

Management Discussion and Analysis

管理層討論及分析

I. BUSINESS OVERVIEW

In 2022, the global economy was impacted by the novel coronavirus (COVID-19), and Vietnam was affected by the implementation of social distancing measures. The pandemic is further under control in 2023 and countries around the world have gradually reopened. However, with global energy and raw material prices continuing to fluctuate due to the ongoing Russian-Ukrainian war, the US embarking on a cycle of interest rate hikes and inflationary risks rising, the global economy is not optimistic and the road to recovery of various economies remain fraught with challenges and uncertainties.

In the first half of 2023, the Vietnamese government effectively controlled the outbreak of the pandemic. Total import and export trade volume was approximately US\$316.65 billion, with a trade surplus of approximately US\$12.25 billion, recorded a significant increase over the same period in 2022. In the first half of 2023, the Russian-Ukrainian war continued to affect the global economy. Although energy and raw material prices showed signs of stabilizing compared with the same period in 2022, global inflation continued to weigh on the recovery of economic activities. As Vietnam's central bank adjusted its monetary policy flexibly in 2023, the exchange rate of Vietnamese Dong to US Dollar has been stable and inflation has been effectively contained. The Consumer Price Index (CPI) of Vietnam increased by 3.29% year-on-year in the first half of 2023, below the 4.5% inflation target.

The Group's revenue in the first half of 2023 was approximately US\$188,909,000, a decrease of 17.6% or US\$40,368,000 compared with the same period last year. The main reason for the decline in revenue was that, in addition to the sluggish economy in Vietnam in the first half of the year, the sales and revenue of the Group's key product, MSG, were affected by the economic situation and the consequent decline in market demand. However, thanks to the Group's flexible price adjustment strategy, gross profit margin during the period was higher than the same period last year. Sales volume and revenue of modified starch increased due to the growth in export to the European market. The weak economy in the European and US markets, decline in industrial demand and lackluster consumption momentum resulted in a drop in the overall revenue of starch sugar. For specialty chemicals products, amid the economic downturn and significant drop in demand, revenue and profit dropped significantly compared with the same period last year. As for hydrochloric acid, the average selling price was lowered due to price competition in the industry, resulting in a decrease in revenue and gross profit compared with the same period last year. Regarding fertilizers and feed products, the Group focused on consolidating its sales channels and adjusting the product mix and endeavored to develop higher margin products. In addition, revenue of some of the Group's other products, including coffee and bulk food ingredients, were slightly higher compared with the same period last year, as consumption in Mainland China recovered from the stagnation in the second half of 2022 following the scrapping of pandemic control measures in the first half of 2023. The decline in revenue and profit of the Group in the period was mainly due to the weak global economy, lower market demand and the continued high energy prices. Overall gross profit margin increased from 11.0% in the first half of 2022 to 11.9%, and gross profit was US\$22,456,000, a decrease of US\$2,812,000 from the same period last year due to the decrease in sales volume; net profit margin decreased from -0.1% in the same period of 2022 to -0.8%; net loss was US\$1,465,000, a decrease of US\$1,253,000 over the same period last year.

一、業務總覽

2022年全球經濟受新型冠狀病毒(COVID-19)衝擊，而越南亦受實施社交隔離措施所影響。2023年疫情雖得到進一步控制，各國逐步解封開放，但由於俄烏戰爭尚未停止的影響，全球能源與原材料價格依然持續震盪，加上美國啟動加息週期，通貨膨脹風險驟升，全球經濟不容樂觀，各國經濟邁向復甦之路仍然充滿挑戰與變數。

2023年上半年期間，越南政府有效控制疫情爆發，進出口貿易總額約為3,166.5億美元，貿易順差達約122.5億美元，較2022年同期大幅增長。環顧2023年上半年，俄烏戰爭持續影響全球經濟，能源與原材料價格對比2022年，雖已有回穩跡象，但全球性通脹還是仍持續影響經濟活動的恢復。由於2023年期間越南央行靈活調整貨幣政策，由緊轉鬆，越南盾對美元的匯率目前尚算穩定，貨幣政策亦有效抑制通貨膨脹。2023年上半年越南消費物價指數(CPI)同比上升3.29%，低於4.5%的預估。

