

# Management Discussion and Analysis

## 管理層討論及分析

### I. BUSINESS OVERVIEW

The year 2023 was full of challenges. Global economic growth continued to slow due to the ongoing impact of international geopolitics, tightening of monetary policies and the weakening of global trade and investment. The major risks included the continuation of the Russia-Ukraine war, the instability in the political and economic situation in the Middle East, increased variability in related commodity markets, higher borrowing costs due to US dollar interest rate hikes, continued inflation, weaker than expected economic activity in China, the impact of geopolitics on global finance, trade, investment, food and energy mobility, and the impact of climate change.

Vietnam's annual economic growth rate fell from 8.02% in 2022 to 5.05% in 2023, lower than the Vietnamese government's target of 6.5% at the beginning of the year. Cumulative exports and imports for the 12 months of 2023 were lower than in 2022, falling by 4.4% and 9.2% respectively. The total import and export trade volume decreased by 6.77% compared with the same period in 2022, maintaining a surplus of US\$28 billion. The economic downturn in major export markets and the decline in external demand led to a slowdown in exports, making Vietnam less prosperous than in 2022. Rising energy and food costs in Vietnam pushed up consumer prices. The average annual growth rate of the consumer price index in 2023 was 3.25%, but was well below the target inflation rate of 4.5%.

With the easing of the pandemic-related factors in China in 2023, the industrial chain and supply chain gradually recovered. The actual economic growth target for 2023 was 5.0%, an increase of 2.0% over 2022. However, the recovery of services and consumption in China was relatively slow, with demand not returning to pre-pandemic levels and inflation relatively modest. The average annual growth rate of China's consumer price index in 2023 was 0.2%, indicating a limited increase in consumer market demand.

### 一、業務總覽

2023年是深具挑戰的一年，受國際地緣政治、緊縮的貨幣政策、全球貿易和投資疲軟持續影響，全球經濟增長進一步放緩。主要的風險包括俄烏戰爭持續、中東政經局勢的不穩定、相關的大宗商品市場變化幅度增加、美元加息影響借貸成本上升、持續通脹、中國經濟活動弱於預期、地緣政治影響全球金融、貿易、投資、糧食和能源的流動性，以及氣候變遷的影響等。

2023年越南全年經濟增長率從2022年的8.02%下滑至5.05%，低於年初越南政府預期目標的6.5%。2023年12個月的累計出口和進口低於2022年，分別下降4.4%和9.2%，進出口貿易總額較2022年同期下降6.77%，維持順差280億美元。主要出口市場經濟降溫及外部需求下降，導致出口放緩，致使越南景氣未如2022年暢旺。越南內部能源及食品成本上漲，驅動消費者價格上升，2023年平均消費者物價指數年上升3.25%，唯遠低於4.5%的目標通脹。

中國2023年隨著疫情因素的緩和，產業鏈及供應鏈得以逐漸恢復，2023年實際經濟增長目標5.0%，增長相較2022年上升2.0%；但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，2023年中國平均消費者物價指數年增率為0.2%，顯示消費市場需求增加幅度有限。



### I. BUSINESS OVERVIEW (continued)

The Group's revenue reached approximately US\$386,171,000 in 2023, a decrease of 14.4%, or US\$64,836,000, over the same period last year. The main reason for the decline in revenue was the slowdown in market sentiment and demand, with the Group's main product, MSG, being affected and suffering a decline in revenue. However, benefiting from the slowdown in the prices of raw materials and energy, the Group took advantage of the opportunity of the falling prices of bulk raw materials this year and improved its gross profit margin over last year. The overall revenue of modified starch, natural starch and maltose declined due to conservative orders from major customers, weak European and American markets, declining industrial demand, and insufficient consumption motivation amid the US Federal Reserve's interest rate hike and exchange rate fluctuations. Specialty chemicals saw a decline in both revenue and profit compared with last year as a result of weak sentiment in Vietnam and lower demand. The average selling price of hydrochloric acid was reduced due to a sharp drop in demand and price competition among industry peers, resulting in a significant decrease in revenue and gross profit compared with last year. Regarding fertilizers and feed products, the Group focused on consolidating its sales channels and adjusting the product mix, and sought to develop higher-margin products. In addition, among the Group's other products, product distribution in partnership with internationally renowned brands in, aimed at diversifying the Group's operations, showed small-scale growth in 2023. As for the trade products distributed by the Group in the PRC, including bulk food ingredients and coffee beans, the sales volume increased slightly due to varied demands in different regions.

The Group recorded a decrease in revenue in 2023, but its gross profit was US\$55,430,000, an increase of US\$12,081,000 from 2022, benefiting from proper cost control. Gross profit margin was 14.4% in 2023, up 4.8 percentage points compared with 2022. Net profit margin increased from -1.0% in the same period in 2022 to 1.8%, with a profit of US\$7,001,000, an increase of US\$11,385,000 over the same period last year.

