

Management Discussion and Analysis

管理層討論及分析

I. BUSINESS OVERVIEW

In 2021, the global economy benefited from the growth in consumption expenditure and capital inflow, and trading of goods actually exceeded the pre-pandemic level. Global economic growth therefore rebounded strongly from the low point of -3.41% in 2020 to 5.54% in 2021. However, as the effect of the monetary and fiscal stimulus began to weaken and there were major disruptions in supply chains, economic growth momentum had slowed down significantly at the end of 2021. Many economies faced rising inflationary pressure and freight logistics shortages which led to a surge in costs, adding extra risks to the economic recovery. At the same time, the emergence of Omicron, a mutant strain of COVID-19, has triggered a new wave of the pandemic which is expected to result in additional life and economic loss, and create new challenges.

Continuing its outstanding anti-pandemic performance in 2020, Vietnam became one of the countries with the fastest economic growth in early 2021. However, due to the outbreak of the fourth wave of the pandemic since May and in response to the changing pandemic situation, the Vietnamese government launched various social distancing measures and travel restrictions such as the three localization policies, produce locally, rest locally and live locally, in the following months. As a result, Vietnam's economic development was affected again and moved forward on a bumpy track. Despite this, as the vaccination rate increased, Vietnam began to enter a "new normal" in the fourth quarter with production gradually recovering and industries beginning to regain vitality. The annual GDP growth rate was 2.58%, lower than 2.91% in 2020 and a record low in more than 30 years.

一、業務總覽

2021年，全球經濟得利於消費支出增長和資金回流推動，貨物貿易超出疫情前的水平，使全球經濟增長率從之前一年的低點強勁復甦，由2020年的-3.41%攀升到2021年的5.54%。然而，隨著貨幣和財政刺激效果開始減弱、供應鏈出現重大的中斷問題，截至2021年底，經濟增勢大幅放緩。許多經濟體的通貨膨脹壓力不斷上升，貨運物流短缺導致成本大漲，給經濟復甦帶來了額外的風險。與此同時，新型冠狀病毒(COVID-19) Omicron變異株引發新一輪疫情，預計會令人員和經濟損失再度擴大，構成新的挑戰。

延續著2020年抗疫成功的亮麗表現，越南在2021年初成為經濟增速最快的國家之一。然而，因第四波疫情從5月份起爆發，越南政府隨後兩個月因應疫情變化陸續推出了各項社交隔離、生產三就地(就地生產、就地休息、就地生活)等限制出行的政策，令越南經濟發展再次受到影響而顛簸前行。然而，隨著疫苗接種率提升，越南於第四季開始進入新常態生活，生產逐漸恢復，各行各業亦開始恢復活力。全年GDP增長率為2.58%，較2020年2.91%為低，並續創有統計數據30多年來新低。

I. BUSINESS OVERVIEW (continued)

Overall revenue and gross profit of the Group's main products, starch and maltose, improved, benefiting from the slowdown in the rise of raw material costs and also the Group's continuous effort to develop new highly functional products. As fuel and raw material costs surged, industry competition intensified and acceptance of price adjustments was slow, gross profit of MSG and seasonings products dropped sharply. As for specialty chemicals, the selling prices and gross profit of soda decreased notably due to greater price competition in the market. Hydrochloric acid, however, recorded an increase in sales volume and selling price. Hence, both overall revenue and gross profit of specialty chemicals products were better compared with last year. As for fertiliser and feed products, the Group focused on consolidating channels, adjusting product mix and developing high-margin products. Among other products, the Group's sales volume of and correspondingly the revenue from coffee beans and bulk food ingredients notably increased, reflective of the Group's effective sales strategy. In 2021, the Group's revenue amounted to US\$382,361,000, an increase of 6.0% or US\$21,620,000, while gross profit decreased by 16.8% or US\$12,183,000 from the previous year to US\$60,373,000. The Group's overall gross profit margin decreased from 20.1% in 2020 to 15.8%. Net profit was US\$11,032,000, a decrease of 33.8% or US\$5,645,000 from the previous year. Net profit attributable to owners was US\$11,014,000, which was 33.8% or US\$5,636,000 lower year-on-year. Net profit margin decreased from 4.6% in 2020 to 2.9%.

一、業務總覽(續)

集團主要產品中的澱粉及麥芽糖受惠於原料成本漲幅趨緩，並持續開發高功能新產品，帶動整體營收與毛利；味精及調味料產品因燃料與原材料價格大幅上漲，且因應同業競爭及調整售價接受度遲緩，致毛利明顯下降；特化產品中，蘇打因受市場低價競爭影響，致售價與毛利顯著下滑。然而，因鹽酸的銷售量及售價均提高，特化產品整體的營收與毛利較去年增加；而肥飼料產品則著重在整合通路與調整產品結構，致力發展高毛利產品。此外，其他產品中的咖啡與大宗食材，因銷售策略奏效，銷售量明顯增加，帶動營收大幅增長。2021年集團營業額達382,361,000美元，較去年增加6.0%或21,620,000美元；毛利達60,373,000美元，較去年減少16.8%或12,183,000美元。集團總體毛利率由2020年的20.1%下降至15.8%，集團淨利為11,032,000美元，較去年減少33.8%或5,645,000美元。股東應佔淨利為11,014,000美元，較去年減少33.8%或5,636,000美元；淨利率則由2020年的4.6%下降至2.9%。

Management Discussion and Analysis

管理層討論及分析

I. BUSINESS OVERVIEW (continued)

The emergence of the Omicron mutant strain at the end of 2021 showed that the pandemic continued to present uncertainties which again brought disturbance to the economy. Although 2022 is expected to be another year of economic growth as the global economy continues to recover, growth in the year is expected to slow down since the massive fiscal or monetary policy support from governments and central banks at the beginning of the pandemic has receded. The post-pandemic economic recovery is different from the economic recovery in the past as unexpected supply chain bottlenecks have occurred. At the same time, the tight supply in the labour market has caused labour shortage in enterprises, which has pushed up wages and contributed to inflation. Many developed economies have seen significant increase in debt levels over the past two years. Interest rate hikes may trigger risks to financial stability and may expose emerging markets and developing economies to risks and challenges associated with capital flows, currency and fiscal positions. Geopolitical tensions continued, and in particular the situation between Russia and Ukraine may trigger wider global risks. The current climate crisis also indicates that the possibility of major natural disaster events remains high.

