



Annual Report 年報 2008



**VEDAN**  
INTERNATIONAL

Vedan International (Holdings) Limited  
味丹國際(控股)有限公司  
Stock code 股份代號 : 2317



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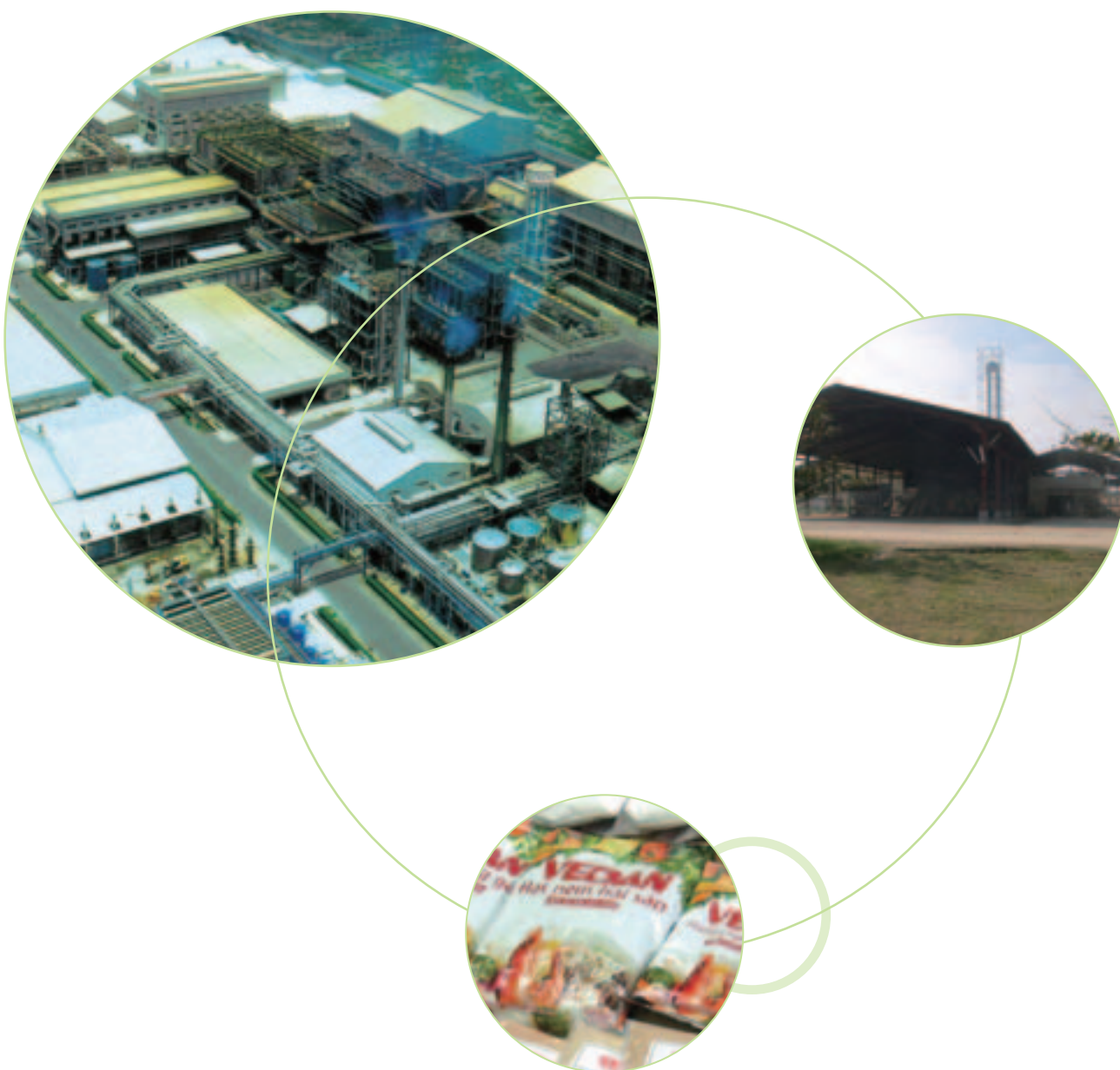


# Corporate Profile

## 公司簡介

Vedan International (Holdings) Ltd. has been listed on the Main Board of the Stock Exchange of Hong Kong since 2003. The Group is the leading producer of fermentation-based amino acids, food additive products and cassava starch-based industrial products in Asia. Our products are sold to food distributors, international trading companies, and manufacturers of food, paper, textile, and chemical products in Vietnam and other ASEAN countries, the PRC, Japan, Taiwan and several European countries. Most of our products are marketed under the VEDAN brand name.

味丹國際於二零零三年在香港聯交所主板上市。本集團是亞洲區域內以發酵技術生產氨基酸產品、食品添加劑及澱粉工業產品的領先生產製造商。味丹國際的產品銷售予越南、東盟國家、中國、日本、台灣以及一些歐洲國家的食品分銷商、國際貿易公司，以及食品、紙類加工、紡織和化學產品生產商，本集團大部份產品均以「味丹」品牌銷售。



# Corporate Profile

## 公司簡介



Since the 1970s, our products have been marketed in Vietnam, the PRC, and other ASEAN countries. To accelerate market expansion, the Group established Vietnam Vedan in 1991 as our major production base. Since then, the Group's production has undergone continuous expansion due to strong growing demand. The Group is currently the largest MSG producer in the Southeast Asian region, and the largest supplier of lysine and cassava starch-based industrial products in Vietnam. In 1995, Vedan acquired a factory in Xiamen to focus on developing the PRC market. In 2004, the Group further acquired the assets and MSG business of Shanghai Vedan Foods Company Limited, which will be developed into its business operations center in the PRC, signifying its determination and commitment to become a major player in the PRC market. To ensure the Group has a stable supply of starch and a strong production platform for starch related products, Vedan Vietnam acquired Ve-Thai Tapioca-Starch Co. Ltd. in November 2005. In December the same year, Shandong Vedan Snowflake Enterprise Co., Ltd. was established and started production of GA in April 2006. Shandong Vedan Snowflake will play a crucial role in Vedan's global supply chain in the future, allowing it to meet the demand and to stabilize prices of raw materials, hence facilitate its business development strategy in China.

Leveraging on our production facilities located in Vietnam and China, steady upstream supply of raw materials, our possessing of advanced fermentation production technology and other biochemical processing technology, coupled with the experienced management team, the Group boasts strong competitiveness over its peers.

自七十年代起，我們的味精產品即銷售到越南、中國及其他東盟國家。為加快開拓市場，本集團於一九九一年成立越南味丹作為主要的生產基地，之後，業務不斷發展，生產規模也持續擴大。目前，已是東南亞地區最大的味精生產廠商。在越南國內則是最大的賴氨酸和澱粉工業產品供應商。於一九九五年收購廈門茂泰廠以專注於發展中國市場。更在二零零四年收購上海味丹食品公司之資產及味精業務，作為其中國區營運中心，務求全力開發中國市場。二零零五年十一月味丹越南完成收購味泰木薯澱粉有限公司，將為本集團提供穩定之澱粉供應，並加強澱粉產品的生產基礎。同年十二月成立山東味丹雪花實業有限公司，並於二零零六年四月開始生產谷氨酸。未來，將成為味丹國際全球供應鏈中的一個重要環節，讓集團進一步穩定原材料供應量及價格，以配合其於中國的業務發展策略。

憑藉我們位於越南和中國的生產設施、上游原材料的穩定供給，所擁有高級醱酵工藝技術以及其他高級生化加工技術，加上管理團隊所擁有的豐富經驗和知識，本集團對所從事的行業享有優勢競爭力。

# Corporate Information

## 公司資料

### BOARD OF DIRECTORS 董事會

#### Executive Directors 執行董事

|                  |     |
|------------------|-----|
| Yang, Tou-Hsiung | 楊頭雄 |
| Yang, Cheng      | 楊正  |
| Yang, Kun-Hsiang | 楊坤祥 |
| Yang, Chen-Wen   | 楊辰文 |
| Wang, Joel J.    | 王肇樹 |

#### Non-executive Directors 非執行董事

|                   |     |
|-------------------|-----|
| Huang, Ching-Jung | 黃景榮 |
| Chou, Sze-Cheng   | 周賜程 |

#### Independent Non-executive Directors 獨立非執行董事

|                |     |
|----------------|-----|
| Chao, Pei-Hong | 趙培宏 |
| Ko, Jim-Chen   | 柯俊禎 |
| Chan, Joen-Ray | 陳忠瑞 |

### AUTHORISED REPRESENTATIVES 法定代表

|                  |     |
|------------------|-----|
| Yang, Kun-Hsiang | 楊坤祥 |
| Wang, Joel J.    | 王肇樹 |

### COMPANY SECRETARY 公司秘書

|             |     |
|-------------|-----|
| Lo, Chi-Man | 羅志文 |
|-------------|-----|

### AUDITORS 核數師

PricewaterhouseCoopers  
*Certified Public Accountants*  
羅兵咸永道會計師事務所  
執業會計師

22nd Floor, Prince's Building, Central, Hong Kong  
香港中環太子大廈22樓

### LEGAL ADVISORS 法律顧問

#### Deacons 的近律師行

5th Floor, Alexandra House, 16-20 Chater Road,  
Central, Hong Kong  
香港中環遮打道16-20號歷山大廈5樓

### REGISTERED OFFICE 註冊辦事處

Century Yard, Cricket Square,  
Hutchins Drive, George Town  
Grand Cayman  
British West Indies

### PRINCIPAL PLACE OF BUSINESS 主要營業地點

#### Vietnam Office 越南辦事處

National Road 51, Hamlet 1A,  
Phuoc Thai, Long Thanh District,  
Dong Nai Province, Vietnam  
越南同奈省  
隆城縣福泰社  
51國道旁第1A邑

#### Shanghai, China Office 中國上海辦事處

No. 158 CheXin Road, Songjiang Industrial Park  
Shanghai, PRC  
中國上海市  
松江工業區車新公路158號

#### Shandong, China Office 中國山東辦事處

Xuehua Industry Park, Wangyin, Jining, Shandong, PRC  
中國山東省  
濟寧高新技術開發區  
王因鎮雪花工業園

#### Xiamen, China Office 中國廈門辦事處

568, North Tong Ji Road,  
Tong-An District, Xiamen City,  
Fujian Province, PRC  
中國福建省廈門市  
同安區同集北路568號

#### Taiwan Office 台灣辦事處

18 Jinhua Street, Shalu  
Taichung, Taiwan, ROC  
台灣台中縣  
沙鹿鎮錦華街18號

#### Hong Kong Office 香港辦事處

Suite 3706, 37th Floor, West Tower, Shun Tak Centre  
200 Connaught Road Central, Hong Kong  
香港中環干諾道中200號  
信德中心西座37樓3706室

### WEBSITE 網址

[www.vedaninternational.com](http://www.vedaninternational.com)

# Financial Highlights

## 財務摘要

| 截至十二月三十一日止年度<br>For the year ended 31 December |             |                           |                           |              |
|--|-------------|---------------------------|---------------------------|--------------|
|  |             | 2008<br>US\$'000<br>(千美元) | 2007<br>US\$'000<br>(千美元) | Change<br>變化 |
| Turnover                                       | 營業額         | 348,557                   | 317,431                   | 9.8%         |
| Profit from operations                         | 經營盈利        | 13,462                    | 20,738                    | (35.1%)      |
| Net profit                                     | 純利          | 8,403                     | 16,856                    | (50.1%)      |
| Shareholders' funds                            | 股東權益        | 257,910                   | 257,716                   | 0.1%         |
| Basic earnings per share (US cents)            | 每股基本盈利 (美仙) | 0.55                      | 1.11                      | (50.4%)      |
| Diluted earnings per share (US cents)          | 每股攤薄盈利 (美仙) | 0.55                      | 1.10                      | (50.4%)      |
| Interim dividend per share (US cents)          | 中期股息 (美仙)   | 0.3050                    | 0.26202                   | 33.5%        |
| Final dividend per share (US cents)            | 期末股息 (美仙)   | -                         | 0.29105                   | -            |
| Dividend payout ratio                          | 派息率         | 55%                       | 50%                       | 10%          |

### TURNOVER 營業額

12 months ended 31 Dec 2008  
截至二零零八年十二月三十一日止十二個月



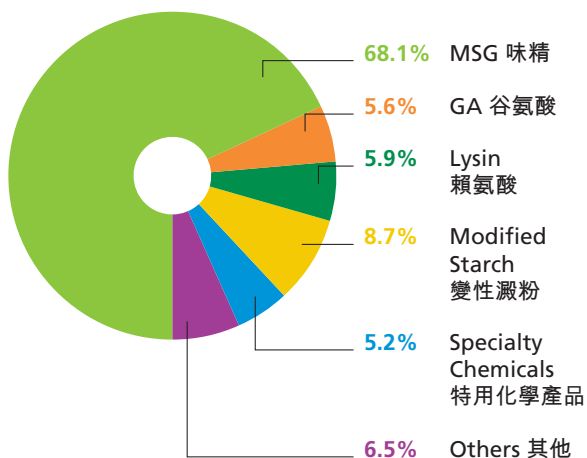
### NET PROFIT 純利

12 months ended 31 Dec 2008  
截至二零零八年十二月三十一日止十二個月



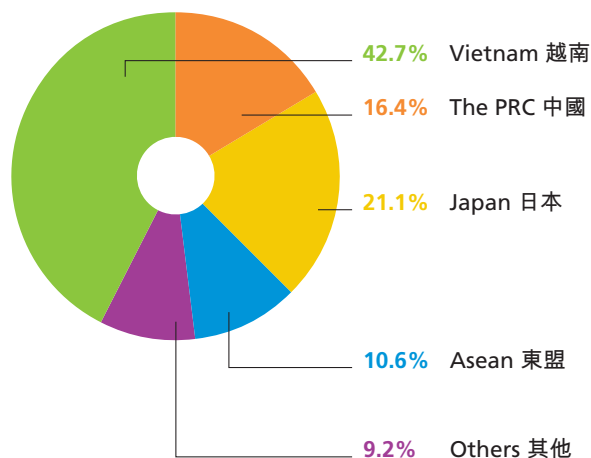
### TURNOVER BY PRODUCTS

按產品分類之營業額  
12 months ended 31 Dec 2008  
截至二零零八年十二月三十一日止十二個月



### TURNOVER BY GEOGRAPHIC LOCATION

按地區分類之營業額  
12 months ended 31 Dec 2008  
截至二零零八年十二月三十一日止十二個月



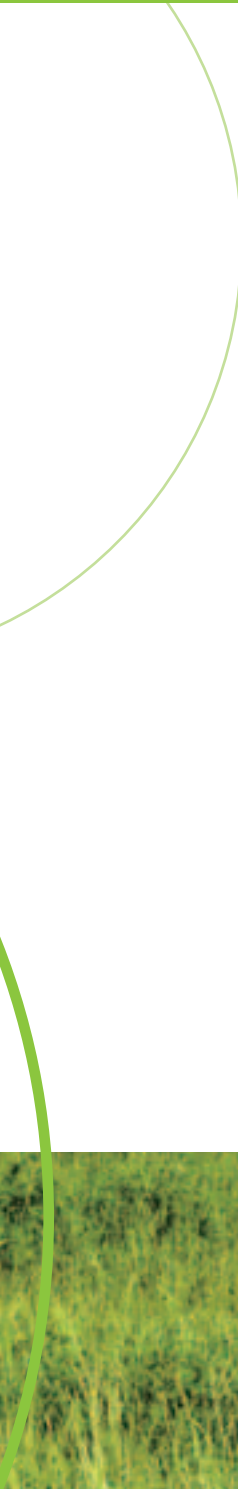


# Great Vision 高瞻遠矚

ARMED WITH MODERN TECHNOLOGY AND SOUND MANAGEMENT, WE HAVE SUCCESSFULLY CREATED A NUMBER OF QUALITY PRODUCTS TO CATER TO THE CONSUMERS' TASTES AND DEMANDS.

憑著現代科技設備與管理，我們成功始創多種優質產品，以迎合消費者的口味和要求。





Long-established in Asia, Vedan International (Holdings) Limited is a premier manufacturer of fermentation-based amino acids, food additive and cassava starch-based products. Its prominent reputation has been built on the quality manufacture of MSG, a key food additive lying at the heart of the unique tastes of Asia's two billion consumers. The Group's vision of the future is simple: to expand and enrich its markets across the Asian region while developing new products for the demand of consumers.

味丹國際(控股)有限公司立足亞洲，是以醱酵生產技術生產氨基酸、食品添加物和木薯澱粉類產品的知名生產商。味丹國際的成功奠基於其生產優質的味精產品上，而此主要食品添加物在亞洲二十億消費群眾的口味中佔有重要地位。集團未來的目標：拓展及加強亞洲市場，發展新產品，以滿足消費者的需求。

# Chairman's Statement

## 主席報告書



The Group reported satisfactory operational and financial results in the first three quarters of 2008. However, came the fourth quarter during which the global financial crisis hit and the Group had to cut production at the Vietnam plant because of violation of environmental standards in September, sales of major products of the Group were affected and in turn the overall performance of the Group fell below expectation.

For the entire year, the Group made US\$348,557,000 in turnover, up 9.8% when compared with 2007. Excluding the about US\$7,729,000 environmental fee paid by the Vietnam plant, net operating profit was approximately US\$16,132,000. Deducting the environmental fee, profit attributable to equity holders of the Company amounted to US\$8,403,000, around 50% lower than that of 2007. The fee of US\$7,713,000 was deemed appropriate by the Vietnam government as a result of the incident of violation of environmental standards by the plant in September 2008. The amount would be recognized in all in FY 2008 according to Hong Kong Financial Reporting Standards. At the same time, the Group cut production of MSG, lysine and starch products because of restriction of environmental protection provisions, hence the sales, turnover and profitability of the products declined. Furthermore, profit from the Shandong plant was lower than expected because the adjustment in selling prices was not able to reflect risen raw material and fuel costs fully. It led to lowered profit and ultimately affected the Group's overall profitability.

集團於二零零八年前三季的營運與業績原維持有不錯的增長，但於第四季，由於受到全球金融海嘯效應影響，以及越南廠在9月份發生環保事件，俾使該廠之生產活動暫時減產，多項主要產品的生產與銷售因此受到影響，致使集團整體之業績不如預期。

整體而言，集團於二零零八年之營運，營業額達348,557,000美元，較二零零七年提升9.8%，原營運淨利為約16,132,000美元，但因繳交越南廠環保事件所引起之追收環保水處理費約770萬美元，致使股東權益獲利降至8,403,000美元，較二零零七年度減少約50%。此項主因為集團所屬之越南廠於二零零八年九月份發生環保事件，越南政府要求公司追繳環保水費約7,713,000美元。依國際會計準則規範，此追繳費用全部將於二零零八年度認列。同時，二零零八年第四季因受到環保處理設備的限制，味精，賴氨酸與澱粉產品之生產產能減少，連帶造成銷售量的降低，營業額與獲利的下滑。另外，山東廠因去年之原料及能源成本較高，而在市場售價未能及時提升的狀況下，獲利亦不如預期，影響集團整體之盈利水準。

By geographical market and business segment, excluding the 6.55% decrease in the Vietnam market affected by the environmental issue, all markets of the Group reported growth, in particular the Japan market, which surged 54.8%. As for the China and ASEAN markets, they grew by 10% and 6.2% respectively. Other regions, including Europe, the US and Korea, though accounted only for approximately 9% of the Group's total turnover, boasted together an about 34.4% leap in turnover against 2007. By product, sales of core products in 2008 had steady growth, with sales of MSG, modified starch and specialty chemicals all reported double-digit growth in their main markets. Seasonings and fertilizers which the Group has been actively promoting recently recorded 95.3% and 124% growth respectively. These operational results speak to the promising prospects of the new businesses of the Group.

#### ABOUT THE ENVIRONMENTAL ISSUE

The environmental issue at the Vietnam plant was a result of operational negligence of the Group. To meet fast growing demand for its products in the market, the Group had focused mainly on boosting production capacity and neglected the need to make sure environmental provisions at the plant are upgraded to match the capacity expansion. This led to wastewater discharge from the plant failing to meet environmental protection standards. After the matter came to light when relevant government department inspected the plant in September, the Group immediately began to implement remedial measures including upgrading the three sets of wastewater treatment equipment at the plant, drawing up plan to install two new sets of wastewater treatment equipment and additional recycling facilities including special condensation equipment and a solid fertilizer plant.

The by-products including wastewater and fermentation liquors the Vietnam plant produces do not contain any toxic substance and heavy metal that are harmful to human beings. However, the fermentation liquors contain amino acids, bacterial proteins and other nutrients, which can be condensed and turned into fertilizers and animal feeds. The CMS, Vedagro and solid fertilizers produced now are all sold in Vietnam and to overseas markets. In the incident, the Vietnam government not only required the Group to improve and upgrade the environmental protection equipment at the plant, but also imposed a fine of US\$16,000 and an additional environmental fee amounting to US\$7,713,000 to be paid in two years.

以各地區市場分析與業務經營而言，除越南市場於第四季受到環保事件的波及，稍有5.2%的下降外，其他各地區仍是持續成長，尤其在日本市場業績更是成長54.8%，中國市場與東盟市場也有穩定地成長10%與6.2%，其他市場包含歐洲、美國與韓國等地，雖然此區域的營業金額僅佔公司約9%之營業額，但卻較二零零七年快速成長約34.4%。另一方面，以產品別分析而言，集團的核心產品在二零零八年的營業表現也都有穩健的成長，味精、變性澱粉與特用化學品在各主要市場都有超過雙位數成長的表現。尤其集團近來積極推動的風味調味料與肥料產品，也有95.3%與124%成長的業績。這些營運成果的增長也顯示集團在產業的發展應可期待。

#### 環保事件的說明

越南廠環保事件的發生，是公司在經營上產生了疏忽，主要是之前為了因應市場對產品快速增加的需求，公司對各項產品採取急速的擴產，導致尚在規劃中的環保設備未能及時趕上生產的進度來同步擴充，致使處理廢水能力不足，而將未符合標準的廢水排出；及至去年九月份，越南權責單位舉發上述情事，公司接受調查並立即配合所有相關之環保補正措施與處理方式，其中包括立即強化現有的三套廢水處理設備，規劃新增設兩套廢水處理設備，規劃新增設資源化設備（包括特殊濃縮設備與固體肥料廠）。

越南廠生產產生的相關廢水與醱酵母液副產品，都不含有危害人體的毒性物質與重金屬。而醱酵母液因為含有氨基酸、菌體蛋白質與其他營養成份，經濃縮後再製成肥料與飼料產品。現有的生產設備所生產的CMS、Vedagro與固體肥料等產品，都已充分銷售越南與國外市場。在本次事件中，越南政府除要求公司對相關環保設施做改善與提升外，並處以約16,000美元的罰款及分兩年支付的追繳7,713,000美元之環保水處理費。

The environment issue was the primary factor affecting the operation and profitability of the Group for 2008 in addition to causing material impacts on the production, sales, good will and capital standing of the Vietnam plant. The management would like to take this opportunity to apologise to the people of Vietnam and shareholders for the inconvenience caused to them by the incident. The Group also wishes to pledge determination to and confidence in completing improvement works at the plant as promised and becoming a green enterprise.

Vedan Vietnam will implement remedial measures pursuant to the requirements of local government including improving the existing wastewater treatment equipment at the plant, installing additional wastewater treatment facilities and establishing a new production plant for recycling by-products into fertilizer products. At the same time, the Group has commenced trial production of Bio-gas (Biological fuel) at its starch plants in Binh Phuoc and Gai Lai of Vietnam at the beginning of 2009, which agrees with the Clean Development Mechanism ("CDM") with emphasis on environmentally friendly processing and lowering of carbon emissions advocated by the United Nations. The Ha Tinh starch plant will also start related trial production in the third quarter this year. Furthermore, the Company has started work in relation to securing ISO14001 certification and expects to gain accreditation within 2009. The Group hopes to achieve a complete change in the organisation in the aspect of environmental protection from its operational principles to both the hardware and software of its management system. Its goal is to become an environmentally responsible enterprise that runs a business conducive to the sustainability of the world.

At the break of the incident, the Group took a number of immediate measures to maintain stability of its daily operation and alleviate adverse impacts from the issue. These measures included activating the raw material supply chain to ease pressure from the production cut. The Group also placed order for additional relevant environmental protection equipment, which will be installed and are expected to gradually begin operation this year. By then, the Vietnam plant will be able to resume full production.

此環保事件確為二零零八年影響集團營運與獲利最重大之因素，對越南廠的生產、銷售、商譽與資金均有實質的影響。管理層在此也對越南社會大眾與所有股東，因為此事件所造成的不安與影響，深刻致歉。在此同時，集團下定決心，而且也有信心要將相關的環保工作確實做好，目標是要成為環保的綠色企業。

越南廠對環保的改善做法，將配合按照越南政府所要求的相關改善措施，強化現有廢水處理設備，增設廢水處理設施與增設資源化肥飼料生產廠，同時集團也已於平福省及嘉萊省兩地的澱粉生產廠中，在2009年初進行Bio-gas (生物燃料) 生產廠的試俾，這是配合聯合國推動清潔發展機制(CDM)的一項工作，以達到環保處理與減碳的功能。而在河靜省澱粉廠也預計於今年第三季導入試俾運轉。同時，公司已經展開ISO14001認證工作的進行，預計在今年內取得此項國際環保認證。集團希望藉從觀念，制度與軟硬體設備，由裏而外徹底改善，做好環保的工作，達到愛護環境，永續經營的目標。

對於環保事件發生後，在生產的應變方面，集團也立即採取幾項應變措施以穩定及減輕對經營的衝擊，其中包括啟動原料供應鍊運作，以減低因降載生產的衝擊。同時，越南廠已增購改善環保相關設備，預計於今年內可逐步完成建置投入運轉，待建置完成後，立即可恢復至原有的生產產能。

## OUTLOOK FOR 2009

In 2009, the world will continue to be overshadowed by the global economic downturn. Raw material prices are expected to soften, but the selling prices of products will also face pressures resulting from market factors. Given the uncertain economy and the temporary reduced capacity of the Vietnam plant, the Group will take a more prudent approach in operating its business in the coming year, aiming for profit, combination of flexible application of its raw material and product supply chains, stronger sales in major markets, stable selling prices of products and lower costs.

The Group will also capitalise on the change in the economic environment to consolidate its overall marketing strategy and strengthen its distribution channel set up so as to gain direct control over its sales network and raise the value of the distribution channels. Furthermore, heeding the liberalised market for trading activities in Vietnam, the Group will seek to begin related trading and sales businesses riding on already established channels. The Group will also look for different opportunities and cooperative projects in the growingly open and mature business environment in Vietnam. By combining its local advantages and international experience, the Group is hopeful of achieving integrated benefits and additional synergies for its operations.

Although the Group was affected by the poor economic environment and the production cut at its Vietnam plant in the past year, the management believes the Group has strong fundamentals and competitive strengths to assume market leadership, and also is presented with a growth market. The environment issue has no doubt dealt a blow on the Group's short-term performance, but when the improvement measures are eventually completed, the Group is confident of becoming a proud green enterprise and delivering outstanding production and sales performances. Here, again, the Group apologises for its negligence and hopes to prove in time its sincerity in honouring its responsibility to the society and improving its profitability. We are determined not to disappoint the society and our shareholders who have placed their trust in us and have high hopes for us over the years.

By order of the Board

**Yang, Tou-Hsiung**  
*Chairman*

Hong Kong, 7 April 2009

## 二零零九年之佈局

延續二零零八年的經濟情勢，今年全球的景氣仍籠罩在低迷的氣氛中，雖然原物料價格趨緩，但是產品售價也可能受到因市場因素所產生的壓力。故基於整體經濟景氣的不確定因素與越南廠生產產能的限制，集團今年將採取較穩健的經營策略，將以獲利為主要目標，結合原料與產品供應鍊的彈性運作，鞏固主要市場銷售，穩定售價與降低成本為主要工作項目。

集團也將利用此經濟轉變的時機，再加強整合整體的行銷策略與進行通路架構之深耕，直接掌握銷售網絡，以提升通路價值。同時，配合越南已開放之貿易環境，集團將藉由已成熟的通路，規劃投入相關貿易與銷售之運作。另一方面，對於日益開放與成長的越南經營環境，集團也將掌握機會，積極檢討尋找各項合作項目，結合地緣利基與國際經驗，以期能強化經營綜效與加乘效果。

集團雖然今年遭遇總體經濟景氣低迷與越南生產產能的限制，但是，管理層相信集團核心產業的基本面仍看好，市場對產品的需求還是有增無減，集團在產業界中也仍具備領先的競爭能力。雖然，環保事件的確造成集團在短期間的挫折，但在今年內逐步完成環保改善以後，集團有信心不僅將成為環保的綠色企業，更能全力衝刺生產與銷售業績。我們要再次因公司疏失引起本次環保事件向社會大眾與股東道歉，集團將用誠心與時間來證明我們對社會責任與盈利提升的決心與努力，以不負從過去到現在，社會大眾與股東們對集團的信賴與期望。

承董事會命

*主席*  
**楊頭雄**

香港二零零九年四月七日



# STANDING OUT IN A SPECIALIZED INDUSTRY

## 投注於專門產業中的 佼佼者

As a successful long-term player in a market with significant entry barriers, Vedan International has distinct competitive advantages that add real value to its products. With advanced expertise in large-scale fermentation technology, starch processing conversion technology and chemical and electro-chemical technology, Vedan International is developing new products which represent the latest breakthroughs in industrial science and look set to be major profit drivers in the future.

