

Chairman's Statement

主席報告書

In 2024, while the global economy showed signs of stabilizing, the world's major economies such as the US, the EU, and the PRC, as well as Asia, performed disparately due to such factors as inflation, political risks and financial tensions. Economic conditions in some regions remained uncertain and faced various challenges influenced by geopolitical conflicts. At the same time, while the increase in the prices of various raw materials has eased, prices were still high, with the Group's profits only recovering modestly. In addition, the US dollar exchange rate and interest rate trends also affected the global financial markets, while the interest rates and exchange rates of various national currencies caused uncertainties in the economic recovery as well, with consumer sentiment remaining conservative. Vietnam, the Group's largest market, recorded GDP growth of 6.42% in 2024, roughly in line with the expected growth rate of 6.0%-6.5%, mainly due to the gradual recovery of exports in certain industries. However, the business operations of the country's SMEs and end-consumer sentiment have not yet recovered as expected.

The Group's revenue for the year reached approximately US\$380,000,000, down by approximately US\$5,980,000 or 1.6% from the previous year. Affected by weak market sentiment and demand, as well as cut-throat price competition, revenue from several major products of the Group, including MSG, hydrochloric acid, soda, and fertilizer and feed, all declined. However, gross profit for the year was approximately US\$66,240,000, representing an increase of 19.5% over the previous year, with a gross profit margin of 17.4%. The gross profit improvement was primarily attributable to a modest stabilization of raw material prices and lower costs, as well as the Group's efforts to maintain selling prices. Driven by the increase in gross profit, net profit for the year was approximately US\$16,070,000, a substantial increase of approximately 130% when compared with the previous year's net profit of US\$7,000,000, with a net profit margin of approximately 4.2%.

The performance of the Group's products declined in certain markets due to subdued market sentiment. In Vietnam, market demand for products such as MSG, hydrochloric acid, soda and fertilizers decreased, while market competition led to a decline in selling prices, resulting in a decrease in revenue of approximately 4.4%. The Group's operations in the PRC continued to be affected by the overall weak economy, and order placement remained sluggish. However, the Group sought to stabilize its sales of seasoning and actively expanded its distributed products, including coffee beans, resulting in an increase in overall revenue from the PRC market of approximately 2.1% when compared with the previous period. As for the Japan operations, the Group worked diligently to promote new products such as high-end modified starch, but revenue from this market still fell by approximately 2.0% against the previous year, due to the weak Japanese yen and fierce market competition. In the ASEAN market, revenue from MSG declined due to intense price competition, but the Group continued to increase sales of modified starch in the region, resulting in a modest rise of 1.1% in revenue during the year compared with the previous year. In addition, in the US, the economy gradually recovered as consumer spending power steadily increased, driving the Group's sales of starch sugar and MSG in this market, and resulting in a revenue increase of approximately 20.8% when compared with the previous year. The Group will capitalize on this momentum by developing and supplying products that address the market demand, aiming for further performance breakthroughs in the future.

綜觀2024年全球經濟形勢雖稍穩定，但美國、歐盟、中國、亞洲等世界各主要經濟體因通脹、政治風險及金融緊張之因素，經濟表現各異，而部分區域在地緣政治衝突的影響下，經濟景氣仍充滿變數與挑戰。與此同時，各項原材料價格漲勢雖已較緩和，但卻仍處高位，使集團盈利僅稍微恢復。此外，美元匯率及利率走勢也影響全球金融市場與各國家貨幣之利率與匯率，使經濟復甦蒙上不確定性，消費氣氛仍瀰漫觀望與保守。在集團最大的越南市場，2024年的GDP增長率為6.42%，雖大致符合原預測的6.0-6.5%，但主要是由於特定產業逐漸恢復出口，而國內中小企業之經營與末端消費景氣仍尚未如期復甦。

集團於年內的營業額約3億8千萬元，較前期下滑約598萬美元，下降約1.6%，由於主要市場景氣與需求仍未完全恢復，同時競品低價競爭，集團幾項主要產品，包含味精、鹽酸、蘇打、肥飼料等的營收均錄得下滑。年內毛利額約6,624萬美元，較前期提升19.5%，毛利率為17.4%。毛利恢復主要由於原材料價格稍趨穩定，成本下降，而集團同時努力維持售價。受毛利上升推動，年內淨利潤為約1,607萬美元，較前期的700萬美元大幅增加約130%，淨利率為約4.2%。