Vietnam was one of the few countries most successful in containing the pandemic. Although economic growth was below expectation in 2021 due to the pandemic, its long-term economic growth momentum remains stable, facilitating it to be the production base of many enterprises. Vietnam has also been actively engaging in regional economic and trade consolidation such as signing free trade zone agreements including 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, EU and the PRC. That plus Vietnam's efforts in speeding up infrastructure construction, nurturing skills of labourers and improving quality of labour and systematically simplifying various procedures through electronic processes have favoured the overall development of the country. In response to the influence that the changing international economic environment may have on the Group, Vedan will adhere to its prudent operating strategy, strengthen the operation, management and integration of its supply chains and seek to form strategic alliances with companies within the industries which it operates or other industries as well as step up the development of high-value products in order to enhance the Group's core competitiveness and create greater value in its operations.

一、業務總覽 (續)

2021年底Omicron變異病毒的出現，可見疫情仍存在不確定性，再次為經濟帶來擾動。儘管如此，隨著全球經濟持續復甦，預期2022年將是另一個經濟增長的年度。然而，隨著各國政府和央行在疫情之初所提供的大量財政或貨幣政策支持開始減退，2022年經濟增長預期將放緩。疫情後的經濟復甦與過去的經濟復甦不同，非預期的供應鏈瓶頸問題浮現，同時勞動市場供應緊張的現象造成企業勞動力短缺，推升了工資上漲與通貨膨脹等問題。多個發達經濟體在過去兩年債務水平大幅上升，加息調控可能引發金融穩定風險，亦可能使新興市場和發展中經濟體的資本流動、貨幣和財政狀況面臨風險和挑戰。地緣政治緊張依然存在，尤其俄羅斯與烏克蘭的局勢，將有可能觸發其他全球性風險。此外，當前的氣候危機意味著發生重大自然災害的可能性依然很高。

越南為之前應對疫情較為成功的幾個國家之一，雖然2021年受到疫情影響經濟增長未如預期，但長期經濟增長勢頭預期仍然穩定，成為不少企業佈局的生產基地，且多年來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，同時加速基礎設施建設、培養提升勞動力質素、透過電子化有系統的簡化各項手續等，以強化整體發展。展望國際經濟形勢變化對集團的影響，集團將選擇穩健經營的策略，強化供應鏈之營運管理與整合，尋求與同業或異業之間的策略聯盟，持續提升高價值產品開發，以期集團提升核心競爭力，創造更大經營價值。

II. BUSINESS ANALYSIS

(1) Sales Analysis by Market

二、營業分析

(一) 市場銷售分析

Unit: US\$'000						單位：千美元	
Country	國家	2021 二零二一年		2020 二零二零年		Difference 差異	
		Amount 金額	%	Amount 金額	%	Amount 金額	%
Vietnam	越南	169,363	44.3%	170,547	47.3%	-1,184	-0.7%
Japan	日本	62,832	16.4%	61,195	17.0%	1,637	2.7%
PRC	中國	63,447	16.6%	47,016	13.0%	16,431	34.9%
ASEAN	東盟國家	29,067	7.6%	26,112	7.2%	2,955	11.3%
US	美國	26,132	6.8%	26,717	7.4%	-585	-2.2%
Others	其他	31,520	8.3%	29,154	8.1%	2,366	8.1%
Total	合計	382,361	100.0%	360,741	100.0%	21,620	6.0%

1. Vietnam

Vietnam is the Group's largest market. During the year, revenue from the Vietnam market was approximately US\$169,363,000, down by approximately US\$1,184,000 or 0.7% when compared with 2020. Its share of revenue generated by Vietnam also decreased from 47.3% to 44.3% mainly due to the fourth wave of the pandemic. Production was partly affected, end-sales of MSG proved difficult while external sales and logistics were disrupted amid a long period of social distancing policy, resulting in an unsatisfactory performance. Nonetheless, the Group adjusted the selling prices of modified starch and maltose in response to market changes and strengthened inventory control and management measures, thereby boosting production efficiency and effectively boost sales volume and revenue. The performance of hydrochloric acid and soda products also improved along with the increase in market demand. As for the fertiliser and feed market, the Group adjusted the product structure of fertilisers and feed products by adding new high-end products, which stimulated unit prices and revenue.