集團2023年上半年營收達約188,909,000美元，較去年同期下降17.6%或減少40,368,000美元。營收下降的主要原因，除了越南在上半年的景氣影響外，集團的主要產品中，味精產品銷量及營收受景氣影響，市場需求減緩而下降，但得益於集團的彈性調整價格策略，期內毛利率較去年同期猶有提升；變性澱粉因外銷歐洲市場增長，銷量以及營業額均有所提升；澱粉糖則因歐美市場經濟疲軟的影響，產業需求下降，消費動力不足，使整體營收下降；特化產品在景氣低迷的影響下，需求大減，營收及利潤較去年同期顯著下降。而鹽酸因同業價格競爭影響，平均售價下調，致營收與毛利較去年減少；肥飼料產品則著重整合通路與調整產品結構，致力發展高毛利產品。此外，集團其他產品中的咖啡與大宗食材等，因中國區2023年上半年疫情解封，國內消費對比2022年下半年的近乎停滯，已有所恢復，使營收較去年同期略增。集團於期內之營收與利潤下降，主要是由於環球景氣不佳，市場需求降低以及燃料單價仍高之因素所造成。整體毛利率由2022上半年的11.0%上升至11.9%，毛利為22,456,000美元，受銷量減少影響較去年同期減少2,812,000美元；淨利率則由2022年同期負淨利-0.1%減少至-0.8%，淨虧損為1,465,000美元，較去年同期減少1,253,000美元。

Vietnam is one of the few countries that has been relatively successful in containing the pandemic, with stable economic growth over the long term. In the midst of the Sino-US trade conflict, Vietnam has become a target for many companies looking to relocate their production facilities. It has also actively participated in regional economic and trade consolidation, for example by signing free trade zone agreements such as the Free Trade Agreement (FTA), the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the Regional Comprehensive Economic Partnership (RCEP) with developed economies such as the UK, the EU and the PRC, which is beneficial to the overall development of the country. However, the overall economic growth rate (GDP) of Vietnam was only 3.72% during the period, far below the Vietnamese government's expected target of 6.2%, indicating that the recovery of Vietnam's economic activities has slowed down, mainly due to the fact that the inflation in Europe, the US and Japan has not been alleviated. As a result, both the output and orders of Vietnamese enterprises have decreased. In the first half of the year, the total import and export trade decreased by 15.2% compared with the same period in 2022, though still maintaining a trade surplus of US\$12.25 billion.

In the first half of 2023, Vietnam's overall economic recovery slowed down. The US Dollar continued to strengthen due to the multiple interest rate hikes since 2022, leading to the tightening of global capital and slowing economic recovery. As a result, Vietnam's manufacturing industry was still faced with fluctuations in raw material prices, rising energy prices and pressure from falling international market demand. Looking ahead to the second half of the year, the Vietnamese government has vigorously proposed policies to ease inflationary pressures and create new space for enterprise development as the economy recovers. Vietnam has set the inflation rate target at 4.5% and the economic growth target at 6.5%. With the easing of the pandemic in the first half of 2023, China's industrial chain and supply chain gradually recovered, and it is expected to reach its economic growth target of 5.0% in 2023, an increase of 2 percentage points compared with 2022. As the recovery of service and consumption in China has been relatively slow and demand has not returned to pre-epidemic levels, inflation has been relatively moderate and inflation rate is expected to be controlled to below 3%.

越南為應對疫情較為成功的幾個國家之一，長期經濟增勢穩定。在中美貿易戰的機遇中，越南成為不少企業轉移生產基地的目標，且積極響應區域經貿整合，如與英國、歐盟、中國等發達經濟體簽訂自由貿易協議(FTA)、跨太平洋夥伴全面進步協定(CPTPP)、區域全面經濟夥伴協定(RCEP)等多個自由貿易區域聯盟，有利整體發展。然而，越南期內整體經濟增長率(GDP)只有3.72%，遠低於越南政府預期目標的6.2%，顯示經濟活動的復甦力道減緩，主因是歐、美、日等地區通脹問題尚未緩解，導致越南企業產量與訂單雙雙減少。越南今年上半年進出口貿易總額較2022年同期下降15.2%，但仍維持順差122.5億美元。

2023年上半年越南整體經濟恢復力道放緩。受2022年以來美元多次加息影響，美元持續走強，造成全球資金緊縮與經濟復甦速度減緩，因此越南製造業仍面臨原材料價格波動、能源價格上漲、國際市場需求下降之壓力。展望今年下半年，越南政府在經濟復甦過程中大力提出改善政策，緩解通脹壓力，為企業發展創造新的空間。越南將通脹率目標控制在4.5%，經濟增長目標6.5%。中國2023上半年隨著疫情因素的緩和，產業鏈及供應鏈得以逐漸恢復，預計可以達到中國2023年實際經濟增長目標5.0%，增長相較2022年上升2個百分點；中國的服務及消費復甦步調相對緩慢，需求未回復疫情前水平，通脹相對緩和，通脹率目標將控制在3%以下。