### 一、業務總覽(續)

集團2023年營收達約386,171,000美元，較去年同期下降14.4%或減少64,836,000美元。營收下降的主要因為各市場景氣及市場需求減緩降溫，集團主要產品味精的營收受到影響而下降，但受惠原材料、能源價格趨緩，集團掌握大宗原材料價格下降的契機，使年內毛利率較去年提升；變性澱粉／天然澱粉／麥芽糖於2023年疫情後，在美國聯準會利率調升與匯率變化影響下，主要客戶下單趨向保守，歐美市場經濟疲軟，產業需求下降，消費動力不足，使整體營收下降；特化產品在越南景氣低迷的影響下，需求下降，營收及盈利顯著較去年下降，其中，鹽酸因需求大幅降低及同業價格競爭影響，平均售價調整降低，致營收與毛利較去年大幅減少；肥飼料產品則著重在整合通路及調整產品結構，致力發展高毛利產品。此外，集團其他產品中，屬於與國際知名品牌合作的產品代理，用以增加集團營運品項的項目，在2023年有小規模的增長，而中國區的大宗食材與咖啡豆等貿易代理品項，因各地區域需求不同，銷售微幅增長。

集團於2023年營收下降，受惠於成本控制得宜，2023年毛利為55,430,000美元，較2022年毛利增加12,081,000美元，2023年毛利率為14.4%，較2022年增長4.8個百分點；淨利率則由2022年同期-1.0%上升至1.8%，獲利7,001,000美元，較去年同期增加11,385,000美元。

# Management Discussion and Analysis

## 管理層討論及分析

### II. BUSINESS ANALYSIS

#### (1) Sales Analysis by Market

Unit: US\$'000

Country	國家	January-December 2023		January-December 2022		Difference	
		Amount	%	Amount	%	Amount	%
		<b>Cumulative</b>		<b>Cumulative</b>			
		<b>2023年</b>		<b>2022年</b>			
		<b>1-12月累計</b>		<b>1-12月累計</b>		<b>差異</b>	
		<b>金額</b>	<b>%</b>	<b>金額</b>	<b>%</b>	<b>金額</b>	<b>%</b>
Vietnam	越南	173,560	44.9%	194,999	43.2%	-21,439	-11.0%
Japan	日本	71,045	18.4%	83,083	18.4%	-12,038	-14.5%
The PRC	中國	54,965	14.2%	62,663	13.9%	-7,698	-12.3%
ASEAN (excluding Vietnam)	東盟成員國 (不包含越南)	31,185	8.1%	35,991	8.0%	-4,806	-13.4%
The US	美國	24,456	6.3%	36,256	8.0%	-11,800	-32.5%
Other regions	其他地區	30,960	8.1%	38,015	8.5%	-7,055	-18.6%
Total	合計	386,171	100.0%	451,007	100.0%	-64,836	-14.4%

#### 1. Vietnam

Revenue from the Vietnamese market in 2023 was approximately US\$173,560,000, a decrease of approximately US\$21,439,000, or 11%, over the same period in 2022, though its share of revenue increased from 43.2% to 44.9%. The slowdown in overseas demand indirectly affected the domestic market and consumption in export-oriented Vietnam, causing problems such as lower factory utilization rate and higher unemployment rate. The decline in sales volume and revenue from Vietnam in 2023 was mainly because it was difficult for the Company to raise the prices of MSG, seasonings, and specialty chemicals due to poor market sentiment, lower demand and fierce competition. This year, the Group is committed to consolidating sales channels, introducing new products to enhance the product mix, and flexibly adjusting its pricing strategy, hoping to drive subsequent sales and revenue growth.

### 二、營業分析

#### (一) 市場銷售分析

單位：千美元

#### 1. 越南

2023年越南市場營收約為173,560,000美元，較2022年同期減少約21,439,000美元或11%，營收佔比由43.2%上升至44.9%。由於海外需求放緩，而越南為出口為主國家，間接影響國內市場需求及消費，導致工廠開工率降低、失業率增加等問題。2023年越南市場銷售量及營收減少，主要因味精、調味料與特殊化學類產品，受市場景氣不佳影響，需求降低，同時因競爭的關係，售價不容易提升。今年度集團致力於整合銷售通路、引入新產品調整產品結構以及彈性調整價格策略，期望帶動後續銷售量與營收增長。



## II. BUSINESS ANALYSIS (continued)

### (1) Sales Analysis by Market (continued)

#### 2. Japan

Revenue from the Japanese market in 2023 was approximately US\$71,045,000, a decrease of approximately US\$12,038,000, or 14.5%, when compared with 2022, and its share of the Group's revenue was 18.4% in 2023, the same as in 2022. Japan is the Group's second largest market. Although the pandemic situation improved in 2023, Japan's long-term deflation continued. While the U.S. dollar interest rates increased, the Bank of Japan maintained a low interest rate policy, leading to a sharp depreciation of the yen and rising prices, affecting domestic consumer sentiment. Affected by the global economy and sluggish domestic consumption, the gross domestic product (GDP) growth rate was -0.4% in the fourth quarter of 2023, a further decline from the third quarter. The slow economic recovery affected all of the Group's products, resulting in a decline in sales volume and revenue. The Group will continue to explore the new customer base and cross-border applications in this market for various products, and actively develop high value-added products.

