## 主席報告書

Looking back at 2022, while the impact of the COVID-19 pandemic (the "pandemic") on the global economy eased, transportation between various countries gradually resumed and life returned to normal with the "retaliatory consumption" of basic commodities, there was also a squeeze on the supply of various raw materials. coal, and petroleum due to the Russia-Ukraine war that broke out at the beginning of the year which led to soaring raw material, energy and ocean freight prices, and the risk of inflation also increased immediately. Economic growth in the world's major economies, including the US, the EU, the PRC, Asia, and Central and South America, has been significantly affected, adding uncertainty to the overall operating environment. In addition, since the beginning of the year, the interest rate hike in the US has had a direct impact on global financial markets and exchange rates in various countries, hitting the already fragile economic recovery. Vietnam, the Group's largest market, has gradually recovered following the improvement in the pandemic situation. However, the country's overall economic growth slowed in the second half of the year due to global inflation, financial market turmoil and economic downturn experienced by major trading partners, as a result of the rising raw material costs mentioned above.

綜觀2022年,全球經濟雖受新型冠狀病毒 (COVID-19)疫情拖累,但各地逐漸開始恢復交 通往來與正常生活,對民生產品產生似「報復性 購買」的需求,但是在今年初開始的烏俄戰爭, 卻使各項原材料與煤炭、石油運輸供應緊縮, 導致多項原材料、能源價格與海運費飆升,通 貨膨脹風險隨即升溫。全球主要經濟體,包括 美國、歐盟、中國、亞洲、中南美洲等,經濟增 長都受到顯著影響與衝擊,使整體經營環境充 滿變數。另外年內開始,美元啟動加息,也即時 影響全球金融市場與各國之匯率,衝擊原本仍 脆弱之經濟復甦。在集團最大的市場一越南, 雖然隨著疫情漸趨減緩,經濟逐漸恢復,但受 到上述原材料價格高漲引起之全球性通貨膨 脹、金融市場變化與主要貿易夥伴經濟下滑的 影響,整體經濟在下半年增長速度有所放緩。

The Group's revenue increased by around 18.0%, or approximately US\$69,000,000, from the previous period to approximately US\$451,000,000. Several of the Group's major products, including MSG, starch, starch sugar, soda, fertilizers and feed products showed significant growth. In addition, gross profit for the year was approximately US\$43,349,000, a decrease of 28.2% from the previous period, and gross profit margin fell to 9.6%, mainly due to the significant increase in costs as a result of the soaring energy and raw material prices during the year. Affected by the significant increase in ocean freight rates and interest rates of borrowings, net loss for the year decreased by approximately US\$15,416,000 from the previous period to approximately US\$4,384,000, with net profit margin down to -1.0%.

集團年內營業額約4億5仟一百萬美元,較前期增加約6,900萬美元,提升約18.0%。集團幾項主要產品,包含味精、澱粉、澱粉糖、蘇打、肥飼料等均明顯提升。另外,年內毛利額約4,335萬美元,較前期下降28.2%,毛利率降至9.6%。毛利下降主要因為年內能源與原材料價格飆漲,導致成本大幅提升。同時,年內海運費大幅上漲與借款利率大幅上揚,使年內淨虧損為約438萬美元,較前期下降約1,542萬美元,淨利率降至-1.0%。

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Most products reported improved sales in key markets. In the Vietnam market, the increase in market demand for products such as MSG, starch, soda and fertilizers as well as the rise in product prices to reflect the higher costs resulted in a notable increase in revenue of around 15.1%. Regarding the Group's operation in the PRC, the relatively late relaxation of pandemic control measures affected the sales and transportation of various products, resulting in a year-on-year decrease in overall revenue of around 1.2% in the PRC. In addition, in view of the modest improvement in economic conditions in Japan, the Group implemented a flexible sales strategy to meet local demand. As a result, sales of various products such as MSG, modified starch, feed and fertilizers, increased, and overall revenue grew by approximately 32.2% year-on-year. In the ASEAN market, sales of core products, including MSG, modified starch, feed and fertilizer, increased due to a faster return of social growth momentum and stronger demand, leading to a 23.8% year-onyear increase in revenue in the region. In addition, as the pandemic situation improved slightly in the US market, the demand for MSG, starch sugar and modified starch rose, resulting in revenue growth of approximately 38.7%. However, starting in the fourth quarter, demand dropped suddenly as consumption turned conservative due to the impact of sharply rising interest rates on the US dollar in the short term. Subsequent sales momentum in the overall market remains to be seen in the aftermath.