1. 越南市場

越南是集團第一大市場，年內營收約為169,363,000美元，較2020年減少約1,184,000美元或0.7%，營收佔比由47.3%降至44.3%。本年越南市場營收下滑，主要因越南第四波疫情爆發，較長時間的社交隔離政策下，生產受局部影響，味精末端銷售困難，外銷物流受影響，造成業績未如預期。雖然如此，變性澱粉與麥芽糖於年內因應市場變化調整售價，並強化庫存控管與生產效率，有效推升銷售量與營收之增長。鹽酸與蘇打產品的業績也隨著市場需求增加而提升。同時，在肥飼料市場，集團致力以新高規格產品，調整肥飼料產品結構，帶動銷售單價與營收增長。

II. BUSINESS ANALYSIS (continued)

(1) Sales Analysis by Market (continued)

2. Japan

Japan is the Group's second largest market. Although the pandemic remained volatile during the year, the Japanese economy improved over 2020. The MSG consumption market rebounded slightly, leading to a small growth in revenue. Regarding the modified starch market, the Group continued to expand new customer base and product applications, and develop products with higher added value, thus overall revenue still substantially grew. Revenue for the year was approximately US\$62,832,000, an increase of approximately US\$1,637,000 or 2.7% over 2020, but its share of the Group's revenue fell from 17.0% to 16.4%.

3. The PRC

Revenue from the PRC market was approximately US\$63,447,000, an increase of approximately US\$16,431,000 or 34.9% over 2020, and its share of the Group's revenue increased from 13.0% to 16.6%. During the year, revenue in the PRC market increased significantly. Although the performance of seasonings only improved slightly compared with the previous year, the Group effectively executed its strategy to enlarge its scale of business by enhancing its product mix, expanding sales channels and stepping up development of and cooperation along its industry chain, helping boost the sales volume and revenue of trade products and coffee beans it distributed in the country. As the market stabilised, MSG's revenue also increased significantly compared with 2020.

4. The ASEAN Market

The Group's revenue from ASEAN countries (excluding Vietnam) was up by approximately US\$2,955,000 or 11.3% year-on-year to approximately US\$29,067,000, and the revenue contribution increased from 7.2% to 7.6%. Both sales volume and revenue of MSG products rose benefitting from effective execution of its sales strategy. ASEAN countries remain the Group's key development market. With this in mind, the Group aims to leverage its advantages in the industry, expand other businesses with its core products, establish closer partnerships, and further develop sales channels, and ultimately achieve breakthroughs in sales.

二、營業分析(續)

(一) 市場銷售分析(續)

2. 日本市場

日本為集團第二大市場，雖然年內疫情反覆，但較2020年度經濟有所復甦，味精消費市場稍為回升，令營收略微上升。在變性澱粉市場，集團持續深化新客群與產品應用，積極開發高附加價值產品，致整體營收錄得明顯增長。年內營收約62,832,000美元，較2020年增加約1,637,000美元或2.7%，佔集團營收則由17.0%降至16.4%。

3. 中國市場

本年中國市場營收約為63,447,000美元，較2020年增加約16,431,000美元或34.9%，營收佔比由13.0%增至16.6%。中國市場年內營收大幅增加，雖然本年調味業績較前年稍微增長，但因中國區所代理之貿易產品與咖啡豆成功強化產品組合與銷售渠道，提升產業鏈的發展與合作，致營運規模成長策略奏效，銷售量與營業額表現顯著增長。此外，味精因市場回穩，營業額較2020年亦有顯著提升。

4. 東盟市場

本年東盟市場(除越南之外)營收約為29,067,000美元，較2020年增加約2,955,000美元或11.3%，佔集團總營收由7.2%提升至7.6%。味精產品展現銷售策略奏效，銷售量與營收均有增長。東盟市場為集團持續積極開發之重點市場，期望能發揮產業優勢，以核心產品拓展其他業務，並建立更緊密的夥伴合作關係，深耕銷售通路，創造突破性的銷售成績。

II. BUSINESS ANALYSIS (continued)

(1) Sales Analysis by Market (continued)

5. The US

During the year, revenue in the US market was approximately US\$26,132,000, a decrease of approximately US\$585,000 or 2.2% from 2020, and its share of revenue fell from 7.4% to 6.8%. The decrease in revenue was mainly due to weak market demand for MSG and high-end modified starch products due to the pandemic and rising shipping costs. The Group attaches great importance to the expansion of high-end starch and maltose products in this market. Looking ahead, it will continue to integrate the production and sales value chain and develop functional products to raise product competitiveness, hoping to drive sales after the pandemic.

6. Other Markets

Other markets include mainly Taiwan, South Korea and the European Union markets. Revenue rose sharply mainly due to the rising market demand for modified starch and fertilisers and feed products. Total revenue during the year was approximately US\$31,520,000, a growth of approximately US\$2,366,000, or 8.1%, compared with 2020, and the share of revenue from other markets increased slightly from 8.1% to 8.3%.

(2) Sales Analysis by Product

二、營業分析(續)

(一) 市場銷售分析(續)

5. 美國

美國市場年內營收約為26,132,000美元，較2020年減少約585,000美元或2.2%，營收佔比由7.4%降至6.8%。年內業績減少，主要是味精與高階變性澱粉產品因疫情及海運成本上漲，令市場需求疲弱。集團相當重視高階澱粉與麥芽糖產品於本市場的拓展，未來將持續整合產銷價值鏈及開發功能性產品，以提高產品競爭力，期待疫情過後的銷售將有所增長。

6. 其他市場

其他市場主要為台灣、韓國及歐盟市場，主要因變性澱粉與肥飼料之市場需求增加，致營業額有較大幅度增長。年內合計營收約為31,520,000美元，較2020年增加約2,366,000美元或8.1%，佔集團總營收由8.1%微增至8.3%。