味丹國際所從事的產業入行屏障高，而集團能長期屹立其中，是因為本身獨特的競爭優勢能附加真正的價值於產品中。擁有大規模之醱酵、澱粉加工轉換、化學和電解化學等先進技術，味丹國際不斷發展突破產業科學的新產品，為未來盈利創造強勁的動力。憑著現代科技設備與管理，我們成功始創多種優質產品，以迎合消費者的口味和要求。

# Management Discussion and Analysis

## 管理層討論與分析

### BUSINESS OVERVIEW

In 2008, the Group, like most of the enterprises around the world, had to face severe challenges resulting from drastic changes in the financial, economic and raw material scenes. The business environment in Vietnam, the main production base of the Group, also saw rapid changes during the year. In the past few years, Vietnam has been among the fastest growing economies in Asia with an average GDP growth of 8% between 2003 and 2007. In the first half of 2008, the overheated economy pushed inflation up to the high of around 25% in May as compared to that of in May 2007 and prompted the Vietnamese government to tighten monetary policy as a means to contain the situation. That was the reason for the lending rate of the Vietnam Dong to stand above 19% in mid-2008. At the same time, to cut trade deficit and alleviate the pressure on the Vietnam Dong to depreciate, import control measures were implemented. Stepping into the second half year, hit by the global financial tsunami, economies around the world slipped into recession. The phenomenon, though helpful to countering inflation in Vietnam, also caused international oil price and prices of agricultural products to drop. This dealt a serious blow to Vietnam which relies heavily on export to overseas markets including the US, EU countries and Japan and with crude oil and agricultural products making up the bulk of her exports. Subjected to all these factors, the annual GDP growth of the country in 2008 was 6.23%, lower than the 7% forecast.

Vedan Vietnam, the main operating arm of the Group, and its business in particular were inevitably affected by the drastic changes in the economic and financial situations in the country and the world. At the same time, due to too rapid expansion, the Group was also adversely impacted by the incident of breach of wastewater discharge regulations in September requiring it to re-pay US\$7,713,000 environmental fee and stop or cut down on production to meet environmental protection regulations. The Group took responsibility for its flaw and spared no effort in working with relevant departments to initiate timely remedies. In addition to upgrading existing treatment system, the other plans, including installing additional wastewater treatment equipment and expanding the solid fertilizer plant to facilitate recycle of resources, will be completed in the second or third quarter of 2009. Production in full capacity is expected to resume in the fourth quarter of 2009.

Although the Group's production base in Vietnam was affected by the aforementioned external and internal factors and the need to cut production in the fourth quarter last year, with a long history and strong foundation in the country, it still managed to achieve around 10% growth, or US\$31,126,000, in turnover against 2007 to US\$348,557,000, with MSG, modified starch and fertilizer as the main growth drivers. The growth of modified starch business was mainly attributable to its increased selling price whereas that of fertilizer mainly came from the notably increased productivity brought about by the solid fertilizer plant which was expanded in the first half of 2008.

### 業務總覽

二零零八年對集團及全球大多數的企業一樣均面臨金融、經濟、原物料的急遽變化，也因而遇到嚴峻的挑戰。在集團最主要的生產基地越南，也是經營環境快速變化的一年。這幾年來越南是亞洲經濟成長率最快速的國家之一，自二零零三年到二零零七年，平均每年GDP為8%，二零零八年則因上半年景氣過熱通貨膨脹率於五月比去年同期高達約25%，越南政府採取緊縮貨幣政策以遏止通膨，因此年中越盾借款利率曾經高達19%，同時為降低貿易赤字，減緩越盾大幅貶值壓力，亦對進口貨品採取措施避免惡化，在下半年則因國際金融海嘯影響，全球經濟開始萎縮，雖然對通貨膨脹降低有所助益，但國際原油價格下滑，農產品價格下跌，對以美國、歐盟、日本為外銷主要市場，及原油、農產品佔外銷極重要比例的越南，當然亦遭受到重大的打擊，致使全年GDP成長僅為6.23%，比預期目標7%為低。

集團最主要的營運公司一味丹越南，因全球及越南的經濟、金融情勢在短期間劇烈變化，當然在各方面均受到不利的影響，特別是在業務方面。同時，一味丹越南在九月因擴產速度太快，導致排放廢水不符當地政府規定而引起之環保事件，對公司更是造成一定程度的影響，不僅公司補繳高達7,713,000美元之環保水處理費，同時也為符合環保規定，在生產方面做出部份停產與減產的決定。事件發生後，公司承認錯誤，以積極負責的態度，配合主管機關及時提出完整的改善計畫，除立即加強現有的處理系統的運作外，其他包括增設廢水處理設備及擴建固體肥料廠以達到資源再回收目標，將陸續於第二、三季中完成，預估在今年第四季能恢復全能生產。

儘管，集團越南生產基地遭受上述外部、內部嚴重的影響，但由於公司在越南紮根已久，基礎穩固，整體收益雖然第四季因環保事件減產，但二零零八年比二零零七年同期依然約成長10%，金額為348,557,000美元，增長31,126,000美元，主要的增長來自味精、變性澱粉及肥料。其中變性澱粉的增長主要來自售價的調昇，肥料的成長則來自固體肥料廠生產線於期內上半年完成擴廠，產能大量增加之故。



Sales in the Vietnam market decreased by approximately 6.55%, mainly as a result of the production cut on including MSG and GA in the last quarter. Furthermore, exporters in Vietnam, many of whom are clients of the Company, were also affected by the slack international market overshadowed by the global financial crisis, and that in turn impacted on the sales of specialty chemicals and fertilizer of the Group in Vietnam in the fourth quarter.

As for the Japanese market, building on the long-term and close relationship it has with customers and the robust demand in the market, the Group managed to grow sales to the market by an impressive 54.81%.

During the year, the China market grew by 9.96%, mainly attributable to the steady rise in sales of MSG, particularly the small pack MSG products, and starch products of Xiamen Maotai and Shanghai Vedan.

The first phase of Ha Tinh starch factory in Vietnam was completed at the end of 2008. When the plant begins production in the first quarter of 2009, the starch division of the Group will have added strength to achieve diversification of raw material sources and securing raw materials at more competitive costs. Furthermore, heeding the commitment to open rights to retail and trade operations to foreign companies in 2009 made by Vietnam on accession to the WTO, the Company has redeployed its resources, adjusted its distribution system, recruited new hands and improved its marketing strategy so as to capture business opportunities and deliver remarkable performance.

Gross profit of the Group for the year was US\$64,509,000, representing an increase of 6.5% when compared to US\$60,586,000 in 2007. Gross profit margin was 18.5%, slightly lower than the 19.1% recorded in 2007. Net profit amounted to US\$6,409,000, with the net profit margin at 1.8%. Moreover, the suspension and cut in production of the Vietnam plant to meet environmental regulations in the fourth quarter also affected the turnover and profit for the year. Having actively remedied the situation by installing relevant wastewater treatment equipment, the Group is confident of increasing production of the plant by quarter and resuming full capacity production in the fourth quarter of 2009 to again deliver remarkable results and profit.

越南市場收益約衰退6.55%，主要在於因第四季減產的影響，包括味精與谷氨酸，同時因受到全球金融風暴影響，國際市場萎縮，越南許多外銷業者亦是公司客戶亦受波及，連帶影響到公司特化產品及肥料第四季在越南市場的銷售。

日本市場方面，基於和客戶長期密切合作關係，和日本市場需求殷切之下，公司全力配合日本市場，因而有54.81%成長之優異表現。

期內中國市場有9.96%之成長，主要為集團茂泰廈門廠及味丹上海廠之味精、澱粉等產品有穩定的成長，特別是在味精小包裝產品有持續性的成長。

越南河靜澱粉廠已於二零零八年底完成第一期建廠，二零零九年第一季開始生產，對澱粉事業而言增加一主力軍，特別是在落實分散原料來源及取得更有競爭力原料方面。另外，為因應越南為履行加入WTO承諾於二零零九年開放零售及貿易經營權給外資企業，公司已重新佈局，調整行銷體系，納入新血，修正行銷策略，以掌握商機，創造業務佳績。

本期毛利為64,509,000美元，比二零零七年60,586,000美元成長6.5%，毛利率為18.5%比去年同期19.1%略低，但淨利僅為6,409,000美元，淨利率1.8%。越南廠於第四季為符合環保規定，進行部份停產與減產，以致影響本期的營收與獲利，而公司也已經採取積極措施，增加相關環保處理設備。公司有信心逐季提升產能，至二零零九年第四季前恢復全能生產，業績與獲利應可逐步恢復亮麗的表現。

**BUSINESS ANALYSIS:****(1) Market Analysis:****經營分析：****(1) 市場銷售分析：****TABLE 1: COMPARISON OF SALES IN VARIOUS REGIONS****表一：各項地區銷售的比較**

Unit: US\$'000 單位：千美元

| Area            | 地區 | 2008    |        | 2007    |        | Increase/Decrease<br>增／減± |       |
|-----------------|----|---------|--------|---------|--------|---------------------------|-------|
|                 |    | Amount  | %      | Amount  | %      | Amount                    | %     |
| Vietnam         | 越南 | 148,860 | 42.7%  | 159,290 | 50.1%  | (10,430)                  | -6.5% |
| Japan           | 日本 | 73,523  | 21.1%  | 47,492  | 15.0%  | 26,031                    | 54.8% |
| The PRC         | 中國 | 57,229  | 16.4%  | 52,047  | 16.4%  | 5,182                     | 10.0% |
| ASEAN Countries | 東盟 | 36,956  | 10.6%  | 34,794  | 11.0%  | 2,162                     | 6.2%  |
| Other regions   | 其他 | 31,989  | 9.2%   | 23,808  | 7.5%   | 8,181                     | 34.4% |
| Total           | 總共 | 348,557 | 100.0% | 317,431 | 100.0% | 31,126                    | 9.8%  |

1. *Vietnam*

Vietnam has been the biggest market of the Company for long and has continuously reported steady growth over the years. The growth rate for the three years starting from 2005 were 9.6%, 9.1% and 5.2% respectively. In the fourth quarter of 2008, because of efforts to improve environmental protection provisions at the Vietnam plant, the Group adjusted the product mix and decreased the output volumes of different products including MSG, GA and lysine, which accounted for a significant share of sales in the Vietnam market. As a result, sales of these products in the local market decreased by 6.8%, 31.6% and 15.1% respectively when compared with 2007. Sales of other products in Vietnam were also affected to some extent, but because of higher selling prices, turnover growth was still recorded. Turnover from specialty chemicals increased by US\$3,351,000 or 23%, fertilizer by US\$1,692,000 or 48.3% and modified starch by 1.8%. Total turnover decreased by US\$10,430,000, or 6.5%, making Vietnam the only market reporting a decreased turnover among all markets of the Group for the year. Turnover from Vietnam accounted for 42.7% of the Group total as compared to 50.1% in 2007.

(一) *越南市場*

越南多年來一直是集團最大的市場，歷年來收益均能穩定成長，最近三年自二零零五年來分別增長9.6%、9.1%及5.2%。然二零零八年第四季越南廠因配合環保改善計劃，而調整生產產品項及減少生產數量，其中包括銷售佔越南市場比重極高的味精、谷氨酸及離氨酸，致使上列三項產品於本區市場和去年同期比分別衰退6.8%、31.6%及15.1%。其餘產品於越南市場銷售雖多少受到減產波及，但因銷售價格上升營收依然有成長。特化產品增加3,351,000美元，約23%；肥料增長1,692,000美元，約48.3%；變性澱粉亦有小幅上揚，約1.8%。整體營收減少6.5%金額10,430,000美元，是集團中唯一營收下降的市場。越南區佔總營收比重亦由去年同期的50.1%下降為42.7%。

In 2009, Vietnam will continue to be affected by the global financial crisis and challenges from the world in recession. However, the Group will take this opportunity to improve its distribution channels and rationalize its distributor mechanism so as to match the development and demand of the Vietnam market in the future. Furthermore, it will strengthen its ability to adapt to market changes and consider adding new product categories and boosting trading business to ensure that the Vietnam market can maintain steady growth.

## 2. *Japan*

Turnover from Japan was US\$73,523,000, up by US\$26,031,000, or 54.8%, making it the fastest growing market of the Group for the year. The market accounted for 21.1% of the total turnover of the Group, second to Vietnam, and a significant increase when compared to 15% in 2007. Such increase was mainly attributable to the substantial increase in sales of MSG and modified starch. Japan has been the main export market of the Group's MSG. Although production of MSG was cut in the fourth quarter, having signed long term supply contracts with Japanese clients, the Group supplied MSG products to Japan market first. Furthermore, at the effort to boost sales of the modified starch division in recent years, MSG and modified starch recorded sales growth of 58.2% and 46.5% respectively in 2008. This is also proof of the strong foothold enjoyed by the MSG and modified starch products of the Group in the Japan market.

## 3. *ASEAN Countries*

In spite of the great market demand for MSG, sales of this product decreased slightly because of the shorter supply from production cut. In particular, in the fourth quarter, the Company stopped selling GA but used it to produce MSG to meet market demand, and that caused sales of GA in ASEAN countries to drop by 12.9%. As for the fertilizer division, with strong demand in ASEAN countries and its effort to grow business in the market in the first three quarters, sales of solid fertilizer grew four times during the year. The overall turnover from ASEAN countries increased by 6.2% when compared with 2007 and accounted for 10.6% of the total turnover of the Group, slightly lower than 11% in 2007. The ASEAN market is expected to deliver a higher growth after the Vietnamese plant resumes production in full capacity.

二零零九年越南市場受到全球經濟衰退之影響，將面臨挑戰。然而公司利用此機會重新改善銷售通路，調整經銷代理體系，以符合越南市場的未來成長與需求。同時，將強化對此市場變化的應變能力，考慮增加新產品與貿易業務，期使越南市場依然能維持穩定的成長。

## (二) *日本市場*

日本市場為期內成長最大的市場，金額增加26,031,000美元，成長率54.8%。營收達73,523,000美元，佔總營收比重21.1%，僅次於越南市場，比去年同期佔總營收比重15%有顯著成長，主要在於味精和變性澱粉的大幅增加。日本多年來一直是集團味精最主要的出口市場，第四季味精雖有減產，但因和日本客戶簽有長期供應合約，仍優先供應日本市場，同時變性澱粉因經最近幾年努力耕耘，此兩項產品在二零零八年度分別成長58.2%及46.5%，此也證明集團的產品味精及變性澱粉已在日本市場佔有一席之地。

## (三) *東盟市場*

雖味精市場需求依然殷切，但因受減產影響無法充分供應，故味精銷售量略有減少，特別是谷氨酸，因第四季開始不再銷售谷氨酸，而將谷氨酸精製生產成味精銷售，以滿足味精需求，故谷氨酸銷售東盟地區亦受影響，衰退12.9%。但肥料在二零零八年前三季，東盟市場因市場需求高及多年來努力開拓業務之下，固體肥料於期內成長四倍。整體東盟市場營收比去年同期亦能有6.2%成長，佔總營收比重為10.6%，比去年同期11%略見下滑。未來越南廠恢復全部產能生產後，東盟市場亦將可預期有更高的增長。

4. *China*

The market grew by 16.3% in 2007 and continued to grow a strong 10.0% during the year, or by US\$5,182,000, to US\$57,229,000. The main growth contributor was MSG, which grew by 33.8% with turnover totalling US\$10,511,000. For GA, however, because of its strategic shift into producing MSG, its turnover was dropped by US\$7,308,000. For modified starch, its turnover decreased slightly by 3.7%, or US\$269,000, mainly because of the production cut at the Vietnam plant in the fourth quarter. Other products, such as seasonings and beverages, recorded satisfactory growth. Turnover from the China market accounted for 16.4% of the Group's total turnover, similar to last year's level.

 5. *Others*

Other regions mainly include Europe, the US and Korea, and they continued to deliver outstanding performance as it was in the first half. Turnover from these markets climbed 34.4%, or US\$8,181,000, to US\$31,989,000 for the year. With the European Union ("EU") imposing anti-dumping duty on MSG products from China, the market will present opportunities to the Vietnam plant to expand business there.

## (四) 中國市場

繼二零零七年中國市場成長16.3%，二零零八年中國市場穩健成長10.0%，增長金額為5,182,000美元，營業額／收益達57,229,000美元，期內主要為味精成長33.8%，金額10,511,000美元，但谷氨酸因策略性考量轉為生產味精，故減少7,308,000美元，變性澱粉因受越南第四季減產影響，略為衰退3.7%，金額269,000美元。其餘產品如風味調味料及飲料，亦有不錯之成長。中國市場佔集團總營收比重為16.4%，維持和去年同樣水平。

## (五) 其他市場

主要是歐洲、美國及韓國，延續上半年亮麗的成長，全年成長34.4%，增長金額8,181,000美元，營收達31,989,000美元。未來特別是歐洲市場，因歐盟對中國味精課徵反傾銷稅，對集團越南廠而言拓展歐盟市場將是另一個機會。

## (2) Sales Analysis by Product:

## (2) 產品銷售分析：

**TABLE 2: COMPARISON OF SALES OF VARIOUS PRODUCTS**
**表二：各項產品銷售的比較**

Unit: US\$'000 單位：千美元

| Item                | 項目    | 2008    |        | 2007    |        | Change<br>增／減± |        |
|---------------------|-------|---------|--------|---------|--------|----------------|--------|
|                     |       | Amount  | %      | Amount  | %      | Amount         | %      |
| MSG                 | 味精    | 237,395 | 68.1%  | 204,682 | 64.4%  | 32,713         | 16.0%  |
| GA                  | 谷氨酸   | 19,334  | 5.6%   | 36,925  | 11.6%  | (17,591)       | -47.6% |
| LYSINE              | 賴氨酸   | 20,448  | 5.9%   | 20,798  | 6.6%   | (350)          | -1.7%  |
| STARCH-M            | 變性澱粉  | 30,378  | 8.7%   | 25,916  | 8.2%   | 4,462          | 17.2%  |
| SEASONING           | 調味料   | 2,541   | 0.7%   | 1,301   | 0.4%   | 1,240          | 95.3%  |
| Specially Chemicals | 特用化學品 | 18,195  | 5.2%   | 14,844  | 4.7%   | 3,351          | 22.6%  |
| FERTILIZER          | 肥料    | 12,117  | 3.5%   | 5,410   | 1.7%   | 6,707          | 124.0% |
| OTHERS              | 其他    | 8,149   | 2.3%   | 7,555   | 2.4%   | 594            | 7.9%   |
| TOTAL               | 總共    | 348,557 | 100.0% | 317,431 | 100.0% | 31,126         | 9.8%   |

1. *MSG and GA*

Turnover of MSG business in the year grew by 16%, or US\$32,713,000, against 2007. The increase in turnover was mainly attributable to higher product prices that reflected higher material costs, and strong demand for MSG in the Japan and EU markets. However, the Group had to reduce GA production to accommodate enhancement of environmental provisions. With the understanding of customers, it reduced GA supply substantially and used it to produce MSG to satisfy their demand. Therefore, the turnover from GA for the year only amounted to US\$19,334,000, representing a sharp decrease of 47.6%, or US\$17,591,000. The Group expects to resume normal production of GA in the fourth quarter of 2009 and to see turnover from the product to return to previous level thereafter. MSG business accounted for 68.1% of the total turnover of the Group versus 64.4% last year and the proportion of turnover contribution of GA dropped from 11.6% to 5.6%.

2. *Lysine*

International lysine price gradually increased resulted in 99.6% turnover growth in the first half of 2008 against the last corresponding year. However, in view of the environmental issue in the second half year, the Group had to reduce lysine production and shift part of it to producing GA as well as focus on producing MSG. The move resulted in an overall drop of 1.7%, or US\$350,000, in turnover from lysine despite its risen selling price. Bringing in a turnover of US\$20,448,000, lysine accounted for 5.9% of the total turnover of the Group in 2008, down from 6.6% in 2007.

## (一) 味精和谷氨酸

味精於期內營收較二零零七年成長16%，金額達32,713,000美元。營收增長主要來自於價格調升，以反映原材料的上漲，同時在日本市場和歐盟市場，味精均有亮麗的成長。谷氨酸則因受環保事件減產影響，在取得客戶諒解下已逐步大幅減少供應量，而保留谷氨酸用於本身生產味精之用，以盡量滿足味精客戶之需求。因此谷氨酸年度內營業額／收益僅19,334,000美元，比二零零七年劇降47.6%，金額減少17,591,000美元。預計二零零九年第四季應能恢復正常生產，營收金額將可恢復。味精營業額／收益比重由去年同期64.4%增加為68.1%，但谷氨酸則由11.6%下降為5.6%。

## (二) 賴氨酸

二零零八年上半年因國際賴氨酸價格逐漸上漲，有99.6%的成長，但下半年因受環保問題影響，因而作部分減停產，並將部分轉作谷氨酸，進而生產味精。故整體而言，賴氨酸雖然售價有上揚但數量大幅減少，營業額／收益為20,448,000美元，比二零零七年同期略微下跌1.7%，金額減少350,000美元。賴氨酸營收比重略有下跌由二零零七年的6.6%下滑到二零零八年的5.9%。

3. *Modified Starch*

Affected by the environmental protection incident, sales volume of modified starch decreased. However, claiming a higher selling price, the product segment managed to report a 17.2% growth, or US\$4,462,000, in turnover to US\$30,378,000. The amount accounted for 8.7% of the total turnover of the Group, slightly higher than 8.2% in the previous year. Sales to Japan grew the fastest among all regions for the year. Regarding environmental improvement work at the modified starch factory, the Group had drawn up related plans which are being gradually implemented. The factory is expected to resume full production in the second or third quarter of 2009. Together with the additional capacity of the new plant in Ha Tinh, which will begin operation in the first quarter of 2009, the Group expected to see growth in turnover from starch products.

4. *Specialty chemicals*

Sales volume of caustic soda and hydrochloric acid remained steady braced by the stable demand in Vietnam. However, with their selling prices increased, they brought in turnover of US\$18,195,000, representing a 22.6% rise, or US\$3,351,000, against last year. The turnover contribution from the segment to total turnover increased slightly from 4.7% in 2007 to 5.2% for the year.

5. *Fertilizer*

The solid fertilizer plant completed installation of new equipment in the first half of the year and doubled its output. That plus the increased international selling price of fertilizers, the segment made US\$6,707,000 more in turnover for the year, or up by 124% against 2007 to US\$12,117,000. In 2009, the plant will be expanded further and have its capability in enabling environmental protection and recycling resources boosted. Operation is expected to commence in the fourth quarter of 2009 when the Group will be able to achieve a better turnover from the segment and grow the segment into a major business stream.

(三) *變性澱粉*

變性澱粉於期內銷售數量因環保問題亦有減少，但因價格上揚，整體營收依然有17.2%增長，金額為4,462,000美元，營業額／收益為30,378,000美元，佔總營收比重8.7%比二零零七年8.2%略微提高，變性澱粉成長最快速地區為日本。針對變性澱粉廠環保改善，公司已做好改善計劃，並已逐步執行中，預計二零零九年第二至第三季期間應可恢復全能生產，再加上新設立河靜廠於二零零九年第一季亦已加入生產行列，未來營收增長應是可期。

(四) *特用化學品*

鹽酸及蘇打的銷售因越南市場穩定的需求，雖然銷售數量持平，但因售價提升，營收達18,195,000美元，比同期增加22.6%，增長金額3,351,000美元。營業額／收益比重由二零零七年4.7%微增加至5.2%。

(五) *肥料*

期內固體肥料廠新增加的生產設備已於上半年完成，故產量倍增，同時因國際肥料價格上揚，肥料營業額／收益比二零零七年增加6,707,000美元，達12,117,000美元，增長124%，二零零九年度內配合改善環保及加強資源回收再利用，將再擴廠，並預計二零零九年第四季開始運作，屆時肥料營收將再成長，未來肥料事業亦將成為集團事業中重要的一環。

## MAJOR RAW MATERIALS

The price of major raw materials remained high in the first three quarters of 2008 and came down notably in the fourth quarter. However, the drop in price of molasses had not been as deep as that of cassava and liquid ammonia. In general, the prices of raw materials only decline more markedly starting in the fourth quarter when the Group had to cut down production to ensure compliance with environmental requirements. As a result, fixed cost increased and overall production cost did not benefit from the lower material prices.

### 1. Molasses

During the year, international molasses prices remained at similar level as in 2007. The price of local supply of molasses from Vietnam increased slightly, thus the Group adjusted its material mix and increased the usage proportion of cassava which price had declined markedly to help lower production cost. With sugar cane harvest expected to drop in 2009 and market demand for molasses expected to remain strong, there will be little room of the prices of molasses to come down.

### 2. Cassava starch

Rocketing cassava price in the production season in 2007/2008 had prompted farmers to increase the scale of their plantation and as a result the price of cassava subsequently declined notably. The Group thus used more cassava starch as raw material to help lower production costs. The new starch plant in Ha Tinh that started production in the first quarter of 2009 will ensure the Group has steady supply of cassava starch at stable cost.

As the price of cassava lowered in the production season in 2008/2009, farmers may reduce the scale of their plantation and as a result the price of the material may go up again in the next harvest season.

### 3. Liquid Ammonia

During the period, the prices of liquid ammonia almost doubled on average in first three quarters, reflecting the climb in natural gas price. The prices of the material plunged in the fourth quarter, but overall the Group spent over 60% more on the raw material than in 2007 and shouldered greater cost burden. In 2009, the prices of liquid ammonia are expected to come down from the high in 2008, thus help lower production costs in 2009.

## 主要原料概況

二零零八年前三季集團主要原物料依然在高價格水平，但在第四季則有明顯下跌，如木薯、液氮，然糖蜜雖有下降，但未有如木薯大幅下跌。整體而言，原料成本因第四季才有顯著下滑，然自九月起因為符合環保要求而減產，固定成本因而增加，整體生產成本也並未因原料價格略為下滑而降低。

### (一) 糖蜜

國際糖蜜價格在期內約維持二零零七年水平，越南國內糖蜜價格則略有上揚，但因木薯價格大幅下跌，集團則調整生產原料組合，及增加木薯澱粉使用比率，以降低生產成本。預估二零零九年產季糖蜜價格將因甘蔗種植收穫減少，市場需求並未減少之下，糖蜜價格下降空間不大。

### (二) 木薯澱粉

由於二零零七／二零零八年產季木薯價格大幅上揚，農民於二零零八／二零零九年產季擴大種植面積，供應面大幅增加，導致木薯價格有較顯著下跌，因此集團擴大使用木薯澱粉比率作為生產原料，以降低生產成本。新設於越南中北部之河靜澱粉廠已於二零零九年第一季開始投產，將有助於擴展木薯澱粉之來源，及成本之穩定。

由於二零零八／二零零九年產季價格滑落，下一個產季可能會因木薯種植面積減少，價格將很可能有上漲趨勢。

### (三) 液氮

期內液氮價格因受天然氣價格大幅上揚影響，在前三季平均價格上揚一倍以上，然而在第四季開始液氮價格已開始大幅滑落，但全年液氮使用成本比二零零七年依然超過60%以上，增加成本不少負擔，預計二零零九年液氮將由二零零八年高檔回軟，應將有助於二零零九年降低原料成本。

## FINANCIAL REVIEW

### 1. Cash flow and financial resources

As at the end of December 2008, cash and bank deposits of the Group amounted to US\$36,286,000, which was US\$18,580,000, or 104.9%, higher than that of in 2007. Bank borrowings increased by US\$8,056,000, or 17.9%, to US\$53,152,000. Although bank borrowings had a moderate increase, net borrowings had reduced, and that resulted in the lowering of the Group's current ratio from 2.2 in 2007 to 1.8. Net gearing ratio fell from 10.9% to 6.5%, indicative of the healthy financial structure of the Group. Bank borrowings are mainly denominated in the US dollar (88%), Renminbi (10%) and the Taiwan dollar (2%). For the year, the total finance cost was US\$3,639,000. Excluding interest income of US\$2,267,000 (mainly from the fixed deposit of Vietnam Dong), net finance cost was US\$1,372,000, accounting for 0.4% of the total turnover of the Group compared to 1.4% in 2007. Certain middle-to long-term loans were due during the year, hence the debt level of the Group dropped from US\$15,621,000 to US\$7,552,000. Of all the loans, 14.2% were middle-to long-term loans and 85.8% were short-term loans. Gearing ratio (bank loans/shareholders interest) was 20.8%. As at 31 December 2008, net asset value of the Group amounted to US\$257,910,000.

### 2. Capital expenditure

During the year, the Group's capital expenditure amounted to approximately US\$16,000,000, comprising that allocated for the starch plant in Ha Tinh in 2007, expenditure on Bio-gas equipment for the Phuoc Long starch factory and Gia Lai Starch Factory, and first payment installment for works in relation to set up a solid fertilizer plant and purchase of concentration equipment. Capital expenditure in 2009 is expected to amount to US\$30,000,000, mainly used in the investment of solid fertilizer plant, wastewater related facility improvement work and Bio-gas equipment, etc. The Group has secured middle-to long-term loans from banks for constructing the solid fertilizer plant and purchase of wastewater treatment equipment. In the light of the current global economic condition and credit crunch, the Group will withhold non-urgent investment, such as the material projects in Cambodia and Laos, and also exercise more stringent capital expenditure control. The Group's liquidity and available credit facilities from banks are considered sufficient for supporting capital expenditure in 2009, hence maintaining a healthy financial position.