II. BUSINESS ANALYSIS

(1) Sales Analysis by Market

Unit: US\$'000

二、營業分析

(一) 市場銷售分析

單位：千美元

Country	國家	First half of 2023 2023年上半年		First half of 2022 2022年上半年		Difference 差異	
		Amount 金額	% %	Amount 金額	% %	Amount 金額	% %
Vietnam	越南	82,311	43.6%	100,472	43.8%	-18,161	-18.1%
Japan	日本	34,328	18.2%	39,980	17.4%	-5,652	-14.1%
PRC	中國	27,247	14.4%	29,814	13.0%	-2,567	-8.6%
ASEAN	東盟國家	14,536	7.7%	16,549	7.2%	-2,013	-12.2%
US	美國	14,706	7.8%	18,735	8.2%	-4,029	-21.5%
Others	其他	15,781	8.4%	23,727	10.3%	-7,946	-33.5%
Total	合計	188,909	100.0%	229,277	100.0%	-40,368	-17.6%

1. Vietnam

Vietnam is the Group's largest market. During the first half of 2023, revenue was approximately US\$82,311,000, a decrease of approximately US\$18,161,000 or -18.1% from the same period in 2022, with share of revenue dropping from 43.8% to 43.6%. The decline in revenue from Vietnam during the period was mainly due to poor market conditions and thus reduced demand for MSG, seasonings and specialty chemical products, which in turn affected sales and revenue. During the period, the Group made efforts on consolidating its sales channels, introducing new products to adjust product structure and flexibly adjusting its price strategy, with a view to driving sales volume and revenue growth in the second half of the year.

2. Japan

Japan is the Group's second largest market. Although the pandemic eased during the period, the market was also affected by the global economy. The economic recovery was slow, and the demand for MSG in the consumer market fell, resulting in the drop in sales volume and revenue for the Group. The Group will continue to promote cross-sector applications of its products and actively develop high-value-added products, with an aim to drive the overall growth in revenue and profit in the second half of the year. Revenue for the period was approximately US\$34,328,000, a decrease of approximately US\$5,652,000 or -14.1% from the first half of 2022, with share of revenue increasing from 17.4% to 18.2%.

1. 越南市場

越南為本集團第一大市場，2023年上半年營收約為82,311,000美元，較2022年同期減少約18,161,000美元或-18.1%，營收佔比由43.8%降至43.6%。期內越南市場營收減少，主要因味精、調味料與特殊化學類產品因市場景氣不佳，需求降低，觀望氣氛濃厚，最終影響銷售量與營收。期內集團致力以整合銷售通路、引入新產品調整產品結構以及彈性調整價格策略，期望下半年帶動銷售量與營收增長。

2. 日本市場

日本市場為集團第二大市場，期內雖然疫情趨緩，但亦受環球景氣之影響，經濟復甦緩慢，味精消費市場需求下降，銷售量與營收隨之下降。集團將持續針對產品，深化此市場的新客群與跨界應用，積極開發高附加價值產品，力求下半年整體營收與利潤有所上升。期內營收約為34,328,000美元，較2022上半年減少約5,652,000美元或-14.1%，佔集團營收由17.4%增至18.2%。

3. The PRC

During the period, revenue from China was approximately US\$27,247,000, a decrease of approximately US\$2,567,000 or -8.6% from the first half of 2022, with share of revenue rising from 13.0% to 14.4%. The revenue drop in China market compared with the same period last year was mainly due to the decline in shipment and revenue of various products, as a result of the sluggish market consumer demand and slow economic recovery caused by the Zero-COVID policy.

4. The ASEAN Market

During the period, revenue from the ASEAN market (except Vietnam) was approximately US\$14,536,000, a decrease of approximately US\$2,013,000 or -12.2% compared with the same period in 2022. Its share of revenue increased slightly from 7.2% to 7.7%, mainly because the decline in sales volume and revenue of MSG and modified starch products was relatively small compared with that in other markets. The ASEAN market has always been a key market for the Group to aggressively develop. The Group hopes to realize its industry advantages and expand into this market with its core products, seek new customers, explore new markets, establish closer partnerships and broaden its sales channels in a bid to achieve a breakthrough in sales performance.

5. The US

Revenue from the US during the period was approximately US\$14,706,000, a decrease of approximately US\$4,029,000 or -21.5% from the same period in 2022, while its revenue share decreased slightly from 8.2% to 7.8%. The decline in performance during the period was mainly due to the high inventory and poor economy of US customers. The market demand for starch sugar products fell sharply, resulting in the decline in selling prices and sales volume, which in turn led to the decrease in revenue and thus profit. The Group will maintain its key sales channels and customers, consolidate its production and sales value chain, and continue to develop products to meet customer needs and improve product competitiveness. As the inventory reduces, the sales performance in the future is still optimistic.

6. Other Markets

Other markets are mainly Taiwan, Korea and the EU. During the period, total revenue was approximately US\$15,781,000, a decrease of approximately US\$7,946,000 or -33.5% from 2022. Its share the Group's total revenue fell from 10.3% to 8.4%, mainly due to the decrease in market demand for MSG and CMS-related fertilizers, which led to the decline in revenue.