集團在各主要市場所經營之各項產品業績大 多有所增長。在越南市場、味精、澱粉、蘇打與 肥料等產品因年內市場需求增加,同時為反映 成本上漲,售價有所提升,故營收顯著提高約 15.1%。至於集團在中國區的營運,當地放開 防疫限制的時間較晚,影響各項產品之銷售與 運輸,以致中國整體營收較前期下滑約1.2%。 另外,日本市場的營運,因其經濟景氣較之前 稍有所恢復,故配合當地需求,進行彈性之銷 售策略,使各銷售產品,如味精、變性澱粉、肥 飼料等銷售均有所增長,整體營收較前期增長 約32.2%。而東盟市場,因社會動能恢復較快, 需求較旺盛,主要的銷售產品,包括味精、變性 澱粉與肥飼料之銷售量均有增加,使年內於此 區域之營收較前期增長23.8%。除此之外,在 美國市場,雖然疫情稍為趨緩,對味精、澱粉糖 與變性澱粉等食品之需求增加,使營收增加約 38.7%。然而,第四季起,受美元息口短期急升 影響,消費轉趨保守,需求驟降,整體市場後續 之銷售力道仍有待觀察。

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By product category, as the pandemic situation was relatively stable during the year when compared with the previous period, demand for the Group's major products, MSG and seasonings, increased in all major markets. Moreover, the selling prices were adjusted upward due to the rising costs, and sales rose by approximately 22.0% over the previous period. However, due to market competition, the increase in selling prices failed to reflect the increase in production costs, resulting in a notable decrease in profit, which was the main reason for the sharp decline in profit of the Group during the year. Demand for the Group's other major products, modified starch and starch sugar, increased during the year. Moreover, the Group continued to promote new specification products and highvalue-added products, which recorded steady growth in Europe and Vietnam, leading to stable growth in overall sales volume and revenue of the Group's modified starch and starch sugar products, with the revenue increasing by approximately 10.8% against the previous period. Currently, the Group attaches great importance to the potential and development of such products in the market and is committed to the development of such products and their extensions, with the aim of developing diversified products and developing new products with higher added value. In addition, the growth in market demand in Vietnam for hydrochloric acid and soda products in the specialty chemicals and the increase in their international prices during the year drove the overall revenue of specialty chemicals to increase by 32.7% compared with the previous period. Regarding the Group's fertilizer and feed products, overall sales rose by approximately 23.4% from the previous period due to the Group's efforts to secure new customers, meet market demand, consolidate sales channels and improve the product mix, as well as the higher selling prices of products driven by growing demand and costs during the year. In addition, in order to capitalize on the rapid growth of the consumer goods industry in Vietnam, the Group is cooperating with internationally renowned brands in product distribution with the aim of diversifying and expanding the Group's operations. In regard to the trade products distributed by the Group in the PRC, including bulk food ingredients and coffee beans, the sales volume decreased due to the impact of the pandemic. Consequently, revenue fell by approximately 11% during the year when compared with the previous period.

以產品類別分析,集團主要的味精與調味料產 品,由於年內疫情較前期穩定,故各主要市場 對其需求均有所提升,加上為反映成本上漲, 售價也有提升,故營收較前期增長約22.0%。 然而,市場競爭導致味精與調味料產品的售價 升幅未能反映生產成本之上揚幅度,使利潤大 幅下降,這也是集團年內利潤大幅降低之主 因。集團另一項重要的變性澱粉與澱粉糖產 品,於年內需求增加,且持續致力推展新規格 與高附加價值產品,在歐洲與越南等市場都有 穩定的增長,使集團整體變性澱粉與澱粉糖產 品銷售與營收穩定增加,營業額較上期增加約 10.8%。集團目前相當重視此類產品於市場的 潛力與發展,將致力於此類產品與其延伸產 品之開發,以期發展多元化產品與開創更高 之產品附加價值。另外,在特化產品中的鹽酸 與蘇打產品,年內隨著越南市場需求與國際價 格之提升,使整體特化產品營收相較前期提升 32.7%。此外,集團的肥飼料產品營運方面,由 於集團致力開發新客戶、配合市場需求,整合 銷售通路與改善產品結構,而年內產品售價亦 隨需求增加與成本價格而提升,使肥飼料整體 銷售額仍較前期提升約23.4%。另基於越南消 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,以增加集團營運品項,擴大營 運規模。此外,在中國區的大宗食材與咖啡豆 等貿易代理商品,年內受疫情影響,銷售量下 降,使營收較前期下滑約11%。