#### 3. The PRC

In 2023, revenue from the PRC market was approximately US\$54,965,000, a decrease of approximately US\$7,698,000, or 12.3%, from 2022, and its share of revenue increased from 13.9% to 14.2%. After the pandemic, China's economic growth was hindered by sluggish real estate market transactions and the global economic slowdown. The withdrawal of a number of foreign-invested industries and supply chains from China resulted in an increase in the unemployment rate and also impacted economic growth. The sales volume and revenue of the products declined due to the economic downturn and low consumer demand in the market. In addition to stabilizing its seasoning market, the Group continued to expand its new distributed products, with the aim of driving revenue growth.

## 二、營業分析(續)

### (一) 市場銷售分析(續)

#### 2. 日本

2023年日本市場營收約為71,045,000美元，較2022年減少約12,038,000美元或14.5%，營收佔比為18.4%，較2022年佔比持平。日本市場為集團第二大市場，2023年雖然疫情趨緩，但日本長期通貨緊縮，在美元加息之際，日本央行仍維持低利率政策，使日元大幅貶值，物價上漲，影響國內消費意願。受環球景氣之影響，及國內消費不振，2023年第四季國內生產總值(GDP)增長率為-0.4%，較第三季再下滑，經濟復甦緩慢，集團各項產品都受到影響，銷售量與營收隨之下降。集團將持續針對各項產品，再深化此市場的新客群與跨界應用，並積極開發高附加價值產品。

#### 3. 中國

2023年中國市場營收約為54,965,000美元，較2022年減少約7,698,000美元或12.3%，營收佔比由13.9%上升至14.2%。經歷疫情後，受到房地產市場交易不振和全球經濟放緩影響，使中國經濟增長受到阻力。部份外資產業與供應鏈移出中國，使失業率增高，也衝擊經濟增長。經濟景氣下滑，市場消費需求低迷，使產品之銷售量及營收下降，集團除了穩定調味品市場外，持續擴展新的代理品項，期望能帶動營業額提升。

### II. BUSINESS ANALYSIS (continued)

#### (1) Sales Analysis by Market (continued)

##### 4. *The ASEAN (excluding Vietnam)*

In 2023, revenue from the ASEAN market (excluding Vietnam) was approximately US\$31,185,000, a decrease of approximately US\$4,806,000, or 13.4%, from 2022, and its share of revenue increased from 8.0% to 8.1%, mainly because the decline in sales volume and revenue of products such as MSG and modified starch was relatively small compared with other markets. The ASEAN market has been a key market for the Group to actively develop, and it is also a member of the emerging markets. The Group expects to leverage its industrial advantages to expand this market with core products, seek new customers and explore new markets, establish closer partnerships, and deepen its sales channels to achieve breakthrough sales.

##### 5. *The US*

Revenue from the US market in 2023 was approximately US\$24,456,000, a decrease of approximately US\$11,800,000, or 32.5%, from 2022, and its share of revenue decreased from 8.0% to 6.3%. After several interest rate hikes in the US dollar, although inflation has decreased and the economy did not experience a sharp decline due to high interest rates in the short term, the impact and changes brought about by the hikes are yet to be seen. The decrease in the Group's revenue in 2023 was mainly due to the decline in selling prices and sales volumes of starch sugar as a result of declining market demand and high inventory levels of US customers. The Group will maintain key channels and customers, consolidate the production and sales value chain, and continue to develop products that are in demand in the market to meet customer needs and improve the quality and competitiveness of its products.

### 二、營業分析(續)

#### (一) 市場銷售分析(續)

##### 4. *東盟成員國(不包含越南)*

2023年東盟國家市場(除越南之外)營收約為31,185,000美元,較2022年減少約4,806,000美元或13.4%,營收佔比由8.0%上升至8.1%。主要因為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。東盟國家市場為本集團持續積極開發之重點市場,亦是新興市場的成員,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*

2023年美國市場營收約為24,456,000美元,較2022年減少約11,800,000美元或32.5%,營收佔比由8.0%減少至6.3%。美國聯邦利率經過數次加息後,美國通脹雖然回落,短期經濟未因高利率而大幅衰退,但加息連帶之效應與變數仍需再觀察。本集團2023年業績下降主要因為美國客戶庫存較高,澱粉糖產品之市場需求下滑,以致售價與銷售量表現下滑。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之品質與競爭力。



## II. BUSINESS ANALYSIS (continued)

### (1) Sales Analysis by Market (continued)

#### 6. Other regions

Other regions consist primarily of Taiwan, Korea and the EU. Total revenue in 2023 was approximately US\$30,960,000, down by approximately US\$7,055,000, or 18.6%, from 2022. Its share of the Group's revenue decreased from 8.5% to 8.1%. In some markets, the continued monetary tightening policies of the world's major central banks affected the economy and consumption, resulting in a decline in market demand for MSG and CMS-related fertilizers and feed products, and the resulting turnover.