## 財務回顧

### (一) 流動資金和財政資源

截於二零零八年十二月底，集團現金和銀行存款達36,286,000美元，比二零零七年底大幅增加18,580,000美元，成長104.9%。銀行借款為53,152,000美元，增加8,056,000美元，增加17.9%。銀行借款雖略有增加，但淨借款則減少，流動比率雖由二零零七年底2.2下降為1.8，但淨借款／股東權益比由10.9%下跌為6.5%，財務結構依然穩固。借款以美元為主，其他為人民幣及新台幣，分別佔88%，10%及2%。期內總融資成本為3,639,000美元，扣除利息收入2,267,000美元（主要為越南盾定存收入），淨融資成本為1,372,000美元，佔總營收比由二零零七年之1.4%減少為0.4%。中長期借款因年度內陸續到期，由15,621,000美元下降為7,552,000美元，中長期借款和短期借款比例為14.2%比85.8%，資本負債比（銀行借款／股東權益）為20.8%。於二零零八年十二月三十一日止，集團的資產淨值為257,910,000美元。

### (二) 資本支出

期內資本支出共約16,000,000美元，主要延續二零零七年越南河靜澱粉廠未動用之資本支出，福隆及嘉萊澱粉廠BIOGAS，及因應改善環保增設固體肥料廠及濃縮設備頭期款，預固二零零九年資本支出約為30,000,000美元，主要項目為增設固體肥料廠，提昇及擴充廢水處理設備，河靜廠Bio-gas設備等。集團已獲得銀行承諾對固體肥料廠及改善廢水處理設備提供中長期借款，集團因考慮到全球經濟局勢，金融緊縮狀況下，將暫時延緩較不緊急投資，如東寮發展原料專案，採取更嚴謹的資本支出控管。以公司目前自有資金狀況和銀行可動撥額應足可支應二零零九年度資本支出，因此公司應能維持穩健財務結構。



### 3. Exchange Rate

The Vietnam Dong appreciated by a slightly 0.2% in 2007 because of rapid increase in foreign capital inflow. However, trade deficit increased in mid-2008 and posed depreciation pressure on the currency. To address the situation, the Central Bank of Vietnam relaxed the daily trading ceiling between the US dollar and Vietnam Dong three times, with the last took place in November bringing the rate to  $\pm 0.3\%$  of the official rate. The Vietnam Dong depreciated by approximately 5.4% for the year, a relative mild magnitude when compared with those of other Asian countries. Contributing to over 50% of total sales, export sales of Vedan Vietnam for the year were mainly settled in US dollars. The weaker Vietnam Dong was favourable to the development of export business of the Group. As for China business, with turnover mainly derived from domestic sales and the exchange rate between RMB and US dollar staying stable during the year, the business segment was not materially affected by exchange rate fluctuation.

### 4. Dividend

With the Vietnam plant making unsatisfactory profit in the second half of 2008 because of the need to recognise the spending on environmental fee and the impact of production cut, the Board proposed not to pay final dividend for the year.

## THE ENVIRONMENTAL PROTECTION ISSUE OF THE VIETNAM PLANT, RELATED MEASURES AND IMPACTS

In early September 2008, the Environmental Protection Department of Vietnam visited the Vietnam plant to inspect on related provisions and found that the environmental protection and resourcelization of production equipment of the plant had fallen behind the needs of its boosted production capacity. This resulted in breaching certain wastewater discharge regulations. In early October, the Vietnam government made the following three major decisions regarding the incident:

- 1) The Group has to pay a US\$16,000 fine according to the environmental protection ordinance
- 2) The Group has to re-pay environmental fee totaling US\$7,713,000 accrued since 2004 deemed appropriate by the Department

### (三) 匯率

二零零七年越南外資流入快速增加，使越盾略微升值0.2%，但二零零八年年中則因貿易赤字擴大，越盾貶值壓力大，越央行曾三次放寬每日美元匯越盾交易上限，最後一次於十一月公告，放寬至官價 $\pm 0.3\%$ 。全年越盾貶值約5.4%，和其他大多數亞洲國家比較，貶值幅度並非很大。味丹越南期內外銷主要以美元為主，已超過營收50%，越盾趨弱應有助於外銷業務之拓展。中國區營收絕大多數是內銷，人民幣兌美金期內尚稱穩定，對中國區營運並無重大影響。

### (四) 股利

由於二零零八年下半年，因越南廠需認列環保水處理費及受減停產影響，下半年獲利並不理想，董事會擬不派付期末股息。

## 越南廠環保事件之發生、因應措施及影響

二零零八年九月上旬，越南環保主管機關到味丹越南廠進行環保檢查，檢查過程中發現公司因產能增加，相關環保處理設備與資源化生產設備，未能及時跟隨設立，致使發生違反廢水排放相關規定。十月初，越南政府對此違規事件做出主要三項決定：

- 1) 依環保法令公司須繳納罰款16,000美元
- 2) 依主管機關判定公司需補繳自二零零四年以來環保水處理費共計7,713,000美元。

3) Wastewater discharged from the plant shall comply with environmental protection regulations, and the Group shall duly submit a full environmental protection improvement proposal to the Environmental Protection Department for approval and implement the proposal afterwards.

Upon receipt of the formal notice, the Group made an announcement on the above issue on 9 October 2008 as obliged by the rules of the Hong Kong Stock Exchange immediately. It set up an environmental protection emergency taskforce after the incident came to light to implement immediate and mid-term improvement measures. Short-term improvements included enhancing the current wastewater treatment capability and quality, optimising production processes, reducing wastewater discharge and lowering production capacity to ensure compliance with environmental protection standards yet continue production. As for mid-term improvements, they included drawing up an improvement proposal based on "3R" (waste reduction, reuse and recycling) entailing plans to install additional wastewater treatment equipment and expand the production facilities in the liquid and solid fertilizer plants. The Group expects the major equipment for related works to be delivered around June in 2009 and installation and testing of them to be completed in the third quarter, and full scale production to resume in the fourth quarter.

Learning from the mistake, the Group is determined to not only meet the legal requirements on environmental protection in Vietnam, but also excel those requirements and become an outstanding green manufacturer. To this end, it has started implementing the ISO14001 environmental management system and expects to gain accreditation by the end of 2009. It aims to become a green enterprise capable of continuously improving and protecting the environment by running an operation with contributing to the sustainability of environment and the society in mind.

3) 公司生產時所排放出廢水須符合環保規定，並須及時提出全盤環保改善計畫，送環保主管機關核准後執行改善。

當公司接到此項決定的正式通知，立即依香港聯交所規定於二零零八年十月九日針對此事件進行正式公告。公司在事件發生後，隨即成立環保改善應變小組，首先針對環保缺失作短、中期改善。短期改善包括提升現有廢水處理能力及品質，改善生產流程，減少廢水排放量，同時降低產能以能完全符合環保規定，確保繼續生產。中長期則以「3R」（即減廢、再使用及資源回收原則）方向，提出環保改善方案，其中主要包括有增設廢水處理設備，及擴大液體與固體肥飼料廠生產設備，預計主要設備將於二零零九年六月前後陸續交貨，第三季完成安裝試，第四季開始逐步恢復全能生產。

公司經營層記取教訓，決心不僅要達到越南環保法令的要求，更要為成為環保優良廠商，因此已展開推動ISO14001環境管理系統，預計二零零九年底前取得認證，以達到持續改善，愛護環境，永續經營，善盡企業社會責任之綠色企業之目標。

Major impacts of the incident are:

1. A US\$16,000 fine and US\$7,713,000 accrued environmental fee have to be paid and may be paid in two installments in 2008 and 2009. The fine has been paid in October 2008. The Group paid approximately US\$3,865,000 in December 2008, which was 50% of the discharge fee and will pay the rest in four installments in 2009.

According to Hong Kong Financial Reporting Standards, the US\$7,713,000 fee shall be recognised as a one-off fee incurred in 2008. As a result, profit of the Group for the year was substantially squeezed with net profit decreased from US\$14,138,000 to US\$6,409,000. The accrued payment however accounted only for 2.1% of the Group's asset valued at US\$360,497,000, thus had not posed any material impact on the Group's business operation or management.

2. To comply with environmental protection regulations and ensure continuous production, the Group ceased some production and cut down on others, leading to a drop in production capacity in the fourth quarter. The Group also activated its emergency supply chain and imported lysine as raw material for producing MSG. With different environmental protection improvement plans gradually implemented, the Group expects production capacity to pick up eventually in the second quarter of 2009 and full scale production to resume in the fourth quarter. The Group will be able to maintain turnover for 2009 at about the same level as in 2008.
3. Per the damage claims from farmers and fishermen allegedly affected in the incident, the Group had the cases studied by lawyers who concluded that the claims had no ground because the claimants had no operation licences or the claim period had expired.

Despite that, the Group, acting on good will, has appointed representatives accompanied by lawyers to communicate with the complainants in the hope of gaining their understanding of the its standpoint. The Group will consider addressing the matter in the form of subsidies so as to maintain good relationship with the neighboring community as well as honour its corporate social responsibility.

此次事件重大影響層面主要分析如下：

1. 主管機關裁示罰款約16,000美元，及補繳環保水處理費7,713,000美元，可分二期於二零零八年及二零零九年繳清。罰款已於二零零八年十月繳納完畢，補繳環保水處理費部份，二零零八年應繳50%金額約3,865,000美元，已於二零零八年十二月繳納，其於將分四期於二零零九年度繳款。

依香港財務報告準則規範，7,713,000美元需一次認列於二零零八年費用，故集團期內獲利大幅受到壓縮，因而二零零八年淨利由原本的14,138,000美元，下降為6,409,000美元。此項補繳費用佔資產360,497,000美元之2.1%，尚不至於對業務營運或管理造成任何重大不利影響。

2. 因應符合環保規定，確保能繼續生產，公司採取部份停產，部份減產措施，造成第四季開始生產產能下降，同時公司緊急啟動原料供應鏈運作，進口谷氨酸原料作生產加工味精之用。隨著環保改善計畫的實施，預估從二零零九年第二季起逐步恢復生產產能，至第四季時應可再恢復全能生產，預估全年營收應可維持二零零八年水平。
3. 有關附近居民要求公司賠償其農、漁業損失，公司已委託律師瞭解研究，依律師意見因證據不足，無經營執照或已過追溯期，訴訟將很難成立。

但公司仍將以積極負責態度，已經指派公司代表會同律師透過當地農會組織，和申訴者溝通，釋出善意，期使能讓申訴者了解公司立場，公司將考慮以回饋補助方式進行，以維護和附近社區維持良好關係，善盡企業社會責任。

## PROSPECTS

Based on general information, the global economic environment will continue to be difficult in 2009 and dampen consumption. Against this backdrop and the contracted production of Vedan Vietnam, the Group expects to face challenges in its operations in 2009. However, it believes that at the concerted effort of the management and all staff, the Group hopes to survive through adversities and develop a more solid foundation for its long term growth. The current difficult time has actually presented the Group with the chance to review and improve its operations. In the past, the Group had put its focus on growing its business, reducing raw material costs and expanding production presence, however neglected the need to enhance environmental protection provisions, adjust its organisation structure and upgrade its distribution system. Thus, the Group will focus on the following tasks in the coming year:

1. Vedan Vietnam will make improvement in environmental protection its priority task. The entire staff of the plant will diligently implement the approved environmental protection improvement plans with the aim of meeting within the year the commitment made to the local authority. Also, to optimise environmental protection work and ensure continuous improvement, the Group has started its pursuit of ISO 14001 environmental management system accreditation and related staff education and training programmes. It expects to secure certification by the end of 2009. Its aim is not only to meet the standards required by local environmental protection requirements, but to also become an excellent green manufacturer.
2. From 2009 onwards, foreign enterprises are allowed to operate trading and retail businesses in Vietnam. Heeding the move, the Group has set up a dedicated team to recruit professional sales talents for the Group. The team will also study and formulate a new distribution model, create new sales streams riding on existing channels, re-assess distributors and agents in the existing channel set up so as to strengthen its operations and boost effectiveness.
3. As for the China operation, the Group will strive to strengthen its own brands and channels, promote products to second tier cities and step up management of idle assets. It will also consider moving the equipment of the compounded starch plant in Shanghai to Xiamen to stay closer to target markets and enhance operational efficiency.

## 展望

依據各方面資訊顯示，二零零九年全球經濟環境依然嚴峻，市場對產品需求不振，再加上味丹越南減產影響之下，二零零九年業績雖面臨嚴酷挑戰，但在公司同仁全體努力下，將應可克服重重困難，為未來集團長期的發展奠定更穩固的基礎。在這艱困的時刻，對集團而言，亦是一個痛定思痛、重新檢討改善的良好時機。過去，公司將焦點放在業績的成長、原料成本之降低、生產據點之擴充，而忽略了環保措施之提升、組織架構之調整、銷售體系之改造等工作的執行，因此公司今年之工作重點，將強化下面幾個工作方面：

1. 味丹越南廠將環保改善列入第一優先目標，全體動員依已核准之環保改善計畫，逐步執行，並於年度內達成對當地主管機關之承諾。同時為更進一步做好環保工作，達到持續改善的目標，公司已決定推動ISO14001環境管理系統認證，並已展開教育訓練計劃，預估二零零九年底前取得認證。不僅要讓味丹越南廠符合當地環保要求，更進一步要作為優良環保廠商。
2. 為因應越南自二零零九年開始，允許外資經營貿易及國內零售業務，公司已成立專案小組，招募專業行銷業務人才加入團隊，並研擬新的銷售模式，利用現有通路增加新銷售品項，在原有產品通路上，重新評估經銷、代理商，整合國內銷售通路，強化業務經營，使營運更具效益。
3. 中國區經營則是強化自有品牌及通路，再將產品推廣到二線城市，同時加強對閒置資產之處理，同時，考慮將複配澱粉廠設備由上海遷移至廈門，以貼近主力市場，提升營運效率。

4. Change of external factors has commanded the Group to defer large scale plantation of the raw material cassava in Cambodia and Laos. At the same time, the Group also stepped up efforts in strengthening the raw material supply channels of agricultural product suppliers in Vietnam and its strategy in procurement of local raw materials so as to reduce large capital expenditure amounts. It will set up business development offices in Cambodia and Laos to boost promotion in the markets and collect related information. This will give the Group a solid foundation for business development as well as raw material procurement in the future. It will also make promoting procurement of local cassava a priority at the start, which will be conducive to building good relationship with local farmers and suppliers, enabling the Group to gain a better understanding of the local procurement procedures, regulations and raw material market. The Ha Tinh plant in Vietnam has commenced production in the first quarter of 2009 and that will extend the raw material source of Vedan Vietnam to northern and central parts of the country. The plant being close to the border with Laos and with access to an international port, has strong geographical advantages to exploit.
4. 因外在因素的改變，對原計劃於柬埔寨、寮國等地大規模木薯原料種植案暫緩執行，同時加強越南國內農產品供應商原料供應渠道，強化採購當地原料策略，以減少大額資本支出。柬寮兩國將設立業務拓展辦事處，加強業務產品當地市場推廣，並收集當地的相關資訊，以為未來的業務與原料採購建立基礎。同時將以推廣採購當地木薯為首期目標，將有助於和當地農民、供應商建立良好的關係，對當地相關採購流程、法令，及原料市場能有更進一步之掌控。越南河靜廠已於第一季投入生產，將使越南廠原料來源擴充至中北部，且該廠位置距寮國邊境近，且又臨國際港口，未來可利用此地理優勢發揮效益。
5. The new expanded solid fertilizer plant will also commence production by the end of this year. In addition to producing existing fertilizer products, the Group will also invest in developing specialised fertilizer to address various needs of different vegetations and other new fertilizer types. The Group will also seek to expand the applications of fertilizers. These efforts are conducive to the development of the fertilizer and grow the feedstock business into the Group's major segment.
5. 新擴建固體肥料廠亦能於今年底前投產，除生產現有肥料品項外，公司將投入專對不同植物需求的專用肥料，進行開發新肥料品項。同時，增加公司肥料用途的產品項目，如此對公司未來業務增長將有助益，並使肥飼料事業成為公司發展的另一項重要產品。

#### EMPLOYEE COMPENSATION AND TRAINING

As at 31 December 2008, the Group had a total of 3,697 employees, 2,836 of whom were employed by subsidiaries in Vietnam, 848 by subsidiaries in the PRC and 13 by the Taiwan Branch.

The Group's employees are remunerated in accordance with prevailing industry practices, and with reference to the financial performance of the Group and performance of individual employees. Other fringe benefits such as accommodation, meals, insurance, medical coverage and provident fund are provided to employees to ensure staff loyalty and the Group's competitiveness. To enhance human resources quality and the professional skills and management abilities of employees and build localised workforces, the Group provides job rotation, internal and external training courses on professional skills, languages, etc. to employees to help boost their expertise and knowledge.

#### 僱員薪酬及培訓資料

截至二零零八年十二月三十一日，本集團僱有員工3,697名，包括受雇於味丹越南廠子公司2,836名，味丹中國子公司848名及台灣分公司13名。

本集團根據一般行業慣例，以集團業績及個別員工表現釐定僱員薪酬及其他員工福利，包括住宿、膳食、保險、醫療及退休金等，以確保競爭力及員工之忠誠度。為增進員工專業素質及管理能力的，落實本地化政策，集團亦為員工提供職務輪調，並積極規劃及舉行有關專業技能及語言等內外部教育訓練及研討會，以強化專業技能，擴展新知，提高人力素質。



# HIGH QUALITY HIGH-DEMAND PRODUCTS

## 高品質高需求產品

At the heart of Vedan International's business success is a group of core products with widespread applications and strong brand recognition, one of the Group's most important and well-guarded assets. Its renowned "Vedan" brand MSG, for example, is considered essential throughout the food processing industries across Asia for its role in enhancing the flavours of a range of foodstuffs, and enjoys a huge and constantly growing market throughout Vietnam, the PRC, ASEAN countries, Japan and the United States.

味丹國際的成功有賴於一組應用廣泛和品牌知名度高的產品，是集團高度重視的資產之一。例如馳名的「味丹」味精，能夠加強食物的鮮味，普遍地用於各類食品調味，更在亞洲各地，被食品加工業視為不可或缺的烹調材料，而在越南、中國、東盟各國、日本以及美國等市場亦錄得強勁的銷售增長。

# Profile of Directors

## 董事簡介

### EXECUTIVE DIRECTORS

**Mr. YANG, Tou-Hsiung**, 66, our Chairman. Mr. YANG, Tou-Hsiung graduated from Taichung Min Der Commercial Vocational High School. Mr. YANG, Tou-Hsiung has approximately 46 years' working experience in the MSG industry and is one of the founders of the Taiwan Vedan Group. Mr. YANG, Tou-Hsiung is responsible for formulating our overall corporate strategy. Mr. YANG, Tou-Hsiung is also a director of Vietnam Vedan and a director of Taiwan Vedan.

**Mr. YANG, Cheng**, 54, an executive Director. Mr. YANG, Cheng had approximately 33 years' working experience in the MSG industry. Mr. YANG, Cheng is responsible for formulating our business development strategy. Mr. YANG, Cheng is also a director of Vietnam Vedan and Taiwan Vedan. Mr. YANG, Cheng is also a member of Taiwan MSG Manufacturing Association. Mr. Yang holds an EMBA Degree from Xiamen University in China in 2004.

**Mr. YANG, Kun-Hsiang**, 51, the Chief Executive Officer of the Company. Mr. YANG, Kun-Hsiang obtained a master degree in agricultural chemistry in 1986 from Meiji University, Japan. Mr. YANG, Kun-Hsiang has 20 years' working experience in the MSG industry and has been involved in the development of the business operations of Vietnam Vedan since 1991. During the last 18 years, Mr. YANG, Kun-Hsiang was involved in the development and management of Vietnam Vedan. Mr. YANG, Kun-Hsiang is responsible for overseeing Group's operations and strategic management.

**Mr. YANG, Chen-Wen**, 45, an executive Director and the director of Vietnam Vedan. Mr. YANG, Chen-Wen has approximately 12 years' working experience in the MSG industry. Mr. YANG, Chen-Wen is responsible for coordinating our purchase activities. Mr. YANG, Chen-Wen obtained a bachelor degree in mechanics in 1993 from Waseda University, Japan.

**Mr. WANG, Joel J.**, 67, the Chief Operating Officer of the Company and the President of Vietnam Vedan. Mr. WANG obtained a master degree in food science and technology from Massachusetts Institute of Technology in 1968 and a master of science degree in chemical engineering from Columbia University in 1971. Mr. WANG is responsible for managing Group's business operations. Mr. WANG has approximately 38 years' working experience. Prior to joining us in 1991, Mr. WANG worked with Taiwan Vedan where he was responsible for strategic planning and foreign trade. Mr. WANG also has approximately 14 years' experience in product and process research, production and engineering in food and pharmaceutical industry in the U.S.

### 執行董事

**楊頭雄先生**，66歲，本集團主席。楊頭雄先生畢業於台中明德高職，彼在味精行業積累約46年工作經驗，是台灣味丹集團創辦人之一。楊頭雄先生負責制訂集團之整體企業策略。楊頭雄先生亦是越南味丹之董事及台灣味丹之董事。

**楊正先生**，54歲，執行董事。楊正先生在味精行業積累約33年工作經驗。楊正先生負責制訂本集團之業發展策略。楊正先生亦是越南味丹及台灣味丹之董事。此外，楊正先生是台灣味精製造業協會成員。楊先生於二零零四年取得中國廈門大學EMBA學位。

**楊坤祥先生**，51歲，本公司之行政總裁。楊坤祥先生於一九八六年在日本明治大學取得農業化學碩士學位。楊坤祥先生在味精行業積累20年工作經驗，並自一九九一年起參與越南味丹之業務發展。在過去18年，楊坤祥先生參與越南味丹之發展及管理。楊坤祥先生負責監督本集團之業務運作及策略管理。

**楊辰文先生**，45歲，本公司執行董事及越南味丹董事。楊辰文先生在味精行業積累約12年工作經驗。楊辰文先生負責統籌本集團之採購活動。楊辰文先生於一九九三年在日本早稻田大學取得機械學士學位。

**王肇樹先生**，67歲，本公司營運總監兼越南味丹總裁。王先生於一九六八年在美國麻省理工學院取得食品科技碩士學位，後於一九七一年在美國哥倫比亞大學取得化學工程理學碩士學位。王先生負責管理本集團之業務運作。王先生積累約38年之工作經驗。於一九九一年加盟本集團前，王先生曾效力台灣味丹，負責策劃及外貿方面之工作。王先生在美國從事產品及加工研究、生產以及食品及製藥業工程亦積累約14年經驗。



### NON-EXECUTIVE DIRECTORS

**Mr. HUANG, Ching-Jung**, 55, a non-executive Director. Mr. HUANG is a director of Vietnam Vedan and a vice president of Taiwan Vedan. Mr. HUANG graduated from the department of accounting and statistics of the National Taichung Commercial College, Taiwan in 1974. Mr. HUANG has approximately 31 years' experience in administration and finance.

**Mr. Chou, Szu-Cheng**, 48, a non-executive Director. Mr. Chou is the Supervisor of Vedan Enterprise Corporation. Mr. Chou was the director and legal consultant of Wincome Technologies Company Limited and he has over 16 years of experience in the legal industry. Mr. Chou obtained his Bachelor of Law degree from Soochow University, Master of Law degree from East China University and Doctorate of Law degree from Peking University.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. CHAO, Pei-Hong**, 47, an independent non-executive Director and a member of the Audit Committee. Mr. CHAO obtained a bachelor degree in law in 1984 and a master degree in law from Soochow University, Taiwan in 1986 and a master degree in law from the University of Houston in 1992. Mr. CHAO is an executive partner of Jurist Law Offices, a law firm in Taiwan. Mr. CHAO has approximately 16 years' experience in his practice.

**Mr. KO, Jim-Chen**, 48, is an Independent Non-executive Director and member of the Audit Committee of the Group. Mr. Ko has been the executive partner of Weyong International & Co., Certified Public Accountants in Taiwan since 2000. He graduated with a Bachelor of Business Degree from Feng Chia University, Taiwan, and subsequently obtained a Master of Science Degree in Accounting from the University of Delaware, USA.

**Mr. Chen, Joen-Ray**, 49, is an independent non-executive director and a member of the Audit Committee of the Group. Mr. Chen, holds a Master of Business Administration Degree from the Eastern Illinois State University, and a Bachelor Degree from the National Taiwan University. Mr. Chen is presently the Managing Director of 瑞展產經研究股份有限公司 (Ray Wing Research and Investment Corporation). He has more than 21 years of experience in securities business in Taiwan and was the Vice Chairman and General Manager of Yuanta Core Pacific Capital Management Corp. (元大證券投資顧問股份有限公司), the Chairman of Concord Securities Investment & Consulting Corp. (康和證券投資顧問股份有限公司) and the Senior Vice President of Concord Securities Corp. (康和證券股份有限公司).

### 非執行董事

**黃景榮先生**，55歲，非執行董事。黃先生亦是越南味丹之董事兼台灣味丹之副總裁。黃先生在一九七四年畢業於台灣國立台中商學院之會計及統計系。黃先生在行政及財務方面累積約31年經驗。

**周賜程先生**，48歲，非執行董事。周先生為味丹企業股份有限公司之監事。周先生曾為懷康科技股份有限公司之董事及法律顧問，於法律界擁有逾16年經驗，周先生獲得東吳大學法學學士學位、華東政法學院學碩士學位及北京大學法學博士學位。

### 獨立非執行董事

**趙培宏先生**，47歲，獨立非執行董事兼審核委員會成員。趙先生分別於一九八四年及一九八六年獲台灣東吳大學頒授法律學士及法律碩士學位，及於一九九二年獲休斯頓大學頒授法律碩士學位。趙先生是台灣一家律師事務所法學律師事務所之執行合夥人。趙先生約有16年執業經驗。

**柯俊禎先生**，48歲，獨立非執行董事兼審核委員會成員。柯先生自二零零零年起為台灣註冊會計師維揚聯合會計師事務所之執行合夥人。柯先生畢業於台灣逢甲大學獲頒授商業學士學位，並於美國德拉瓦大學獲授會計學理學碩士學位。

**陳忠瑞先生**，49歲，獨立非執行董事兼本集團審核委員會成員。陳先生持有Eastern Illinois State University之工商管理碩士學位，以及台灣國立大學之學士學位。陳先生目前為瑞展產經研究股份有限公司之董事總經理。彼於台灣之證券業務擁有逾21年經驗，曾擔任元大證券投資顧問股份有限公司副主席兼總經理、康和證券投資顧問股份有限公司主席及康和證券股份有限公司高級副總裁。

# Profile of Senior Executives

## 高級管理層簡介

### SENIOR EXECUTIVES

**Mr. HSIEH, Jau-Hwang**, 59, our Chief Financial Officer and vice president of Vietnam Vedan. Mr. HSIEH graduated from the National Cheng Kung University, major in accounting and finance. Mr. HSIEH is responsible for the finance functions of the Group. Mr. HSIEH has approximately 30 years of finance management and banking experience. Mr. HSIEH worked for several financial institutions in Taiwan and Vietnam including International Bank of Singapore and ABN AMRO Bank. Mr. HSIEH was also a general manager of ChinFon Bank, Ho Chi Minh City Branch. Prior to joining us, Mr. HSIEH worked as the President in Gia Hen International Co., Ltd.

**Mr. LIN, Chien-Pan**, 60, the Vice President of Vietnam Vedan. Mr. LIN is responsible for Sales and Marketing operations. Mr. LIN is also the Vice Chairman of Orsan and is responsible for the business operations of Orsan. Mr. LIN has 30 years' experience in the MSG industry. Mr. LIN joined us in April 1999. Prior to joining us, Mr. LIN had held various senior management positions with various companies in Taiwan. Mr. LIN served as the president at Summit Co., Ltd., a company engaged in packing materials business from 1996 to 1999 and as vice president of Signesia International Co., Ltd. from 1978 to 1988.

**Mr. Yang, Wen-Hu**, 48, chairman of Shanghai Vedan and Xiamen Maotai. Mr Yang graduated from the Finance Faculty of National Taiwan University and received his Master Degree from Waseda University in Japan. Mr. Yang held the position of assistant in the External Trade Department of Taiwan Vedan and had more than 16 years of experience in international trade. Mr. Yang is responsible for the planning and supervision of the operation strategy of Shanghai Vedan and Xiamen Maotai.

**Mr. YANG, Chang-Keng**, 52, president of Shangdong Vedan Snowflake Enterprise Co., Ltd. Mr YANG graduated from Taichung Commercial College and is responsible for the overall administration and operation of Shangdong Vedan Snowflake Enterprise Co., Ltd. He has had 15 years of work experience in the MSG and food additive. Before joining the Group, Mr. YANG, Chang-Keng served as the manager of the product development department in Tah Hsin Industrial Corporation and San- Sun Hat & Caps Co., Ltd.

### 高級管理層

**謝朝煌先生**，59歲，本集團之財務總監及越南味丹之副總裁。謝先生畢業於台灣國立成功大學，主修會計及財經。謝先生負責本集團之財務事宜。謝先生於財務管理及銀行方面積累約30年經驗。謝先生曾於台灣及越南多家財務機構任職，包括新加坡國際銀行及荷蘭銀行。謝先生亦曾任慶豐商業銀行胡志明市分行總經理。於加盟本集團之前，謝先生為Gia Hen International Co., Ltd.之總經理。

**林建邦先生**，60歲，越南味丹副總裁。林先生負責業務管理部。林先生亦為Orsan副主席，彼負責Orsan之業務運作。林先生在味精行業積累30年經驗。林先生於一九九九年四月加盟本集團。於加盟本集團前，林先生曾於多家台灣公司擔任多個高級管理層職位。林先生由一九九六年至一九九九年間擔任Summit Co., Ltd.（一間從事包裝料業務之公司）總經理，並由一九七八年至一九八八年間出任Signesia International Co., Ltd.副總裁一職。

**楊文湖先生**，48歲，上海味丹與廈門茂泰董事長。楊先生畢業於國立台灣大學經濟系，並於日本早稻田大學取得碩士學位。楊先生曾於台灣味丹擔任外貿部協理一職，並於國際貿易業務擁有超過16年之經驗。楊先生負責上海味丹及廈門茂泰之營運策略規劃與監督。

**楊長庚先生**，52歲，山東味丹雪花總裁。楊先生畢業於台中商學院。楊先生負責山東味丹雪花之整體行政與營運。楊先生於味精及食品添加劑行業累積15年工作經驗。於加盟本集團以前，楊長庚先生曾擔任達新工業股份有限公司及三勝製帽股份有限公司之產品開發部經理。

**Mr. YANG, Tung**, 38, Vice Chairman and general manager of the China Region, and Vice President of Shanghai Vedan Enterprise, is responsible for the company's financial and administrative work. Mr. Yang obtained a Master Degree in Business Administration from the University of Northwest in New York, USA. Mr. Yang joined Taiwan Vedan in 1995, and had held various positions in Purchasing, Logistics and administration.