集團在各主要市場所經營之各項產品受景氣影響，在部份區域有所下滑。在越南市場，味精、鹽酸、蘇打與肥料等產品因年內市場需求降低，加上市場競爭，售價稍降，使營收減少約4.4%。集團在中國區的營運受整體經濟疲弱的影響，下單氣氛仍較低迷，但集團致力穩定調味品銷售，並積極擴展咖啡豆等業務，使中國市場整體營收較前期提升約2.1%。至於日本市場的營運，集團努力推展高端變性澱粉等新產品，但在日圓疲軟與嚴峻的市場競爭之下，該市場營收仍較前期下滑約2.0%。東盟市場方面，雖然味精的營收受到競品低價競爭影響下滑，惟集團持續推升於該區域之變性澱粉銷售，使年內營收較前期略升1.1%。此外，美國市場經濟逐漸復甦，消費力道逐步提升，推動集團在該市場的澱粉糖與味精銷售增加，使營收較前期提升約20.8%。集團將趁此勢頭持續開發與供應市場需求產品，以期未來進一步取得業績突破。

Chairman's Statement

主席報告書

By product category, revenue from the Group's main MSG and seasoning products decreased by approximately 5.5% against the previous year due to the weak economy in Vietnam, Japan, the PRC and other major export markets, as well as low-price competition in various markets and pressure to lower selling prices. As for another important starch product, the Group continued to promote modified starch products with new specifications and high added value, enabling stable growth of modified starch to be achieved in markets such as Japan, ASEAN and Vietnam. At the same time, driven by the Group's efforts to develop customer demand for modified starch products in the US and Vietnam, revenue from starch products and starch sugar products increased by approximately 5.2% year-on-year. Given the tremendous market potential and development prospects of this product category, the Group has sought to further broaden this category with the aim of developing diversified products and new products with higher added value. Concerning the hydrochloric acid and soda products in the specialty chemicals category, they witnessed weak market demand in Vietnam and severe price competition during the year, hence the overall revenue of specialty chemicals declined by 3.2% when compared with the previous year. Sales of the Group's fertilizer and feed products were affected by the sluggish international prices of chemical fertilizers and urea, and the market tended to believe that the decline would continue, resulting in a wait-and-see sentiment. As for the feed business, sales declined due to such factors as the spread of diseases on farms, high breeding costs and weak demand in some markets. Overall sales of fertilizer and feed products fell by approximately 2.9% when compared with the previous year. Separately, with the consumer goods industry in Vietnam growing rapidly, the Group has cooperated with several internationally renowned brands in product distribution during the year, so as to increase the number of products in operation and expand its scale of operations. At the same time, the Group promoted products that it distributes in the PRC, including coffee beans, and met corresponding demand by segmenting the market, leading to an approximately 14.6% increase in the overall performance of distributed products when compared with the previous year.

以產品類別分析，集團主要的味精與調味料產品因越南、日本、東協等主要市場的景氣尚未恢復，加上各地市場低價競爭，售價有下跌壓力，使營收較前期下降約5.5%。對於另一項重要的澱粉產品，集團持續推展新規格與高附加價值的變性澱粉產品，使變性澱粉在日本、東盟與越南等市場都有穩定的增長，同時努力開發美國與越南客戶對澱粉糖產品之需求，推動年內澱粉產品與澱粉糖之營業額同比增長約5.2%。集團相當重視此類產品於市場的潛力與發展，持續致力開發其延伸產品，以期發展更多元化產品及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，年內越南市場需求仍弱、加上競品低價競爭之影響，使整體特化產品的營收相較前期減少3.2%。集團的肥飼料產品營運方面，受到國際化學肥料及尿素價格不振，肥料市場普遍有看跌不看漲的心理，觀望氣氛濃厚，影響銷售。在飼料方面，部份銷售地區發生疫病，養殖成本偏高，市場需求偏弱，以致銷售下滑，集團的肥飼料整體銷售額較前期下跌約2.9%。另外，鑑於越南消費品產業增長快速，集團在年內與多家國際知名品牌合作產品代理，以增加營運品項，擴大營運規模。同時，集團在中國區推展咖啡豆等商品，以區隔市場滿足需求，使集團整體代理品業績較前期增加約14.6%。