(二) 產品銷售分析

		Unit: US\$'000				單位：千美元	
Item	項目	2021 二零二一年		2020 二零二零年		Difference 差異	
		Amount	%	Amount	%	Amount	%
		金額	%	金額	%	金額	%
MSG and Seasonings	味精與調味料	226,991	59.4%	232,093	64.3%	-5,102	-2.2%
Modified Starch,	變性澱粉、						
Native Starch	天然澱粉與						
and Maltose	麥芽糖	67,684	17.7%	63,262	17.6%	4,422	7.0%
Specialty Chemicals	特化產品	21,330	5.6%	18,828	5.2%	2,502	13.3%
Fertilisers and Feed	肥料與飼料						
Products		28,870	7.5%	24,966	6.9%	3,904	15.6%
Others	其他	37,486	9.8%	21,592	6.0%	15,894	73.6%
Total	合計	382,361	100.0%	360,741	100.0%	21,620	6.0%

II. BUSINESS ANALYSIS (continued)

(2) Sales Analysis by Product (continued)

1. MSG and Seasonings

Revenue of MSG and seasoning-related products amounted to US\$226,991,000 during the year, a decrease of approximately US\$5,102,000, or 2.2%, when compared with 2020. The weakened performance was mainly due to the impact of the pandemic on economic activities and market demand in Vietnam and the US, which resulted in the decrease in both sales volume and revenue. Total revenue of MSG and seasoning-related products decreased, and the proportion of revenue contribution from this product segment dropped to 59.4% from 64.3% in 2020.

2. Modified Starch, Native Starch and Maltose

Owing to stabilising cost of cassava, effective strategic procurement plan and a notable increase in market demand for organic products during the year, modified starch, native starch and maltose products recorded both higher total sales and profit. Revenue was approximately US\$67,684,000, up by US\$4,422,000, or 7.0%, when compared with 2020, and its share of the Group's total revenue increased from 17.6% to 17.7%. Except for the decline in revenue of modified starch in the US market due to the impact of the pandemic, other markets recorded a growth. Moreover, maltose reported an increase in revenue, which was driven by the new customer base and new usages of organic maltose in Vietnam. Taking into account the Group's active effort to develop new products with higher added value and tighten cooperation with leading companies around the world, stronger profitability momentum in the future could be expected.

二、營業分析(續)

(二) 產品銷售分析(續)

1. 味精與調味料

年內味精與調味料相關產品營收約為226,991,000美元，較2020年減少約5,102,000美元或2.2%，業績衰退主要由於越南與美國市場的經濟活動與市場需求受到疫情影響，致銷售量與營收同時下滑，整體的味精和調味料相關產品之營業額減少，營收佔比由2020年的64.3%降至59.4%。

2. 變性澱粉、天然澱粉與麥芽糖
變性澱粉、天然澱粉與麥芽糖產品於年內因木薯原料價格回穩，計畫性採購策略應用得當，且有機產品需求明顯增長，整體銷售與利潤提升，營收約為67,684,000美元，較2020年增加約4,422,000美元或7.0%，佔集團總營收由17.6%增至17.7%。除了變性澱粉在美國市場因疫情影響而造成營業額下滑外，其他市場業績均錄得增長。另外，麥芽糖因越南市場之有機糖漿新客群與新應用增加，帶動營業額增長。集團持續開發高附加價值新產品，深化與全球領先企業的合作領域，未來利潤勢頭值得期待。

II. BUSINESS ANALYSIS (continued)

(2) Sales Analysis by Product (continued)

3. Specialty Chemicals and Fertilisers and Feed Products

Specialty chemicals including hydrochloric acid, soda and bleach are sold in Vietnam. During the year, the demand for such products rose compared with last year, which led to an increase in sales volume. During the year, total revenue of specialty chemicals amounted to approximately US\$21,330,000, a growth of approximately US\$2,502,000, or 13.3%, when compared with 2020, accounting for 5.6% of the Group's total revenue, up from 5.2%. In light of the low-price competition of soda products during the year, the Group adjusted the selling prices of those products according to market trading conditions, which caused a drop in gross profit, though sales volume and revenue increased. On the other hand, the selling price of hydrochloric acid products was adjusted upward based on production volume and market demand, resulting in an impressive growth in sales volume, revenue and profit during the year.

Fertilisers recorded a notable growth in profit despite a drop in sales volume of various products during the year. The Group launched products of new specifications, actively prospected for new customers and improved the fertiliser product mix, allowing it to set higher product prices. Consequently, it achieved a growth in revenue and profit. Revenue from fertilisers and feed products amounted to approximately US\$28,870,000, an increase of US\$3,904,000, or 15.6% compared with 2020, and accounted for 7.5% of the Group's total revenue, up from 6.9%. The Group will continue to promote high value-added special fertilisers and develop new sales channels.

4. Other Products

Revenue from other products was approximately US\$37,486,000, a growth of approximately US\$15,894,000, or 73.6%, compared with 2020, and the segment's revenue contribution to the Group's total revenue rose from 6.0% to 9.8%, mainly attributable to the strong sales volume of coffee beans and bulk food ingredients distributed in the PRC. By extending the depth and breadth of product categories, and adding new product types to meet market demand for similar types of items, the segment achieved handsome revenue growth.