**Mr. LIN, Yu**, 50, Vice President of Shanghai Vedan Enterprise, is responsible for sales and marketing planning. A graduate of Taipei Jianguo Senior High School, Mr. Lin joined Taiwan Vedan in 1989 first as a sales executive, and then was promoted to sales manager. He started with Shanghai Vedan Foods in 1994, and made it to the position of Vice President in Sales in June 2004. Mr. Lin has over 25 years of sales management experience in the food industry.

**Mr. LO Chi Man**, 47, the company secretary of the Company. He is responsible for the Group's company secretarial and listing compliance matters. Mr. Lo is a practising certified public accountant in Hong Kong, holds a degree of Bachelor of Laws in the Peking University, the PRC and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Lo has over 25 years' experience in finance, accounting and company secretarial practice.

**楊統先生**，38歲，中國區副董事長兼總經理及上海味丹企業副總裁，負責該公司財務及行政管理工作。楊先生畢業於美國紐約西北大學，獲得工商管理碩士學位。楊先生於一九九五年加入台灣味丹，經歷採購專員、運務處經理、總務部經理等職位。

**林昱先生**，50歲，上海味丹企業副總裁，負責該公司行銷企劃、銷售工作。林先生畢業於台北市建國高級中學。林先生於一九八九年加入台灣味丹，從銷售主任升至銷售襄理。一九九四年加入上海味丹食品，直至二零零四年六月，期間逐步升至行銷協理。林先生在食品製造業從事行銷管理工作逾25年。

**羅志文先生**，47歲，本公司之公司秘書。羅先生負責本集團公司秘書及上市合規事宜。羅先生為香港執業會計師。羅先生持有中國北京大學法學士學位，並為英國特許公認會計師公會及香港會計師公會資深會員。羅先生於財務、會計及公司秘書方面具逾25年經驗。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICE

The Group commits to maintaining and ensuring a high level of corporate governance standards and continuously reviews and improves our corporate governance and internal controls practices. Set out below are the principles of corporate governance as adopted by the Company during the reporting year.

### DISTINCTIVE ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER (“CEO”)

The Chairman of the Board is responsible for leading the Board of Directors in establishing and monitoring the implementation of strategies and plans to create values for shareholders.

The CEO is responsible for managing the operation of the Group’s businesses, proposing strategies to the Board and the effective implementation of the strategies and policies adopted by the Board.

### THE BOARD

As of 31 December 2008, there were ten members on the Board, which are the Chairman, the CEO, three other Executive Directors, two Non- Executive Directors (“NED”) and three Independent Non-Executive Directors (“INEDs”).

The INEDs are considered by the Board to be independent of the management and free of any relationship that could materially interfere with the exercise of their independent judgments. The Board considered that each of the INEDs brings his/her own relevant expertise to the Board and its deliberations.

None of the INEDs has any business or financial interests with the Group nor has any relationship with other directors and confirmed their independence to the Group.

The Board met regularly during the year and on ad hoc basis as required by business needs. The Board’s primary purpose is to set and review the overall strategic development of the Group and to oversee the achievement of the plans to enhance shareholders’ value. Daily operational decisions are delegated to the Executive Directors. The Board met five times during the year and the Directors’ attendance is shown in the table on page 37. The NED and INEDs may take independent professional advice at the Company’s expense in carrying out their functions.

### 企業管治常規

本集團一直致力確保企業管治標準維持於高水平，並持續檢討及改善企業管治及內部監控常規。以下為本公司於報告年度內採納的企業管治原則。

### 主席及行政總裁的分工

董事會主席負責領導董事會制訂及監控業務策略與計劃的推行，務求為股東締造更高的企業價值。

行政總裁負責管理集團業務運作、向董事會提呈策略方針，以及落實推行獲董事會採納的策略及政策。

### 董事會

於二零零八年十二月三十一日，董事會由十位成員組成，分別為主席、行政總裁、其他三位執行董事、兩位非執行董事（「非執行董事」）及三位獨立非執行董事（「獨立非執行董事」）。

董事會認為，各獨立非執行董事均為與管理層並無關係的獨立人士，其獨立判斷不會受到影響。此外，董事會認為，各獨立非執行董事均為董事會事務及其決策貢獻本身的相關經驗。

獨立非執行董事並無涉及本集團的任何業務及財務利益，且與其他董事亦並無任何關係，並已向本集團確認彼等為獨立人士。

年內，董事會定期及按業務所需不時舉行會議。董事會的主要功能為制訂及檢討本集團的整體策略發展，以及監督業務計劃成效以提升股東價值。日常營運決策乃授予執行董事。年內，董事會舉行了五次會議，而董事的出席記錄見第37頁所載表內。非執行董事及獨立非執行董事在執行彼等的職務時，可諮詢獨立專業人士的意見，費用概由本公司承擔。

**AUDIT COMMITTEE**

The Group has established an Audit Committee with written terms of reference as suggested under the Code of Best Practice set out in Appendix 14 of the Listing Rules and adopted with reference to "A Guide for Effective Audit Committees" published by the Hong Kong Institute of Certified Public Accountants. The Audit Committee comprises Mr CHAO, Pei-Hong, Mr KO, Jim-Chen and Mr Chan, Joen-Ray, all independent non-executive directors. The chairman of the Audit Committee is Mr Chao, Pei-Hong. Each member brings to the Committee his valuable experience in reviewing financial statements and evaluating significant control and financial issues of the Group who among themselves possess a wealth of management experience in the accounting profession, commercial and legal sectors. During the year, the Audit Committee met 3 times.

The main duties of the Audit Committee are as follows:-

- (i) to review the half-year and annual financial statements before they are submitted to the Board for approval;
- (ii) to make recommendations to the Board on, the appointment, reappointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors, and any questions of resignation or dismissal of that auditors;
- (iii) to review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- (iv) to review the Company's financial controls, internal controls and risk management systems;
- (v) to review the Group's financial and accounting policies and practice;
- (vi) to review and monitor the effectiveness of the internal audit function; and
- (vii) to review the terms and conditions of connected transactions of the Group.

The Audit Committee reviewed the financial statements of the Group for the year ended 31 December 2008 prior to recommending them to the Board for approval.

**審核委員會**

本公司已按照當時上市規則附錄14所載的最佳應用守則及香港會計師公會刊發的「審核委員會有效運作指引」成立審核委員會並以書面釐定其職權。審核委員會成員包括獨立非執行董事趙培宏先生、柯俊禎先生及陳忠瑞先生。審核委員會的主席為趙培宏先生。每位成員貢獻其寶貴的經驗，審核財務報表及評估本集團重大控制及財務事宜。彼等均於會計專業、商界和法律界擁有豐富的管理經驗。年內，審核委員會舉行三次會議。

審核委員會的主要職責如下：

- (i) 在半年及年度財務報表提呈董事會批准前審閱有關報表；
- (ii) 就委任、重新委任及撤換核數師向董事會提出建議，批准核數師的酬金及委聘條款，以及處理任何有關該核數師辭任或解聘的問題；
- (iii) 按照適用準則，檢討及監察核數師的獨立及客觀性，以及核數程序的效用；
- (iv) 檢討本公司的財務監控、內部監控及風險控制系統；
- (v) 檢討本集團的財務及會計政策與慣例；
- (vi) 檢討及監察內部審核職能的效用；及
- (vii) 審閱本集團關連交易的條款及條件。

審核委員會在提交本集團截至二零零八年十二月三十一日止年度的財務報表予董事會批准前，已審閱有關報表。

## REMUNERATION COMMITTEE

The Company established a remuneration committee in January 2006. Its terms of reference are summarized as follows:

- (i) To make recommendations with respect to the remuneration of the Executive Directors and the senior management of the Company for approval by the Board;
- (ii) To review the remuneration package and recommend salaries, bonuses, including the incentive awards for Directors and the senior management; and
- (iii) To administer and make determinations with regard to the Company's share option scheme.

The remuneration committee annually sets out its recommendation on the remuneration package of the Executive Directors. For the financial year ended 31 December 2008, the remuneration committee has reviewed and recommended to the Board the salaries and bonuses of the Executive Directors and the senior management.

In order to attract, retain, and motivate executives and key employees serving for the Group, the Company has adopted a share option scheme in 2003. Such incentive schemes enable the eligible persons to obtain an ownership interest in the Company and thus to rewards to the participants who contribute to the success of the Group's operations.

Details of the amount of Directors emoluments are set out in note 30 to the accounts and details of the 2003 Share Option Scheme are set out in the Report of Director and note 30 to the financial statements.

## NOMINATION COMMITTEE

The Company established the Nomination Committee in April 2008 to make recommendations to the Board on the appointment and reappointment of Directors, structure, size and composition of the Board to ensure fair and transparent procedures for the appointment and reappointment of Directors to the Board. There being no meetings be held by the nomination committee during the year.

## 薪酬委員會

本公司於二零零六年一月設立薪酬委員會，其職權範圍概述如下：

- (i) 就本公司執行董事及高級管理人員之薪酬提供推薦意見，以尋求董事會批准；
- (ii) 審議董事及高級管理人員之薪酬組合，並就薪資、花紅包括獎勵提出建議；及
- (iii) 管理及釐定本公司之購股權計劃。

薪酬委員會每年提呈其對執行董事薪酬組合之建議。於截至二零零八年十二月三十一日止財政年度，薪酬委員會已審議執行董事及高級管理層之薪酬及花紅，並向董事會提出建議。

為招攬、挽留及激勵在本集團供職之行政人員及主要僱員，本公司於二零零三年採納購股權計劃。該等激勵計劃使合資格人員可獲得本公司之所有權權益，從而對為本集團業務成功作出貢獻之參與者提供獎勵。

董事酬金款額之詳情載於賬目附註30，而二零零三年購股權計劃之詳情載於董事會報告及財務報表附註30。

## 提名委員會

本公司於二零零八年四月成立提名委員會，就委任及重新委任董事、董事會架構、人數及組成向董事會提出建議，以確保董事會董事之委任及重新委任程序公平及具透明度。年內提名委員會並無舉行會議。

**LOOKING FORWARD**

The Group will keep on reviewing its corporate governance standards on a timely basis and the Board endeavors to take the necessary actions to ensure the compliance with the provisions of the Code on Corporate Governance Practices introduced by the Stock Exchange.

**MEETINGS ATTENDANCE**

| Number of Meetings                         | 會議次數                | Board<br>董事會<br>(5) | Audit<br>Committee<br>審核委員會<br>(3) | Remuneration<br>Committee<br>薪酬委員會<br>(1) |
|--|---------------------|---------------------|------------------------------------|---|
| <b>Executive directors</b>                 | <b>執行董事</b>         |                     |                                    |   |
| Yang, Tou-Hsiung ( <i>Chairman</i> )       | 楊頭雄 ( <i>主席</i> )   | 5                   | N/A不適用                             | 1   |
| Yang, Cheng                                | 楊正                  | 4                   | N/A不適用                             | N/A不適用                                    |
| Yang, Kun-Hsiang ( <i>CEO</i> )            | 楊坤祥 ( <i>行政總裁</i> ) | 5                   | 3                                  | N/A不適用                                    |
| Yang, Chen-Wen                             | 楊辰文                 | 5                   | N/A不適用                             | N/A不適用                                    |
| Wang, Joel J.                              | 王肇樹                 | 5                   | 1                                  | N/A不適用                                    |
| <b>Non-executive director</b>              | <b>非執行董事</b>        |                     |                                    |   |
| Huang, Ching-Jung                          | 黃景榮                 | 5                   | 1                                  | N/A不適用                                    |
| Chou, Szu-cheng                            | 周賜程                 | 5                   | N/A不適用                             | N/A不適用                                    |
| <b>Independent non-executive directors</b> | <b>獨立非執行董事</b>      |                     |                                    |   |
| Chao, Pei-Hong                             | 趙培宏                 | 5                   | 3                                  | 1   |
| Ko, Jim-Chen                               | 柯俊禎                 | 5                   | 3                                  | 1   |
| Chan, Joen-Ray                             | 陳忠瑞                 | 5                   | 3                                  | 1   |

**INDEPENDENCE CONFIRMATION**

The Company has received, from each of the independent non-executive directors, a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

**COMPLIANCE WITH THE CODE OF BEST PRACTICE AND THE CODE ON CORPORATE GOVERNANCE PRACTICES OF THE LISTING RULES**

In the opinion of the Directors, the Company has complied with the Code of Best Practice, as set out in Appendix 14 of the Listing Rules, throughout the accounting period covered by the annual report. The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices ("Corporate Governance Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") for the year 2008.

**展望**

本集團將繼續適時檢討其企業管治水平，而董事會將竭力採取所需措施，以確保遵守聯交所頒佈的企業管治常規守則條文。

**會議出席記錄****獨立確認**

根據上市規則第3.13條，本公司獲得各獨立非執行董事確認其獨立性。本公司認為所有獨立非執行董事均是獨立的。

**遵守上市規則的最佳應用守則及企業管治常規守則**

董事認為，本公司在本年報所涉及會計期間一直遵守上市規則附錄14所載的最佳應用守則。本公司於二零零八年一直遵守聯交所證券上市規則（「上市規則」）附錄14所載企業管治常規守則（「企業管治守則」）所有守則條文。

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company had adopted the “Model Code for Securities Transactions by Directors of Listed Issuers” as set out in Appendix 10 of the Listing Rules as the code for dealing in securities of the Company by the directors (the “Code”). Having made specific enquiry, the Company confirmed that all directors have complied with the required standard as set out in the Code.

### AUDITORS’ REMUNERATION

The Audit Committee of the Company is responsible for considering the appointment of the external auditor and reviewing any non-audit functions performed by the external auditor. During the year under review, the Group is required to pay an aggregate of approximately US\$322,000 to the external auditors for their services including audit and non-audit services.

### DIRECTORS’ AND AUDITORS’ RESPONSIBILITIES FOR ACCOUNTS

The Directors’ responsibilities for the accounts and the responsibilities of the external auditors to the shareholders are set out on pages 52 and 53.

### 上市發行人董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載的「上市發行人董事進行證券交易的標準守則」作為董事進行本公司證券交易的標準守則（「標準守則」）。經作出特定查詢後，本公司確認所有董事已遵守標準守則所載的規定準則。

### 核數師薪酬

本公司審核委員會負責考慮聘請核數師及審核核數師所進行之任何非核數之職能。於回顧年度內，本集團需支付約共322,000美元予核數師之服務，包括核數及非核數之服務。

### 董事及核數師對賬目之責任

董事對賬目之責任及核數師對股東之責任載於第52及53頁。



# Report of the Directors

## 董事會報告

The directors of the Company ("Directors") present their report and the audited accounts for the year ended 31 December, 2008.

### PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the production of fermentation-based amino acids, food additive products and cassava starch based industrial products. Details of the principal activities of its subsidiaries are set out in Note 9 to the accounts.

There have been no significant changes in the nature of these activities during the year under review.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December, 2008 are set out in the consolidated income statement on page 57.

An interim dividend of 0.3050 US cents (2.379 HK cents) per share was declared and paid to the shareholders during the year under review. The Board does not recommend the payment of a final dividend for the year ended 31 December, 2008.

### SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in Note 14 to the accounts.

### DISTRIBUTABLE RESERVES

As at 31 December, 2008, the Company's share premium reserve of approximately US\$194,098,000 (subject to the Cayman Companies Law and the articles of association of the Company) and retained earnings of approximately US\$13,733,000 were available for distribution to the Company's shareholders.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the year ended 31 December, 2008, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares.

### RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in Note 15 to the accounts.

本公司董事（「董事」）謹此呈報截至二零零八年十二月三十一日止年度的董事會報告及經審核賬目。

### 主要業務

本公司為投資控股公司，其附屬公司主要從事以發酵技術生產氨基酸產品、食品添加劑及木薯澱粉工業產品。其附屬公司主要業務的詳情載列於賬目附註9。

該等業務於回顧年度並無重大轉變。

### 業績及分派

本集團截至二零零八年十二月三十一日止年度的業績載於第57頁的綜合收益表。

於回顧年度已宣派及派付中期股息每股0.3050美仙（2.379港仙）。董事會不建議宣派截至二零零八年十二月三十一日止年度末期股息。

### 股本

本公司股本變動的詳情載於賬目附註14。

### 可供分派儲備

本公司於二零零八年十二月三十一日有股份溢價賬約194,098,000美元（須符合開曼群島公司法及本公司組織章程細則的規定）及保留盈利約13,733,000美元可供分派予本公司股東。

### 購買、出售或贖回證券

本公司及其任何附屬公司於截至二零零八年十二月三十一日止年度內概無購買、出售或贖回本公司任何股份。

### 儲備

本集團及本公司於本年度的儲備變動載於賬目附註15。

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in Note 7 to the financial statements.

## MAJOR CUSTOMERS AND SUPPLIERS

During the year, the five largest customers of the Group accounted for approximately 33% of the Group's consolidated turnover. In addition, the five largest suppliers of the Group accounted for approximately 61% of the Group's consolidated purchases for the year. Sales to the Group's largest customer and purchases from the Group's largest supplier accounted for less than 11% and 18% of the Group's consolidated sales and consolidated purchases respectively.

At no time during the year, did a director, an associate of a director or any shareholder of the Company, which to the knowledge of the directors owns more than 5% of the Company's issued share capital, have an interest in the share capital of any of the five largest customers or suppliers of the Company.

## DIRECTORS

The Directors during the year under review and up to the date of this report are:

### Executive Directors

Yang, Tou-Hsiung  
Yang, Cheng  
Yang, Kun-Hsiang  
Yang, Chen-Wen  
Wang, Joel J.

### Non-executive Directors

Huang, Ching-Jung  
Chou, Sze-Cheng

### Independent Non-executive Directors

Chao, Pei-Hong  
Ko, Jim-Chen  
Chen, Joen-Ray

According to Article 87(1) of the Company's articles of association, Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng and Mr. Chao, Pei-Hong will retire by rotation at the forthcoming annual general meeting of the Company. All such Directors being eligible, offer themselves for re-election.

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 30 to 33.

## 物業、廠房及設備

本集團物業、廠房及設備於本年度變動的詳情載於財務報表附註7。

## 主要客戶及供應商

於本年度，本集團五大客戶佔本集團綜合營業額約33%。此外，本年度本集團五大供應商佔本集團綜合採購額約61%。來自本集團最大客戶的銷售及最大供應商的採購分別佔本集團綜合銷售及綜合採購少於11%及18%。

於年內任何時間，概無董事、董事之聯繫人士或據董事所知擁有本公司5%以上已發行股本之股東，於本公司任何五大客戶或供應商之股本中擁有權益。

## 董事

於回顧年度及截至本報告日期在任的董事如下：

### 執行董事

楊頭雄  
楊正  
楊坤祥  
楊辰文  
王肇樹

### 非執行董事

黃景榮  
周賜程

### 獨立非執行董事

趙培宏  
柯俊禎  
陳忠瑞

根據本公司之組織章程細則第87(1)條，楊頭雄先生、楊正先生及趙培宏先生將於本公司應屆股東週年大會上輪席退任。所有該等董事符合資格及願意重選連任。

## 董事及高級管理層履歷

董事及高級管理層的簡歷詳載於第30至33頁。

**DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

(a) As at 31 December, 2008, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which (a) were required to be notified to the Company and The Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors were taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"), to be notified to the Company and the Stock Exchange, were as follows:—

**董事於股份、相關股份及債券之權益及淡倉**

(a) 於二零零八年十二月三十一日，本公司各董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）之權益及淡倉（包括根據證券及期貨條例有關條文董事被認為或被視為擁有之權益及淡倉），或(b)規定須列入證券及期貨條例第352條規定存置之登記冊內之權益及淡倉，或(c)根據香港聯合交易所有限公司證券上市規則（「上市規則」）所載之上市公司董事進行證券交易之標準守則須知會本公司及聯交所之權益及淡倉如下：—

| Name<br>姓名                     | Interests in shares<br>於股份中之權益        |  |
|--------------------------------|---------------------------------------|--|
|                                | Number of<br>ordinary shares<br>普通股數目 | Percentage of<br>issued shares<br>of the Company<br>佔本公司已發行<br>股份百分比 |
| Mr. YANG, Tou-Hsiung<br>楊頭雄先生  | 169,730,196<br>(Note 1)<br>(附註1)      | 11.15%   |
| Mr. WANG, Joel J.<br>王肇樹先生     | 750,000                               | 0.05%  |
| Mr. HUANG, Ching-Jung<br>黃景榮先生 | 200,000                               | 0.01%  |
| Mr. CHAO, Pei-Hong<br>趙培宏先生    | 500,000                               | 0.03%  |

Notes:

附註：

1. Mr. YANG, Tou-Hsiung's interest in shares were held in the following capacities:-

1. 楊頭雄先生以下列身份持有股份權益：

| Capacity                              | 身份               | Number of ordinary shares<br>普通股數目 |
|---------------------------------------|------------------|------------------------------------|
| Interest of company controlled by him | 於楊頭雄先生控制之公司中擁有權益 | 169,730,196 *                      |

- \* Mr. YANG, Tou-Hsiung was entitled to exercise or control the exercise of more than one-third of the voting power of King International Limited ("King International") and King International is the holder of such 169,730,196 shares.

- \* 楊頭雄先生有權行使或控制行使 King International Limited (「King International」) 超過三分之一的投票權，而 King International 為該批 169,730,196 股股份之持有人。

Save as disclosed above, as at 31 December 2008, none of the Directors or chief executives of the Company had or was deemed to have any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she was taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

除上文所披露者外，於二零零八年十二月三十一日，概無本公司董事或最高行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債權證中，擁有或被視為擁有(a)根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所之任何權益或淡倉（包括根據證券及期貨條例有關條文被認為或被視為擁有之權益及淡倉）；或(b)根據證券及期貨條例第352條須列入該條文所述之登記冊內之任何權益或淡倉；或(c)根據上市規則所載之上市公司董事進行證券交易的標準守則須知會本公司及聯交所之任何權益或淡倉。

## SHARE OPTION SCHEMES

On 13 June, 2003, the Pre-IPO Share Option Scheme and the Share Option Scheme were approved by shareholders under which the Directors may, at their discretion, offer any employee (including any executive director of the Company) of the Group, options to subscribe for shares in the Company subject to the terms and conditions stipulated in the two schemes.

Options to subscribe for 29,770,000 shares had been granted to the Directors and employees of the Group on 13 June, 2003 under the Pre-IPO Share Option Scheme. No further options can be, or have been, granted under the Pre-IPO Share Option Scheme from 27 June, 2003, the date of listing of the shares on the Stock Exchange. As at 31 December 2008, there was no share option outstanding under the Pre-IPO Share Option Scheme.

As at 31 December 2008, no option had been granted or exercised under the Share Option Scheme.

## DIRECTORS' SERVICE CONTRACTS

Each of Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng, Mr. Yang, Kun-Hsiang, Mr. Yang, Chen-Wen and Mr. Wang, Joel J. has entered into a service agreement with the Company for an initial period of three years. Such service agreements may continue thereafter unless terminated by not less than three months' notice in writing served by either party following the expiration of the end of the initial term or at any time thereafter.

Each of Mr. Huang, Ching-Jung and Mr. Chao, Pei-Hong has entered into a service agreement with the Company for an initial term of one year. Such service agreements may continue thereafter unless terminated by one month's notice in writing served by either party following the expiration of the end of the initial term or at any time thereafter.

Mr. Chou, Sze-Cheng has entered into a service contract with the Company for a term commencing on 31 May 2006 ("Commencement Date") and shall continue until the year falling on the third year from the Commencement Date or the annual general meeting of the Company to be held in the third year from the Commencement Date, whichever is earlier or otherwise terminated by the giving of one month's notice in writing thereof by either party to the other.

## 購股權計劃

二零零三年六月十三日，股東已批准首次公開售股前購股權計劃及購股權計劃。據此，董事可酌情向本集團的任何僱員（包括任何本公司執行董事）授出購股權，根據該兩項購股權計劃的條款及條件認購本公司的股份。

二零零三年六月十三日，已根據首次公開售股前購股權計劃向董事及本集團僱員授出可認購 29,770,000 股股份之購股權。自二零零三年六月二十七日（即股份於聯交所上市之日）起，再不可亦再無根據首次公開售股前購股權計劃授出購股權。於二零零八年十二月三十一日，概無首次公開售股前購股權計劃項下之購股權尚未行使。

於二零零八年十二月三十一日，概無購股權計劃項下的購股權已授出或已行使。

## 董事服務合約

楊頭雄先生、楊正先生、楊坤祥先生、楊辰文先生及王肇樹先生已分別與本公司訂立初步為期三年之服務協議，該等服務協議可於其後繼續生效，除非其中一方於初步年期屆滿後或於其後任何時間發出不少於三個月書面通知終止服務協議。

黃景榮先生及趙培宏先生已分別與本公司訂立初步為期一年之服務協議，該等服務協議可於其後繼續生效，除非其中一方於初步年期屆滿後或於其後任何時間發出不少於一個月書面通知終止服務協議。

周賜程先生已與本公司訂立服務合約，年期由二零零六年五月三十一日（「開始日期」）起開始，並將繼續生效，直至由開始日期後計滿三年之年度或開始日期起計第三年內將舉行之本公司股東週年大會（以較早者為準）為止，或除非其中一方向另一方發出一個月書面通知終止合約。

Mr. Ko, Jim-Chen has not entered into service contract with the Company, and has no fixed term of service with the Company but will be subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the articles of association of the Company.

Mr Chen, Joen-Ray has entered into a service contract with the Company for a term of one year and both parties may upon or before the expiration of the original term or any renewed term (as the case may be) thereof, agree in writing to extend the term of the service contract for another year.

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment, other than statutory compensation.

柯俊禎先生並無與本公司訂立服務合約，與本公司亦無訂立固定服務年期，惟將根據本公司組織章程細則於股東週年大會上輪席退任及重選連任。

陳忠瑞先生已與本公司訂立為期一年之服務合約，而雙方可於原有條款或其任何重續條款（視乎情況而定）屆滿前以書面方式同意延長服務合約條款一年。

在應屆股東週年大會上擬重選之董事並無與本公司訂立本公司在一年內不作賠償（法定賠償除外）則不可撤銷之服務協議。

### DIRECTORS' INTERESTS IN CONTRACTS

Except for the service contracts detailed above, no director had a material interest in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

### 董事所擁有之合約權益

除上文所詳述之服務合約外，並無董事在年內本公司或其任何附屬公司參與訂立而對本集團業務有重大影響之合約中擁有重大權益。

### CONNECTED TRANSACTIONS

#### Transactions with Taiwan Vedan Enterprise Corporation ("Taiwan Vedan")

For the year ended 31 December, 2008, the Company entered into the following transactions with its substantial shareholder, Taiwan Vedan, a connected person of the Company, which constituted continuing connected transactions of the Company subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules:

### 關連交易

#### 與台灣味丹企業股份有限公司（「台灣味丹」）之交易

截至二零零八年十二月三十一日止年度，本公司與其主要股東及關連人士，台灣味丹進行下列交易，而該等交易屬於須遵守上市規則第14A章申報及公告規定之持續關連交易：

|    |  | Note<br>附註 | US\$'000<br>千美元 |
|----|--|------------|-----------------|
| A. | Sale of goods to Taiwan Vedan  | (i)        | 2,552           |
| B. | Technological support fee paid to Tung Hai Fermentation Industrial Co. Ltd. and Taiwan Vedan | (ii)       | 2,755           |
| A. | 向台灣味丹銷售貨品  | (i)        | 2,552           |
| B. | 向東海醱酵工業股份有限公司及台灣味丹支付技術支援費  | (ii)       | 2,755           |

Notes:

- (i) On 14 December 2005, the Company and Taiwan Vedan entered into an agreement in respect of the sales of certain GA (acronym as "glutamic acid"), MSG (acronym as "monosodium glutamate") and cassava starchbased industrial products by the Group to Taiwan Vedan and its subsidiaries (other than members of the Group) ("Taiwan Vedan Group") for a term of three years from 1 January 2006 to 31 December 2008 ("Taiwan Sales Agreement"). The parties entered into a supplemental agreement on 4 January 2007 to increase the cap under the Taiwan Sales Agreement to the revised cap of US\$4,100,000 for the three financial years ended 31 December 2006, 2007 and 2008. The Directors believe that the sale of goods to the Taiwan Vedan Group pursuant to the Taiwan Sales Agreement will generate additional income to the Group.

As the transactions contemplated under the Taiwan Sales Agreement were expected to continue after the expiration of its term, the parties entered into an agreement on 23 December 2008 on substantially the same terms as the Taiwan Sales Agreement for a term of three years from 1 January 2009 to 31 December 2011. At the relevant time, the Company estimated that the annual total aggregate amount of sales of the products to the Taiwan Vedan Group will not exceed the maximum cap of US\$1,700,000 for each of the three financial years ending 31 December 2011.

- (ii) On 14 December 2005, the Company and Taiwan Vedan entered into an agreement in respect of the provision of certain technological support services by the Taiwan Vedan Group to the Group for a term of three years from 1 January 2006 to 31 December 2008 ("Technology Support Agreement"). The parties entered into a supplemental agreement on 4 January 2007 to increase the cap under the Technology Support Agreement to the revised cap of US\$2,800,000 for the three financial years ended 31 December 2006, 2007 and 2008. The Directors believe that the technological support from the Taiwan Vedan Group will benefit the Group's future business developments.