3. 中國市場

期內中國市場營收約為27,247,000美元，較2022上半年減少約2,567,000美元或-8.6%，營收佔比由13.0%上升至14.4%。中國市場期內營收較去年同期減少，主要因中國區於期內，仍因COVID-19疫情實施清零政策，導致市場消費需求低迷，經濟回復緩慢，使多項產品之出貨量及營收下降。

4. 東盟市場

期內東盟市場（除越南之外）營收約為14,536,000美元，較2022年同期減少約2,013,000美元或-12.2%，佔集團總營收由7.2%略提升至7.7%，營收佔比提升主要因味精與變性澱粉類產品之銷售量與營收對比其他各區市場，下滑幅度較小。東盟市場為本集團持續積極開發之重點市場，期能發揮產業優勢，以核心產品拓展此市場，尋求新客戶與開拓新市場，建立更緊密的合作夥伴關係，深耕銷售通路，以創造突破性的銷售成績。

5. 美國

美國市場期內營收約為14,706,000美元，較2022年同期減少約4,029,000美元或-21.5%，而營收佔比由8.2%略降至7.8%。期內業績下降主要因為美國客戶庫存較高且景氣不佳，澱粉糖產品之市場需求大幅下降，拖累售價與銷售量表現下滑，營業額隨之減少，對於利潤影響顯著。本集團將維持關鍵重要通路及客戶，整合產銷價值鏈，持續開發市場需求產品，以滿足客戶需求及提高產品的品質與競爭力，隨著庫存量已減少，未來銷售表現仍值得期待。

6. 其他市場

其他市場主要為台灣、韓國、歐盟市場，期內合計營收約為15,781,000美元，較2022年減少約7,946,000美元或-33.5%，佔集團總營收由10.3%降至8.4%，主要因味精與CMS相關肥飼料之市場需求下降，致營業額有所降低。

(2) Sales Analysis by Product

(二) 產品銷售分析

Unit: US\$'000

單位：千美元

Item	項目	First half of 2023 2023年上半年		First half of 2022 2022年上半年		Difference 差異	
		Amount 金額	%	Amount 金額	%	Amount 金額	%
MSG and Seasonings Modified Starch, Native Starch and Starch Sugar	味精+調味料 變性澱粉+天然澱粉+ 澱粉糖	112,826	59.7%	141,269	61.6%	-28,443	-20.1%
Specialty Chemicals	特化產品	31,288	16.6%	36,336	15.8%	-5,048	-13.9%
Fertilizers and Feed Products	肥料與飼料	10,799	5.7%	15,849	6.9%	-5,050	-31.9%
Others	其他	17,355	9.2%	19,336	8.4%	-1,981	-10.2%
Total	合計	16,641	8.8%	16,487	7.2%	154	0.9%
		188,909	100.0%	229,277	100.0%	-40,368	-17.6%

1. MSG and Seasonings

Revenue from MSG and seasoning-related products was approximately US\$112,826,000 during the period, a decrease of US\$28,443,000 or -20.1% compared with the same period in 2022. The decrease in performance was mainly due to the decline in demand in various markets such as Vietnam, Japan, the ASEAN market, and Taiwan, which resulted in a decline in sales volume and revenue. The overall revenue of MSG and seasoning-related products decreased, and the share of revenue dropped from 61.6% in the same period of 2022 to 59.7%.

2. Modified Starch/Native Starch/Starch Sugar

Modified starch, native starch and starch sugar products recorded revenue of approximately US\$31,288,000, a decrease of approximately US\$5,048,000 or -13.9% compared with the same period of 2022, as sales volume and revenue of starch sugar declined due to the weak market conditions in the US. The Group has continued to actively develop new markets and new products with higher added value and deepen cooperation with leading companies around the world, which points to promising profit potential for the future.

1. 味精與調味料

期內味精與調味料相關產品營收約為112,826,000美元，較2022年減少約28,443,000美元或-20.1%。業績減少主要由於越南、日本、東盟市場與台灣等各市場需求均下降，致銷售量與營收同時下降，整體的味精和調味料相關產品之營業額減少，營收佔比由2022年的61.6%下降至59.7%。

2. 變性澱粉／天然澱粉／澱粉糖

變性澱粉、天然澱粉與澱粉糖產品，於期內主要因受美國市場疲弱影響，澱粉糖銷售量與營收均減少，整體營收約為31,288,000美元，較2022年減少約5,048,000美元或-13.9%。集團持續積極開發新市場及高附加價值新產品，深化與全球領先企業的合作領域，未來獲利潛力依舊值得期待。

3. Specialty Chemicals, Fertilizers and Feed Products

Specialty chemicals including hydrochloric acid, soda and bleach are sold in the Vietnamese market. During the period, the total revenue of specialty chemicals products was approximately US\$10,799,000, a decrease of approximately US\$5,050,000 or -31.9% from the same period in 2022, and its share of the Group's total revenue decreased from 6.9% to 5.7%.