### (2) Sales Analysis by Product

Unit: US\$'000

## 二、營業分析(續)

### (一) 市場銷售分析(續)

#### 6. 其他地區

其他地區主要為銷售至台灣、韓國、歐盟市場合計營收。2023年其他市場營收約為30,960,000美元，較2022年減少約7,055,000美元或18.6%，營收佔比由8.5%減少至8.1%。部分市場因全球主要央行持續緊縮貨幣，經濟及消費受到影響，致使味精與CMS相關肥飼料之市場需求下降，營業額有所降低。

### (二) 產品銷售分析

單位：千美元

Item	項目	January-December 2023		January-December 2022		Difference	
		Cumulative		Cumulative			
		Amount	%	Amount	%	Amount	%
		2023年		2022年			
		1-12月累計		1-12月累計		差異	
		千美元	%	千美元	%	千美元	%
MSG + seasonings	味精+調味料	230,820	59.8%	277,042	61.4%	-46,222	-16.7%
Modified starch+	變性澱粉+						
native starch+	天然澱粉+						
maltose	麥芽糖	66,880	17.3%	74,973	16.6%	-8,093	-10.8%
Specialty chemicals	特化產品	21,154	5.5%	28,302	6.3%	-7,148	-25.3%
Fertilizers and feed	肥料與飼料						
products		34,250	8.9%	35,634	7.9%	-1,384	-3.9%
Others	其他	33,067	8.5%	35,056	7.8%	-1,989	-5.7%
Total	合計	386,171	100.0%	451,007	100.0%	-64,836	-14.4%



### II. BUSINESS ANALYSIS (continued)

#### (2) Sales Analysis by Product (continued)

##### 1. MSG and Seasonings

Revenue from MSG and seasoning products in 2023 was approximately US\$230,820,000, a decrease of approximately US\$46,222,000, or 16.7%, from 2022, and the segment's share of the Group's revenue decreased from 61.4% to 59.8%. Demand declined due to weakening economies in major export markets such as Vietnam, Japan and China, coupled with competition in various markets, which made it difficult to increase selling prices, the main reason for the decrease in revenue.

##### 2. Modified Starch/Native Starch/Starch Sugar

Revenue from modified starch, native starch and starch sugar products in 2023 was approximately US\$66,880,000, a decrease of approximately US\$8,093,000, or 10.8%, from 2022, while its share of the Group's revenue expanded from 16.6% to 17.3%. During 2022, customer demand increased significantly as they wanted to secure inventory given the pandemic and tight shipping logistics. However, in the post-pandemic era of 2023, major customers became more cautious when placing orders due to interest rate hikes by the Federal Reserve and fluctuating exchange rates. Moderate revenue growth was recorded for modified starch products, which benefited from new specifications and high value-added products launched by the Company, while starch sugar products recorded a decline in demand as major customers needed to digest inventory, resulting in the underperformance of this product compared with other products. The Group attaches great importance to the potential and development of these products in the market and will focus on product development and product extensions, with a view to developing more diversified products and creating products with added value.

### 二、營業分析(續)

#### (二) 產品銷售分析(續)

##### 1. 味精與調味料

2023年味精與調味料產品營收約為230,820,000美元，較2022年減少約46,222,000美元或16.7%，營收佔比由61.4%下降至59.8%。受越南、日本、中國與各主要外銷市場景氣轉弱，需求下滑，加上各地市場競爭因素，售價提升難度提高，為營收減少之主要因素。

##### 2. 變性澱粉／天然澱粉／澱粉糖

2023年變性澱粉、天然澱粉與澱粉糖產品營收約為66,880,000美元，較2022年減少約8,093,000美元或10.8%，營收佔比由16.6%增至17.3%。2022年因疫情關係，加上海運物流緊張，客戶為確保庫存量，需求大幅度提升；2023年屬後疫情狀況，受美國聯準會利率調升與匯率變化，主要客戶下單趨向保守。變性澱粉產品受惠於公司推展新規格及高附加價值產品，營收稍有成長；澱粉糖產品受需求下降及主要客戶消化庫存，業績跌幅相較其他品項為大。集團重視此類產品於市場的潛力跟發展，持續致力產品及延伸產品的開發，以期發展更多元化產品，開創更高產品附加價值。



## II. BUSINESS ANALYSIS (continued)

### (2) Sales Analysis by Product (continued)

#### 3. Specialty Chemicals

Revenue from specialty chemicals in 2023 was approximately US\$21,154,000, a decrease of approximately US\$7,148,000, or 25.3%, from 2022, and its share of the Group's revenue fell from 6.3% to 5.5%.

In 2023, demand for soda products in the industry declined sharply due to the downturn in the Vietnamese market, and international prices declined, resulting in a decrease in both turnover and gross profit. The sales volume and selling prices of hydrochloric acid products declined, affected by weaker demand and price competition with peers, causing overall revenue and profitability to decline.