As the transactions contemplated under the Technology Support Agreement were expected to continue after the expiration of its term, the parties entered into an agreement on 23 December 2008 on substantially the same terms as the Technology Support Agreement for a term of one year from 1 January 2009 to 31 December 2009. At the relevant time, the Company estimated that the annual total aggregate amount of service fee payable pursuant to the agreement will be around or may exceed US\$1,700,000 for the financial year ending 31 December 2009. However, it was agreed by the Company and Taiwan Vedan that the annual total aggregate amount of service fee payable by the Group shall be subject to a cap of US\$1,700,000 as a support extended by Taiwan Vedan to the Group.

註:

- (i) 於二零零五年十二月十四日，本公司與台灣味丹就本集團向台灣味丹及其附屬公司（本集團成員公司除外）（「台灣味丹集團」）出售若干谷氨酸、味精及澱粉工業產品而訂立協議，由二零零六年一月一日至二零零八年十二月三十一日止，為期三年（「台灣銷售協議」）。各訂約方於二零零七年一月四日訂立補充協議，以將台灣銷售協議之上限增加至截至二零零六年、二零零七年及二零零八年十二月三十一日止三個財政年度之經修訂上限4,100,000美元。董事相信根據台灣銷售協議向台灣味丹集團銷售貨品，將為本集團帶來額外收入。

由於台灣銷售協議項下擬進行之交易預期於其條款屆滿後繼續，各訂約方於二零零八年十二月二十三日訂立條款大致與台灣銷售協議相同之協議，由二零零九年一月一日至二零一一年十二月三十一日止，為期三年。於相關時間，本公司估計銷售產品予台灣味丹集團之年度總額將不會超過截至二零一一年十二月三十一日止三個財政年度各年之最高上限1,700,000美元。

- (ii) 於二零零五年十二月十四日，本公司與台灣味丹就台灣味丹集團向本集團提供若干技術支援服務而訂立協議，由二零零六年一月一日至二零零八年十二月三十一日止，為期三年（「技術支援協議」）。各訂約方於二零零七年一月四日訂立補充協議，以將技術支援協議之上限增加至截至二零零六年、二零零七年及二零零八年十二月三十一日止三個財政年度之經修訂上限2,800,000美元。董事相信從台灣味丹集團獲得技術支援，將對本集團之未來業務發展有利。

由於技術支援協議項下擬進行之交易預期於其條款屆滿後繼續，各訂約方於二零零八年十二月二十三日訂立條款大致與技術支援協議相同之協議，由二零零九年一月一日至二零零九年十二月三十一日止，為期一年。於相關時間，本公司估計根據協議之年度應付服務費總額將約為或可能超過截至二零零九年十二月三十一日止財政年度之1,700,000美元。然而，本公司與台灣味丹協定，本集團應付之年度服務費總額須受上限1,700,000美元所限，作為台灣味丹向本集團提供之進一步支援。

Apart from the above transactions, for the year ended 31 December 2008, the Company entered into certain transactions with Taiwan Vedan pursuant to an agency agreement entered into by the parties on 14 December 2005 (“Agency Agreement”), which were exempted from all reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. Each of Taiwan Vedan and the Company has been acting as the sole and exclusive agent of the other party to sell, distribute, supply and/or provide the products that are produced or proposed to be produced by the Group from time to time to the customers in Vietnam, ASEAN countries and the PRC or in Taiwan (as the case may be). The Directors believe that the Group will continue to benefit from the transactions as the Group will receive additional commission income, and, it will also continue to benefit from the transactions in respect of additional sales to customers in Taiwan which may not be satisfied by the production capacity of, or the available products from, the Taiwan Vedan Group.

On 31 December 2008, the parties entered into an agreement on substantially the same terms as the Agency Agreement for a term of three years from 1 January 2009 to 31 December 2011. At the relevant time, the Company estimated that the annual total aggregate amount of commission to be received by each of the Group and the Taiwan Vedan Group will not exceed the maximum cap of US\$150,000 and US\$80,000 for each of the three financial years ending 31 December 2011. Such transactions are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

#### Transactions with Shandong Xue Hua Bio-chemical Co., Ltd. (“Xue Hua”)

For the year ended 31 December, 2008, the subsidiaries of the Company entered into various transactions with Xue Hua, which constituted continuing connected transactions as defined in the Listing Rules. The Directors are of the view that such transactions will provide cost benefits to the Group for its GA and MSG manufacturing businesses.

On 22 December, 2005, Ordino Investments Pte Ltd (“Ordino”), a wholly-owned subsidiary of the Company and Xue Hua entered into a joint venture contract to set up a joint venture company, Shandong Vedan Snowflake Enterprise Co., Ltd. (“JV Company”) in the PRC. Upon the establishment of the JV Company, the JV Company becomes a 70% non wholly-owned subsidiary of the Company, and Xue Hua, which holds 30% of the equity interest in the JV Company, becomes a connected person of the Company under Chapter 14A of the Listing Rules.

除上述交易外，截至二零零八年十二月三十一日止年度，本公司與台灣味丹根據各訂約方於二零零五年十二月十四日訂立之代理協議（「代理協議」）訂立若干交易，該等交易根據上市規則第14A章獲豁免全部申報、公佈及獲獨立股東批准之規定。台灣味丹及本公司各自作為另一方之唯一獨家代理，以不時銷售、分銷、供應及／或提供由本集團生產或建議將由本集團生產之產品予越南、東盟國家及中國或台灣（視乎情況而定）之客戶。董事相信，本集團將繼續受惠於該等交易，此乃由於本集團將收取額外佣金收入，而其亦將繼續受惠於有關額外銷售予台灣客戶之該等交易，台灣味丹集團之產能可能未能滿足或無法提供產品予該等客戶。

於二零零八年十二月三十一日，各訂約方訂立條款大致與代理協議相同之協議，由二零零九年一月一日至二零一一年十二月三十一日止，為期三年。於相關時間，本公司估計本集團及台灣味丹集團各自將予收取之年度佣金總額將不會超過截至二零一一年十二月三十一日止三個財政年度各年之最高上限150,000美元及80,000美元。該等交易須根據上市規則第14A章遵守申報及公佈規定。

#### 與山東雪花生物化工股份有限公司（「雪花」）之交易

截至二零零八年十二月三十一日止年度，本公司之附屬公司與雪花訂立若干交易，構成持續關連交易（定義見上市規則）。董事認為，該等交易將為本集團的谷氨酸及味精製造業務帶來成本效益。

於二零零五年十二月二十二日，本公司全資附屬公司Ordino Investments Pte Ltd（「Ordino」）與雪花訂立合營協議，在中國成立合營公司山東味丹雪花廠（「合營公司」）。成立合營公司後，合營公司成為本公司擁有70%權益之非全資附屬公司，雪花則持有合營公司30%股權，根據上市規則第14A章，成為本公司之關連人士。



Set out below is a table summarising the non-exempt continuing connected transactions with Xue Hua as at 31 December 2008 which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules:

下表概述截至二零零八年十二月三十一日與雪花之間須遵守上市規則第14A章申報、公告及獨立股東批准規定之不獲豁免持續關連交易：

|   |                   | Note<br>附註 | US\$'000<br>千美元 |
|---|-------------------|------------|-----------------|
| A. Supply of certain raw materials by Xue Hua to the JV Company | A. 雪花向合營公司供應若干原材料 | (i)        | 15,362          |

Notes:

附註：

(i) On 28 December, 2005, Ordino, Xue Hua and the JV Company entered into an agreement in respect of the supply of certain raw materials ("Raw Materials") by Xue Hua to the JV Company. On 31 December 2006, Xue Hua and the JV Company entered into a supplemental agreement (the agreement, as supplemented by the supplemental agreement, will be referred to as the "Raw Materials Purchase Agreement") to revise certain terms of the agreement. The Raw Materials Purchase Agreement was for a term of three years from 28 December 2005 to 27 December 2008.

(i) 於二零零五年十二月二十八日，Ordino、雪花及合營公司就有關雪花向合營公司供應若干原材料（「原材料」）訂立一項協議。於二零零六年十二月三十一日，雪花與合營公司訂立一項補充協議（經補充協議補充之協議將稱為「原材料採購協議」），以修訂協議之若干條款。原材料採購協議由二零零五年十二月二十八日至二零零八年十二月二十七日止，為期三年。

Under the Raw Materials Purchase Agreement, Xue Hua will guarantee to the JV Company that in the event of the GA products produced by the JV Company utilising the Raw Materials reaching 25,000 tonnes per annum, the lower of (a) the average profit before tax for each tonne of such GA products will be not less than RMB450; or (b) the annual profit before tax for such GA products produced will reach RMB11,470,000, and Xue Hua will reimburse the shortfall to the JV Company, up to a maximum term of 5 years and an amount of RMB71,420,000 (which includes the service fees payable by Xue Hua to Ordino under a technology services agreement) or RMB60,570,000 (which excludes the service fees payable under such technology services agreement).

根據原材料採購協議，雪花將向合營公司作出擔保，倘合營公司採用該等原材料所生產之谷氨酸產品每年超過25,000噸，則（以下較低者）(a)平均每噸該等谷氨酸產品之除稅前溢利將不會低於人民幣450元；或(b)所生產之該等谷氨酸產品全年除稅前溢利將達致人民幣11,470,000元，否則雪花將向合營公司補償差額，最多為期五年，最高金額為人民幣71,420,000元（包括雪花根據一項技術服務協議應付Ordino之服務費）或人民幣60,570,000元（不包括根據該項技術服務協議應付之服務費）。

Pursuant to the Raw Materials Purchase Agreement, Xue Hua is entitled to claim reasonable damages from the JV Company in case of the JV Company sells products to the Group at a price level lower than the then average selling price available from Xue Hua of a comparable product.

根據原材料採購協議，倘合營公司向本集團出售產品，而價格低於雪花相若產品當時之平均售價，則雪花有權向合營公司申索合理賠償。

As the transactions contemplated under the Raw Materials Purchase Agreement were expected to continue after the expiration of its term, Ordino, Xue Hua and the JV Company entered into an agreement on 23 December 2008 to renew the Raw Materials Purchase Agreement on substantially the same terms and for a term of three years from 28 December 2008 to 27 December 2011 (with the JV Company's right to renew for a successive term of three years each until the end of the term of the JV Company subject to compliance with the relevant requirements under the Listing Rules). At the relevant time, the Company estimated that the annual total aggregate amount of the raw materials to be purchased by the JV Company from Xue Hua will not exceed the maximum cap of RMB200,000,000 for each of the three financial years ending 31 December 2011.

The Directors, including the independent non-executive Directors have reviewed the above continuing connected transactions of the Company for the year ended 31 December 2008 and confirmed that:

- (a) Such transactions were:
- (i) entered into in the ordinary and usual course of business;
  - (ii) conducted on normal commercial terms; which were no less favourable than those available to or from independent third parties; and
  - (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders as a whole;
- (b) the aggregate amount for each of the above transactions has not exceeded the relevant caps disclosed in previous announcements.

#### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

由於原材料採購協議項下擬進行之交易預期於其條款屆滿後繼續，Ordino、雪花與合營公司於二零零八年十二月二十三日訂立條款大致上相同之協議，以重續原材料採購協議，由二零零八年十二月二十八日至二零一一年十二月二十七日止，為期三年（合營公司有權連續重續三年，直至合營公司屆滿，惟須遵守上市規則項下之相關規定）。於相關時間，本公司估計合營公司將向雪花採購之原材料之年度總額將不會超過截至二零一一年十二月三十一日止三個財政年度各年之最高上限人民幣200,000,000元。

本公司董事（包括獨立非執行董事）已審閱上述截至二零零八年十二月三十一日止年度的本公司持續關連交易，並確認：

- (a) 該等交易：
- (i) 於一般日常業務中進行；
  - (ii) 按不遜於與獨立第三者交易之一般商業條款進行；及
  - (iii) 根據有關之規管協議以公平合理且符合股東整體利益之條款進行；
- (b) 上述各項交易之總值並無超過過往公佈所披露之有關上限。

#### 優先購買權

本公司組織章程細則或開曼群島法例並無優先購買權規定，要求本公司按比例向現有股東發售新股份。

**SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES**

So far as was known to any Director or chief executive of the Company, as at 31 December, 2008, other than the interests and short positions of the Directors or chief executives of the Company as disclosed above, the following persons had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

**主要股東權益及股份之淡倉**

據任何董事及本公司最高行政人員所知，於二零零八年十二月三十一日，除上文所披露董事或本公司最高行政人員的權益及淡倉外，以下人士於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露的權益或淡倉，或列入本公司根據證券及期貨條例第336條所存置登記冊的權益或淡倉：

| Name<br>名稱  | Number of ordinary shares<br>普通股數目 | Percentage of<br>issued shares<br>of the Company<br>佔本公司已<br>發行股份百分比 |
|---|------------------------------------|--|
| Billion Power Limited ("Billion Power")                     | 460,237,609<br>(Note 1)<br>(附註1)   | 30.22%   |
| Taiwan Vedan<br>台灣味丹  | 460,237,609<br>(Note 1)<br>(附註1)   | 30.22%   |
| King International Limited<br>("King International")        | 169,730,196<br>(Note 2)<br>(附註2)   | 11.15%   |
| Concord Worldwide Holdings Limited<br>("Concord Worldwide") | 127,297,646<br>(Note 3)<br>(附註3)   | 8.36%  |
| High Capital Investments Limited<br>("High Capital")        | 127,297,646<br>(Note 4)<br>(附註4)   | 8.36%  |

Notes:

1. Taiwan Vedan is entitled to exercise or control the exercise of more than one third of the voting power of Billion Power and is therefore taken to be interested in these 460,237,609 shares held by Billion Power.
2. The capacity of King International in holding the 169,730,196 shares was as beneficial owner.
3. The capacity of Concord Worldwide in holding the 127,297,646 shares was as beneficial owner.
4. The capacity of High Capital in holding the 127,297,646 shares was as beneficial owner.

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, as at 31 December 2008, no other person (not being a Director or chief executives of the Company) had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

Four Directors of the Company, namely, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang and Yang, Chen-Wen, were also directors of the Group's controlling shareholder, Taiwan Vedan. In addition, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang and Yang, Chen-Wen indirectly held approximately 19.77 percent., 9.89 percent., 6.18 percent., and 8.24 percent. interest in Taiwan Vedan, respectively and they were therefore considered as having an interest in Taiwan Vedan under Rule 8.10 of the Listing Rules.

The Taiwan Vedan Group is principally engaged in, inter alia, the production of food additive products, including MSG products, and beverages in Taiwan, which may compete with the Group's business operations in respect of the product portfolio of the Group ("Product Portfolio").

附註：

1. 台灣味丹有權行使或控制行使Billion Power超過三分之一的投票權，故台灣味丹被視為擁有Billion Power所持有該460,237,609股股份之權益。
2. King International乃以實益持有人身份持有169,730,196股股份。
3. Concord Worldwide乃以實益擁有人身份持有127,297,646股股份。
4. High Capital乃以實益擁有人身份持有127,297,646股股份。

除上文所披露者外，據董事或本公司最高行政人員所知，於二零零八年十二月三十一日，概無任何人士（並非董事或本公司最高行政人員）於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司及聯交所披露之權益或淡倉或須列入本公司根據證券及期貨條例第336條所存置登記冊的權益或淡倉。

### 董事於競爭業務之權益

本公司董事楊頭雄先生、楊正先生、楊坤祥先生及楊辰文先生亦為本集團控股股東台灣味丹之董事。此外，楊頭雄先生、楊正先生、楊坤祥先生及楊辰文先生分別間接持有台灣味丹約19.77%、9.89%、6.18%及8.24%權益，因此，根據上市規則第8.10條，彼等被視為擁有台灣味丹之權益。

台灣味丹集團主要在台灣從事（其中包括）食品添加劑產品（包括味精產品）及飲料生產業務，可能對本集團之產品系列業務（「產品系列」）構成競爭。

Since Messrs. Yang, Tou-Hsiang and Yang, Cheng are both responsible only for the overall strategic planning and the business development of the Taiwan Vedan Group and the Group and the daily operations of the Group are managed by Messrs. Yang, Kun-Hsiang, Yang, Chen-Wan and Wang, Joel J. together with an independent management team, the Directors are of the view that the management and the operational functions of the Group are independent of and separate from those of other members of the Taiwan Vedan Group.

For safeguarding the interests of the Group, the independent non-executive Directors and the Audit Committee of the Company would on a regular basis review the business and operational results of the Group to ensure, inter alia, that the Group's business operations in respect of the Product Portfolio is and continues to be run on the basis that it is independent of, and at arm's length from, that of Taiwan Vedan.

#### AUDITORS

The accounts have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board

**Yang, Kun-Hsiang**

*Director and Chief Executive Officer*

7 April 2009

由於楊頭雄先生及楊正先生均僅負責台灣味丹集團及本集團之整體策略規劃及業務發展，而本集團日常業務則由楊坤祥先生、楊辰文先生及王肇樹先生以及一個獨立管理團隊管理，故董事認為，本集團之管理及營運功能乃獨立於台灣味丹集團之其他成員公司。

為保障本集團利益，本公司獨立非執行董事及審核委員會定期檢討本集團之業務及經營業績，以確保（其中包括）本集團之產品系列業務乃及繼續獨立於台灣味丹而營運及與其並無關聯。

#### 核數師

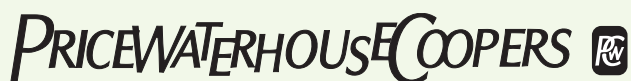
本賬目已經由羅兵咸永道會計師事務所審核，該核數師任滿告退，惟表示願意應聘連任。

承董事會命

**楊坤祥**

*董事兼行政總裁*

二零零九年四月七日



羅兵咸永道會計師事務所

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**TO THE SHAREHOLDERS OF  
VEDAN INTERNATIONAL (HOLDINGS) LIMITED**  
*(incorporated in the Cayman Islands with limited liability)*

致味丹國際(控股)有限公司股東

*(於開曼群島註冊成立之有限公司)*

We have audited the consolidated financial statements of Vedan International (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 54 to 117, which comprise the consolidated and Company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

本核數師(以下簡稱「我們」)已審核列載於第54頁至第117頁味丹國際(控股)有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表,此綜合財務報表包括於二零零八年十二月三十一日的綜合資產負債表及公司資產負債表、截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

**Directors' responsibility for the financial statements**

**董事就財務報表須承擔的責任**

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及按照香港公司條例的披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理之會計估計。

**Auditor's responsibility**

**核數師的責任**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any person for the content of this report.

我們的責任是根據我們的審核對該等財務報表作出意見,並僅向整體股東報告,除此以外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 7 April 2009

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作的會計估計的合理性，以及評價財務報表的整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

#### 意見

我們認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零零八年十二月三十一日的事務狀況及集團截至該日止年度的利潤和現金流量，並已按照香港公司條例的披露規定妥為編製。

**羅兵咸永道會計師事務所**  
執業會計師

香港，二零零九年四月七日

# Consolidated Balance Sheet

## 綜合資產負債表

As at 31 December 2008 二零零八年十二月三十一日

|   |                     | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|---------------------|------------|-------------------------|-------------------------|
| <b>ASSETS</b>   | <b>資產</b>           |            |                         |                         |
| Non-current assets  | 非流動資產               |            |                         |                         |
| Land use rights   | 土地使用權               | 6          | 6,609                   | 6,320                   |
| Property, plant and equipment   | 物業、廠房及設備            | 7          | 183,672                 | 197,848                 |
| Intangible assets   | 無形資產                | 8          | 17,540                  | 17,527                  |
| Prepayment for property,<br>plant and equipment                       | 物業、廠房及設備<br>的預付款項   |            | 4,400                   | –                       |
| Held-to-maturity financial assets                                     | 持有至到期的<br>財務資產      | 10         | 3,130                   | 3,295                   |
|   |                     |            | <b>215,351</b>          | 224,990                 |
| Current assets  | 流動資產                |            |                         |                         |
| Trade receivables   | 應收貿易賬款              | 11         | 28,878                  | 42,063                  |
| Inventories   | 存貨                  | 12         | 72,496                  | 56,170                  |
| Amount due from a minority<br>shareholder of a subsidiary             | 應收附屬公司<br>少數股東款項    |            | 1,370                   | 217                     |
| Prepayments and other receivables                                     | 預付款項及其他<br>應收款項     |            | 6,098                   | 6,688                   |
| Tax recoverable   | 可收回稅項               |            | 18                      | 6                       |
| Cash and cash equivalents   | 現金及現金等價物            | 13         | 36,286                  | 17,706                  |
|   |                     |            | <b>145,146</b>          | 122,850                 |
| <b>Total assets</b>   | <b>資產總額</b>         |            | <b>360,497</b>          | 347,840                 |
| <b>EQUITY</b>   | <b>權益</b>           |            |                         |                         |
| Capital and reserves attributable to<br>equity holders of the Company | 本公司股權持有人<br>應佔資本及儲備 |            |                         |                         |
| Share capital   | 股本                  | 14         | 15,228                  | 15,228                  |
| Reserves  | 儲備                  |            |                         |                         |
| – Proposed final dividend   | – 建議末期股息            | 15, 26     | –                       | 4,432                   |
| – Others  | – 其他                | 15         | 239,803                 | 233,471                 |
|   |                     |            | <b>255,031</b>          | 253,131                 |
| Minority interest in equity   | 列入權益的少數<br>股東權益     |            | 2,879                   | 4,585                   |
| <b>Total equity</b>   | <b>權益總額</b>         |            | <b>257,910</b>          | 257,716                 |

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.

載於第60至117頁的附註乃構成綜合財務報表的一部份。



## Consolidated Balance Sheet (continued) 綜合資產負債表(續)

As at 31 December 2008 二零零八年十二月三十一日

|   |                  | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|------------------|------------|-------------------------|-------------------------|
| <b>LIABILITIES</b>                              | <b>負債</b>        |            |                         |                         |
| Non-current liabilities                         | 非流動負債            |            |                         |                         |
| Long-term bank borrowings                       | 長期銀行貸款           | 17         | <b>7,552</b>            | 15,621                  |
| Deferred income tax liabilities                 | 遞延所得稅負債          | 18         | <b>9,497</b>            | 10,544                  |
| Long-term payable to a related party            | 應付有關連人士的<br>長期款項 | 34(d)      | <b>5,902</b>            | 7,688                   |
| Provision for long service payment              | 長期服務金撥備          |            | <b>1,133</b>            | 728                     |
|   |                  |            | <b>24,084</b>           | 34,581                  |
| Current liabilities                             | 流動負債             |            |                         |                         |
| Trade payables                                  | 應付貿易賬款           | 16         | <b>14,335</b>           | 13,215                  |
| Accruals and other payables                     | 應計費用及其他<br>應付款項  |            | <b>13,660</b>           | 10,279                  |
| Due to related parties                          | 應付有關連人士款項        | 34(d)      | <b>2,000</b>            | 2,006                   |
| Bank overdraft – unsecured                      | 銀行透支 – 無抵押       |            | –                       | 382                     |
| Short-term bank borrowings                      | 短期銀行貸款           | 17         | <b>38,660</b>           | 18,969                  |
| Current portion of long-term<br>bank borrowings | 長期銀行貸款的<br>即期部份  | 17         | <b>6,940</b>            | 10,506                  |
| Taxation payable                                | 應付稅項             |            | <b>2,908</b>            | 186                     |
|   |                  |            | <b>78,503</b>           | 55,543                  |
| Total liabilities                               | 負債總額             |            | <b>102,587</b>          | 90,124                  |
| Total equity and liabilities                    | 權益及負債總額          |            | <b>360,497</b>          | 347,840                 |
| Net current assets                              | 流動資產淨額           |            | <b>66,643</b>           | 67,307                  |
| Total assets less current liabilities           | 總資產減流動負債         |            | <b>281,994</b>          | 292,297                 |

**YANG, Tou-Hsiung**  
楊頭雄  
Director  
董事

**YANG, Kun-Hsiang**  
楊坤祥  
Director  
董事

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.  
載於第60至117頁的附註乃構成綜合財務報表的一部份。

# Balance Sheet

## 資產負債表

As at 31 December 2008 二零零八年十二月三十一日

|   |                     | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|---------------------|------------|-------------------------|-------------------------|
| <b>ASSETS</b>   | <b>資產</b>           |            |                         |                         |
| Non-current assets  | 非流動資產               |            |                         |                         |
| Investment in subsidiaries, at cost                                       | 對附屬公司投資<br>(按成本)    | 9          | 170,390                 | 170,390                 |
| Long-term loan to a subsidiary  | 給予一間附屬公司之<br>長期貸款   | 9          | 13,200                  | 10,500                  |
| Intangible assets   | 無形資產                | 8          | 7,455                   | 8,664                   |
|   |                     |            | <b>191,045</b>          | 189,554                 |
| Current assets  | 流動資產                |            |                         |                         |
| Due from subsidiaries   | 應收附屬公司款項            | 9          | 42,106                  | 51,895                  |
| Prepayments and other receivables   | 預付款項及其他<br>應收款項     |            | 284                     | 341                     |
| Cash and cash equivalents   | 現金及現金等價物            | 13         | 8,572                   | 1,087                   |
|   |                     |            | <b>50,962</b>           | 53,323                  |
| <b>Total assets</b>   | <b>資產總額</b>         |            | <b>242,007</b>          | 242,877                 |
| Capital and reserves attributable to<br>the equity holders of the Company | 本公司股權持有人應佔<br>資本及儲備 |            |                         |                         |
| Share capital   | 股本                  | 14         | 15,228                  | 15,228                  |
| Reserves  | 儲備                  |            |                         |                         |
| – Proposed final dividend   | – 建議末期股息            | 15, 26     | –                       | 4,432                   |
| – Others  | – 其他                | 15         | 207,831                 | 204,487                 |
| <b>Total equity</b>   | <b>權益總額</b>         |            | <b>223,059</b>          | 224,147                 |
| <b>LIABILITIES</b>  | <b>負債</b>           |            |                         |                         |
| Non-current liability   | 非流動負債               |            |                         |                         |
| Long-term payable to a related party                                      | 應付有關連人士之<br>長期款項    | 34(d)      | 5,902                   | 7,688                   |
| Current liabilities   | 流動負債                |            |                         |                         |
| Accruals and other payables   | 應計費用及其他<br>應付款項     |            | 1,547                   | 3,046                   |
| Short-term bank borrowings – unsecured                                    | 短期銀行借貸<br>– 無抵押     | 17         | 9,713                   | 6,291                   |
| Due to a related party  | 應付有關連人士款項           | 34(d)      | 1,786                   | 1,705                   |
|   |                     |            | <b>13,046</b>           | 11,042                  |
| <b>Total liabilities</b>  | <b>負債總額</b>         |            | <b>18,948</b>           | 18,730                  |
| <b>Total equity and liabilities</b>                                       | <b>權益及負債總額</b>      |            | <b>242,007</b>          | 242,877                 |
| Net current assets  | 流動資產淨值              |            | 37,916                  | 42,281                  |
| <b>Total assets less current liabilities</b>                              | <b>總資產減流動負債</b>     |            | <b>228,961</b>          | 231,835                 |

**YANG, Tou-Hsiung**  
楊頭雄  
Director  
董事

**YANG, Kun-Hsiang**  
楊坤祥  
Director  
董事

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.

載於第60至117頁的附註乃構成綜合財務報表的一部份。

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

|   |                               | Note | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|-------------------------------|------|-------------------------|-------------------------|
|   |                               | 附註   |                         |                         |
| Revenue   | 收益                            | 19   | <b>348,557</b>          | 317,431                 |
| Cost of sales   | 銷售成本                          | 21   | <b>(284,048)</b>        | (256,845)               |
| Gross profit  | 毛利                            |      | <b>64,509</b>           | 60,586                  |
| Selling and distribution expenses   | 銷售及分銷開支                       | 21   | <b>(17,417)</b>         | (16,907)                |
| Administrative expenses   | 行政開支                          | 21   | <b>(24,333)</b>         | (20,990)                |
| Environmental charges imposed by Vietnam government   | 越南政府徵收的環境相關費用                 | 22   | <b>(7,729)</b>          | –                       |
| Other (losses)/gains – net  | 其他(虧損)/收益 – 淨額                | 20   | <b>(196)</b>            | 2,413                   |
| Operating profit  | 經營盈利                          |      | <b>14,834</b>           | 25,102                  |
| Finance income  | 財政收入                          |      | <b>2,267</b>            | 374                     |
| Finance costs   | 財政支出                          |      | <b>(3,639)</b>          | (4,738)                 |
| Finance costs – net   | 財政支出 – 淨值                     | 23   | <b>(1,372)</b>          | (4,364)                 |
| Profit before income tax  | 未計所得稅前盈利                      |      | <b>13,462</b>           | 20,738                  |
| Income tax expense  | 所得稅開支                         | 24   | <b>(7,053)</b>          | (4,878)                 |
| Profit for the year   | 本年度盈利                         | 25   | <b>6,409</b>            | 15,860                  |
| Attributable to:  | 以下項目應佔:                       |      |                         |                         |
| – equity holders of the Company   | – 本公司股權持有人                    |      | <b>8,403</b>            | 16,856                  |
| – minority interest   | – 少數股東權益                      |      | <b>(1,994)</b>          | (996)                   |
|   |                               |      | <b>6,409</b>            | 15,860                  |
| Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in US cents per share) | 於年內本公司股權持有人應佔盈利的每股盈利 (以每股美仙計) |      |                         |                         |
| Basic earnings per share  | 每股基本盈利                        | 27   | <b>0.55</b>             | 1.11                    |
| Diluted earnings per share  | 每股攤薄盈利                        | 27   | <b>0.55</b>             | 1.10                    |
| Dividends   | 股息                            | 26   | <b>4,644</b>            | 8,422                   |

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.