During the period, revenue and gross profit of soda products dropped due to the downturn in the market and drop in market demand. Due to the price competition in the industry, the sales volume and selling price of hydrochloric acid products declined, resulting in a decrease in overall revenue and profit.

In terms of fertilizers and feed products, the sales volume of solid fertilizer feed decreased during the period, mainly due to the overall weak market demand. It was also affected by the upward price adjustments as a result of the rise in costs, and the recent fluctuations material prices, which has caused the market to adopt a wait-and-see approach and delay purchases. In the second half of the year, the Group will actively launch products with new specifications, explore new customers and improve its product mix, and adopt a flexible price adjustment strategy, with a view to return to growth in revenue and profit. It will also continue to promote high-value-added specialty fertilizer products and develop new sales channels. Revenue of fertilizers and feed products was approximately US\$17,355,000, a decrease of US\$1,981,000 or -10.2% from the same period in 2022, and its share of the Group's total revenue increased from 8.4% to 9.2%.

4. Other Products

Revenue of other products was approximately US\$16,641,000, an increase of approximately US\$154,000 or 0.9% from the same period in 2022, and its share of the Group's total revenue increased from 7.2% to 8.8%. The improvement in performance during the period was mainly due to the slight recovery of the consumer market after the cancellation of pandemic restrictions in the early 2023 in China. The sales volume of coffee beans and bulk food ingredients increased, resulting in rise in revenue.

3. 特化產品與肥飼料

特化產品包括鹽酸、蘇打、漂白水均於越南銷售。特化產品營收期內合計約為10,799,000美元，較2022年減少約5,050,000美元或-31.9%，佔集團總營收由6.9%下降至5.7%。

期內蘇打產品受市場景氣低迷影響，行業需求顯著下降，使營業額及毛利均減少。鹽酸產品受同業低價競爭拖累，銷售量以及售價均下降，致整體營收以及利潤減少。

肥飼料產品方面，期內固體肥飼料銷售量減少，主要由於整體市場需求仍疲弱，且價格隨成本上漲向上調整，影響銷售量，加上近期材料價格波動，導致市場存有觀望而推遲進貨。集團下半年將積極投入新規格產品，開發新客戶與改善產品結構，並推動彈性價格調整策略，有望使營收與利潤能轉為增長。集團亦將繼續推廣高附加價值專用肥料產品，並積極開發新銷售渠道。集團肥飼料產品營收達約17,355,000美元，較2022年減少1,981,000美元或-10.2%，佔集團總營收由8.4%增至9.2%。

4. 其他產品

其他產品營收約為16,641,000美元，較2022年增加約154,000美元或0.9%，佔集團總營收由7.2%增加至8.8%。期內業績增加主要因中國區於2023年年初期間防疫解封後，消費市場略有恢復，所代理之咖啡豆與大宗辛香料產品之銷售量增加，帶動營業額提升。

III. MAJOR RAW MATERIALS/ENERGY OVERVIEW

(1) Cassava/Starch

In the 2022/23 production season, the output of major plantation areas such as Thailand, Vietnam, and Cambodia was stable, and prices in the whole season were relatively steady. However, due to the end of the production season and the concerns over the impact of the El Nino weather phenomenon on the next season's output, the market demand was still strong and the prices rose sharply. The Group has developed more new sources of supply according to its annual strategy, in a bid to control production costs and increase profitability.

The Group will continue to strengthen its long-term strategic supplier alliance, flexibly control the source of raw materials and stabilize the procurement costs of the supply chain.

(2) Molasses

The global production volume of molasses in 2022/23 was still slightly lower than the previous year. As the use of molasses to produce ethanol increased, there was no significant increase in exports from various countries. The Group has closely monitored the impact of climate on the supply in various production areas.

Overall, the total output of molasses and the export trade volume in 2022/23 are not very optimistic and thus prices remain high. The Group will continue to monitor changes in the international molasses market and actively develop more new sources to ensure a stable supply of raw materials.

