

## Chairman's Statement

### 主席報告書

Looking at the global economy in 2023, at the impact of international geopolitics and inflation, it was sluggish with demand on the weak side. Economic growth of major economies, including the US, the EU, the PRC and Asia overall, was affected and the Group's revenue also felt the blow. At the same time, although the rise in price of various raw materials had eased, prices were still at a high level. Thus, the Group's profit though recovered slightly, was restrained. In addition, the interest rate hike in the US has affected financial markets worldwide as well as the interest rates and exchange rates of various countries, hitting the already fragile economic recovery and consumption sentiment turned conservative. Vietnam is the Group's largest market and her economy relies mainly on exports. As markets worldwide weakened, the country's export sales was harmed and consumption weakened, resulting in a slowdown of overall economic growth. Vietnam's GDP grew only 5.05% last year, lower than the 6.5% originally forecasted for the year.

The Group's revenue from operation for the year reached approximately US\$386 million, down by approximately US\$64.84 million, or 14.4%, against the previous year. Due to the economic downturn and decline in market demand, the revenue of several major products of the Group, including MSG, starch sugar, hydrochloric acid, soda, and fertilizer and feed, all dropped. Gross profit for the year was approximately US\$55.43 million, with a gross profit margin of 14.4%, representing an increase gross profit margin of 4.8% over the previous year. The gross profit improvement was mainly from the lower costs of the Group with raw materials prices dropping because of the sluggish global economy and shrink in product demands. In addition, interest rates of borrowings rose markedly this year, so financing cost increased. With the increase in gross profit, net profit for the year was approximately US\$7 million, a significant improvement from net loss of US\$4.38 million in the previous year, and net profit margin was 1.8%.

綜觀2023年全球經濟形勢，受到地緣政治與通貨膨脹之影響，環球經濟仍低迷、需求偏弱。美國、歐盟、中國、亞洲各國等全球主要經濟體的經濟增長都受到影響，此等衝擊亦波及本集團營收。同時，各項原材料價格漲勢雖已較緩和，卻仍處高位，故本集團利潤雖稍有恢復，但仍受限。另外，美元加息也影響全球金融市場與各國貨幣之利率與匯率，衝擊原本仍脆弱的經濟復甦之路，全球整體消費氛圍更趨於保守。本集團最大的市場越南經濟原本即相當倚賴外銷，國際需求受世界各市場景氣轉弱影響，驟然大幅下滑、外銷受阻，當地經濟將連帶受到衝擊，消費轉趨疲弱，整體增長表現趨緩。去年全年，越南的GDP增長率僅為5.05%，低於原預期的6.5%之年度增長率。

本集團年內營業額約為3億8千6百萬美元，較前期下滑約6,484萬美元，下降約14.4%。因各市場景氣與需求下滑，本集團幾項主要產品，包含味精、澱粉糖、鹽酸、蘇打、肥飼料等營收表現均下滑。年內毛利額約5,543萬美元，毛利率為14.4%，較前一年度毛利率提升4.8%。毛利稍恢復主要由於全球經濟景氣不振、各種產品需求下跌使原材料價格趨緩，成本因此下降。此外，本集團今年借款利率大幅上揚，融資成本有所提高。由於毛利上升，年內淨利為約700萬美元，較前期438萬美元之淨虧損有較大幅之提升，淨利率為1.8%。



Sales of the Group's products in major markets mostly declined due to the lack-luster economic situation. In the Vietnamese market, due to lower market demand and keen competition, it was hard to raise the prices of MSG, starch, soda and fertilizers, as a result, revenue from the market decreased by around 11%. The Group's operations in the PRC were still under the weather due to the weak economy affecting sales of different products, as a result, revenue from the PRC market saw a 12.3% drop year-on-year. In Japan, apart from her prevailing weak economy, there was severe market competition that stifled demand for MSG and modified starch, hence revenue from the market fell by approximately 14.5% compared with the previous year. In the ASEAN market, the sales of major products, namely MSG and modified starch, decreased due to cut-throat price competition, resulting in a 13.4% year-on-year decline in revenue from the market. In addition, in the U.S., the drastic rise in interest rate to curb inflation has dealt a blow to economic recovery, leaving consumption sentiment and demand hanging in the balance and the sales of starch sugar products felt the bigger impact. As a result, revenue from the market slid by approximately 32.5%. As for subsequent sales momentum in the market, it remains to be seen.