載於第60至117頁的附註乃構成綜合財務報表的一部份。

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

|   |                            | Attributable to equity holders of the Company<br>本公司股權持有人應佔 |                       |                          |                        |                           | Minority interest<br>少數股東權益 | Total<br>總計 |
|---|----------------------------|---|-----------------------|--------------------------|------------------------|---------------------------|-----------------------------|-------------|
|   |                            | Share capital<br>股本   | Share premium<br>股份溢價 | Exchange reserve<br>匯兌儲備 | Merger reserve<br>合併儲備 | Retained earnings<br>保留盈利 |                             |             |
|   |                            | US\$'000<br>千美元   | US\$'000<br>千美元       | US\$'000<br>千美元          | US\$'000<br>千美元        | US\$'000<br>千美元           | US\$'000<br>千美元             |             |
| At 1 January 2007   | 於二零零七年一月一日                 | 15,228  | 47,358                | 5,196                    | 79,994                 | 92,486                    | 3,722                       | 243,984     |
| Exchange translation differences                            | 匯兌差額                       | -   | -                     | 2,435                    | -                      | -                         | 299                         | 2,734       |
| Profit/(loss) for the year                                  | 本年度盈利/(虧損)                 | -   | -                     | -                        | -                      | 16,856                    | (996)                       | 15,860      |
| Total recognised income for the year ended 31 December 2007 | 截至二零零七年十二月三十一日止年度的已確認的收入總額 | -   | -                     | 2,435                    | -                      | 16,856                    | (697)                       | 18,594      |
| Contribution from a minority shareholder of a subsidiary    | 一家附屬公司的少數股東出資              | -   | -                     | -                        | -                      | -                         | 1,560                       | 1,560       |
| Dividends   | 股息                         | -   | -                     | -                        | -                      | (6,422)                   | -                           | (6,422)     |
|   |                            | -   | -                     | -                        | -                      | (6,422)                   | 1,560                       | (4,862)     |
| At 31 December 2007   | 於二零零七年十二月三十一日              | 15,228  | 47,358                | 7,631                    | 79,994                 | 102,920                   | 4,585                       | 257,716     |
| At 1 January 2008   | 於二零零八年一月一日                 | 15,228  | 47,358                | 7,631                    | 79,994                 | 102,920                   | 4,585                       | 257,716     |
| Exchange translation differences                            | 匯兌差額                       | -   | -                     | 2,573                    | -                      | -                         | 288                         | 2,861       |
| Profit/(loss) for the year                                  | 本年度盈利/(虧損)                 | -   | -                     | -                        | -                      | 8,403                     | (1,994)                     | 6,409       |
| Total recognised income for the year ended 31 December 2008 | 截至二零零八年十二月三十一日止年度的已確認的收入總額 | -   | -                     | 2,573                    | -                      | 8,403                     | (1,706)                     | 9,270       |
| Dividends   | 股息                         | -   | -                     | -                        | -                      | (9,076)                   | -                           | (9,076)     |
| At 31 December 2008   | 於二零零八年十二月三十一日              | 15,228  | 47,358                | 10,204                   | 79,994                 | 102,247                   | 2,879                       | 257,910     |

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.  
載於第60至117頁的附註乃構成綜合財務報表的一部份。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 December 2008 截至二零零八年十二月三十一日止年度

|   |                               | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|-------------------------------|------------|-------------------------|-------------------------|
| Cash flows from operating activities  | 經營業務產生之現金流量                   |            |                         |                         |
| Cash generated from operations  | 業務產生的現金                       | 31         | <b>48,904</b>           | 55,676                  |
| Interest paid   | 已付利息                          |            | <b>(1,018)</b>          | (3,880)                 |
| Income taxes paid   | 已付所得稅                         |            | <b>(5,390)</b>          | (4,687)                 |
| Net cash generated from operating activities                                    | 經營業務產生的現金流入淨額                 |            | <b>42,496</b>           | 47,109                  |
| Cash flows from investing activities  | 投資活動產生之現金流量                   |            |                         |                         |
| Purchase of property, plant and equipment                                       | 購買物業、廠房及設備                    | 7          | <b>(15,093)</b>         | (12,266)                |
| Long-term prepayment of property, plant and equipment                           | 物業、廠房及設備之長期預付款項               |            | <b>(4,400)</b>          | -                       |
| Proceeds from sale of property, plant and equipment                             | 出售物業、廠房及設備所得款項                | 31         | <b>59</b>               | 681                     |
| Purchase of intangible assets   | 收購無形資產                        | 8          | <b>(1,009)</b>          | (414)                   |
| Interest received from held-to-maturity financial assets                        | 已收持有至到期之財務資產之利息               |            | <b>410</b>              | 314                     |
| Net cash used in investing activities   | 投資活動所用現金淨額                    |            | <b>(20,033)</b>         | (11,685)                |
| Cash flows from financing activities  | 融資活動產生之現金流量                   |            |                         |                         |
| Dividends paid  | 已付股息                          |            | <b>(9,076)</b>          | (6,422)                 |
| Contribution from a minority shareholder  | 少數股東出資                        |            | -                       | 1,560                   |
| Net change in short-term bank borrowings  | 短期銀行貸款變動淨額                    |            | <b>19,715</b>           | (21,851)                |
| New long-term bank borrowings raised  | 新增長期銀行貸款                      |            | -                       | 4,792                   |
| Repayment of long-term bank borrowings  | 償還長期銀行貸款                      |            | <b>(11,964)</b>         | (11,163)                |
| Repayment of long-term payable to Vedan Enterprise Corporation ("Taiwan Vedan") | 償還結欠味丹企業股份有限公司(「台灣味丹」)的長期應付款項 |            | <b>(2,145)</b>          | (2,145)                 |
| Net cash used in financing activities   | 融資活動所用現金淨額                    |            | <b>(3,470)</b>          | (35,229)                |
| Net increase in cash and cash equivalents (and bank overdrafts)                 | 現金及現金等價物(及銀行透支)增加淨額           |            | <b>18,993</b>           | 195                     |
| Cash and cash equivalents (and bank overdrafts) at 1 January                    | 於一月一日現金及現金等價物(及銀行透支)          |            | <b>17,324</b>           | 17,282                  |
| Exchange losses on cash and cash equivalents                                    | 現金及現金等價物的匯兌虧損                 |            | <b>(31)</b>             | (153)                   |
| Cash and cash equivalents (and bank overdrafts) at 31 December                  | 於十二月三十一日的現金及現金等價物(及銀行透支)      |            | <b>36,286</b>           | 17,324                  |
| Analysis of balance of cash and cash equivalents and bank overdrafts            | 現金及現金等價物及銀行透支的結餘分析:           |            |                         |                         |
| Bank balances and cash  | 銀行結餘及現金                       | 13         | <b>36,286</b>           | 17,706                  |
| Bank overdrafts   | 銀行透支                          |            | -                       | (382)                   |
|   |                               |            | <b>36,286</b>           | 17,324                  |

The notes on pages 60 to 117 are an integral part of these consolidated financial statements.  
載於第60至117頁的附註乃構成綜合財務報表的一部份。

## 1 GENERAL INFORMATION

Vedan International Holdings Limited (“the Company”) and its subsidiaries (together the “Group”) manufacture and sell fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, Monosodium Glutamate (“MSG”), soda, acid and beverages. The products are sold to food distributors, international trading companies, and manufacturers of foods, paper, textiles, and chemical products in Vietnam, other ASEAN member countries, the People’s Republic of China (the “PRC”), Japan, Taiwan, and several European countries.

The Company is a limited liability company incorporated in the Cayman Islands. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, George Town P.O. Box 2681 GT, Grand Cayman, British West Indies.

The Company has its primary listing on The Stock Exchange of Hong Kong Limited.

These consolidated financial statements are presented in United States dollar (US\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 7 April 2009.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

## 1 一般資料

味丹國際(控股)有限公司(「本公司」)及其附屬公司(統稱「本集團」)生產及銷售各種發酵食品添加劑、生化產品及木薯澱粉產品(包括化工澱粉、葡萄糖糖漿、味精、蘇打及鹽酸)以及飲料。產品乃銷售往越南、其他東盟國家、中華人民共和國(「中國」)、日本、台灣及多個歐洲國家的食品分銷商、國家貿易公司、以及食品、紙品、紡織及化工產品生產商。

本公司為於開曼群島註冊成立之有限公司，註冊辦事處地址為：Century Yard, Cricket Square, Hutchins Drive, George Town P.O. Box 2681 GT, Grand Cayman, British West Indies。

本公司擁有香港聯合交易所有限公司第一上市地位。

除非另有所述，本綜合財務資料以美元列值。本綜合財務資料於二零零九年四月七日獲董事會批准。

## 2 主要會計政策概要

編製此等綜合財務報表採用之主要會計政策載列如下。除另有列明外，此等政策已貫徹應用於所有呈報年度。

### 2.1 編製基準

本集團的綜合財務報表乃根據香港財務報告準則而編製。綜合財務報表乃根據歷史成本慣例而編製。

編製符合香港財務報告準則的財務報表需要運用若干重要的會計估計，亦同時需要管理層在採用本集團的會計政策過程中作出判斷。在綜合財務報表中涉及高度判斷或複雜程度的範疇，或有重要假設及估計的範疇於附註4披露。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

The following new interpretations are mandatory for the first time for the financial year beginning 1 January 2008

- Amendments to HKAS 39 and HKFRS 7, Reclassification of Financial Assets;
- HK(IFRIC)-Int 11, HKFRS 2 – Group and Treasury Transactions
- HK(IFRIC)-Int 12, Service Concession Arrangements;
- HK(IFRIC)-Int 14, The Limit on a Defined Benefit Assets, Minimum Funding Requirement and their Interaction

The adoption of these interpretations do not have a significant impact to the Group's consolidated financial information.

The following new standards, amendments/revisions to standards and interpretation have been issued but are not yet effective and have not been early adopted by the Group:

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

以下新詮釋必須於二零零八年一月一日開始的財政年度首次採納

- 香港會計準則第39號及香港財務報告準則第7號(修訂本), 財務資產的重新分類;
- 香港(國際財務報告詮釋委員會)一詮釋第11號, 香港財務報告準則第2號一集團及庫存股份交易
- 香港(國際財務報告詮釋委員會)一詮釋第12號, 服務特許權安排;
- 香港(國際財務報告詮釋委員會)一詮釋第14號, 界定福利資產限額、最低資金要求及兩者相互關係

採納該等詮釋並未對本集團的綜合財務報表造成重大影響。

本集團並無提早採納以下已頒佈但尚未生效的新準則、準則的修訂本/修訂及詮釋:

**Effective for  
accounting periods  
beginning on or after  
於下列日期  
或之後開始的  
會計期間生效**

|  |  |                             |
|--|--|-----------------------------|
| HKAS 1 (Revised)<br>香港會計準則第1號(經修訂)     | Presentation of Financial Statements<br>財務報表的呈報  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 7 (Amendment)<br>香港會計準則第7號(修訂本)   | Cash Flow Statements<br>現金流量表  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 16 (Amendment)<br>香港會計準則第16號(修訂本) | Property, Plant and Equipment<br>物業、廠房及設備  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 19 (Amendment)<br>香港會計準則第19號(修訂本) | Employee Benefits<br>僱員福利  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 20 (Amendment)<br>香港會計準則第20號(修訂本) | Accounting for Government Grants and<br>Disclosure of Government Assistance<br>政府補助的會計處理及政府援助的披露 | 1 January 2009<br>二零零九年一月一日 |
| HKAS 23 (Revised)<br>香港會計準則第23號(經修訂)   | Borrowing Costs<br>借貸成本  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 27 (Amendment)<br>香港會計準則第27號(修訂本) | Consolidated and Separate Financial<br>Statements<br>綜合及獨立財務報表                                   | 1 January 2009<br>二零零九年一月一日 |
| HKAS 28 (Amendment)<br>香港會計準則第28號(修訂本) | Investments in Associates<br>於聯營公司的投資  | 1 January 2009<br>二零零九年一月一日 |
| HKAS 29 (Amendment)<br>香港會計準則第29號(修訂本) | Financial Reporting in Hyperinflationary<br>Economies<br>嚴重通脹經濟下的財務報告                            | 1 January 2009<br>二零零九年一月一日 |

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****2.1 Basis of preparation (continued)****2 主要會計政策概要(續)****2.1 編製基準(續)**

|  |  | <b>Effective for<br/>accounting periods<br/>beginning on or after</b> |
|--|--|---|
|  |  | 於下列日期<br>或之後開始的<br>會計期間生效   |
| HKAS 31 (Amendment)<br>香港會計準則第31號(修訂本)                             | Interest in Joint Venture<br>合營企業權益  | 1 January 2009<br>二零零九年一月一日   |
| HKAS 32 and HKAS 1<br>(Amendment)<br>香港會計準則第32號及<br>香港會計準則第1號(修訂本) | Puttable Financial Instruments and<br>Obligations Arising on Liquidation<br>可沽售金融工具及清盤時產生的責任 | 1 January 2009<br>二零零九年一月一日   |
| HKAS 36 (Amendment)<br>香港會計準則第36號(修訂本)                             | Impairment of Assets<br>資產減值   | 1 January 2009<br>二零零九年一月一日   |
| HKAS 38 (Amendment)<br>香港會計準則第38號(修訂本)                             | Intangible Assets<br>無形資產  | 1 January 2009<br>二零零九年一月一日   |
| HKAS 39 (Amendment)<br><br>香港會計準則第39號(修訂本)                         | Financial Instructions: Recognition and<br>Measurement<br>金融工具: 確認及計量                        | 1 January 2009<br>二零零九年一月一日   |
| HKAS 40 (Amendment)<br>香港會計準則第40號(修訂本)                             | Investment Property<br>投資物業  | 1 January 2009<br>二零零九年一月一日   |
| HKAS 41 (Amendment)<br>香港會計準則第41號(修訂本)                             | Agriculture<br>農業  | 1 January 2009<br>二零零九年一月一日   |
| HKFRS 1(Amendment)<br><br>香港財務報告準則第1號(修訂本)                         | First-time Adoption of Hong Kong<br>Financial Reporting Standards<br>首次採納香港財務報告準則            | 1 July 2009<br>二零零九年七月一日  |
| HKFRS 2 (Amendment)<br><br>香港財務報告準則第2號(修訂本)                        | Share-based Payment Vesting Conditions<br>and Cancellations<br>以股份為基礎付款的歸屬條件及註銷              | 1 January 2009<br>二零零九年一月一日   |
| HKFRS 3 (Revised)<br>香港財務報告準則第3號(經修訂)                              | Business Combinations<br>企業合併  | 1 July 2009<br>二零零九年七月一日  |
| HKFRS 5 (Amendment)<br><br>香港財務報告準則第5號(修訂本)                        | Non-current Assets Held for Sale and<br>Discontinued Operations<br>持作出售的非流動資產及已終止經營業務        | 1 July 2009<br>二零零九年七月一日  |
| HKFRS 8<br>香港財務報告準則第8號   | Operating Segments<br>營運分部   | 1 January 2009<br>二零零九年一月一日   |
| HK(IFRIC)-Int 13<br>香港(國際財務報告詮釋委員會)<br>— 詮釋第13號                    | Customer Loyalty Programmes<br>客戶忠誠計劃  | 1 July 2008<br>二零零八年七月一日  |
| HK(IFRIC)-Int 15<br><br>香港(國際財務報告詮釋委員會)<br>— 詮釋第15號                | Agreements for the Construction of Real<br>Estate<br>房地產建築協議                                 | 1 January 2009<br>二零零九年一月一日   |
| HK(IFRIC)-Int 16<br><br>香港(國際財務報告詮釋委員會)<br>— 詮釋第16號                | Hedges of a Net Investment in a Foreign<br>Operation<br>海外業務淨投資對沖                            | 1 October 2008<br>二零零八年十月一日   |
| HK(IFRIC)-Int 17<br>香港(國際財務報告詮釋委員會)<br>— 詮釋第17號                    | Distributions of non-cash assets to Owners<br>向擁有人分派非現金資產                                    | 1 July 2009<br>二零零九年七月一日  |
| HK(IFRIC)-Int 18<br>香港(國際財務報告詮釋委員會)<br>— 詮釋第18號                    | Transfers of Assets from Customers<br>客戶轉讓的資產  | 1 July 2009<br>二零零九年七月一日  |



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

The Group has already commenced an assessment of the related impact of adopting the above new standards, amendments/revisions to standards and interpretation to the Group. The directors anticipate that the adoption of the above new standards, amendments/revisions to standards and interpretation do not have material impact to the Group's principal accounting policies or presentation of financial statements, except for the following:

HKAS 1 (Revised), "Presentation of financial statements". HKAS 1 (Revised) requires all owner changes in equity to be presented in a statement of changes in equity. All comprehensive income is presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). It requires presenting a statement of financial position as at the beginning of the earliest comparative period in a complete set of financial statements when there are retrospective adjustments or reclassification adjustments, however, it does not change the recognition, measurement or disclosure of specific transactions and other events required by other HKFRSs. The Group will apply HKAS 1 (Revised) from 1 January 2009.

HKAS 16 (Amendment), "Property, plant and equipment" (and consequential amendment to HKAS 7, "Statement of cash flows"). Entities whose ordinary activities comprise renting and subsequently selling assets present proceeds from the sale of those assets as revenue and should transfer the carrying amount of the asset to inventories when the asset becomes held for sale. A consequential amendment to HKAS 7 states that cash flows arising from purchase, rental and sale of those assets are classified as cash flows from operating activities. The amendment will not have an impact on the Group's operations because none of the group companies' ordinary activities comprise renting and subsequently selling assets.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

本集團已開始評估採納上述新準則、準則的修訂本／修訂及詮釋對本集團的相關影響。董事估計採納上述新準則、準則的修訂本／修訂及詮釋對本集團之主要會計政策或財務報表呈列概無重大影響，惟下列除外：

香港會計準則第1號(經修訂)「財務報表的呈報」。香港會計準則第1號(經修訂)要求將全部擁有者的權益變動於權益變動表內予以呈報。全部綜合收入須在一份綜合收益表或以兩份報表(一份單獨收益表及一份綜合收入表)內予以呈報。該準則規定，在進行追溯調整或重新分類調整時，須在一份於最早的比較期間開始的完整財務報表內呈報財務狀況報表。然而，該準則並不會改變按其他香港財務報告準則所規定對特定交易或其他事項之確認、計量或披露。本集團將自二零零九年一月一日起採納香港會計準則第1號(經修訂)。

香港會計準則第16號(修訂本)「物業、廠房及設備」(及對香港會計準則第7號「現金流量表」之其後修訂)。如實體的一般業務包括租賃和其後出售資產並將出售該等資產的所得款項呈列為收益，則應在資產成為持作出售時將資產的賬面值轉撥至存貨中。對香港會計準則第7號的其後修訂說明產生自購買、租賃和出售該等資產的現金流量分類為營運活動的現金流量。由於概無集團公司的一般業務包括租賃和其後出售資產，此修訂本對本集團的營運並無影響。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

HKAS 23 (Revised), "Borrowing costs". The amendment requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Group will apply HKAS 23 (Revised) retrospectively from 1 January 2009 but is currently not applicable to the Group as there are no qualifying assets.

HKAS 27 (Amendment), "Consolidated and separate financial statements". The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the equity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.

HKFRS 3 (Revised), "Business combinations". The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the consolidated income statement. There is a choice on an acquisition by acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The Group will apply HKFRS 3 (Revised) prospectively to all business combinations from 1 January 2010.

## 2 主要會計政策概要 (續)

### 2.1 編製基準 (續)

香港會計準則第23號(經修訂)「借貸成本」。該修訂要求實體將凡直接與購置、興建或生產合資格資產(該資產必須經過頗長時間籌備以作預定用途或銷售)有關之借貸成本予以資本化,成為該資產的部份成本。該等借貸成本即時列為開支之選擇權將取消。本集團將由二零零九年一月一日起追溯應用香港會計準則第23號(經修訂),惟由於概無合資格資產,因此目前並不適用於本集團。

香港會計準則第27號(修訂本)「綜合及獨立財務報表」。該經修訂準則規定,如控制權並無改變,則附有非控制性權益的所有交易的影響必須在權益中呈列,而此等交易將不再導致商譽或損益。此項準則亦列明失去控制權時的會計處理方法。任何於實體的剩餘權益按公平值重新計量,並於損益中確認溢利或虧損。本集團將會由二零一零年一月一日起對附有非控制性權益的交易應用香港會計準則第27號(經修訂)。

香港財務報告準則第3號(經修訂)「企業合併」。該經修訂準則繼續對業務合併採用收購法,惟出現若干重大變動。例如,收購業務的所有款項必須按收購日期的公平值記錄,而分類為債務的或然付款其後須在綜合收益表重新計量。在計量被收購方的非控制性權益時,可選擇按公平值或非控制性權益應佔被收購方淨資產的比例計量。所有收購相關成本必須支銷。本集團將會由二零一零年一月一日起對所有業務合併應用香港財務報告準則第3號(經修訂)。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.1 Basis of preparation (continued)

HKFRS 8, "Operating segments". HKFRS 8 replaces HKAS 14 and aligns segment reporting with the requirements of the US standard SFAS 131, "Disclosures about segments of an enterprise and related information". The new standard requires a "management approach", under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply HKFRS 8 from 1 January 2009. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the chief operating decision-maker.

HKAS 36 (Amendment), "Impairment of assets". Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply the HKAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.

### 2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all of its subsidiaries made up to 31 December.

#### (a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

## 2 主要會計政策概要(續)

### 2.1 編製基準(續)

香港財務報告準則第8號「營運分部」。香港財務報告準則第8號取代了香港會計準則第14號，與美國財務會計準則(SFAS)第131號「有關企業分部及相關資料之披露」之分部報告要求一致。該新準則要求使用「管理方法」，即分部資料呈報與用作內部報告目的資料之基準一致。本集團將由二零零九年一月一日起應用香港財務報告準則第8號。管理層仍在仔細評估有關之預計影響，但現時須予呈報之分部數目以及分部呈報模式可能變更，變更方式與提供予主要營運決策者之內部呈報一致。

香港會計準則第36號(修訂本)「資產減值」。如公平值減出售成本是按照貼現現金流量計算，則必須作出相當於使用價值計算的披露。本集團將會由二零零九年一月一日起採用香港會計準則第36號(修訂本)，並對減值測試提供所需的披露(如適用)。

### 2.2 綜合

綜合財務報表包括本公司及其附屬公司截至十二月三十一日止的財務報表。

#### (a) 附屬公司

附屬公司指本集團有權監管其財務及經營政策之一切實體，通常擁有其過半數投票權。於評估本集團是否控制另一實體時，會考慮現時可行使或轉換之投票權之存在及影響。附屬公司自其控制權轉移予本集團當日起綜合入賬，並於控制權終止當日停止綜合入賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.2 Consolidation (continued)

#### (a) Subsidiaries (continued)

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (Note 2.6). If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary in the consolidated financial statements to ensure consistency with the policies adopted by the Group.

In the Company's balance sheet the investments in subsidiaries are stated at cost less provision for impairment losses (Note 2.7). The results of subsidiaries are accounted by the Company on the basis of dividend received and receivable.

#### (b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recorded in the consolidated income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

## 2 主要會計政策概要 (續)

### 2.2 綜合 (續)

#### (a) 附屬公司 (續)

本集團採用收購會計法為本集團所收購之附屬公司列賬。收購成本為於交易當日所獲資產之公平值、所發行之股權工具及所產生或承擔之負債，加上直接歸屬予收購事項之成本。在商業合併過程中所收購之可辨別資產、所承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而毋須計及任何少數股東權益。收購成本超出本集團應佔所收購之可辨別淨資產之差額乃列作商譽 (附註2.6)。倘收購成本低於所收購附屬公司淨資產之公平值，則有關差額將直接在損益表內確認。

集團內公司間交易、結餘及未變現收益予以抵銷。未變現虧損亦予以抵銷。本公司對附屬公司之會計政策在必要情況下在綜合財務報表已予修訂，以確保符合本集團所採納之政策。

於本公司之資產負債表內，於附屬公司之投資乃按成本值扣除減值虧損列賬 (附註2.7)。附屬公司之業績乃由本公司按已收及應收股息列賬。

#### (b) 與少數股東之交易

本集團採用之會計政策，將與少數股東之交易作為與本集團以外各方進行之交易處理。向少數股東出售所獲盈虧計入收益表。自少數股東採購所獲商譽，則為所付代價與所收購有關附屬公司淨資產賬面值之相關份額之差額。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.3 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

### 2.4 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in United States dollar ("US\$"), which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income within "finance income or cost". All other foreign exchange gains and losses are presented in the consolidated income statement within "other (losses)/gains" net.

## 2 主要會計政策概要(續)

### 2.3 分部報告

業務分部指一組提供產品或服務的資產及業務，並承擔著不同於其他業務分部所承擔的風險和回報。地區分部指在一個特定的經濟環境內提供產品或服務的組成部分，並承擔著不同於在其他經濟環境中經營的組成部分所承擔的風險和回報。

### 2.4 外幣換算

#### (a) 功能及呈報貨幣

本集團各實體之財務報表所包括之項目，乃按該實體經營所在之主要經濟環境之貨幣（「功能貨幣」）計量。本綜合財務報表以本公司之功能及呈報貨幣美元呈列。

#### (b) 交易及結餘

外幣交易均按交易或重新計量項目之估值當日之現行匯率換算為功能貨幣。因上述交易結算及按年終匯率兌換以外幣計值之貨幣資產及負債而產生之匯兌損益，均於損益表內確認，惟於股權內遞延作為合資格現金流量的對沖或合資格淨投資的對沖除外。

與借貸和現金及現金等價物有關的匯兌盈虧在綜合收益表內的「財政收入或成本」中呈列。所有其他匯兌盈虧在綜合收益表內的「其他（虧損）／收益淨額」中呈列。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Foreign currency translation (continued)

#### (b) Transactions and balances (continued)

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation difference on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale are included in the available-for-sale reserve in equity.

#### (c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

## 2 主要會計政策概要 (續)

### 2.4 外幣換算 (續)

#### (b) 交易及結餘 (續)

非貨幣金融資產及負債項目之匯兌差異，均列報為公平值收益或虧損的一部分。非貨幣金融資產及負債項目（例如透過損益按公平值列值之股票）之匯兌差異，均列報為公平值收益或虧損的一部分。至於非貨幣項目之匯兌差異，如歸類為可供出售金融資產之股票等，均列入權益之可供出售儲備內。

#### (c) 集團公司

本集團所有實體如持有與呈報貨幣不一致之功能貨幣（其中並無任何公司持有通脹嚴重之經濟體系之貨幣），其業績和財務狀況均按以下方法兌換為呈報貨幣：

- 每項資產負債表之資產及負債均按照該資產負債表結算日之匯率折算為呈報貨幣；
- 每項損益表之收入及支出均按照平均匯率折算為呈報貨幣，但若此平均匯率未能合理地反映各交易日之匯率所帶來之累積影響，則按照交易日之匯率折算此等收入和支出；及
- 所有匯兌差異均確認為權益之個分項。

在編製綜合賬目時，折算海外業務投資淨額之匯兌差異，均列入股東權益賬內。當出售海外業務時，此等匯兌差異將於損益表內確認為出售收益或虧損之一部分。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.4 Foreign currency translation (continued)

#### (c) Group companies (continued)

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 2.5 Property, plant and equipment

Property, plant and equipment, except for construction-in-progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the income statement during the financial period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

|   |             |
|---|-------------|
| – Properties                              | 20-50 years |
| – Plant and machinery                     | 10-20 years |
| – Office equipment and other fixed assets | 5-8 years   |
| – Motor vehicles                          | 5-8 years   |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses)/gains – net, in the income statement.

## 2 主要會計政策概要(續)

### 2.4 外幣換算(續)

#### (c) 集團公司(續)

因收購海外公司而產生之商譽及公平價值調整，均視作為該海外公司之資產及負債處理，並以結算日之匯率折算。

### 2.5 物業、廠房及設備

物業、廠房及設備(在建工程除外)均按成本減累計折舊及累計減值虧損列賬。歷史成本包括直接用於收購項目的開支。

當與項目有關之未來經濟利益可能會流入本集團，且能可靠地計量項目之成本時，方會將其後之成本包括入資產之賬面值或確認為一項獨立資產(如適用)。如屬替換資產，則替換部分的賬面金額不再確認。所有其他維修及保養費用，均於產生之財政期間內，於損益表內支銷。

物業、廠房及設備的折舊乃利用直線法在其可使用年期將其成本攤銷至其餘值如下：

|                |        |
|----------------|--------|
| – 物業           | 20-50年 |
| – 廠房及機器        | 10-20年 |
| – 辦公室設備及其他固定資產 | 5-8年   |
| – 汽車           | 5-8年   |

資產之餘值及可使用年期均於各結算日予以審閱及調整(如適用)。

倘資產賬面值較估計的可收回款額為大，則資產的賬面值將立刻被撇減至其可收回款額(附註2.7)。

出售之盈虧均透過將所得款項與賬面值作比較而釐定，並列入綜合損益表內確認為其他(虧損)/收益。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.5 Property, plant and equipment (continued)

Construction-in-progress, comprising capital expenditure on buildings and plant where the construction work has not been completed, is carried at cost less accumulated impairment losses. No depreciation is provided for construction-in-progress until they are completed and ready for their intended use.

### 2.6 Intangible assets

#### (a) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary or business at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose identified according to operating segment.

#### (b) Trademarks, brand names and licences

Separately acquired trademarks and licences and brand names are shown at historical cost less impairment. Trademarks and brand names have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of trademarks and brand names over their estimated useful lives of 6 to 10 years.