#### 4. Fertilizers and Feed Products

In 2023, revenue from fertilizers and feed products was approximately US\$34,250,000, a decrease of approximately US\$1,384,000, or 3.9%, compared with 2022, and the share of the Group's revenue increased from 7.9% to 8.9%.

For fertilizers and feed products, the sales volume of solid products decreased in 2023, as the continuous decline in international prices of chemical fertilizers and urea resulted in an overall bearish market that was largely adopting a wait-and-see approach, which affected the sales performance of this segment. For feed products, sales were affected by weaker market demand as a result of the outbreak of livestock diseases in some markets and high breeding costs. The Group will actively invest in products with new specifications, develop new customers, improve product structure, and adopt flexible price adjustment strategies to boost revenue and profit. It will also continue to promote high-value-added specialty fertilizer products and actively develop new sales channels going forward.

## 二、營業分析(續)

### (二) 產品銷售分析(續)

#### 3. 特化產品

2023年特化產品營收約為21,154,000美元，較2022年減少約7,148,000美元或25.3%，營收佔比由6.3%下降至5.5%。

受越南市場景氣低迷影響，2023年蘇打產品的行業需求顯著下降，產品國際價格下滑，使營業額及毛利均減少；鹽酸產品受需求下降與同業低價競爭拖累，銷售量以及售價均下降，致整體營收以及利潤減少。

#### 4. 肥飼料產品

2023年肥飼料產品營收約為34,250,000美元，較2022年減少約1,384,000美元或3.9%，營收佔比由7.9%增至8.9%。

肥飼料產品方面，2023年固體肥飼料銷售量減少，年內國際化肥及尿素價格一直下跌造成客戶看跌不看漲的心理期待，致使市場存有觀望，從而影響銷售。受部分銷售地區發生疫病、養殖成本偏高致使市場需求偏弱，飼料產品的銷售受到影響。集團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。



### II. BUSINESS ANALYSIS (continued)

#### (2) Sales Analysis by Product (continued)

##### 5. Other Products

Revenue from other products in 2023 was approximately US\$33,067,000, a decrease of approximately US\$1,989,000, or 5.7%, compared with 2022, and the share of the Group's revenue climbed from 7.8% to 8.5%. In view of the rapid growth of the consumer goods industry in Vietnam, the Group cooperated with internationally renowned brands in product distribution, with the aim of diversifying and expanding the Group's operations, enabling it to record the highest growth in this segment. Regarding the trade products distributed by the Group in China, including bulk food ingredients and coffee beans, the sales volume was affected by variations of demand from different regions.

### III. MAJOR RAW MATERIALS/ENERGY OVERVIEW

#### (1) Cassava/Starch

In the 2023/24 production season, output in major plantation areas such as Thailand, Vietnam and Cambodia decreased, cassava was in short supply, and prices remained at relatively high levels throughout the season. Under the Group's annual strategy of centralized procurement and development of new sources of supply during the production season, the Group secured most of the required raw materials at a competitive price to control production costs and increase profitability in 2024.

#### (2) Molasses

In 2022/23, only 64,170,000 tons of molasses were produced worldwide after settlement, around 1,420,000 tons less than the previous year. This was the second consecutive year of declining production, keeping the price of molasses relatively high.

Total molasses production is expected to rebound in 2023/24, but the export trade volume is not very optimistic, especially as India has started to impose a 50% export tax, so the international price is expected to remain strong. The Group will continue to monitor changes in the international molasses market and actively develop additional supply sources to ensure a stable supply of the raw material.

### 二、營業分析(續)

#### (二) 產品銷售分析(續)

##### 5. 其他產品

2023年其他產品營收約為33,067,000美元，較2022年減少約1,989,000美元或5.7%，營收佔比2023年由7.8%增至8.5%。有鑑於越南消費品產業快速增長，集團與多家國際知名品牌合作產品代理，增加營運品項，擴大營運規模，為其他產品範疇內增長幅度較大的品項。而集團於中國區的大宗食材與咖啡豆等貿易代理商品亦因各地區域需求不同而影響銷售量。

### 三、主要原料／能源概況

#### (一) 木薯／澱粉

2023/24年產季泰國、越南、柬埔寨等主要產地產量下降，市場供不應求，整季價格維持在相對高位，集團依年度策略進行產季集中採購及開發新的供應源，在產季期間已經掌握2024年大部分需求數量的原料，取得的價格亦具有競爭力，以控制生產成本並提高利潤。

#### (二) 糖蜜

2022/23年全球糖蜜產量結算後低於前一年，2022/23年的產量為6,417萬噸，減少約142萬噸，乃連續兩年來的產量下降，因此糖蜜仍維持較高價位。

預估2023/24糖蜜的總產量將回升，但可出口的貿易量不甚樂觀，其受印度開始徵收50%出口稅影響最大。集團預估糖蜜國際市場價格持續堅挺。亦將持續觀察國際糖蜜市場變化動態，積極開發更多新的供應源，以確保原料來源穩定供應。