Chairman's Statement

主席報告書

Looking ahead to 2025, the economic and business conditions will remain relatively complex, influenced by factors such as the ongoing Russia-Ukraine war, the conflict in the Middle East and other geopolitical risks, as well as uncertainty surrounding the prices and supply of energy and raw materials. Still other variables include trade tariffs, inflation risks linked to the US dollar exchange rate and interest rate trends, and fluctuating exchange and interest rates that will add to the complexity of the economic and business environment, which in turn will have a bearing on operating risks and opportunities this year. Although the prices of raw materials and energy have come down somewhat, helping to stabilize production costs and profits to a certain extent, the supply of various raw materials is expected to be uncertain. The Group believes that inflation risks will persist, consumption demand will still be recovering and market competition for various products will become increasingly fierce. The aforementioned factors will pose challenges to the Group's operations in the near term, hence the management will closely monitor the market situation and respond accordingly. In addition to making daily operations more flexible, the Group is accelerating the development of new products and improving its technical capabilities. At the same time, it is expediting the formation of strategic alliances and has entered into technological development and production and sales-related cooperation, so as to accelerate the introduction of new products and development of new businesses. In the future, the Group will continue to accelerate and deepen its strategic alliances in the same industry or across different industries, leverage its operational efficiency, and explore more diverse operating areas. Concurrently, with the popularity of online applications, the Group will speed up the evaluation of opportunities for developing online and e-commerce sales channels to enhance the diversity and levels of its sales channels.

展望2025年，俄烏戰爭與中東衝突等地緣政治風險持續，能源與原材料價格與供應仍存在不確定性。貿易關稅、美元匯率與利率走勢所連動之通脹風險、匯率與利率波動等變數，也將對經濟與經營環境帶來相當之複雜度。此等不確定因素將牽動今年的經營風險與契機。雖然原材料、能源價格已稍趨緩和，此對穩定生產成本與盈利已顯現一定程度的助益，惟各項原料供應預期仍存在變數，通脹風險持續，消費需求尚未恢復，尤其各項產品於市場之競爭亦日趨激烈。上述此等因素使集團的經營短期尚充滿挑戰，集團的經營層將密切觀察市場情況及作出應對。集團將更靈活強化日常營運，並正加快新產品開發與強化技術實力。同時，集團將落實策略聯盟的腳步，目前已展開數項技術開發與產銷合作的經營，以加快拓展新產品與新業務的步伐。集團未來也將持續加快、加深同業或異業策盟，發揮經營槓桿與效率，開拓更多元之經營領域。同時，隨著網絡應用普及，集團將加速評估開拓於網絡與電商銷售渠道，提升更多元化之銷售渠道與層次。

Chairman's Statement 主席報告書

Although Vietnam is still affected by various economic factors in the short term, economic activity is still recovering. The market has an outstanding business environment and a brace of trade agreements such as EVFTA, UKVFTA and RCEP signed with countries and regions including the ASEAN, the EU and the UK. Once the 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 strategic alliances with a focus on new products and new business areas. The Group believes its operations, underpinned by 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, and implement its established operating strategies pragmatically and cautiously to achieve greater breakthroughs and development in its results and operations.

By Order of the Board

Yang Tou-Hsiung
Chairman

25 March 2025

雖然越南短期仍受到各經濟環境因素的影響，整體經濟活動仍在復甦中，但憑藉其優越的總體經營環境，以及與東協、歐盟、英國與區域各國簽訂EVFTA、UKVFTA與RCEP等貿易協定，預期經濟波動趨穩定後，仍將有龐大的發展潛力。因此，集團將仍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，以策盟的方式，積極開創嶄新之營運範疇。同時，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。集團的所有成員深切體認處於多變的經營環境中，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，以期業績與經營有更大的突破與發展。

承董事會命

主席
楊頭雄

2025年3月25日