二、營業分析(續)

(二) 產品銷售分析(續)

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。年內需求較去年上升，使銷售量增加。特化產品營收年內合計約為21,330,000美元，較2020年增加約2,502,000美元或13.3%，佔集團總營收由5.2%上升至5.6%。年內蘇打產品因受同業低價競爭影響，售價根據市場交易形勢調整，致銷售量與營業額雖增加，但毛利下滑。反觀鹽酸產品的售價則依產量與市場需求調漲，致年內銷售量、營收與利潤均有可觀的增長。

至於肥料產品，年內各產品銷售量雖然減少，但利潤大幅增加。因集團積極投入新高規格產品，並有效開發新客戶與改善產品結構，推動漲價策略，使營收與利潤增長。肥飼料產品營收達約28,870,000美元，較2020年增加3,904,000美元或15.6%，佔集團總營收由6.9%增至7.5%。集團將持續推廣高附加價值專用肥料產品，開發新銷售通路。

4. 其他產品

其他產品營收約為37,486,000美元，較2020年增加約15,894,000美元或73.6%，佔集團總營收由6.0%增至9.8%。年內業績增長，主要因中國區所代理之咖啡與大宗食材產品銷售量明顯增加，透過強化產品的深度與廣度，滿足市場對同類產品的不同需求，增加不同產品種類，帶動營業額大幅增長。

III. MAJOR RAW MATERIALS/ENERGY OVERVIEW

(1) Cassava

In 2020/2021, major cassava producer countries in Southeast Asia recorded a growth in production volume, and the output of cassava in Thailand increased as well. Nevertheless, the stronger demand of the international consumer market led to the rising raw material prices of cassava and starch.

In the 2021/2022 production season, a stable output of major plantation areas like Thailand, Vietnam and Cambodia was expected. At the beginning of the production season, cassava was still in short supply and its price was at a relatively high level. However, as the output of cassava rose at the beginning of 2022, the price gradually returned to a reasonable level. The Group stepped up exploring more new sources of supply and purchased at the high production volume period in order to control procurement costs and improve profit.

(2) Molasses

Global production volume of molasses in 2020/21 was 64,530,000 tons, a significant growth from 59,120,000 tons in 2019/20, up by approximately 5,400,000 tons, or 9%. However, the price of molasses remained at its historical high. The price stayed firm mainly due to the rise of fuel and ethanol consumption and the overall tight animal feed markets. The high prices of corn and wheat and the shift of some molasses exporting countries into importing countries in 2020/21 were also the direct causes of the molasses shortage.

Global molasses production volume in 2021/22 is estimated to be slightly lower than the previous year. For example, the molasses output in India in the 2020/21 production season increased by 2,000,000 tons and the annual production volume reached 13,600,000 tons, while the current estimated production volume in 2021/22 is 13,400,000 tons. Moreover, the increase in the output of sugar cane is estimated to be largely used for ethanol production, which will directly boost the price of molasses.

Overall, the outlook for the total production and export volume of molasses in 2021/22 is not optimistic, and these prices may continue to be firm. The Group will continue to keep a close watch on changes in the international molasses market and actively develop more new supply sources to ensure stable access to raw materials.

三、主要原料／能源概況

(一) 木薯

2020/2021東南亞主要木薯產地之產量有增加，泰國木薯產量也有提升，但是國際消費市場需求更為強勁，導致木薯與澱粉原料價格仍持續上揚。

2021/2022年產季，泰國、越南、柬埔寨等主要產地產量預估偏向平穩，季初木薯仍供不應求，價格也處於相對高點，但進入2022年後木薯產量上升，價格慢慢回到合理水平，集團加強開發更多新的供應源，並在產量高點進行採購，以控制採購成本提高利潤。

(二) 糖蜜

2020/21年全球糖蜜產量6,453萬噸，相較於2019/20年的5,912萬噸有明顯上升，約增加540萬噸或9%，但是糖蜜價格仍保持在歷史高位，價格走勢堅挺的主要原因是燃料乙醇消耗量增加及動物飼料市場總體形勢緊張，玉米和小麥價格也處於高位，且部分糖蜜出口國在2020/21年轉為進口國，也直接造成糖蜜供不應求的局面。

2021/22年全球糖蜜產量預估略低於去年，如印度2021/22年季度的糖蜜產量增加了200萬噸，年度產量達到1,360萬噸，目前預估2021/22年的產量為1,340萬噸，且估計甘蔗產量增長的很大部分將用於乙醇生產，如此也將直接拉高糖蜜之價格。

整體而言，2021/22年糖蜜的總產量及出口量不甚樂觀，價格將可能持續堅挺。集團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

In 2020, global coal output decreased by 6.5% year-on-year. Affected by the pandemic at the start of the year, coal consumption was on the low side and production resumed faster than consumption demand, and coal prices dropped with the market concerned about coal demand. Coal production and supply then slowed down and coal price turned around and headed upward.

In 2021, the global economy gradually recovered from the shadow of the pandemic. Major economies adopted looser fiscal and monetary policies to stimulate the economy, which provided strong support to international oil prices. At the end of 2021, the main contracts of New York Mercantile Exchange Light Crude Oil Futures and London Brent Crude Oil Futures closed at US\$75.21 and US\$77.78 a barrel respectively, up by approximately 55% and 50% respectively against the end of 2020. The rise in international oil prices has been driven by different factors such as global economic recovery, tight inventories and insufficient production capacity. On the supply side, the OPEC and non-OPEC oil-producing countries continued to implement production reduction plans despite the US request for increasing oil supply to slow the rise of oil prices, and strived to maintain the current supply and demand dynamics in the international oil market, demonstrating their ability to control oil prices. On the demand side, the steady rebound in economic activities and the increase in transportation fuel consumption have driven higher oil demand.

Throughout 2021, international oil prices still fluctuated while rising, and the three major fluctuations were all associated with the pandemic. Therefore, there are still great uncertainties in the trend of the international oil prices. The course of the COVID-19 pandemic and the outbreak of regional conflicts in Eastern Europe since February will remain the biggest uncertainties affecting oil prices this year. It is currently known that the significant increase of crude oil prices has led to the surge of the prices of natural gas and coal. The futures index has risen to its highest point recently, and the upward trend still continues. The conflicts in Eastern Europe will be the most significant factor affecting economic stability. The Group will continue to monitor the changes in the energy industry in order to plan the counter measures early.