受市場低迷影響，本集團在各主要市場所經營之各項產品之營收大多有所下滑。在越南市場，味精、澱粉、蘇打與肥料等產品年內市場需求降低，加上售價因市場競爭影響難以提升，營收減少約11%。至於本集團在中國區的營運，因當地整體經濟疲弱、景氣仍未恢復，各項產品之銷售受到影響，以致中國整體營收較前期有約12.3%的下滑。另外，日本市場景氣持續低迷，加上嚴峻的市場競爭，使當地的味精與變性澱粉需求降低，本集團於區內的營收因此較前期下滑約14.5%。東盟市場則受到競品低價競爭影響，主要銷售產品味精與變性澱粉銷量減少，使年內本集團於此區域之業績較前期下滑13.4%。除此之外，美國市場大幅加息以壓制通脹，卻亦衝擊經濟復甦，景氣與需求仍充滿變數，其中澱粉糖產品銷售受影響較大，使本集團於區內的業績下降約32.5%，整體市場後續之銷售表現仍需再觀察。

## Chairman's Statement 主席報告書

By product category, it was hard for the Group to raise prices of its main MSG and seasonings products due to the weak economy in Vietnam, Japan, the PRC and major export markets, and declining demand and competition, which resulted in a 16.7% decrease in revenue against the previous year. As for modified starch, which is another major starch product of the Group, with the Company continuing to promote new product specifications and high value-added products, sales of modified starch grew steadily in such markets as the United States, Europe and Vietnam. However, starch sugar product of the Company recorded a relatively sharp decline in revenue due to decreasing demand and major customers digesting their inventories. All factors taken into account, revenue of starch products and starch sugar products for the year decreased by approximately 10.8% compared with the previous year. However, seeing great market potential in and the development prospect of the product category, the Group has kept developing relevant products as well as their extensions, with the aim of developing diversified products and new products with higher added value. As for hydrochloric acid and soda products in the specialty chemicals category, they saw a decline in market demand in Vietnam and competition sparked by their international prices dropping during the year, and that affected the overall revenue from specialty chemicals, dragging it down by a significant 25.3%. Sales of fertilizer and feed products of the Group were affected by the continuing decline in international prices of chemical fertilizers and urea, and the market tended to think the drop would continue hence it should wait-and-see. As for feed business, sales declined due to spread of diseases in farms, high breeding costs and weak demand in some markets. Overall sales of fertilizer and feed products fell by about 3.9% compared with the previous year. For trade products, with consumer goods industry in Vietnam growing rapidly, the Group is cooperating with a number of internationally renowned brands in product distribution so as to increase the number of product items it operates. In addition, trade products distributed by the Group in the PRC, including bulk food ingredients and coffee beans, with demand varying from region to region and sales correspondingly, overall revenue only decreased slightly by approximately 5.7% against the previous year.

以產品類別分析，因越南、日本、中國與各主要外銷市場的景氣轉弱、本集團主要的味精與調味料產品需求下滑，加競爭因素，本集團在各市場難以提升售價，營收較前期降低約16.7%。因本集團持續致力推展新規格與高附加價值產品，使本集團另一項重要產品變性澱粉在美國、歐洲與越南等市場都有穩定的增長，但澱粉糖卻因需求下降加之主要客戶仍在消化庫存，業績錄得較大幅的下跌，年內澱粉與澱粉糖之營業額較上期合計減少約10.8%。本集團相當重視此類產品的市場潛力與發展，將持續致力於此類產品與其延伸產品之開發，以期發展更多元化產品、開創更高的產品附加價值。另外，特化產品中的鹽酸與蘇打產品，年內受越南市場需求減弱、國際價格下滑造成競爭的影響，整體特化產品營業額相較前期錄得較大幅減少25.3%。而肥飼料產品方面，受到國際化肥及尿素價格一直下跌的影響，市場普遍有看跌不看漲的心理，觀望氣氛濃厚，影響銷售表現。飼料方面，因部份銷售區域發生疫病、養殖成本偏高，同時市場需求偏弱，相關銷售表現錄得下滑。肥飼料整體銷售額仍較前期下跌約3.9%。此外，基於越南消費品產業增長快速，本集團與多家國際知名品牌合作產品相關代理，以增加營運品項，擴大營運規模。由於各地區域需求不同，本集團於中國區的大宗食材與咖啡豆等貿易代理商品銷售表現漲跌互現，使營業額較前期僅微幅減少約5.7%。