#### (c) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 5 years.

## 2 主要會計政策概要 (續)

### 2.5 物業、廠房及設備 (續)

在建工程包括未完成樓宇及機器的資本開支，以成本減累計減值虧損入賬。在建工程直至完成可供擬定用途前不作折舊，直至完成並可供使用為止。

### 2.6 無形資產

#### (a) 商譽

商譽乃指收購之成本較本集團應佔被收購附屬公司或業務於收購當日之資產淨值之公平價值多出之數額。收購商譽包括於無形資產內。測試商譽是否出現減值，並按成本減累計減值虧損列賬。商譽之減值虧損均不會撥回。出售實體之盈虧包括與已出售實體相關之商譽之面額。

為進行減值測試，商譽乃分配至賺取現金單位。有關商譽乃分配至預期會因根據營運分部已識別為產生商譽之業務合併而受惠之賺取現金單位或賺取現金單位組別中。

#### (b) 商標、品牌及牌照

分開收購的商標及牌照及品牌乃按歷史成本減減值呈列。商標及品牌具有有限可使用年期，並按成本減累計攤入賬。攤銷乃利用直線法計算，以將商標及品牌成本分配於彼等之六年至十年估計可使用年期。

#### (c) 電腦軟件

購入的電腦軟件使用權根據購買及使用該特定軟件所引起的成本資本化。有關成本按其估計可用年期（五年）攤銷。



## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.7 Impairment of investments in subsidiaries and non-financial assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

### 2.8 Financial assets

#### 2.8.1. Classification

The Group classifies its financial assets in the following categories: loans and receivables and held-to-maturity. The classification depends on the purposes for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

- (i) Loans and receivables  
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified as trade and other receivables (Note 2.10), amount due from a minority shareholder of a subsidiary, loan to a subsidiary and amounts due from subsidiaries in the balance sheet.

## 2 主要會計政策概要(續)

### 2.7 附屬公司投資及非金融資產之減值

並無限定可使用年期之資產(如商譽)毋須攤銷,但須每年測試減值。每當有事件或變動顯示賬面值可能不能收回時,本公司將會對資產作出減值評估。減值虧損乃按資產賬面值超出其可收回款額之金額確認。可收回款額指資產之公平值減出售費用或使用價值(以較高者為準)。就評估有否減值而言,資產將會按獨立可識別現金流量(賺取現金單位)之最低水平分類。出現減值之非金融資產(不包括商譽),於各呈報日期均就可能撥回減值而予以審核。

### 2.8 金融資產

#### 2.8.1 分類

本集團將其金融資產分為以下類別:貸款及應收款項,以及持有至到期之金融資產。分類視乎購入有關投資之目的而定。管理層按初步確認決定其投資之類別。

- (i) 貸款及應收款項  
貸款及應收款項為附帶固定或可釐定付款,在活躍市場並無報價之非衍生性質金融資產。彼等均列入流動資產,惟到期日超過由結算日後起計十二個月者除外。彼等均歸類為非流動資產。貸款及應收款項以貿易應收賬款及其他應收款項於資產負債表中列賬(附註2.10)、應收附屬公司少數股東款項、向一間附屬公司貸款及應收附屬公司款項。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.8 Financial assets (continued)

#### 2.8.1. Classification (continued)

- (ii) Held-to-maturity financial assets  
Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the balance sheet date, which are classified as current assets.

#### 2.8.2. Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the assets. Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

### 2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Spare parts and consumables are included within inventories and stated at cost, using the weighted average method.

## 2 主要會計政策概要(續)

### 2.8 金融資產(續)

#### 2.8.1 分類(續)

- (ii) 持有至到期之投資  
持有至到期之投資為附帶固定或可釐定付款及有固定到期日，而本集團有明確意圖及能力持有至到期之非衍生性質金融資產。倘若本集團出售任何有關投資（不包括持有至到期之金融資產之非重大款額），則整個類別會被破壞，並重新歸類為可供出售。持有至到期之金融資產均列入非流動資產內，惟到期日超過由結算日後起計十二個月者則除外，彼等均歸類為流動資產。

#### 2.8.2 確認及計量

金融資產常規買賣於交易日確認，即本公司承諾購買或出售該等資產日期。貸款及應收款項及持有至到期之投資，均利用實際利息法按已攤薄成本列賬。金融資產於收取投資現金流量的權利屆滿或轉讓及本集團已轉移擁有權的大部分風險及回報時終止確認。本集團於各結算日評估是否有客觀證據顯示金融資產或一組金融資產已被減值。

### 2.9 存貨

存貨以成本或可變現淨值兩者的較低者入賬。成本按加權平均法計算。產成品和在產品成本包括原材料、直接人工、其他直接成本和製造費用（以正常產能下計算），但不包括借款費用。可變現淨值按估計的正常銷售價格減適用的非固定銷售費用計算。

零件及消耗品計入存貨中，並按加權平均法計算以原值列賬。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.10 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated income statement within selling and marketing costs. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling and marketing costs in the consolidated income statement.

### 2.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

### 2.12 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2.13 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

## 2 主要會計政策概要(續)

### 2.10 貿易及其他應收款項

貿易及其他應收款項初期按公平價值確認，其後以實際利息法按攤銷成本扣除減值撥備計算。貿易及其他應收款項之減值撥備於出現客觀證據表明本集團無法按應收款之原有條款收回所有金額時確定。債務人出現嚴重財政困難、債務人可能會破產或進行財務重組，以及拖欠或未能償還借款，均被視為貿易應收款項被減值之跡象。撥備之金額為資產賬面值與估計未來現金流量之現值（按實際利率折現計算）間之差額。此損失會透過減值準備賬在資產之賬面值內扣除並於損益賬內確認為銷售及市場推廣開支。當應收貿易賬款無法收回時，該款項會於應收貿易賬款減值準備賬中對銷。其後收回已對銷的款項會用作扣除綜合收益表內的銷售及市場推廣開支。

### 2.11 現金及現金等價物

現金及現金等價物包括現金、銀行之通知存款、原到期日為三個月內的其他短期高度流動投資及銀行透支。銀行透支於資產負債表內以流動負債中列示。

### 2.12 股本

已發行股份列示為權益。

因發行新股份或購股權而產生的直接相關新增成本，乃以所得款項的扣減（扣除稅項）於權益中列賬。

### 2.13 應付賬款

應付賬款初始按公平價值確認，而其後則採用實際利率法按已攤銷成本計量。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.14 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

### 2.15 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement.

The current income tax charged on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respects to situations in which applicable tax regulation is subject interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

## 2 主要會計政策概要(續)

### 2.14 借款

借款初期以公平價值扣除交易成本後確認。借款其後按攤銷成本列賬；所得款項（扣除交易成本）與贖回價值間之任何差額則於借款期內使用實際利息法於綜合損益表內確認。

除非本集團有無條件權利於結算日後將負債之結算遞延至少十二個月，否則借款被分類為流動負債。

### 2.15 當期及遞延所得稅

期內稅項開支包括當期及遞延所得稅。稅項在綜合收益表確認。

當期所得稅當期所得稅乃根據本公司及其附屬公司經營及產生應課稅收入之國家於結算日已頒佈或實質頒佈之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

遞延所得稅負債採用負債法就資產負債之稅基與其在綜合財務報表之賬面值兩者之暫時差異作全數撥備。然而，倘遞延所得稅乃源自進行交易時不影響會計或應課稅盈利或虧損之資產或負債之初始確認（為業務合併以外之交易），則不會計入遞延所得稅。遞延所得稅以於結算日前實施或大體上已實施之稅率（及稅法）釐定，並預期於相關遞延所得稅資產變現或遞延所得稅負債清償時應用。

遞延所得稅資產乃就有可能將未來應課稅盈利與可動用之暫時差異抵銷而確認。

遞延所得稅乃就附屬公司投資產生之暫時差異而撥備，惟倘本集團可以控制暫時差異之撥回時間，並有可能在可預見未來不會撥回則除外。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.16 Employee benefits

#### (a) Pension obligations

The Group participates in a number of defined contribution plans, the assets of which are generally held in independently administered funds. The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

#### (b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

#### (c) Bonus plans

The Group recognises a liability and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### 2.17 Revenue and other income recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, return and discounts and after eliminating sales within the Group.

## 2 主要會計政策概要(續)

### 2.16 僱員福利

#### (a) 退休金責任

集團公司參與多個定額退休金計劃，其資產一般由獨立管理基金持有。本集團向定額供款計劃作出的供款實報實銷。

#### (b) 終止服務權益

當本集團在僱員正常退休日期前終止其聘用，或當僱員接受自願遣散以換取有關福利時，終止服務權益即須支付。本集團在可證明承諾如下時確認終止服務權益：根據一項詳細的正式計劃終止現有僱員的僱用（沒有撤回的可能）；或因為提出一項要約以鼓勵自願遣散而提供的終止服務權益。在結算日後超過十二個月支付的福利貼現為現值。

#### (c) 花紅計劃

本集團根據一條公式（考慮本公司股東應佔溢利並經若干調整後），就花紅確認負債及開支。本集團於合約規定或過往慣例產生推定責任時確認撥備。

### 2.17 收益及其他收入確認

收益包括在本集團日常業務進程中銷售貨物而收取或應收代價的公平值。呈列之收益已扣除增值稅、退貨及折扣及減去本集團內部之銷售。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.17 Revenue and other income recognition (continued)

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) *Sales of goods*

Sales of goods are recognised when a Group entity has delivered products to the customer, the customer has accepted that products and full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Sales are recorded based on the price specified in the sales contracts, net of returns at the time of sale and sales rebates.

(b) *Sales of electricity*

Sale of electricity is recognised based on units of electricity sold as recorded by meters during the year.

(c) *Interest income*

Interest income is recognised on a time-proportion basis using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(d) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

## 2 主要會計政策概要 (續)

### 2.17 收益及其他收入確認 (續)

當收入金額能可靠地衡量、未來經濟利益可能流入有關的實體、以及符合下文所述本集團的有關業務的特定條件時，本集團將確認收入。除非有關銷售的所有或然情況已經解決，否則收入金額不被視為可以可靠地衡量。本集團以其過往業績作為估計的依據，並會考慮客戶類別、交易類別及各項安排的具體情況。

(a) *銷售貨物*

產品銷售收入於本集團實體已付運產品予客戶，客戶已接受產品及完全具有對銷售產品的渠道和價格的酌情權，且沒有未履行責任可影響客戶接納產品。

銷售按銷售合約指明的價格、銷售時的淨退貨和銷售回扣予以記錄。

(b) *售電*

售電所得收益按照年內儀錶記錄的售電單位確認入賬。

(c) *利息收入*

利息收入採用實際利息法按時間比例基準進行確認。倘應收款出現減值，本集團會將賬面值減至其按有關金融工具原有實際利率之估計折現現金流量而設定之可收回款額，並繼續解除折現作為利息收入。減值貸款之利息收入乃以原先實際利率確認。

(d) *股息收入*

在確立收取股息款項時，股息收入予以確認。

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### 2.18 Leases (as the lessee for operating leases)

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

### 2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors wherever appropriate. Dividend proposed or declared after the balance sheet date are disclosed as a post balance sheet event and are not recognised as a liability at the balance sheet date.

### 2.20 Financial guarantees

Financial guarantee contracts under which the Group accepts significant risk from a third party by agreeing to compensate that party on the occurrence of a specified uncertain future event are accounted for in a manner similar to insurance contracts. Provisions are recognised when it is probable that the Group has obligations under such guarantees and an outflow of economic resources will be required to settle the obligations.

## 3 FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and fair value and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

#### (a) Market risk

##### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Vietnam Dong against US\$. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. The Group has not hedged its foreign exchange rate risk.

## 2 主要會計政策概要(續)

### 2.18 租賃(作為經營租約之承租人)

凡擁有權之絕大部分風險及回報由出租人保留之租約,均分類為經營租約。經營租約之付款(扣減出租人給予之任何優惠後)乃於有關租約期內以直線法計入損益表內。

### 2.19 分派股息

分派予公司股東的股息在獲得公司股東或董事通過的會計期內,作為負債於集團的財務報表中確認。在結算日後提議或宣派的股息將作為結算日後事項,而不會於結算日確認為負債。

### 2.20 財務擔保

本集團透過簽訂財務擔保合同對第三方承擔重大風險,同意當特定不確定未來事項發生時以類似保險合同之方式補償該第三方。當本集團有可能根據該等保證承擔責任並就清償有關責任而導致經濟資源流出時,則須確認撥備。

## 3 財務風險管理

### 3.1 財務風險因素

本集團之業務承受各種財務風險:市場風險(包括貨幣風險、公平值及現金流量利率風險)、信貸風險及流動資金風險。本集團之整體風險管理計劃集中於財務市場之不可預測性及尋求將對本集團之財務報表之潛在影響降至最低。

#### (a) 市場風險

##### (i) 外匯風險

本集團於全球經營業務,因此承受因使用不同貨幣而產生之外匯風險,主要為越南盾對美元及人民幣對美元之風險。外匯風險來自境外業務之未來商業交易、已確認資產及負債和投資淨額。本集團並未為其外幣匯率風險進行對沖。

**3 FINANCIAL RISK MANAGEMENT (continued)****3.1 Financial risk factors (continued)***(a) Market risk (continued)**(i) Foreign exchange risk (continued)*

At 31 December 2008, if Vietnam Dong had weakened/strengthened by 1% against the US\$ with all other variable held constant, post-tax profit for the year would have been US\$237,000 (2007: US\$220,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of Vietnam Dong-denominated trade receivables, cash and bank balances and trade payables.

*(ii) Cash flow and fair value interest-rate risk*

As the Group has no significant interest-bearing assets apart from bank balances, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest-rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group has not hedged its cash flow interest-rate risk.

At 31 December 2008, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, post-tax profit for the year would have been US\$243,000 (2007: US\$288,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

*(b) Credit risk*

Credit risk arises from bank balances, trade receivables, amount due from a minority shareholder of a subsidiary, other receivables as well as held to maturity financial assets.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group has policies to assess the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limit is regularly monitored.

**3 財務風險管理 (續)****3.1 財務風險因素 (續)***(a) 市場風險 (續)**(i) 外匯風險 (續)*

於二零零八年十二月三十一日，倘越南盾兌美元貶值／升值1%而其他因素維持不變，本年度除稅後溢利將減少／增加237,000美元（二零零七年：220,000美元），主要來自換算以越南盾計算之貿易應收賬款、現金及銀行結餘及貿易應付賬款。

*(ii) 現金流量及公平值利率風險*

由於本集團除銀行結餘外，概無重大計息資產，因此本集團之收入及營運現金流量實際上獨立不受市場利率變動影響。

本集團之計息風險來自借款。以不同利率授出之借款令本集團面對現金流量利率風險。本集團並未對沖其現金流量利率風險。

於二零零八年十二月三十一日，倘借款之利率上升／下降100點子而其他因素維持不變，本年度除稅後溢利將減少／增加243,000美元（二零零七年：288,000美元），主要由於浮息借款之利率開支增加／減少。

*(b) 信貸風險*

信貸風險來自銀行結餘、應收貿易賬款、應收附屬公司少數股東款項、其他應收款項及持有至到期的財務資產。

本集團所定之政策是確保僅售貨予具備合適信貸記錄的客戶。本集團設有政策，在考慮客戶之財務狀況、過往經驗以及其他因素後，評估客戶信貸質素。本集團會按內部或外界評級而設定個別風險上限。本集團會定期監察所動用之信貸上限。



**3 FINANCIAL RISK MANAGEMENT (continued)****3.1 Financial risk factors (continued)***(b) Credit risk (continued)*

The carrying amount of trade receivables, amount due from a minority shareholder of a subsidiary, prepayments and other receivables and cash and cash equivalents included in the consolidated balance sheets represents the Group's maximum exposure to credit risk in relation to these financial assets.

For bank balances, the Group only uses banks and financial institutions with good reputation. As at 31 December 2007 and 2008, all the bank balances as detailed in note 13 are held in major financial institutions, which are either stated owned or with high credit quality. Management believes that the credit risk for bank deposits and bank balances to be minimal.

For held to maturity financial assets, the Group's only investment is the bond issued by Dong Nai Province Peoples Committee of Vietnam, which is a government department. Management believes that the credit risk for this balance to be minimal.

As at 31 December 2007 and 2008, the amount due from a minority shareholder of a subsidiary is neither past due nor impaired. Given that all the balance is within credit period, management are of opinion that receivables from a minority shareholder of a subsidiary is of low credit risk.

No impairment has been provided for other receivables as at 31 December 2007 and 2008. Other receivables do not contain impaired assets. Management are of opinion that these balances are of low credit risk.

*(c) Liquidity risk*

Due to the capital intensive nature of the Group's business, the Group ensures that it maintains sufficient cash and credit lines to meet its liquidity requirements.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises undrawn borrowing facilities and cash and cash equivalents (Note 13) on the basis of expected cash flows. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

**3 財務風險管理(續)****3.1 財務風險因素(續)***(b) 信貸風險(續)*

綜合資產負債表包括之應收貿易賬款、應收附屬公司少數股東款項、預付款項及其他應收款項及現金及現金等價物之賬面值即本集團承受有關該等財務資產的最高信貸風險。

就銀行結餘而言，本集團僅利用具良好信譽之銀行及財務機構。於二零零七年及二零零八年十二月三十一日，載列於附註13之全部銀行結餘乃於國有或擁有良好信貸質素之主要財務機構持有。管理層相信銀行存款及銀行結餘之信貸風險並不重大。

就持有至到期的財務資產而言，本集團僅投資政府部門 Dong Nai Province Peoples Committee of Vietnam 所發行的債券。管理層相信該結餘的信貸風險並不重大。

於二零零七年及二零零八年十二月三十一日，應收附屬公司少數股東款項並無逾期或減值。由於全部結餘均在信貸期內，管理層認為應收附屬公司少數股東款項之信貸風險較低。

於二零零七年及二零零八年十二月三十一日，其他應收款項並無作出減值撥備。其他應收款項並不包括減值資產。管理層認為該結餘之信貸風險較低。

*(c) 流動資金風險*

由於本集團業務的資本集中性質，本集團確保其維持充足現金及信貸額以應付其流動資金需求。

管理層根據預期現金流量，監控本集團的流動資金儲備的滾存預測，包括未提取的借貸融資和現金及現金等價物(附註13)。本集團訂有政策，定期監察目前及預期之流動資金需求及其遵守借款契據之情況，以確保其維持充裕現金儲備以及獲主要財務機構承諾提供足夠資金，以應付其短期及較長期之流動資金需求。

**3 FINANCIAL RISK MANAGEMENT (continued)****3.1 Financial risk factors (continued)**

The table below analyses the Group's and the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

**3 財務風險管理(續)****3.1 財務風險因素(續)**

下列表格按結算日至合約到期日餘下期間分析本集團及本公司於相關到期組別之財務負債。於表格中披露之金額為合約未折現現金流量。

|   |                  | Less than<br>1 year<br>一年內<br>US\$'000<br>千美元 | Between<br>1 and 2<br>years<br>一年至兩年<br>US\$'000<br>千美元 | Between<br>2 and 5<br>years<br>兩年至五年<br>US\$'000<br>千美元 | Over<br>5 years<br>超過五年<br>US\$'000<br>千美元 |
|---|------------------|---|---|---|--|
| <b>Group</b>                            |                  | <b>本集團</b>                                    |   |   |  |
| At 31 December 2008                     |                  | 於二零零八年十二月三十一日                                 |   |   |  |
| Bank borrowings                         | 銀行借貸             | 48,482  | 8,006   | -   | -  |
| Trade payables                          | 應付貿易賬款           | 14,335  | -   | -   | -  |
| Long-term payable to<br>a related party | 應付有關連人士之<br>長期款項 | 2,145   | 2,145   | 4,311   | -  |
| Other payables                          | 其他應付款項           | 10,156  | -   | -   | -  |
| Due to related parties                  | 應付有關連人士款項        | 214   | -   | -   | -  |
| At 31 December 2007                     |                  | 於二零零七年十二月三十一日                                 |   |   |  |
| Bank borrowings                         | 銀行貸款             | 32,255  | 8,103   | 9,116   | -  |
| Bank overdraft                          | 銀行透支             | 382   | -   | -   | -  |
| Trade payables                          | 應付貿易賬款           | 13,215  | -   | -   | -  |
| Long-term payable to<br>a related party | 應付有關連人士之<br>長期款項 | 2,145   | 2,145   | 6,435   | 22   |
| Other payables                          | 其他應付款項           | 5,671   | -   | -   | -  |
| Due to related parties                  | 應付有關連人士款項        | 301   | -   | -   | -  |
| <b>Company</b>                          |                  | <b>本公司</b>                                    |   |   |  |
| At 31 December 2008                     |                  | 於二零零八年十二月三十一日                                 |   |   |  |
| Bank borrowings                         | 銀行貸款             | 10,216  | -   | -   | -  |
| Long-term payable to<br>a related party | 應付有關連人士之<br>長期款項 | 2,145   | 2,145   | 4,311   | -  |
| At 31 December 2007                     |                  | 於二零零七年十二月三十一日                                 |   |   |  |
| Bank borrowings                         | 銀行貸款             | 6,582   | -   | -   | -  |
| Long-term payable to<br>a related party | 應付有關連人士之<br>長期款項 | 2,145   | 2,145   | 6,435   | 22   |

**3 FINANCIAL RISK MANAGEMENT (continued)****3.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by equity holders' equity as shown in the consolidated balance sheet. Total borrowings include non-current borrowings and current borrowings.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain a minimal gearing ratio. The gearing ratios at 31 December 2007 and 2008 were as follows:

|                            |           | <b>Group</b><br>本集團 |          |
|----------------------------|-----------|---------------------|----------|
|                            |           | <b>2008</b>         | 2007     |
|                            |           | <b>US\$'000</b>     | US\$'000 |
|                            |           | 千美元                 | 千美元      |
| Total borrowings (note 17) | 總借款(附註17) | <b>53,152</b>       | 45,096   |
| Equity holders' equity     | 權益持有人的權益  | <b>257,910</b>      | 257,716  |
| Gearing ratio              | 資產負債比率    | <b>21%</b>          | 17%      |

Management considers that the current gearing ratio is reasonable. The increase in the gearing ratio during 2008 resulted primarily from increase in bank borrowings.

**3.3 Fair value estimation**

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

**3 財務風險管理(續)****3.2 信貸風險管理**

本集團管理資金之目標為保障本集團持續經營，以為股東帶來回報及為權益持有人帶來利益，以及維持合適之資本結構以減少資本成本之能力。

為了維持或調整資本結構，本集團可能調整派付予股東之股息金額，向股東歸還資本或發行新股份。

本集團按資產負債比率基準監察資本。該比率如綜合資產負債表所示乃按總借款除以權益持有人權益計算。總借款包括非流動借款及流動借款。

於二零零八年，本集團之策略與二零零七年所採納者貫徹一致，乃維持資產負債比率於最低水平。於二零零七年及二零零八年十二月三十一日之資產負債比率如下：

|                            |           | <b>Group</b><br>本集團 |          |
|----------------------------|-----------|---------------------|----------|
|                            |           | <b>2008</b>         | 2007     |
|                            |           | <b>US\$'000</b>     | US\$'000 |
|                            |           | 千美元                 | 千美元      |
| Total borrowings (note 17) | 總借款(附註17) | <b>53,152</b>       | 45,096   |
| Equity holders' equity     | 權益持有人的權益  | <b>257,910</b>      | 257,716  |
| Gearing ratio              | 資產負債比率    | <b>21%</b>          | 17%      |

管理層認為現時資產負債比率為合理的。資產負債比率於二零零八年增加主要由於銀行貸款增加。

**3.3 公平值估計**

本集團假定應收貿易賬款及應付貿易賬款之賬面值減減值撥備後接近其公平值。供披露金融負債之公平值，乃按本集團同類金融工具現時的市場利率折現未來合約現金流量而估計。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

##### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets or liabilities are discussed below.

###### (a) *Estimated impairment of goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.7. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

###### (b) *Estimated impairment of property, plant and equipment, land use rights and intangible assets*

Property, plant and equipment, land use right and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations and valuations require the use of judgement and estimates.

During the year, management made US\$1,530,000 and US\$624,000 provision on its property, plant and equipment in Shandong and Vietnam, respectively.

#### 4 重要會計估計及判斷

估計及判斷會不斷按照歷史經驗及其他因素進行評估，包括在各情況下相信是合理之未來事件預測。

##### 4.1 重要會計估計及假設

本集團會就未來作出估計及假設。根據其定義，由此得出之會計估計將甚少與相關實際業績等同。下文討論對資產及負債之賬面值造成重大調整之高風險估計及假設。

###### (a) *商譽減值的估計*

本集團每年均按照附註2.7所述的會計政策的規定，為商譽進行減值評估。而賺取現金單位的可收回金額，則按照使用價值計算。計算過程中須採用對未來營運狀況作出估算。

###### (b) *物業、廠房及設備、土地使用權和無形資產的估計減值*

每當有跡象顯示現存的金額可能不能收回時，本公司將會對物業、廠房及設備、租賃土地和無形資產作出減值評估。物業、廠房及設備、租賃土地及投資物業之可收回金額乃根據使用價值計算方法釐定。該等計算及估值需要作出判斷及估計。

年內，管理層就位於山東及越南的物業、廠房及設備分別作出1,530,000美元及624,000美元的撥備。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.1 Critical accounting estimates and assumptions (continued)

(b) *Estimated impairment of property, plant and equipment, land use rights and intangible assets (continued)*

Due to the increasing production costs, management had temporarily closed its production plant in Shandong for re-negotiation of material and utilities costs with certain suppliers. A provision was made based on a five-year cash flow forecast prepared by management for respective property, plant and equipment. The recoverable amount of the property, plant and equipment is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets approved by management covering a five-year period. The discount rate used in the cash flow forecast is 10%.

Management prepared the five-year cash flow forecast for the production plant in Shandong based on an assumption that the production plant in Shandong will resume its operation in this year. If the re-start date of the operations had been postponed for 3 months with all other variables held constant, post-tax profit for the year would have been approximately US\$1,100,000 lower.

(c) *Environmental charges*

The environmental charges are calculated based on the amounts imposed by the government. For details, please refer to Note 22 of the consolidated financial statements.

#### 4 重要會計估計及判斷(續)

##### 4.1 重要會計估計及假設(續)

(b) *物業、廠房及設備、土地使用權和無形資產的估計減值(續)*

由於生產成本增加，管理層已暫時關閉其位於山東的生產廠房，以與若干生產商就物料及公用成本重新協商。本集團根據管理層編製的五年現金流量預測為相關物業、廠房及設備作出撥備。物業、廠房及設備之可收回款額按照使用價值計算方法而釐定。有關之計算乃使用管理層批核之五年期財務預算之除稅後現金流量預測。現金流量預測所使用之貼現率為10%。

管理層根據假設位於山東的生產廠房將於本年度恢復經營，就位於山東的生產廠房編製五年現金流量預測。假設所有其他變數保持不變，倘經營之重新開始日期押後三個月，年內除稅後盈利已調低約1,100,000美元。

(c) *環境相關費用*

環境相關費用根據政府施加之款額而計算。有關詳情，請參閱綜合財務報表附註22。

#### 4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

##### 4.1 Critical accounting estimates and assumptions (continued)

(d) *Useful lives of property, plant and equipment and intangible assets*

The Group's management determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and intangible assets with reference to the estimated periods that the Group intends to derive future economic benefits from use of these assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and intangible assets of similar nature and functions. Management will adjust the depreciation and amortisation charges where useful lives are vary with previously estimated. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in useful lives and therefore depreciation and amortisation expense in the future periods.

(e) *Current income taxes and deferred income tax*

The Group is subject to income taxes in the PRC, Vietnam and Taiwan. Significant judgement is required in determining the amount of the provision for taxation. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the periods in which such determination are made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred taxation assets and taxation in the periods in which such estimate is changed.

#### 4 重要會計估計及判斷 (續)

##### 4.1 重要會計估計及假設 (續)

(d) *物業、廠房及設備和無形資產的使用年限*

本集團的管理層參考本集團有意使用該等資產產生的未來經濟利益的估計年期，釐定其物業、機器及設備及無形資產的估計可使用年期及相關折舊及攤銷開支。有關估計乃以相似性質及功能的物業、機器及設備與無形資產的實際使用年期的歷史經驗為基準。若可使用年期與過往估計不同，管理層將調整折舊及攤銷開支。實際經濟年期可能與估計可使用年期有所不同。定期審閱可能導致可使用年期及日後折舊及攤銷開支出現變動。

(e) *當期所得稅及遞延所得稅*

本集團須繳納中國、越南及台灣的所得稅。對於確定稅項撥備的金額，本集團須作出重大判斷。在正常業務過程中，交易及計算均難以明確作出最終的稅務釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜之責任。倘該等事宜之最終稅務結果與起初入賬之金額不同，該等差額將影響稅務釐定期內之當期及遞延所得稅資產及負債。

倘管理層認為未來應課稅盈利可用作對銷暫時性差異或稅項虧損可予動用時，則會確認與若干暫時性差異有關之遞延所得稅資產及稅項虧損。倘預期結果與原先之估計不同，有關差異會對有關估計出現變動之期間內遞延稅項資產及稅項之確認構成影響。

**5 SEGMENTAL ANALYSIS**

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

**(a) Business segment**

The Group has been operating in one single business segment, i.e. the manufacture and sale of fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Accordingly, no segment information is presented.

**(b) Geographical segment**

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of customers. Segment assets and capital expenditures are based on the geographical location of the assets.

*(i) Segment revenue*

|  |             | <b>2008</b>     | 2007     |
|--|-------------|-----------------|----------|
|  |             | <b>US\$'000</b> | US\$'000 |
|  |             | 千美元             | 千美元      |
| Vietnam  | 越南          | <b>148,860</b>  | 159,290  |
| The PRC  | 中國          | <b>57,229</b>   | 52,047   |
| Japan  | 日本          | <b>73,523</b>   | 47,492   |
| Taiwan   | 台灣          | <b>10,881</b>   | 9,264    |
| ASEAN member countries<br>(other than Vietnam) | 東盟國家(不包括越南) | <b>36,956</b>   | 34,794   |
| Other regions                                  | 其他地區        | <b>21,108</b>   | 14,544   |
|  |             | <b>348,557</b>  | 317,431  |

*(ii) Capital expenditures*

|         |    | <b>2008</b>     | 2007     |
|---------|----|-----------------|----------|
|         |    | <b>US\$'000</b> | US\$'000 |
|         |    | 千美元             | 千美元      |
| Vietnam | 越南 | <b>15,227</b>   | 9,870    |
| The PRC | 中國 | <b>875</b>      | 2,810    |
|         |    | <b>16,102</b>   | 12,680   |

Capital expenditures are allocated based on where the assets are located.