三、主要原料／能源概況(續)

(三) 能源

2020年全球煤炭產量同比減少6.5%，初期受疫情影響，使得煤炭消耗量偏低，煤炭生產恢復快於耗用需求，市場對需求端的擔憂導致煤炭價格大幅下滑，之後由於煤炭減產供應下降，煤炭價格回調轉而持續上漲。

2021年，全球經濟從疫情陰霾中逐漸復甦，主要經濟體採取寬鬆的財政和貨幣政策刺激經濟，對國際油價形成有力支撐。2021年末，紐約商品交易所輕質原油期貨和倫敦布倫特原油期貨，主力合約分別收報每桶75.21美元和77.78美元，比2020年年末分別上漲約55%和50%。國際油價上漲受全球經濟復甦、庫存緊張和產能不足等多重因素影響。供應方面，石油輸出國組織與非石油輸出國組織產油國，不顧美國增加石油供應以緩和油價的要求，持續執行減產計劃，極力維持當前國際石油市場的供需態勢，展現出其對油價的掌控能力。需求方面，經濟活動的穩步反彈和運輸燃料消耗的增加推動石油需求增長。

縱觀2021年度，國際油價在總體上漲的同時仍存在波動，而3次較大的波動均與疫情發展情況存在關聯。故目前來看，國際油價走勢仍存在較大不確定性，而新冠疫情走向與今年2月所發生的東歐區域衝突，仍將是今年影響油價的最大不確定因素。目前已得知原油大幅上漲，引發天然氣與煤炭價格同時大幅上漲，在期貨指數的表現上，已然上漲至近期最高點，且仍持續有上升趨勢！東歐衝突將是影響經濟穩定的最大因素！集團會持續關注掌握能源產業變動，以提早規劃因應對策。

III. MAJOR RAW MATERIALS/ENERGY OVERVIEW(continued)

(3) Energy (continued)

Regarding electricity price, following the implementation of an electricity tariff subsidy policy in 2020, the Vietnamese government introduced several electricity tariff subsidy resolutions in 2021 in order to help enterprises or work units navigate the difficult times brought by the pandemic. It also continued to transform and upgrade the electrical engineering capability to ensure electricity demand could be met after the pandemic ends and work and production resume. The Group has been using a cogeneration power system to assure it has a stable electricity supply. Since the Group uses mainly self-generated electricity, a drop in the cost of purchasing electricity from external sources would have a limited impact.

IV. FINANCIAL REVIEW

(1) Liquidity and Financial Resources

The Group had cash and cash equivalents, short-term bank deposits, pledged bank deposits and structured bank deposits amounting to US\$69,744,000, a decrease of US\$2,414,000, or around 3.3%, when compared with the end of 2020. Short-term bank borrowings amounted to US\$31,661,000, a decrease of US\$712,000, or around 2.2% when compared with the end of 2020. Medium-to-long-term bank borrowings amounted to US\$8,647,000, a decrease of US\$5,339,000, or around 38.2%, when compared with the end of 2020. Total bank borrowings amounted to US\$40,308,000, a decrease of US\$6,051,000 or approximately 13.1% from the end of 2020. The decrease was mainly due to the decrease in capital expenditures. The borrowings were mainly in US Dollars, accounting for 94.5%, and the rest was in New Taiwan Dollars and Renminbi, accounting for 3.6% and 1.9%, respectively. The ratio of short-term and medium-to-long-term bank borrowings was 78.5% to 21.5%. Net finance income this year decreased by US\$22,000 compared with 2020.

Trade receivables amounted to US\$32,164,000, an increase of US\$1,866,000 or approximately 6.2% from the end of 2020. Around 67.1% of the trade receivables were aged within 30 days. Total inventory was US\$101,648,000, an increase of US\$9,983,000 or approximately 10.9% from the end of 2020.

三、主要原料／能源概況(續)

(三) 能源(續)

在電價方面，越南政府為對受疫情影響的企業或單位渡過難關，繼2020年實施了電價補助政策，亦於2021年多次推出電費補助決議，持續改造升級電力工程，以滿足疫情過後復工復產用電需求。集團使用汽電共生發電系統，確保電力供應穩定，故以自產電力為主，外購電力成本的調降對集團影響有限。

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，銀行短期存款，抵押銀行存款和結構性銀行存款為69,744,000美元，較2020年底減少2,414,000美元，約減少3.3%。短期借款為31,661,000美元，較2020年底減少712,000美元，約減少2.2%；中長期借款為8,647,000美元，較2020年底減少5,339,000美元，約減少38.2%。借款總額為40,308,000美元，較2020年底減少6,051,000美元或約減少13.1%，借款總額減少，主要因資本支出減少所致。借款以美元為主，佔94.5%，其餘為新台幣佔3.6%及人民幣佔1.9%；短期和中長期借款比率為78.5%比21.5%。今年淨財政收入同比較2020年減少22,000美元。

應收貿易帳款為32,164,000美元，較2020年底增加1,866,000美元，約6.2%，30天期內應收帳款佔比約67.1%。存貨總額為101,648,000美元，較2020年底增加9,983,000美元，約10.9%。

IV. FINANCIAL REVIEW (continued)

(1) Liquidity and Financial Resources (continued)

Due to the decrease in borrowings and the increase in shareholders' equity, gearing ratio (total borrowings to total equity ratio) was 14.3%, lower than 16.4% at the end of 2020; as cash was higher than borrowings, net gearing ratio (total borrowings less cash and deposits to shareholders' equity) was -8.7%, down from -7.6% in 2020. During the year, current ratio fell from 3.2 at the end of 2020 to 3.0 and the quick ratio decreased from 1.8 at the end of 2020 to 1.6. The Group's financial structure remained stable.