三、主要原料／能源概況

(一) 木薯／澱粉

2022/23年產季泰國、越南、柬埔寨等主要產地產量平穩，整季的價格也相對穩定。然而，由於產季結束及厄爾尼諾現象對下一季產量影響所引起的疑慮，市場需求仍強，價格也大幅上漲。集團依年度策略採取開發更多新的供應源，以控制生產成本並提高利潤。

後續集團將持續強化長期的策略性供應商聯盟，彈性掌握原料來源，穩定供應鏈壓低採購成本。

(二) 糖蜜

2022/23年全球糖蜜產量仍略低於前一年，有見糖蜜用於生產乙醇增加，各國出口量並無顯著增加，集團密切觀察氣候對各產地之供應情況。

整體而言，2022/23年糖蜜的總產量及可出口的貿易量不甚樂觀，造成價格持續堅挺。集團將持續觀察國際糖蜜市場變化動態，並積極開發更多新的原料供應源，以確保原料來源穩定供應。

(3) Energy

Crude oil: In the first half of 2023, international oil prices showed a downward trend, with Brent crude oil and WTI falling by approximately 14% period-on-period, and decreasing 24% and 26% year-on-year. Main factors contributing to the decline in international oil prices included supply exceeding demand, poor global economic conditions, and the Federal Reserve's monetary policy. It is expected that economic conditions will improve in the second half of 2023, and international oil prices are likely to rise.

Coal: The impact of the Russia-Ukraine War subsided in the first half of 2023. The global supply of natural gas, crude oil and coal stabilized. International coal prices fell sharply, but were still much higher than before the Russia-Ukraine war. The Group will continue to monitor changes in the energy industry, devise reactive measures with agility, and continue implement power-saving measures.

Electricity: In the first half of 2023, there was a power shortage in Vietnam as hydropower generation was affected by extreme weather. Besides, the Vietnamese government raised electricity prices by 3% in May 2023, which impacted enterprises in the country to a certain extent amid the economic recovery. The Group has been using a cogeneration power system to ensure a stable supply of electricity. It will continue to explore strategy in procuring coal and natural gas to reduce the impact of rising energy costs on the Group.

(三) 能源

原油：2023年上半年，國際油價呈現下跌走勢，Brent原油及WTI價格環比約下降14%，同比2022年上半年分別下降24%與26%。國際油價下跌的主要因素，包括供大於需、全球經濟狀況不佳、美聯儲貨幣政策等。預期2023下半年經濟狀況好轉，國際油價上漲機會較大。

煤炭：2023上半年俄烏戰爭影響減輕，全球天然氣、原油、煤炭等供應穩定，國際煤價也有較大幅度下跌，但仍大幅高於烏俄戰爭前的水平。集團持續關注掌握能源產業變動，彈性規劃因應對策，持續執行節能省電措施。

電力：2023年上半年，越南因極端天氣影響水力發電，致電力供應不足。此外，越南政府在2023年5月上調電價3%，對於正處於經濟恢復期間的越南境內企業，造成一定程度的影響。集團使用汽電共生發電系統，有效確保電力供應穩定，並持續尋求燃料供應對策，以減緩能源成本上漲對集團之影響。

IV. FINANCIAL REVIEW

(1) Liquidity and Financial Resources

The Group's cash and cash equivalents and bank deposits amounted to US\$40,937,000 a decrease of US\$6,873,000 or around 14.4%, when compared with the end of 2022. Total borrowings amounted to US\$61,407,000, an increase of US\$1,786,000 or approximately 3.0% from the end of 2022. The borrowings were mainly denominated in US dollars, accounting for 73.8%.

Trade receivables amounted to US\$29,959,000, a decrease of US\$4,031,000 or approximately -11.9% from the end of 2022. Total inventory amounted to US\$151,506,000, an increase of US\$10,979,000 or approximately 7.8% from the end of 2022.

During the period, the decrease in trade payables led to the Group's current ratio increasing from 2.29 at the end of 2022 to 2.44. The Group's financial structure remains stable.

(2) Capital Expenditure

During the period, the Group's capital expenditure amounted to US\$4,724,000, lower than US\$7,137,000 in the first half of 2022. The capital expenditure incurred was mainly due to the continuation of last year's projects including the organic maltose line of the subsidiary in Vietnam and the pregelatinized starch project. Due to the COVID-19 pandemic and the Russian-Ukraine war, there will be greater uncertainties in the operating environment in 2023. The Group has continued to actively pursue several development and investment projects. However, those projects will be carefully reviewed. There were no new major projects requiring substantial capital expenditure during the period in addition to the aforementioned projects.