### III. MAJOR RAW MATERIALS/ENERGY OVERVIEW (continued)

#### (3) Energy

Crude oil:

At the end of 2023, the international crude oil market was on a strong upward trajectory, as the Red Sea shipping crisis had caused congestion and made it difficult to transport oil smoothly. A large volume of oil can only be stored at sea, resulting in faster-than-expected consumption of crude oil on land. However, the geopolitical risk from the Russia-Ukraine War and the Middle East conflict has subsided. In the near term, the price of oil is expected to remain in the US\$70-US\$90 per barrel range. In addition, OPEC+ has sufficient spare capacity and can adjust the supply and demand in the crude oil market in a timely manner, preventing it from becoming too tight, and keeping the price stable.

Coal:

In 2023, the global supply of natural gas, crude oil, and coal was stabilized due to the lesser impact of the Russia-Ukraine war, and international coal prices declined. The Group will continue to monitor changes in the energy industry and plan flexibly accordingly.

Electricity:

In 2023, Vietnam had a shortage of electricity as extreme weather affected hydroelectric power generation. The Vietnamese government raised the electricity tariffs by 3% for the first time in May 2023 and then by around 4.5% on 9 November 2023, an increase of approximately 7.6% increase for the year. The Vietnam Electricity Corporation may continue to gradually increase tariffs. The Group has been using a cogeneration power system to ensure a stable supply of electricity, but it will also continue to seek fuel supply countermeasures to mitigate the impact of rising energy costs on the Group.

### 三、主要原料／能源概況(續)

#### (三) 能源

原油：

2023年底，國際原油市場走勢強勁，紅海航運危機造成海運壅塞，大量石油只能儲存於海上，陸上原油消耗速度因此較預期快。唯隨著俄烏戰爭與中東衝突帶來的地緣政治風險溢價消退，國際油價短期內預期將保持在每桶70美元至90美元之間。另因OPEC+有足夠的閒置產能，可適時調節原油市場供需平衡，全球原油供應不至於陷入緊張，也有助於油價維持穩定。

煤炭：

2023年由於俄烏戰爭影響減輕，全球天然氣、原油、煤炭等供應穩定，國際煤價已有所下跌。集團持續關注掌握能源產業變動，彈性規劃因應對策。

電力：

2023年，越南因極端天氣影響水力發電，電力供應不足。此外，越南政府在2023年5月第一次上調電價3%，2023年11月9日第二次上調電價約4.5%，全年電價漲幅約為7.6%，預期EVN（越南電力集團）未來仍有機會逐步調整電價。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

As at the end of 2023, the Group had cash and cash equivalents, short-term bank deposits, and structured bank deposits amounting to US\$50,359,000, an increase of US\$2,549,000, or approximately 5.3%, from the end of 2022. Total bank borrowings amounted to US\$43,654,000, a decrease of US\$15,967,000, or approximately 27%, from the end of 2022.

The US interest rate hikes increased financing costs, and the central bank of Vietnam cut interest rates several times in 2023 to stimulate the economy. After considering interest rate risks, financing costs and exchange rate risks, the Group adjusted the total bank borrowings in a timely manner. In addition to converting a portion of bank borrowings to VND in 2023, part of the capital funds was transferred to fixed deposits without affecting working capital to generate additional finance income. At the end of 2023, VND-denominated loans accounted for approximately 72.6% of total borrowings. Although the total bank borrowings decreased by 27%, the total net finance costs in 2023 increased by US\$1,238,000 from 2022 to US\$1,791,000.

At the end of 2023, trade receivables amounted to US\$33,755,000, a decrease of US\$235,000, or approximately 1%, from the end of 2022. Total inventory was US\$137,680,000, a decrease of US\$2,847,000, or approximately 2%, compared with 2022.

Trade payables amounted to US\$18,391,000 at the end of 2023, a decrease of US\$9,200,000, or approximately 33%, from the end of 2022. The current ratio increased from 2.3 in 2022 to 2.8 in 2023. The Group's financial structure remained stable.

### 四、財務回顧

#### (一) 流動資金與財政資源

集團2023年底現金及現金等價物、銀行短期存款及結構性銀行存款合計為50,359,000美元，較2022年底增加2,549,000美元，約增加5.3%。借款總額為43,654,000美元，較2022年底減少15,967,000美元或約減少27%。

受美元加息融資成本增加、越南央行為刺激經濟於2023年多次降息影響，在考慮利率風險、融資成本及匯率風險後，集團適時調節銀行借款總額，除調整部分2023年集團銀行借款改為越盾借款外，在營運資金無慮的情況下，部分資金轉入定期存款，用以爭取較高財務收入。2023年底越盾借款比重佔借款總額約72.6%。雖然銀行借款總額降低27%，2023年整體財務支出淨額為1,791,000美元，仍較2022年財務支出淨額增加1,238,000美元。