Looking ahead at 2024, the economic and business environment will remain rather complex impacted by such factors as the ongoing Russia-Ukraine War and other geopolitical risks, high energy and raw material prices, unstable supply, global inflation, and volatile exchange and interest rates, affecting the Group's operating risks as well as opportunities during the year. Although the prices of raw materials, energy and freight came down a bit last year, which helped stabilize production costs and profit to some extent, the Group expects the supply of various international and local raw materials to be uncertain this year. It sees inflation risks prevailing, consumption demand still needing to catch up and keener market competition for various products. These factors will pose challenges to the Company's operations in the near term and the Company will keep a close watch on situations and respond accordingly. In view of this business environment, on top of more flexibly strengthening daily operations, the Group is accelerating development of new products and honing its technical capabilities. At the same time, it is hastening forging strategic alliances and has begun cooperating with several internationally renowned and excellent enterprises, embarking on production and sales related cooperation and joint ventures in the field of food and fertilizers, so as to speed up introducing new products and new businesses. In the future, the Group will continue to increase the pace and effort of building strategic alliances that it may benefit from the leverage its allies provide and realize higher efficiency, plus explore more diverse business areas.

Although at the impact of various short-term factors in the economic environment, economic activities in Vietnam have slowed down slightly, the market has an outstanding business environment and the brace of such trade agreements as EVFTA, UKVFTA and RCEP signed with countries and regions including ASEAN member countries, the EU and the UK. Thus, after the short-term uncertainty is over, it can expect to see great development potential. Therefore, while remaining cautiously optimistic about its business, the Group will, on top of stabilizing the foundation of its operations and enhancing their flexibility and agility, also actively embark on new operations via forming strategic alliances with a focus on new products and new business areas. The Group believes its operations, resting on solid strategies, will continue to advance and develop on the right track. Well aware of the opportunities and also their responsibilities in the changing business environment, all members of the Group will strive to seize those opportunities, with a pioneering vision and a positive attitude, to achieve greater breakthroughs and development in its results and operations.

By Order of the Board

**Yang Tou-Hsiung**  
*Chairman*

19 March 2024

展望2024年，烏俄戰爭等地緣政治風險持續、能源與原材料價格仍處高位，且供應仍存在不穩定性，而全球通貨膨脹、匯率與利率的波動等因素，仍將對經濟與經營環境帶來相當之複雜度，影響本集團今年的經營風險與契機。雖然原材料、能源價格與運費在去年有稍趨緩和，對穩定生產成本與盈利將有一定程度的助益，但本集團預期今年各項國際與本地原料之供應仍充滿變數，通脹風險持續存在，消費需求尚未恢復、維持保守，而各項產品於市場上之競爭強度卻有增無減，此等因素對短期的經營構成挑戰，本集團將將密切觀察情況並及時應對。有鑒於此經營環境，本集團除將更靈活強化日常營運之外，亦會加快新產品開發與強化技術實力。同時，本集團也將加快策略聯盟的腳步，並已開始與數家國際知名優良企業合作，在食品與肥料領域展開產銷合作與合資的經營，以加快拓展新產品與新事業之步伐。本集團在未來將持續加快、加深策略聯盟的力道，發揮經營槓桿與效率，開拓更多元之經營領域。

雖然越南短年內受到各經濟環境因素的影響，整體經濟活動稍微放緩，但憑藉越南優越的總體經營環境以及其與多國，包含東協、歐盟、英國與、區域各國簽訂EVFTA、UKVFTA與RCEP等貿易協定，預期在短期經濟波動趨穩定後，仍將有龐大的發展潛力。本集團將繼續抱持審慎樂觀的態度，除穩定既定營運基礎，提升經營的彈性與機動性之外，將更進一步，針對新產品與新事業，以策略聯盟的方式積極開創嶄新之營運範疇。同時，本集團相信在穩固的策略下，經營將持續朝向正面的方向發展。集團的所有成員，亦深切體認處於多變的經營環境中，本集團的契機與所肩負之責任，將會以開創的眼光與積極的心態，把握機會，並務實謹慎地來執行集團擬具之各項營運策略，以期對讓本集團的業績與經營有取得更大的突破與發展。

承董事會命

**主席**  
**楊頭雄**

2024年3月19日