(2) Capital Expenditure

Capital expenditure for the year amounted to approximately US\$11,413,000, a decrease of US\$22,544,000 from US\$33,957,000 in 2020. This was mainly due to the completion of the expansion plan and other various projects of its Vietnamese subsidiary in the previous two years. Other than funding for ongoing projects, there were no new projects requiring substantial capital expenditure in the year.

(3) Exchange Rate

Vietnam's economic growth in recent years has resulted in sufficient foreign exchange reserves which have helped stabilise the Vietnamese Dong. Moreover, as the Vietnamese Government has not resorted to currency depreciation to stimulate exports, the performance of the Vietnamese Dong amid the pandemic has been relatively strong when compared with currencies of other major ASEAN economies including Singapore, Indonesia and Thailand. The central exchange rate announced by the State Bank of Vietnam depreciated 0.06% in 2021, from VND23,131/USD at the end of 2020 to VND23,145/USD at the end of 2021. A good balance between pandemic control and economic development, coupled with the signing and implementation of free trade agreements with major global economies, has provided an important impetus for Vietnam's economic recovery, improving the investment climate and providing various preferential measures as incentives for foreign investment. The RCEP trade agreement has also come into effect in 2022. Vietnam is expected to continue its export growth in 2022, with inflation maintained at a relatively low level. The overall macroeconomy will remain stable, and the Vietnamese Dong will remain healthy.

四、財務回顧(續)

(一) 流動資金與財政資源(續)

因借款減少及股東權益增加，資本負債比（總借款比股東權益）為14.3%，低於2020年底的16.4%；由於現金高於借款，淨資本負債比（總借款扣除現金和存款比股東權益）為-8.7%，低於2020年的-7.6%。年內，流動比率由2020年底之3.2降為3.0，速動比率由2020年底之1.8降為1.6，集團財務結構仍保持穩定狀態。

(二) 資本支出

年內資本支出共約11,413,000美元，較2020年資本支出的33,957,000美元減少22,544,000美元，主要由於越南子公司前兩年度之擴建案與各項專案陸續完成，本年除延續執行之款項，並無重大資本支出專案。

(三) 匯率

越南近年來經濟增成帶來充足的外匯儲備，有助越盾幣值穩定，同時越南政府在匯率政策上，不實施貨幣貶值來刺激出口，致使在疫情衝擊下，越盾表現相對新加坡、印尼、泰國等主要東協經濟體的貨幣強勢。越南國家銀行公佈的中心匯率2021年貶值0.06%，由2020年底的23,131越幣／美元，貶值至2021年底的23,145越幣／美元。越南因疫情控制與經濟發展均衡並進，加上與世界主要經濟體簽訂實施諸多自由貿易協定簽訂，為經濟復甦提供重要動力，同時改善投資環境，並提供各種優惠措施吸引外資持續投資，2022年RCEP亦開始生效施行。各界預測越南2022年將延續出口增長趨勢，通貨膨脹控制在較低水平，整體宏觀經濟穩定，越盾將保持穩健。

IV. FINANCIAL REVIEW (continued)

(3) Exchange Rate (continued)

The Group's subsidiaries in the PRC are mainly responsible for local sales with transactions denominated in RMB. In 2021, the overall RMB exchange rate slightly appreciated, as the currency has fluctuated within a reasonable range. Among them, the exchange rate of RMB against the US Dollar dropped to a certain extent in March, once close to 6.58, and then rose to around 6.35 in May and December. Generally speaking, the RMB exchange rate is expected to be stable and the floating exchange rate regime will be more flexible, thereby helping to stabilise the macroeconomy. The Group will continue to monitor the changes in the exchange rate between the RMB and the US Dollar.

The regional conflict in Eastern Europe breaking out in February 2022 is expected to have an impact on the exchange rates of currencies in the world, and the Group will closely monitor the situation and respond to it accordingly.

(4) Earnings per Share and Dividends

Basic earnings per share were 0.72 US cents. The Board of Directors decided to pay a final dividend of 0.162 US cents per share, representing a payout ratio of 60%.

V. PROSPECTS

In 2021, countries around the world experienced a surge in the number of people infected by new variants of the COVID-19 virus, and lockdowns were again imposed. Despite other major influential factors including uncertainty of vaccine efficacy, challenges in supply chains, and rising transportation costs, global economic growth rates still rebounded to 5.5%, but it is expected to slow sharply to 4.1% in 2022, mainly reflecting the continued outbreak of the pandemic, shrinking fiscal support, persistent supply chain bottlenecks, inflationary pressure and climate-related disasters. The Group expects a continued undersupply of various international and local raw materials, energy and packaging materials, and an increase in related prices. In particular, the regional conflict in Eastern Europe that broke out in February has caused geopolitical tensions. This complicated situation is bound to have considerable impact and present major uncertainties to financial projects, raw materials and energy alike.

