

## Chairman's Statement 主席報告書

Looking at 2021, the global economy was still suffering from the heavy blow dealt on by the COVID-19 pandemic (the "pandemic"). Economic activities in major regions had been restricted and the consumption remained slow. Quarantine restrictions have been imposed in many regions, leading to a shortage of containers, inconvenience in transportation, and soaring logistics costs. In addition, the transportation and supply of various raw materials and energy such as coal and petroleum were difficult and the prices had risen sharply. Consequently, the risk of inflation hiked. Economic growth of the world's major economies, including the United States, European Union, the PRC and in Asia, Central and South America were dragged down, making the overall business environment uncertain. The pandemic in Vietnam, the Group's largest market, has gradually spread since the second quarter of last year. To control the pandemic, the local government had implemented strict social distancing policy and imposed stricter requirements on the labour conditions of enterprises to continue production. This largely affected the production and sales activities in most regions in the second half of the year. Meanwhile, as its major trading partners have been also impacted by the pandemic, which adversely affected export sales of products, leading to a slowdown in the overall economic growth of Vietnam.

During the year, the Group's revenue amounted to approximately US\$382,361,000, an increase of approximately US\$21,620,000 or around 6.0% against the previous year. Revenue of several key products of the Group, including starch, maltose, soda, hydrochloric acid, fertilisers and feed products as well as trade products and coffee beans distributed in the PRC, rose due to significant increase in the demand. Moreover, gross profit for the year was approximately US\$60,373,000, a decrease of 16.8% when compared with last year, and gross profit margin fell to 15.8%. The decline in gross profit was mainly because the pandemic outbreak in Vietnam in the second half of the year impacted the production and sales and the ocean freight rates increased sharply. Net profit for the year was approximately US\$11,032,000, a decrease of approximately US\$5,645,000 when compared with last year, and the net profit margin fell to 2.9%.

綜觀2021年，全球經濟仍受到新型冠狀病毒疫情（「疫情」）衝擊，各主要地區的經濟活動均受到限制，消費仍緩。很多區域實施了隔離限制，造成貨櫃短缺、運輸不便，物流成本暴漲，加上各項原材料與煤炭、石油等能源運輸供應困難、價格大幅上漲，通貨膨脹風險升溫。全球主要經濟體，包括美國、歐盟、中國、亞洲、中南美洲等的經濟增長都受拖累，整體經營環境充滿變數。集團最大市場越南在去年第二季度起疫情逐漸擴散。為控制疫情，當地政府實施了嚴厲的社交隔離政策及對企業持續生產的勞動條件有較嚴格之要求，使下半年大多區域的生產及銷售活動受到相當大程度的影響。同時，因其主要貿易夥伴也遭受疫情所帶來的影響，不利產品外銷，使越南整體經濟增長速度有所放緩。

年內，集團營業額約3億8千2百萬美元，較去年增加約2,162萬美元，提升約6.0%。集團幾項主要產品，包括澱粉、麥芽糖、蘇打、鹽酸、肥飼料與中國區的貿易代理品及咖啡豆等的需求明顯提升，帶動收入增加。另外，年內毛利約6,037萬美元，較去年下降16.8%，毛利率降至15.8%。毛利下降主要由於下半年越南爆發的疫情對生產與銷售造成衝擊，以及海運費用大幅上漲所致。年內淨利為約1,103萬美元，較去年下降約565萬美元，淨利率降至2.9%。