四、財務回顧

(一) 流動資金與財政資源

集團現金及現金等價物及銀行存款為40,937,000美元，較2022年底減少6,873,000美元，約減少14.4%。借款總額為61,407,000美元，較2022年底增加1,786,000美元或約3.0%。借款以美元為主，佔73.8%。

應收貿易帳款為29,959,000美元，較2022年底減少4,031,000美元，約減少11.9%。存貨總額為151,506,000美元，較2022年底增加10,979,000美元，約增加7.8%。

期內，應付貿易帳款減少，使流動比率由2022年底之2.29增加為2.44，集團財務結構仍保持穩定狀態。

(二) 資本支出

期內資本支出共4,724,000美元，較2022年上半年資本支出的7,137,000美元減少，支出主要為越南子公司之有機麥芽糖專線，以及預糊化澱粉項目等各去年度項目的延續。受新冠疫情及俄烏戰爭影響，2023年經營環境不確定因素較大，集團仍是積極規劃多項發展投資項目，但將審慎檢討，故期內除上述延續執行之款項，並無重大資本支出新案。

(3) Exchange Rate

Vietnam's ample foreign exchange reserves have kept the Vietnamese Dong (VND) strong in recent years. The currency's performance has been relatively robust when compared with the currencies of other major ASEAN economies, such as Singapore, Indonesia and Thailand, despite the impact of the pandemic and the appreciation of the US Dollar (USD). From March 2023 to June 2023, the State Bank of Vietnam (SBV) cut interest rates 4 times to stabilize inflation and exchange rates. As a result, the exchange rate of the VND remains stable. Vietnam is expected to continue its export growth and maintain trade surplus in 2023. Despite the continued interest rate hikes in the US and a strong US Dollar, the VND is expected to remain stable in the second half of 2023.

The Group's subsidiaries in the PRC are mainly engaged in local sales with transactions denominated in RMB. Although the RMB is under depreciation pressure, it has still maintained a high degree of flexibility. In the first half of 2023, it first appreciated and then depreciated. In February, it once appreciated to RMB6.7/USD, and at the end of June, it depreciated to RMB7.2/USD. Its overall trend in 2023 should depend on future changes in the global economy and the resilience of China's economic recovery. The Group will continue to monitor the exchange rate between RMB and USD.

(4) Loss Per Share and Dividends

Basic loss per share were -0.10 US cents for the period. The board of directors decided to pay an interim dividend of 0.229 US cents per share. Payout ratio was -237.5%.

(三) 匯率

越南近年來充足的外匯儲備有助穩定越盾幣值，故雖在疫情衝擊及美元升值下，越盾表現相對新加坡、印尼、泰國等主要東協經濟體強勢。越南國家銀行(SBV)自2023年3月至2023年6月期間，共計4次下調利率藉此平穩通脹以及匯率，故越南盾匯率目前保持基本穩定。各界預測越南2023年將延續出口增長趨勢，保持貿易順差態勢，雖在美國持續升息，美元較為強勢之情況下，2023年下半年越盾預估將繼續維持穩定狀態。

集團中國區子公司主要以中國國內銷售為主，交易以人民幣計算。人民幣雖然有貶值壓力，但仍保持較高彈性，在2023年上半年經歷先升後貶的情況，2月份一度升值到約6.7人民幣兌換1美元附近，又於6月底貶值到約7.2人民幣兌換1美元，預測2023年整體走勢，應視乎未來全球景氣變化，以及中國國內經濟恢復是否強勁而定。集團亦將持續關注人民幣與美元幣值之間的匯率變動。

(四) 每股虧損及股息

本期每股基本虧損為-0.10美仙。董事會決定派發期末股息每股0.229美仙，派息率為-237.5%。

V. PROSPECTS

Since 2022, the supply of energy and raw materials have been unstable and inflation has continued to be high due to the ongoing impact of COVID-19 and uncertainty over when the Russia-Ukraine conflict will end. In an effort to curb inflation, the US has increased interest rates, which drove up operating and capital costs of companies and increased pressure on businesses, affecting global economic recovery and growth.

Although facing an unprecedented economic environment and variables, the Group will continue to improve the flexibility of its overall operations, adjust its business portfolios and models, strengthen its organizational operations to raise management efficiency, actively develop new products, expand the scale of production, place greater focus on satisfying the demand from customers and consumers, optimize the flexible cost structure and industrial chain integration, expeditiously implement the established action plans and, ultimately, create new growth drivers to improve profitability. The main tasks and direction are set forth below:

- Expand product lines and optimize product mix, partially transform existing products, assess and launch extended products, and gradually develop high value-added products. The Group will also increase the proportion of highly functional and high value-added products to enlarge its market share and boost its profitability.
- Actively expand into new channels and new markets, adjust product positioning and sales tactics, look for cooperative partners to expand market scale, strengthen brand positioning and competitive advantages so as to improve the Group's results performance.
- Continue to advance production technologies and enhance production efficiency, improve operational and management techniques and utilize key technologies to enhance core competitiveness so as to achieve the dual objectives of raising quality and lowering costs.