2023年底應收貿易帳款為33,755,000美元，較2022年底減少235,000美元，約減少1%。存貨總額為137,680,000美元，較2022年減少2,847,000美元，約減少2%。

2023年底應付貿易帳款為18,391,000美元，較2022年底減少9,200,000美元，約減少33%。流動比率2023年為2.8，較2022年2.3流動比率上升，集團財務結構仍保持穩定。



### IV. FINANCIAL REVIEW (continued)

#### (2) Capital Expenditure

In 2023, the Group's capital expenditure amounted to US\$8,280,000, lower than the US\$13,165,000 recorded in 2022. The capital expenditure incurred in 2023 was mainly due to the continuation of last year's projects, including the organic maltose line added in the subsidiary in Vietnam and the pregelatinized starch project. As a result of the US interest rate hikes, the operating environment was uncertain in 2023, and the Group continued to take a prudent approach to planning its development and investment projects. As a result, the Group did not have any new projects requiring significant capital expenditure during the year, except for the above-mentioned continuation of projects.

#### (3) Exchange Rate

The Federal Reserve has been raising interest rates since March 2022. By the end of December 2023, interest rates had been raised by 5.25%, and the US benchmark interest rate range remained unchanged at 5.25% to 5.5% in 2023. During the year, Vietnam's central bank cut interest rates four times to stimulate domestic demand and sentiment. The Vietnamese Dong (VND) came under depreciation pressure as the USD/VND exchange rate differential widened. Nevertheless, the inflow of strong foreign direct investment (FDI), foreign remittances, trade surplus of a large number of products and narrowing service trade deficit helped ease the pressure. The central exchange rate of VND announced by the State Bank of Vietnam depreciated by 1.07% in 2023, from VND23,612/USD at the end of 2022 to VND23,866/USD at the end of 2023.

### 四、財務回顧(續)

#### (二) 資本支出

2023年資本支出共8,280,000美元，較2022年資本支出13,165,000美元減少，2023年主要支出主要為增設越南子公司之有機麥芽糖專線，以及預糊化澱粉項目等各年度項目的延續。受美元加息影響，2023年經營環境不確定因素較大，集團仍審慎規劃多項發展投資項目，故年內除上述延續執行之項目，並無較大資本支出新案。

#### (三) 匯率

美國聯儲局(FED)自2022年3月啟動加息，截至2023年12月底為止已加息5.25%。2023年美國基準利率區間維持在5.25%至5.5%不變。2023年越南央行為刺激越南內需及經濟，一連四次降息，美元與越南盾利差加大，使得越南盾承受匯兌貶值壓力。然而，強勁的外國直接投資流入、海外匯款、大量商品貿易順差與收窄的服務貿易逆差將有助於緩解其壓力，越南國家銀行公佈的中心匯率2023年貶值1.07%，由2022年底的23,612越幣/美元，貶值至2023年底的23,866越幣/美元。

### IV. FINANCIAL REVIEW (continued)

#### (3) Exchange Rate (continued)

The Group's subsidiaries in the PRC are mainly engaged in local sales with transactions denominated in RMB. Since 2023, the exchange rate of RMB against USD went through three stages: climbing at the beginning of the year, followed by depreciation in February and a further depreciation in May. This was mainly due to the tightening of the US monetary policy, which led to an increase in the country's long-term interest rate and a widening of the interest rate differential between China and the US. The increase in short-term capital outflows intensified the depreciation pressure of RMB against USD. Although the exchange rate has rebounded since November, in the face of increasing uncertainty in the external environment, the Central Economic Working Conference of the PRC called for keeping the RMB exchange rate generally stable at a reasonable balance level and sent a policy signal to the foreign exchange market. The RMB exchange rate remained basically stable at around 7.1 by the end of the year. The Group will continue to monitor the exchange rate movement between RMB and USD.

#### (4) Earnings per Share and Dividend

Basic earnings per share for the year were 0.460 US cents. The Board of Directors has resolved a final dividend of 0.2298 US cents per share. Together with the interim dividend of US\$0.229 cents per share already paid, total dividends for the year will amount to US\$0.4588 cents per share (2022: Nil), representing a payout ratio of 100% on the earnings for the financial year.

### 四、財務回顧(續)

#### (三) 匯率(續)

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。2023年以來，人民幣兌美元匯率經歷三個階段，年初時上漲，2月開啟貶值行情，5月又經歷另一波貶值行情，主要由於美國收緊貨幣政策造成美元長期利率上升，導致中美利差拉大，影響短期資本外流，加劇人民幣兌美元貶值壓力。自11月起人民幣兌美元匯率反彈，在外部不確定性增加的背景下，中國中央經濟工作會議向外匯市場釋放政策信號，要求保持人民幣匯率在合理水平上的基本穩定。人民幣匯率在年底保持基本穩定約在7.1上下。集團將持續關注人民幣與美元之間的匯率變動。

#### (四) 每股盈利及股息

年內每股基本盈利為0.460美仙。董事會決定派發末期股息每股0.2298美仙。連同已派付之中期股利每股0.229美仙，本年度之股息總額將為每股0.4588美仙（2022年：無），即本財政年度之盈利派息比率為100%。



### V. PROSPECTS

Looking ahead to 2024, geopolitical risks such as the Russia-Ukraine war, persistently high energy and raw material prices and uncertain supply chains, as well as other factors such as global inflation risks, and exchange rate and interest rate fluctuations, will continue to add considerable complexity to the economic and operating environment. These factors will also influence the Group's operating risks and opportunities in the coming year.

