the product mix and sales network.

按產品分析，集團的主要產品為味精與調味料，其銷售雖於越南市場維持穩定，但於中國與外銷各地市場則受到疫情及國際競爭影響，故整體營收較去年下滑約0.6%。集團另一項重要的產品為變性澱粉，於期內因木薯原料供應與價格較去年穩定，加上推展新規格品項，雖然日本與東協市場的需求下滑，但於越南、美國與中國等市場卻有穩定的增長，使集團變性澱粉銷整體銷售及營收有所增加。集團於澱粉產品的另一項重要產品麥芽糖，同樣於年內受惠於原料價格穩定供應與推展高附加價值產品，使銷售量增加，尤其於美國的銷售有不俗的成長表現。因此，本期澱粉產品與麥芽糖之營業額較上期增加約7.5%。集團目前相當重視此類產品於市場的潛力與發展，並致力開發此類產品與其延伸產品，以發展多元化產品與開創更高之產品附加價值。另外，在特化產品中的鹽酸與蘇打產品，受到疫情波及，此產品之相關客戶產業，如鋼鐵、電鍍、幾丁質等營運，均受到相當大之衝擊，需求急速萎縮。此外，鹽酸蘇打產品也持續面對市場低價競爭，使年內銷售量價俱跌，營收有較大幅的下滑，故整體特化產品業績較去年明顯下跌23.7%。集團的肥飼料產品營運方面，雖然受到氣候變化及疫情影響，需求普遍疲軟，但由於集團致力開發新客戶以及改善產品結構，故肥飼料的整體銷售額仍較前期提升約2.4%。另外，在中國區的大宗食材與咖啡豆等貿易代理商品，因透過強化產品組合與銷售網絡，本年業績大幅增加，較去年增長67.8%。

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Looking ahead to 2021, we realize that the Group's operations will continue to encounter uncertainties in the business environment. In particular, the possible shortage of local raw materials in Vietnam, the rising prices of raw material in the international markets, the price competition of various products, weaker demand due to the pandemic, the inflation risk and the rising international shipping costs are all concerns. In this regard, the Group will continue to strive to secure major sources of raw materials and alternative sources to stabilise production costs and hasten the development of new products and the pace of entering strategic alliances. In doing so, we will be able to strengthen and effectively execute our sales strategies as Vietnam further opens its market and its economy continues to grow at a steady pace. We will also have more opportunities to expand our different businesses and markets elsewhere.

In addition, we have seen that the Vietnamese economy achieved growth amid adversity under the pandemic, and with the signing of trade agreements such as EVFTA, UKVFTA and RCEP, with the EU, UK and different countries in the region, there are tremendous development opportunities on offer. Well-positioned to tap into the strong potential in that market, the Group will remain prudent yet optimistic. We will expedite investment in the development and connection of new products and new markets in order to enhance our brand influence. By more effectively using our channel resources, we can more flexibly and dynamically operate the business, with the aim of capturing opportunities and coping with the rapidly evolving business environment. Building on its current solid business foundation, the Group believes that its businesses will continue to advance along the right development track. All members of the Group are well aware of the opportunities and responsibilities in the changing business environment, and they will therefore pragmatically and diligently execute the Group's planned operational strategies with an open mind and proactive approach, and thereby develop and achieve breakthroughs in our operations and results.

By Order of the Board

Yang Tou-Hsiung
Chairman

23 March 2021



展望2021年，我們體會到集團在營運上仍面臨多項經營變數，尤其面對越南本地原料短缺的可能性、國際市場原料價格提升、多項產品於市場低價競爭、肺炎疫情所造成的需求趨緩、通貨膨脹風險與國際運費飆漲等多項不確定因素，這些都是較大的隱憂。有鑒於此，集團將持續努力獲取主原料及替代性原料以穩定生產成本，加速發展新產品或策略聯盟的步伐，如此才能在越南開放市場與經濟的穩定成長下，強化並發揮業務銷售策略，同時把握機會拓展各事業領域與市場。

另一方面，我們得悉越南的經濟不畏疫情逆勢成長，並於2020年與歐盟、英國與區域各國簽訂EVFTA、UKVFTA與RCEP等貿易協定，此預期將帶來龐大的發展機會。因此，面對深具潛力的商機，集團將仍抱持審慎樂觀的態度，加快腳步投入新產品新市場的發展與連結，藉由擴大品牌效益，善用通路資源，提升經營彈性與機動性，以掌握時機及適應快速變化的經營環境。同時，集團相信，在目前的經營基礎下，業務將持續朝向正面的方向發展。處於多變的經營環境下，集團全體成員深切體會到集團的契機以及所肩負之責任，並將會以開放積極的心態，務實並謹慎地執行集團所擬具之各項營運策略，以為集團的業績與經營帶來有更大的突破與發展。

承董事會命

主席
楊頭雄

2021年3月23日