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Performance of different products sold in the Group's major markets varied during the year. In Vietnam, the Group recorded a growth in the revenue from products such as starch, chlor-alkali products and fertilisers and feed products due to rising market demand, but the government adopted strict pandemic prevention measures due to the outbreak of the pandemic at the end of the second quarter, which posed constraints on both production and sales activities. In particular, the implementation of social distancing measures in different regions for a period of time made the end sales difficult, which dragged down the overall revenue of the Group during the year by 0.7% against last year. Regarding the Group's PRC operation, the revenue from MSG, seasonings and starch slightly decreased compared with last year due to reduced sales volume. However, the revenue from the trade products distributed by the Group such as bulk food ingredients and coffee beans during the year achieved notable growth when compared with last year due to the better-defined sales regions and strengthened sales channels. Hence, the overall revenue of the PRC grew by approximately 34.9% compared with last year. Furthermore, as for the operation in Japan, the economy was still recovering slowly. Therefore, the Group has adopted a flexible sales strategy to meet local demand. Sales of products such as MSG, modified starch, fertilisers and feed products grew slightly, resulting in a slight increase of approximately 2.7% in overall revenue compared to last year. The ASEAN market saw faster recovery with stronger demand. Sales volume of major products, such as MSG, modified starch and fertilisers and feed products increased, and the revenue of this market rose by 11.3% year-on-year during the year. In addition, in the United States, since the skyrocketing ocean freight rates and the shortage of containers had made shipping arrangements difficult, the revenue dropped by around 2.2%.

集團各主要市場所經營之各項產品在年內表現各異。在越南市場，雖然澱粉、鹼鹼產品與肥飼料等產品因市場需求上升，營收仍錄得增長，但因第二季末起疫情爆發，政府採取嚴格的防疫措施，使生產與銷售均受到限制，尤其在一段期間各地實施社交隔離措施，導致末端銷售十分困難，拖累年內集團整體營收較去年下滑0.7%。集團在中國區的營運方面，雖然味精、調味料與澱粉銷量減少，收入較去年輕微下降；然而年內大宗食材與咖啡豆等貿易代理商品因銷售區域區隔與通路之強化，營收較去年錄得較大幅之增長，帶動中國區整體營收較去年上升約34.9%。另外，日本市場的營運方面，其經濟尚在緩步復甦，集團故配合當地需求，實行彈性之銷售策略，各銷售產品，如味精、變性澱粉、肥飼料等銷售均錄小幅增長，整體營收較去年微升約2.7%。東盟市場恢復較快，需求較旺盛，主要的銷售產品，味精、變性澱粉與肥飼料之銷售量均有增加，使年內於此區域之營收較前期增長11.3%。除此之外，美國市場因海運費暴漲及裝貨貨櫃短缺，船運安排困難，造成營收下跌約2.2%。

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By product category, the Group's major products, namely MSG and seasonings, were affected by the outbreak of the pandemic in Vietnam in the third quarter, and were subject to considerable restrictions on production and transportation. Consequently, the overall revenue fell by approximately 2.2% compared with last year. Regarding the Group's another key product, modified starch, the supply and price of its main raw material, cassava, stabilised when compared with last year and the product recorded a stable growth in Japan and Vietnam due to the launch of new product specifications. As a result, sales and revenue of modified starch increased. Maltose was another key 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 growth in Vietnam and the US, and therefore revenue from starch products and maltose increased by approximately 7.0% against last year. Observing the market potential and 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, market operation slightly recovered during the year with increase in sales volume, and overall revenue of specialty chemicals products increased by 13.3% against last year. With regard to the Group's fertilisers and feed products, overall sales of fertilisers and feed products increased by approximately 15.6% year-on-year as a result of the Group's efforts in securing new customers, meeting market demand, consolidating sales channels and improving product mix. To capitalise on the rapid growth in the consumer goods industry in Vietnam, the Group is negotiating with internationally renowned brands and modern retail logistics service providers on product distribution and joint operation of the Vietnamese modern logistics channel market, aiming to diversify the Group's operation and expand its scale of operation. As for distribution of trade products in the PRC, including bulk food ingredients and coffee beans, revenue surged notably during the year and recorded year-on-year growth of approximately 63.0%, primarily due to the Group's strategy to strengthen product mix and sales network.