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。2021年，人民幣匯率總體呈現小幅升值的態勢，但仍保持在合理區間雙向波動。其中，3月人民幣兌美元匯率出現了一定幅度的回落，一度接近6.58；5月和12月又升至6.35附近。總體來看，人民幣匯率預期平穩，雙向浮動彈性增強，發揮了穩定宏觀經濟的功能。集團將持續關注人民幣與美元幣值之間的匯率變動。

2022年2月所引發的東歐區域衝突，預料將對世界各貨幣匯率產生影響，集團將密切觀察應對。

(四) 每股盈利及股息

本年每股基本盈利為0.72美仙。董事會決定派發期末股息每股0.162美仙，派息率為60%。

五、展望

2021年世界各國，經歷新冠病毒新變異病毒株造成感染人數不斷激增、封鎖措施重新啟動、疫苗效力存在不確定性、供應鏈困難、運輸成本高漲等諸多重大不利因素下，全球經濟增長率依然反彈復甦至5.5%，預估將在2022年大幅放緩至4.1%，主要是反映新冠疫情持續爆發、財政支持減縮、持續性的供應鏈瓶頸、通貨膨脹壓力及氣候相關災害。集團已可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，價格均將繼續高漲。尤其，二月份所爆發的東歐區域衝突，造成地緣政治緊張，此複雜的局勢，勢必也將對各種金融項目、原材料與能源帶來相當程度之衝擊與不確定因素。

V. PROSPECTS (continued)

Although facing an unprecedented economic environment, the Group has nonetheless made some progress with initial achievements in the development of regional markets. Looking ahead, it will continue to improve the flexibility of its overall operations, adjust business portfolios and models, strengthen organisational operations to raise management efficiency, actively develop new products, expand the scale of production, put more focus on satisfying the demand from customers and consumers, optimise cost structure and industry chain integration, expeditiously implement action plans and, ultimately, create new growth drivers to raise profitability. The main tasks and direction are set forth below:

- Expand product lines and optimise product mix, screen existing third-party products and launch a series of extended products. The Group will also increase the proportion of highly functional and high value-added products to enlarge market share and boost profit from product sales.
- Actively expand into new channels and new markets, identify potential customers and consumers with similar product demand in different 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, develop customised products, improve operational and management techniques and utilise 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 look for alternative raw material solutions, maintain long-term cooperative relations with domestic and overseas suppliers and effectively execute procurement strategies to ensure a stable supply of raw materials.
- Adopt the "co-opetition" strategy to boost product and service value, leverage its production base in Vietnam to actively develop the ASEAN market and the markets which 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 realise its core advantages and expand the Group's business presence.

五、展望(續)

雖然集團面對前所未見的經濟環境，但多年來深耕區域市場已取得階段性成效，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，提升生產規模，更加重視貼近客戶與消費者，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獲利能力。主要重點工作與方向，略述如下：

- 擴充產品線與優化產品組合，將現有代理產品進行篩選，推出一系列的延伸商品，同時增加高功能與高附加價值產品的佔比，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，針對不同市場尋找具相同產品需求的客戶與消費者，調整產品定位與銷售方式，尋得合作夥伴來擴大市場規模，強化品牌定位與競爭優勢，以提升集團業績表現。
- 精進生產技術與提升生產效率，同時發展客製化產品，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長期合作關係，有效執行採購策略，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。

Management Discussion and Analysis

管理層討論及分析

V. PROSPECTS (continued)

- Facilitate the works on energy conservation and consumption reduction as well as recycling and reuse of resources, and improve energy efficiency to achieve the missions of caring for the environment and sustainable operations.
- Accelerate the formation of strategic alliances or cooperation with different businesses to jointly develop the markets through effective consolidation of resources and strengthen its research and development (R&D) function to realise technological breakthroughs, facilitating the upgrade and transformation of the Group, in addition to the introduction of new products, expansion of its business scale and improvement of business performance.
- Establish a strategic organisational structure and dedicated strategic teams to enhance the organisational efficiency of all units, evaluate products or distribute products that match business needs, assess the manufacturers that offer cost competitiveness, and develop products that fit customer requirements in order to improve revenue, profit and economies of scale.
- Expedite the introduction of an electronic process and information system for the management and application of Big Data, so as to obtain immediate feedback information for optimising business processes, better understanding customers and developing better corresponding strategies.
- Adopt financial management for ongoing management of capital allocation, improve the operational efficiency of assets and reduce risks of exchange rates, interest rates and prices amidst the volatility of the global financial market.
- Give full play to capital efficiency, and require all related companies to reduce various expenses.

五、展望(續)

- 推動節能減耗、資源回收再利用之各項工作，並再提升能源使用效率，以達到愛護環境、永續經營的使命。
- 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，尋找業務需求之產品或代理品，及具成本競爭力廠商，開發客戶需求及產品項目，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，優化業務流程，理解客戶並提出更好的應對策略。
- 運用財務管理運籌帷幄，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，降低匯率、利率、價格的市場風險。
- 發揮資金效益，並要求各關係企業須再節約各項費用。

V. PROSPECTS (continued)

Looking ahead to 2022, variables such as inflation risks, soaring raw material prices and conflicts in Eastern Europe will bring great uncertainty to the prospects of global economic recovery. The Group's business operations will encounter significant challenges. It will continue to develop new drivers for its operations in the future, maintain competitiveness in the industry by adapting its mindset to cope with the changes in the environment, adopt a flexible business strategy. It will also capitalise on the initial results from core technologies, market penetration and sales channels and the exports and development advantages of various products produced by the Vietnamese factories. The Group believes that by leveraging its integrated operational strengths and building on its existing business foundation, it can create strong growth momentum.

五、展望(續)

展望2022年，通貨膨脹風險、原材料價格飛漲與東歐衝突等變數為全球經濟復甦前景帶來極大的不確定性。集團經營亦將面臨相當的挑戰，經營層面將持續佈局未來新動能，因應環境變動轉變思維來維持產業競爭力，運用彈性的經營策略，配合核心技術、市場深耕、銷售渠道等初步的成果，加上越南廠多種產品的出口力度與發展優勢，相信將持續發揮集團營運綜效，在現有的經營基礎上再繼續往前邁進，創造未來成長動力。