Global economic growth is expected to stabilize or decline slightly in 2024. In terms of social and economic development in 2024, the Vietnamese government has formulated a series of measures to achieve its economic growth targets, among which, it emphasizes five key measures, including innovation, green growth and sustainable development; system optimization, especially in relation to green energy development, such as energy security and transformation; promoting the development of processing and manufacturing industries; strengthening employee training; and actively attracting foreign investment, especially FDI. The government is also committed to alleviating inflationary pressures and creating new room for business development for enterprises. It has set an inflation-control target of 4.5% and an economic growth target of 6.0% to 6.5% for 2024.

As for the PRC's economic growth forecast in 2024, the Chinese Academy of Sciences (CAS) compiled a report on the annual performance of the country's economic growth, investment, consumption, import and export, domestic prices, international bulk commodity prices, and food production. The PRC economy is expected to be stable in 2024, and its growth will experience a slow start but peak towards the end of the year. GDP growth is projected to be 5.3% in 2024. The CAS expects that the PRC's balance of payments will remain generally stable, its current account will achieve a favorable balance, and remains optimistic that its services trade landscape will continue to improve.

### 五、展望

展望2024年，俄烏戰爭等地緣政治風險持續、能源與原物料價格仍處高位，而供應鏈不穩定、全球通貨膨脹風險、匯率與利率波動等因素疊加仍使環球經濟與集團經營環境相對複雜，預期將影響來年經營的風險與契機。

2024年的全球經濟增長可能趨於平穩或略有下降。越南政府針對當地社會經濟發展方向制定多項措施，以期達成經濟增長目標，其中強調4大措施，包括革新創新、綠色增長與永續發展；完善體制，尤其是綠色能源發展，包括能源安全與能源轉型；致力促進加工製造業發展；加強人力培訓工作；積極招商引資，吸引外人直接投資(FDI)。越南政府同時致力緩解通膨壓力，為企業創造新的發展空間。越南將2024年通脹率控制目標在4.5%，經濟增長目標為6.0-6.5%。

中國2024年經濟增長預期方面，中國中科院就中國經濟增長、投資、消費、進出口、國內物價和國際大宗商品價格、糧食產量等方面的年度運作做出報告，預測2024年中國經濟將平穩運行，經濟增長將呈現前低後高的態勢，預計2024年GDP增長為5.3%。中科院同時預測中國國際收支將整體保持平穩，經常帳呈現順差格局，對服務貿易格局前景持續保持樂觀，預期其將持續優化。



# Management Discussion and Analysis

## 管理層討論及分析

### V. PROSPECTS (continued)

In the face of a highly uncertain economic environment and variables in the future, the Group will continue to improve the flexibility of its overall operations, adjust its business portfolios and models, strengthen its organizational operations to enhance management efficiency, actively develop new products, expand the scale of production, place greater focus on satisfying customer demand, optimize the flexible cost structure and industrial chain integration, and implement its action plan to ultimately create new growth drivers and improve its ability to generate profit. The key tasks and directions are outlined 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.
- 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.

### 五、展望(續)

集團面對未來高度不確定的經濟環境與變數，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，創造新增長動能，以期提高獲利能力。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。
- 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。



### V. PROSPECTS (continued)

- 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.

Since 2023, in addition to the ongoing Russia-Ukraine war, interest rate hikes by the world's major central banks have also raised fears of economic recession. However, with Vietnam's excellent operating environment and various trade agreements signed with a number of countries, the country is expected to possess huge development potential after the short-term economic volatility stabilizes. The Group remains cautiously optimistic and will strive to maintain the existing operating foundation and enhance the flexibility and agility of its operations. It will also actively explore new products, new businesses, and new areas of operation through strategic alliances. All members of the Group will adopt a pragmatic and cautious attitude in implementing the Group's operational strategies so as to achieve greater breakthroughs and development in its results and operations.

### 五、展望(續)

- 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。

雖然2023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市場對經濟衰退的擔憂，唯憑藉越南優越的經營環境及在其與多國已簽訂之各項貿易協定的助力下，預期在短期經濟波動趨於穩定後，將有龐大的發展潛力。集團抱持審慎樂觀的態度，除穩定既定營運基礎，提升經營彈性與機動性外，並將針對新產品與新事業，以策盟的方式，積極開創新新的營運範疇。而集團的所有成員，會以務實謹慎的態度，執行集團擬具的各項營運策略，期望對集團的業績與經營有更大的突破與發展。