按產品類別分析，集團主要的味精與調味料產品，於越南第三季度受到疫情爆發的影響，在生產與運輸均受到相當的限制，整體營收較去年下降約2.2%。集團另一項重要的變性澱粉產品，於年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，在日本、越南等市場有穩定的增長，使集團整體變性澱粉銷售與營收增加。集團另一項重要的麥芽糖產品，同樣於年內受惠原料價格穩定供應與高附加價值產品的推展，銷量增加，尤其在越南與美國有不俗的增長，帶動年內澱粉產品與麥芽糖之營業額較去年增加約7.0%。集團目前相當重視此類產品於市場的潛力與發展，將致力於此類產品與其延伸產品之開發，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，年內之市場營運狀態已較去年稍有恢復，銷量增加，使整體特化產品營收相較去年提升13.3%。至於集團的肥飼料產品營運，由於集團致力開發新客戶、配合市場需求，整合銷售通路與改善產品結構，肥飼料整體銷售額較去年提升約15.6%。另基於越南消費品產業成長快速，集團正與國際知名品牌與現代零售物流商洽詢產品代理，及共同合作經營越南現代物流通路市場，以增加集團營運品項，擴大營運規模。此外，在中國區的大宗食材與咖啡豆等貿易商品方面，集團透過強化產品組合和銷售網絡，年內營收大幅增加，較去年增長約63.0%。

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Looking ahead to 2022, the Group expects to see continuous supply shortage in various international and local raw materials, energy and packaging materials, thus prices will remain high. The conflict in Eastern Europe broke out in February is also set to bring a certain degree of negative impact on finance, raw materials and energy. As such, the Group will face greater uncertainties in its operations and be more seriously affected this year. Inflation risk will continue to rise and demand will turn more conservative, coupled with other uncertainties such as price competition of various products, rising international shipping costs and the COVID-19 pandemic. These all will trigger concerns for the Group's operations. In view of this, the Group will strive to secure major sources of raw materials and alternative sources to stabilise production costs, timely adjust and enhance sales strategies, hasten the development of new products and the pace of entering strategic alliances and save various expenses so as to improve the stability of its business operations at a faster pace.

Although overall economic activities in Vietnam have slowed down slightly due to the impact of the pandemic in the short term, the country is expected to substantially resume its development potential when the pandemic improves, backed by its advantageous overall operating environment and the signing of trading agreements including EVFTA, UKVFTA and RCEP with ASEAN, EU, the UK and other regions and countries. Therefore, the Group remains cautiously optimistic and will continue to operate in steady strides, enhance operational flexibility so as to grasp opportunities and quickly respond to the fast-changing operating environment. Building on its solid long-term business foundation, the Group believes its businesses will continue to advance along the right development track and all members of the Group are well aware of the opportunities and its responsibilities in the changing business environment. The Group will adopt a pioneering and active approach, and with pragmatism and prudence, execute the planned operational strategies, in order to achieve greater breakthroughs and development in its results and operation.

By Order of the Board

**Yang Tou-Hsiung**  
Chairman

22 March 2022

展望2022年，集團預期各項國際與本地原材料、能源與包材供應也將持續短缺，價格維持高企。另外，二月份所爆發的東歐區域衝突，勢必也將對金融、原材料與能源帶來一定程度之衝擊。集團今年在營運上將面臨更多變數，受到更大的影響。同時，通貨膨脹風險將持續上升，需求轉趨保守，加上多項產品於市場低價競爭、國際運費飆升與新冠疫情等多項不確定因素，都為集團的經營帶來較大的隱憂。有鑒於此，集團將努力獲得主原料與替代性原料以穩定生產成本，適時調整與強化銷售策略，加速新產品發展或策略聯盟的步伐，並再節約各項費用，以加快提升業務經營的穩定性。

雖然越南短期內受到疫情的影響，整體經濟活動稍為放緩，但憑藉該國優越的總體經營環境及其與東協、歐盟、英國等多個區域及國家簽訂EVFTA、UKVFTA與RCEP等的貿易協定，預期在疫情緩和後，仍將回復龐大的發展潛力。因此，集團仍將抱審慎樂觀的態度，穩定營運腳步，並提升經營的彈性與機動性，掌握時機以應對快速變化的經營環境。同時，集團相信，在長期經營的基礎之下，業務將持續朝向正面的方向發展。集團的所有成員亦深切意識到在多變的經營環境中，集團的契機與其所肩負之責任。集團將會以具開創性的視野與積極的心態，務實並謹慎地執行各項營運策略，以在業績與經營上取得更大的突破與發展。

承董事會命

主席  
楊頭雄

2022年3月22日