五、展望

自2022年至今因新冠病毒持續影響，以及俄烏戰爭何時結束尚未明朗，使能源與原材料供應震盪持續，通貨膨脹居高不下，而為對抗通膨，美元持續加息，帶動全球主要央行亦多有加息，令企業經營及資金成本上升，加重企業的經營壓力，也影響全球經濟恢復與增長。

雖然面對前所未見的經濟環境與變數，集團仍將持續提升整體營運的靈活度，調整業務組合與商業模式，強化組織運作以提高管理效率，積極開發新品並提升生產規模，更加重視貼近客戶與消費者的需求，改善成本結構與產業鏈整合，落實組織既定的行動方案，創造新成長動能，以期提高盈利能力。主要重點工作與方向，略述如下：

- 擴展產品線與優化產品組合，將現有產品進行局部改造，評估增加延伸商品，逐步發展具附加價值產品。同時增加開發功能性及高價值產品的佔比，以增強市場佔有率與產品銷售利潤。
- 積極拓展新通路與新市場，調整產品定位與銷售方式，尋求合作夥伴擴大市場規模，強化品牌定位與競爭優勢，以提升集團業績表現。
- 持續精進生產技術與提升生產效率，改善經營管理技術，掌握關鍵技術以提升核心競爭力，達到提高品質與降低成本的相乘效益。

Management Discussion and Analysis 管理層討論及分析

- Capture the market trends of bulk raw materials, actively seek alternative raw material solutions, maintain stable cooperative relations with domestic and overseas suppliers and effectively execute procurement strategies to ensure a stable supply of raw materials.
- Adopt a “co-opetition” strategy to boost product and service value, leverage the Group’s production base in Vietnam to actively develop the ASEAN market and the markets that are signatories of the Free Trade Agreement (FTA), Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP), and via mutual support within the Group to realize its core advantages and expand the Group’s business presence.
- Accelerate the formation of strategic alliances or cross-industry cooperation to jointly develop the markets through effective consolidation of resources, strengthen its research and development (R&D) functions to realize and seize technological breakthroughs, promote the Group’s upgrade and transformation, introduce new products, expand its business scale and improve its business performance.
- Establish a strategic organizational structure and dedicated strategic teams to enhance the organizational efficiency of all units, coordinate the Company’s operational action plans, integrate the Group’s resources, seek strategic mergers and acquisition plans, and continue to expand the Group’s operations to increase revenue, profit and scale.
- Expedite the introduction of an electronic process and information system for the management and application of big data, so as to obtain real-time feedback to optimize business processes and respond to customer needs in a timely manner.
- Continuously control capital deployment strategies, improve the operational efficiency of assets and reduce risks associated with financial market fluctuations amid global financial market volatility.
- 掌握大宗原料市場行情變動趨勢，積極尋求原料替代方案，致力與國內外供應商維持穩定合作關係，彈性執行採購策略，以確保原料供應穩定。
- 以競合策略增強產品與服務價值，透過越南生產基地，持續發展東盟市場及與越南有簽訂自由貿易協定(FTA)，跨太平洋夥伴全面進步協定(CPTPP)，及區域全面經濟夥伴協定(RCEP)的市場，並於集團內互相支援，發揮核心優勢擴展集團事業版圖。
- 加速策略聯盟或異業合作，有效整合資源共同開發市場，強化研發功能，跨越並掌握技術門檻，推動集團升級轉型，拓展新產品之經營，擴大經營規模與經營績效。
- 建置戰鬥型組織及專責策略小組，提升各單位組織效率，統合公司經營行動方案，整合集團資源，尋求策盟併購方案，持續拓展集團經營，以達到擴增營收、利潤與規模之綜效。
- 加速導入電子化與資訊系統，進行大數據的管理及應用，取得即時回饋資訊，優化各項業務流程，及時服務客戶需求。
- 持續管控資金調配策略，同時提高資產營運效率，並在全球金融市場動盪之際，降低金融市場變動的風險。

Since 2022, in addition to the ongoing Russia-Ukraine War, interest rate hikes by the world’s major central banks have raised fears of an economic recession. Demand from the US, Europe, and emerging markets have all slowed, adding enormous uncertainty to the prospects of global economic recovery and the Group’s operations. Nevertheless, with its existing operational strategies, enhanced development of domestic and overseas markets, and well-established sales network, as well the expectation that raw material unit prices will stabilize slightly in the second half of 2023, the Group is confident it can leverage its operational strengths to promote the cautious recovery of the overall business.

雖然2022年以來，除俄烏戰爭尚未結束之外，全球主要央行加息亦引發經濟衰退的擔憂，從美國、歐洲、到新興市場等均呈需求減緩現象，為全球經濟復甦前景帶來極大的不確定性，集團經營仍面對相當的不確定性。然而，鑑於集團已制定的經營策略，配合深耕國內外市場的力度與深度，及已建立的銷售網絡等成果，加上在2023年下半年原材料單價有望稍為回穩，故集團仍具信心，將發揮營運綜效，推動整體經營審慎向上發展。