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Looking ahead to 2023, factors such as the ongoing Russia-Ukraine war, instability in energy and raw material supply, global inflation risks, and volatility in exchange and interest rates will continue to bring a considerable degree of impact and complexity to the economic and business environment. These uncertainties will also affect the operating risks and opportunities in the coming year. The Group expects that the uncertainty in the supply of various international and local raw materials, energy and packaging materials will continue next year. However, given the current market supply situation, the prices of raw materials, energy and freight are likely to decline slightly from their current high levels. This will help stabilize the Group's production costs and profit to some extent. However, the risk of inflation will continue to rise and demand will still shift to more conservative levels. In particular, Vietnam has been affected by the global economic downturn and financial market volatility, resulting in sluggish purchasing power. This will pose a challenge to operations next year, hence the Group will monitor changes in the market more closely and remain agile. The Group will also make more flexible procurement arrangements to stabilize production costs, adjust and strengthen sales strategies in a timely manner, accelerate the development of new products and the formation of strategic alliances, pay greater attention to fund management, make prudent investment evaluations, save costs and monitor account receivables to stabilize its operations.

展望2023年,烏俄戰爭持續、能源與原材料供 應不穩定、全球通貨膨脹風險、匯率與利率波 動等因素,仍將對經濟與經營環境帶來相當程 度之衝擊與複雜度,此等不確定因素將牽動明 年的經營風險與契機。集團預期明年各項國際 與本地原材料、能源與包材供應等,雖仍充滿 變數,但以目前市場的供應情況來看,原材料、 能源價格與運費有機會由現在較高水平稍趨緩 和,此對穩定生產成本與利潤將有一定程度的 助益。惟通貨膨脹風險持續高企,需求仍趨保 守,尤其越南市場受到國際市場不景氣與金融 波動影響,購買力仍然疲弱,明年的經營因而 充滿挑戰,集團將更密切觀察市場變化及靈活 應對。有鑒於此,集團將更彈性進行採購安排, 以穩定生產成本,並適時調整營業架構與強化 銷售策略,且加速新產品發展或策略聯盟的腳 步,也會更注意資金管理與審慎進行投資評 估,並要求節約各項費用與留意應收帳款,以 穩定經營之步調。

Although Vietnam's overall economic activity has slowed slightly in the short term due to the aforementioned economic factors. there is still tremendous potential for development once the shortterm economic volatility is over given its overall favorable business environment and various trade agreements, such as EVFTA, UKVFTA and RCEP, signed with countries and regions including ASEAN member countries, the EU and the UK. Therefore, the Group will remain cautiously optimistic and strive to stabilize and enhance the flexibility and agility of its operations in order to seize opportunities and respond to the rapidly changing operating environment. Building on its solid long-term business foundation, the Group believes that its businesses will continue to advance along the right development track, and all members of the Group are well aware of the opportunities as well as their responsibilities in the changing business environment. The Group will strive to achieve greater breakthroughs and developments in its performance and operations by executing its established business strategies in a pioneering and pragmatic manner.

雖然越南短期間受到此等經濟環境因素的影響,整體經濟活動稍為放緩,但憑藉其優越的 與區域各國簽訂EVFTA、UKVFTA與RCEP等贸協定,預期在短期經濟波動告一段落後,預期在短期經濟波動告一段落後,預期在短期經濟波動告一段落後,有龐大的發展潛力。因此,集團將仍抱對快速變化與機動性,以掌握時機及應對快速變化的發展。營環境。同時,集團相信,在長期經營的的經營環境。同時,集團相信,在長期經營的的經營環境。所有成員,亦深切體認處於多變的經營與所有成員,亦深切體認處於多變的經營則,等團的契機與所局,發展營環衛會與發展,以期集團的業績與經營有更大的突破與發展。

By Order of the Board

承董事會命

Yang Tou-Hsiung

Chairman

21 March 2023

*主席* 楊頭雄

2023年3月21日