Capital expenditures comprise additions of land use rights, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

**5 分部分析**

分部資料以本集團的業務及地理分類而呈報。業務分部資料作為主要呈報形式，原因在於業務分類與本集團經營及財務決策的相關性較大。

**(a) 業務分部**

本集團經營單一業務，即製造及銷售各種發酵食品添加劑、生化產品及木薯澱粉產品，包括化工澱粉、葡萄糖糖漿、味精、蘇打、鹽酸及飲料。因此，並無呈報分類資料。

**(b) 地理分部**

以地理分部呈報資料時，分部收益以客戶所在地區劃分。分部資產及資本開支則以資產所在地劃分。

*(i) 分部收益*

| <b>2008</b>     | 2007     |
|-----------------|----------|
| <b>US\$'000</b> | US\$'000 |
| 千美元             | 千美元      |
| <b>148,860</b>  | 159,290  |
| <b>57,229</b>   | 52,047   |
| <b>73,523</b>   | 47,492   |
| <b>10,881</b>   | 9,264    |
| <b>36,956</b>   | 34,794   |
| <b>21,108</b>   | 14,544   |
| <b>348,557</b>  | 317,431  |

*(ii) 資本支出*

| <b>2008</b>     | 2007     |
|-----------------|----------|
| <b>US\$'000</b> | US\$'000 |
| 千美元             | 千美元      |
| <b>15,227</b>   | 9,870    |
| <b>875</b>      | 2,810    |
| <b>16,102</b>   | 12,680   |

資本支出乃根據資產所在地而分配。

資本支出包括對土地使用權、物業、廠房及設備及無形資產的添置，包括通過業務合併進行收購的添置。

**5 SEGMENTAL ANALYSIS (continued)****(b) Geographical segment (continued)***(iii) Total assets*

|           |     | <b>2008</b>     | 2007     |
|-----------|-----|-----------------|----------|
|           |     | <b>US\$'000</b> | US\$'000 |
|           |     | 千美元             | 千美元      |
| Vietnam   | 越南  | <b>280,299</b>  | 280,961  |
| The PRC   | 中國  | <b>71,255</b>   | 65,139   |
| Hong Kong | 香港  | <b>8,448</b>    | 550      |
| Taiwan    | 台灣  | <b>431</b>      | 1,126    |
| Singapore | 新加坡 | <b>64</b>       | 64       |
|           |     | <b>360,497</b>  | 347,840  |

Total assets are allocated based on where the assets are located.

總資產乃根據資產所在地而分配。

**6 LAND USE RIGHTS – GROUP**

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

|   |             | <b>2008</b>     | 2007     |
|---|-------------|-----------------|----------|
|   |             | <b>US\$'000</b> | US\$'000 |
|   |             | 千美元             | 千美元      |
| Held outside Hong Kong                          | 在香港以外持有     |                 |          |
| Leases of between 10 to 50 years                | 租約由十年至五十年   | <b>6,609</b>    | 6,320    |
|   |             | <b>2008</b>     | 2007     |
|   |             | <b>US\$'000</b> | US\$'000 |
|   |             | 千美元             | 千美元      |
| Beginning of the year                           | 年初          | <b>6,320</b>    | 6,038    |
| Exchange difference                             | 匯兌差額        | <b>434</b>      | 417      |
| Amortisation of prepaid operating lease payment | 營業租約預繳費用的攤銷 | <b>(145)</b>    | (135)    |
| End of the year                                 | 年終          | <b>6,609</b>    | 6,320    |

In respect of the Group's land use rights, Mao Tai Foods (Xiamen) Co. Ltd ("Xiamen Maotai"), Shanghai Vedan Enterprise Co. Ltd ("Shanghai Vedan") and Shandong Vedan Snowflake Enterprise Co., Ltd. ("Shandong Snowflake"), subsidiaries established and operating in the PRC, have been granted the rights to use the land by the relevant authority for 50 years, which expires in 2042, 2055 and 2056 respectively.

**6 土地使用權 – 本集團**

本集團於土地使用權的權益指營業租約的預繳費用，其賬面淨值分析如下：

就本集團的土地使用權而言，三間於中國成立及經營的附屬公司茂泰食品（廈門）有限公司（「廈門茂泰」）、上海味丹企業有限公司（「上海味丹」）及山東雪花實業有限公司（「山東雪花」），已獲有關當局授予為期五十年的土地使用權，分別於二零四二年、二零五五年及二零五六年屆滿。



## 7 PROPERTY, PLANT AND EQUIPMENT

## 7 物業、廠房及設備

|                                    |                       | Construction<br>in progress<br>在建工程<br>USD'000<br>千美元 | Properties<br>物業<br>USD'000<br>千美元 | Plant and<br>machinery<br>廠房及機器<br>USD'000<br>千美元 | Motor<br>vehicles<br>汽車<br>USD'000<br>千美元 | Office<br>equipment<br>and other<br>fixed assets<br>辦公室設備<br>及其他<br>固定資產<br>USD'000<br>千美元 | Total<br>合計<br>USD'000<br>千美元 |
|------------------------------------|-----------------------|---|------------------------------------|---|---|--|-------------------------------|
| <b>At 1 January 2007</b>           | 於二零零七年一月一日            |   |                                    |   |   |  |                               |
| Cost                               | 成本                    | 996   | 81,593                             | 343,495   | 8,069                                     | 32,687   | 466,840                       |
| Accumulated depreciation           | 累積折舊                  | -   | (32,308)                           | (189,219)   | (6,307)                                   | (27,318)   | (255,152)                     |
| Net book amount                    | 賬面淨額                  | 996   | 49,285                             | 154,276   | 1,762                                     | 5,369  | 211,688                       |
| <b>Year ended 31 December 2007</b> | 截至二零零七年<br>十二月三十一日止年度 |   |                                    |   |   |  |                               |
| Opening net book amount            | 年初賬面淨額                | 996   | 49,285                             | 154,276   | 1,762                                     | 5,369  | 211,688                       |
| Exchange differences               | 匯兌差額                  | 8   | 704                                | 1,260   | 27  | 23   | 2,022                         |
| Additions                          | 添置                    | 9,365   | 278                                | 1,751   | 814                                       | 58   | 12,266                        |
| Transfer                           | 轉讓                    | (2,752)   | 745                                | 1,881   | -   | 126  | -                             |
| Disposals                          | 出售                    | -   | (1)                                | (28)  | (27)                                      | (22)   | (78)                          |
| Depreciation                       | 折舊                    | -   | (3,894)                            | (22,802)  | (523)                                     | (831)  | (28,050)                      |
| Closing net book amount            | 年末賬面淨額                | 7,617   | 47,117                             | 136,338   | 2,053                                     | 4,723  | 197,848                       |
| <b>At 31 December 2007</b>         | 於二零零七年十二月三十一日         |   |                                    |   |   |  |                               |
| Cost                               | 成本                    | 7,617   | 83,127                             | 347,239   | 8,518                                     | 30,621   | 477,122                       |
| Accumulated depreciation           | 累積折舊                  | -   | (36,010)                           | (210,901)   | (6,465)                                   | (25,898)   | (279,274)                     |
| Net book amount                    | 賬面淨額                  | 7,617   | 47,117                             | 136,338   | 2,053                                     | 4,723  | 197,848                       |
| <b>Year ended 31 December 2008</b> | 截至二零零八年<br>十二月三十一日止年度 |   |                                    |   |   |  |                               |
| Opening net book amount            | 年初賬面淨額                | 7,617   | 47,117                             | 136,338   | 2,053                                     | 4,723  | 197,848                       |
| Exchange differences               | 匯兌差異                  | 7   | 780                                | 1,436   | 36  | 27   | 2,286                         |
| Additions                          | 添置                    | 13,994  | 67                                 | 473   | 336                                       | 223  | 15,093                        |
| Transfer                           | 轉讓                    | (8,551)   | 3,901                              | 4,543   | 31  | 76   | -                             |
| Disposals                          | 出售                    | -   | (2)                                | (12)  | (54)                                      | (26)   | (94)                          |
| Depreciation                       | 折舊                    | -   | (4,129)                            | (23,784)  | (510)                                     | (884)  | (29,307)                      |
| Impairment loss                    | 減值虧損                  | -   | (141)                              | (2,009)   | -   | (4)  | (2,154)                       |
| Closing net book amount            | 年末賬面淨額                | 13,067  | 47,593                             | 116,985   | 1,892                                     | 4,135  | 183,672                       |
| <b>At 31 December 2008</b>         | 於二零零八年十二月三十一日         |   |                                    |   |   |  |                               |
| Cost                               | 成本                    | 13,067  | 88,002                             | 354,138   | 8,543                                     | 30,886   | 494,636                       |
| Accumulated depreciation           | 累積折舊                  | -   | (40,268)                           | (235,144)   | (6,651)                                   | (26,747)   | (308,810)                     |
| Impairment loss                    | 減值虧損                  | -   | (141)                              | (2,009)   | -   | (4)  | (2,154)                       |
| Net book amount                    | 賬面淨額                  | 13,067  | 47,593                             | 116,985   | 1,892                                     | 4,135  | 183,672                       |

**7 PROPERTY, PLANT AND EQUIPMENT (continued)**

Certain property, plant and equipment of the Group are pledged as securities for the Group's short-term and long-term bank borrowings as follows:

|   |                       | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|-----------------------|---------------------------------------|-------------------------|
| Net book value of pledged property, plant and equipment (Note 35) | 已抵押物業、廠房及設備賬面淨值(附註35) | <b>19,315</b>                         | 25,417                  |

Depreciation expense of US\$27,868,000 (2007: US\$27,648,000) has been charged in cost of sales, US\$50,000 (2007: US\$40,000) in selling and distribution expenses and US\$1,389,000 (2007: US\$362,000) in administrative expenses.

**7 物業、廠房及設備(續)**

本集團以若干物業、廠房及設備作抵押，以取得本集團的短期及長期銀行借貸如下：

折舊支出27,868,000美元(二零零七年：27,648,000美元)、50,000美元(二零零七年：40,000美元)和1,389,000美元(二零零七年：362,000美元)已於銷售成本、銷售及分銷開支以及行政開支中扣除。

**8 INTANGIBLE ASSETS**

|                           |               | Group<br>本集團                     |  |                                    |                                    | Company<br>本公司                |                                    |
|---------------------------|---------------|----------------------------------|--|------------------------------------|------------------------------------|-------------------------------|------------------------------------|
|                           |               | Goodwill<br>商譽<br>USD'000<br>千美元 | Software<br>and licence<br>軟件及牌照<br>USD'000<br>千美元 | Brand name<br>品牌<br>USD'000<br>千美元 | Trademarks<br>商標<br>USD'000<br>千美元 | Total<br>合計<br>USD'000<br>千美元 | Trademarks<br>商標<br>USD'000<br>千美元 |
| At 1 January 2007         | 於二零零七年一月一日    | 7,226                            | -  | 1,028                              | 9,873                              | 18,127                        | 9,873                              |
| Additions                 | 添置            | -                                | 414  | -                                  | -                                  | 414                           | -                                  |
| Exchange differences      | 匯兌差異          | 448                              | -  | -                                  | -                                  | 448                           | -                                  |
| Amortisation for the year | 年內攤銷          | -                                | (139)  | (114)                              | (1,209)                            | (1,462)                       | (1,209)                            |
| At 31 December 2007       | 於二零零七年十二月三十一日 | 7,674                            | 275  | 914                                | 8,664                              | 17,527                        | 8,664                              |
| At 1 January 2008         | 於二零零八年一月一日    | 7,674                            | 275  | 914                                | 8,664                              | 17,527                        | 8,664                              |
| Additions                 | 添置            | -                                | 1,009  | -                                  | -                                  | 1,009                         | -                                  |
| Exchange differences      | 匯兌差異          | 478                              | -  | -                                  | -                                  | 478                           | -                                  |
| Amortisation for the year | 年內攤銷          | -                                | (151)  | (114)                              | (1,209)                            | (1,474)                       | (1,209)                            |
| At 31 December 2008       | 於二零零八年十二月三十一日 | 8,152                            | 1,133  | 800                                | 7,455                              | 17,540                        | 7,455                              |

Amortisation charge is included in administrative expenses.

攤銷列入行政開支。

**8 INTANGIBLE ASSETS (continued)****Impairment tests for goodwill**

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to country of operation and business segment.

|                     |              | <b>The PRC</b><br>中國  | <b>Vietnam</b><br>越南                                      |                                       |
|---------------------|--------------|---|---|---------------------------------------|
|                     |              | <b>MSG</b><br><b>packaging</b><br>味精及<br>調味料包裝<br>US\$'000<br>千美元 | <b>MSG</b><br><b>packaging</b><br>味精包裝<br>US\$'000<br>千美元 | <b>Total</b><br>合計<br>US\$'000<br>千美元 |
| At 31 December 2008 | 二零零八年十二月三十一日 | 7,422   | 730   | 8,152                                 |
| At 31 December 2007 | 二零零七年十二月三十一日 | 6,944   | 730   | 7,674                                 |

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use five-year cash flow projections based on financial budgets approved by management. Cash flows beyond the budget period are extrapolated using the estimated growth rates stated below.

**Key assumptions used for value-in-use calculations**

|               |     | <b>2008</b>          | 2007          |
|---------------|-----|----------------------|---------------|
| Gross margin  | 毛利率 | <b>13.7% – 17.8%</b> | 13.3% – 14.4% |
| Discount rate | 折現率 | <b>10%</b>           | 10.4%         |

These assumptions have been used for the analysis of each CGU within the business segment.

Management determined budgeted gross margin based on past performance and its expectations for the market development. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

Management believes that any reasonably possible change in the key assumptions on which the recoverable amounts of goodwill is based would not cause the carrying amounts to exceed its recoverable amounts.

**8 無形資產(續)****商譽減值測試**

本集團因應經營所在國家及業務類別，按所識別之賺取現金單位分配商譽。

賺取現金單位之可收回金額乃按使用價值計算。該等計算基於管理層批准之財政預算使用現金流量進行預測。超出預算期之現金流量使用下列估計增長率推算。

**用以計算使用價值之主要假設：**

該等假設用於分析業務分部內各賺取現金單位。

管理層乃根據過往業績及其對市場發展之預期而釐定預算毛利率。所用折現率乃稅前計算，並反映相關分部之特定風險。

管理層相信，商譽的可收回金額所根據的主要假設的任何合理可能變動不會導致賬面值超過其可收回金額。

## 9 INVESTMENTS IN SUBSIDIARIES, LOANS TO SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES – COMPANY

## 9 對附屬公司投資、向附屬公司貸款及應收附屬公司款項—本公司

|                          |            | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--------------------------|------------|-------------------------|-------------------------|
| Unlisted shares, at cost | 非上市股份(按成本) | 170,390                 | 170,390                 |

The loan-term loan granted to a subsidiary is unsecured, interest-free for the period from 1 August 2007 to 31 December 2008 and interest will be charged at Singapore Interbank Offered Rate for the period from 1 January 2009 to 31 July 2010, the date of maturity. The carrying value of loan to a subsidiary approximates its fair value.

授予一間附屬公司之長期貸款乃無抵押、於二零零七年八月一日至二零零八年十二月三十一日期間免息，及於二零零九年一月一日至二零一零年七月三十一日(到期日)期間按新加坡銀行同業拆息率計息。向一間附屬公司貸款之賬面值接近其公平值。

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

應收附屬公司款項為無抵押及免息，且於催繳時償還。

The following is a list of the principal subsidiaries at 31 December 2008:

下列為於二零零八年十二月三十一日的主要附屬公司：

| Name<br>名稱                     | Place/country of<br>Incorporation/<br>establishment<br>註冊成立/<br>成立地點/國家 | Principal activities and<br>place of operation<br>主要業務及營運地點 | Particulars of<br>Issued/<br>paid up capital<br>已發行/繳足<br>股本詳情 | Interest<br>held<br>持有權益 |
|--------------------------------|---|---|--|--------------------------|
| <i>Directly held:</i><br>直接持有： |   |   |  |                          |
| Winball Investment Limited     | British Virgin Islands<br>("BVI")<br>英屬處女群島                             | Investment holding in Hong Kong<br>在香港投資控股                  | US\$100<br>Ordinary shares<br>100美元普通股                         | 100%                     |
| Talent Top Investment Ltd.     | BVI<br>英屬處女群島   | Investment holding in Hong Kong<br>在香港投資控股                  | US\$100<br>Ordinary shares<br>100美元普通股                         | 100%                     |

**9 INVESTMENTS IN SUBSIDIARIES, LOANS TO SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES – COMPANY (continued)**

**9 對附屬公司投資、向附屬公司貸款及應收附屬公司款項—本公司(續)**

| <b>Name</b><br>名稱  | <b>Place/country of Incorporation/ establishment</b><br>註冊成立/<br>成立地點/國家 | <b>Principal activities and place of operation</b><br>主要業務及營運地點   | <b>Particulars of Issued/<br/>paid up capital</b><br>已發行/繳足<br>股本詳情 | <b>Interest held</b><br>持有權益 |
|--|--|---|---|------------------------------|
| <i>Indirectly held:</i><br>間接持有:                               |  |   |   |                              |
| Burghley Enterprise Pte., Ltd.                                 | Singapore<br>新加坡   | Investment holding in Singapore<br>在新加坡投資控股   | S\$106,067,921<br>Ordinary shares<br>106,067,921新加坡元普通股             | 100%                         |
| Ordino Investments Pte., Ltd.                                  | Singapore<br>新加坡   | Investment holding in Singapore<br>在新加坡投資控股   | S\$34,944,929<br>Ordinary shares<br>34,944,929新加坡元普通股               | 100%                         |
| Vedan (Vietnam) Enterprise Corporation Limited<br>味丹(越南)股份有限公司 | Vietnam<br>越南  | Manufacture and sale of fermentation-based food additives and biochemical products and cassava starch-based industrial products including MSG, GA, modified starch, glucose syrup, soda and acid in Vietnam and for export<br>在越南製造及銷售發酵食品添加劑、生化產品及木薯澱粉工業產品，包括味精、谷氨酸、化工澱粉、葡萄糖漿、梳打及鹽酸並銷售出口 | US\$120,962,000<br>Legal capital<br>120,962,000美元<br>法定股本           | 100%                         |
| Mao Tai Foods (Xiamen) Co., Ltd.<br>茂泰食品(廈門)有限公司               | PRC<br>中國  | Packaging and sale of MSG and beverages in the PRC<br>在中國包裝及銷售味精及飲料   | US\$20,270,000<br>Registered capital<br>20,270,000美元<br>註冊資本        | 100%                         |
| Orsan Vietnam Co., Ltd.  | Vietnam<br>越南  | Packaging and sale of MSG in Vietnam<br>在越南包裝及銷售味精  | US\$1,838,282<br>Legal capital<br>1,838,282美元<br>法定股本               | 100%                         |

## 9 INVESTMENTS IN SUBSIDIARIES, LOANS TO SUBSIDIARIES AND AMOUNTS DUE FROM SUBSIDIARIES – COMPANY (continued)

## 9 對附屬公司投資、向附屬公司貸款及應收附屬公司款項—本公司(續)

| Name<br>名稱   | Place/country of<br>Incorporation/<br>establishment<br>註冊成立/<br>成立地點/國家 | Principal activities and<br>place of operation<br>主要業務及營運地點   | Particulars of<br>Issued/<br>paid up capital<br>已發行/繳足<br>股本詳情 | Interest<br>held<br>持有權益 |
|--|---|---|--|--------------------------|
| <i>Indirectly held: (continued)</i><br>間接持有:(續)                            |   |   |  |                          |
| Shandong Vedan Snowflake<br>Enterprise Co., Ltd.<br>山東雪花實業有限公司<br>(「山東雪花」) | PRC<br>中國   | Manufacture and sale of MSG<br>in the PRC<br>在中國生產及銷售味精   | US\$17,200,000<br>Registered capital<br>17,200,000美元<br>註冊資本   | 70%                      |
| Shanghai Vedan Enterprise<br>Co. Ltd.<br>上海味丹企業有限公司                        | PRC<br>中國   | Packaging and sale of MSG<br>in the PRC<br>在中國包裝及銷售味精   | US\$9,800,000<br>Registered capital<br>9,800,000美元<br>註冊資本     | 100%                     |
| Veyu Enterprise Co., Ltd.  | Vietnam<br>越南   | Manufacture and sale of cassava<br>starch-based industrial products<br>in Vietnam and for export<br>在越南製造及銷售木薯澱粉工業<br>產品並銷售出口 | US\$2,300,000<br>Legal capital<br>2,300,000美元<br>法定股本          | 100%                     |
| Xiamen Darong Import &<br>Export Trade Co., Ltd.<br>廈門大容進出口貿易有限公司          | PRC<br>中國   | Trading of cassava starch-based<br>industrial products in the PRC<br>在中國買賣木薯澱粉工業產品  | US\$254,000<br>Registered capital<br>254,000美元註冊<br>資本         | 100%                     |

## 10 HELD-TO-MATURITY FINANCIAL ASSETS – GROUP

Included in held-to-maturity financial assets is a 5-year construction bond issued by Dong Nai Province People's Committee of Vietnam on 30 March 2005. The bond earns annual interest of 8% and is redeemable at the end of the 5-year term.

## 10 持有至到期的財務資產—本集團

持有至到期的財務資產包括Dong Nai Province People's Committee of Vietnam於二零零五年三月三十日發出之五年建築債券。該債券每年賺取利息8厘，並於五年期滿時贖回。

**11 TRADE RECEIVABLES**

The fair values of trade receivables are as follows:

|  |                          | <b>Group</b><br>本集團 |          |
|--|--------------------------|---------------------|----------|
|  |                          | <b>2008</b>         | 2007     |
|  |                          | <b>US\$'000</b>     | US\$'000 |
|  |                          | 千美元                 | 千美元      |
| Trade receivables from third parties                   | 應收第三方貿易賬款                | <b>28,985</b>       | 41,755   |
| Trade receivables from a related party<br>(Note 34(c)) | 應收有關連人士貿易賬款<br>(附註34(c)) | <b>320</b>          | 339      |
| Less: provision for impairment of trade<br>receivables | 減: 應收貿易賬款<br>減值撥備        | <b>(427)</b>        | (31)     |
|  |                          | <b>28,878</b>       | 42,063   |

The credit terms of trade receivables range from cash on delivery to 120 days and the ageing analysis of the trade receivables is as follows:

|               |          | <b>Group</b><br>本集團 |          |
|---------------|----------|---------------------|----------|
|               |          | <b>2008</b>         | 2007     |
|               |          | <b>US\$'000</b>     | US\$'000 |
|               |          | 千美元                 | 千美元      |
| Current       | 即期       | <b>13,967</b>       | 22,838   |
| 30-90 days    | 30至90天   | <b>8,083</b>        | 18,890   |
| 91-180 days   | 91至180天  | <b>4,471</b>        | 242      |
| 181-365 days  | 181至365天 | <b>2,707</b>        | 31       |
| Over 365 days | 365天以上   | <b>77</b>           | 93       |
|               |          | <b>29,305</b>       | 42,094   |

As at 31 December 2008, trade receivables of US\$19,081,000 (2007: US\$38,331,000) were fully performing.

**11 應收貿易賬款**

應收貿易賬款的公平值如下:

|  |                          | <b>Group</b><br>本集團 |          |
|--|--------------------------|---------------------|----------|
|  |                          | <b>2008</b>         | 2007     |
|  |                          | <b>US\$'000</b>     | US\$'000 |
|  |                          | 千美元                 | 千美元      |
| Trade receivables from third parties                   | 應收第三方貿易賬款                | <b>28,985</b>       | 41,755   |
| Trade receivables from a related party<br>(Note 34(c)) | 應收有關連人士貿易賬款<br>(附註34(c)) | <b>320</b>          | 339      |
| Less: provision for impairment of trade<br>receivables | 減: 應收貿易賬款<br>減值撥備        | <b>(427)</b>        | (31)     |
|  |                          | <b>28,878</b>       | 42,063   |

應收貿易賬款的信貸期由貨到付現至120天，而應收貿易賬款的賬齡分析如下:

|               |          | <b>Group</b><br>本集團 |          |
|---------------|----------|---------------------|----------|
|               |          | <b>2008</b>         | 2007     |
|               |          | <b>US\$'000</b>     | US\$'000 |
|               |          | 千美元                 | 千美元      |
| Current       | 即期       | <b>13,967</b>       | 22,838   |
| 30-90 days    | 30至90天   | <b>8,083</b>        | 18,890   |
| 91-180 days   | 91至180天  | <b>4,471</b>        | 242      |
| 181-365 days  | 181至365天 | <b>2,707</b>        | 31       |
| Over 365 days | 365天以上   | <b>77</b>           | 93       |
|               |          | <b>29,305</b>       | 42,094   |

於二零零八年十二月三十一日，應收貿易賬款19,081,000美元(二零零七年: 38,331,000美元)已全數履行。

**11 TRADE RECEIVABLES (continued)**

As at 31 December 2008, trade receivables of US\$9,791,000 (2007: US\$3,701,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of those past due but not impaired receivables is as follows:

|                     |         | <b>Group</b><br>本集團                   |                         |
|---------------------|---------|---------------------------------------|-------------------------|
|                     |         | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
| Overdue by          | 逾期      |                                       |                         |
| Current to 3 months | 即期至三個月  | <b>3,302</b>                          | 3,656                   |
| 3 – 6 months        | 三個月至六個月 | <b>4,063</b>                          | 45                      |
| Over 6 months       | 六個月以上   | <b>2,426</b>                          | –                       |
|                     |         | <b>9,791</b>                          | 3,701                   |

As of 31 December 2008, trade receivables of US\$433,000 (2007: US\$62,000) were impaired. The amount of the provision was US\$427,000 as of 31 December 2008 (2007: US\$31,000). The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered. The ageing of these receivables is as follows:

|                      |           | <b>Group</b><br>本集團                   |                         |
|----------------------|-----------|---------------------------------------|-------------------------|
|                      |           | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
| Overdue by           | 逾期        |                                       |                         |
| 180 days to 360 days | 180天至360天 | <b>379</b>                            | –                       |
| Over 360 days        | 360天以上    | <b>54</b>                             | 62                      |
|                      |           | <b>433</b>                            | 62                      |

**11 應收貿易賬款(續)**

於二零零八年十二月三十一日，金額為9,791,000美元(二零零七年：3,701,000美元)的應收貿易賬款已到期但並未減值，其來自若干近期概無拖欠紀錄的獨立客戶。該等到期但並未減值的應收款項的賬齡分析如下：

於二零零八年十二月三十一日，應收貿易賬款433,000美元(二零零七年：62,000美元)已予減值。於二零零八年十二月三十一日作出的撥備金額為427,000美元(二零零七年：31,000美元)。個別減值的應收款項主要與處於無法預計經濟困難的批發商有關，而部分應收款項則評估為預期將予收回。該等應收款項的賬齡分析如下：



**11 TRADE RECEIVABLES (continued)**

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

|              |       | <b>Group</b><br>本集團 |          |
|--------------|-------|---------------------|----------|
|              |       | <b>2008</b>         | 2007     |
|              |       | <b>US\$'000</b>     | US\$'000 |
|              |       | 千美元                 | 千美元      |
| Vietnam Dong | 越南盾   | <b>16,216</b>       | 26,109   |
| US\$         | 美元    | <b>10,284</b>       | 11,731   |
| PRC Renminbi | 中國人民幣 | <b>2,347</b>        | 4,194    |
| Others       | 其他    | <b>31</b>           | 29       |
|              |       | <b>28,878</b>       | 42,063   |

Movements on the Group's provision for impairment of trade receivables are as follows:

|                                      |        | <b>Group</b><br>本集團 |          |
|--------------------------------------|--------|---------------------|----------|
|                                      |        | <b>2008</b>         | 2007     |
|                                      |        | <b>US\$'000</b>     | US\$'000 |
|                                      |        | 千美元                 | 千美元      |
| Beginning of the year                | 年初     | <b>31</b>           | 29       |
| Provision for impairment             | 減值撥備   | <b>398</b>          | 12       |
| Reversal of provision for impairment | 減值撥備撥回 | <b>(2)</b>          | (10)     |
| End of the year                      | 年終     | <b>427</b>          | 31       |

The creation and release of provision for impaired receivables have been included in "administrative expenses" in the consolidated income statement (Note 21). Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

**11 應收貿易賬款(續)**

本集團的應收貿易賬款的賬面值以下列貨幣計值：

|              |       | <b>Group</b><br>本集團 |          |
|--------------|-------|---------------------|----------|
|              |       | <b>2008</b>         | 2007     |
|              |       | <b>US\$'000</b>     | US\$'000 |
|              |       | 千美元                 | 千美元      |
| Vietnam Dong | 越南盾   | <b>16,216</b>       | 26,109   |
| US\$         | 美元    | <b>10,284</b>       | 11,731   |
| PRC Renminbi | 中國人民幣 | <b>2,347</b>        | 4,194    |
| Others       | 其他    | <b>31</b>           | 29       |
|              |       | <b>28,878</b>       | 42,063   |

本集團的應收貿易賬款減值撥備變動如下：

|                                      |        | <b>Group</b><br>本集團 |          |
|--------------------------------------|--------|---------------------|----------|
|                                      |        | <b>2008</b>         | 2007     |
|                                      |        | <b>US\$'000</b>     | US\$'000 |
|                                      |        | 千美元                 | 千美元      |
| Beginning of the year                | 年初     | <b>31</b>           | 29       |
| Provision for impairment             | 減值撥備   | <b>398</b>          | 12       |
| Reversal of provision for impairment | 減值撥備撥回 | <b>(2)</b>          | (10)     |
| End of the year                      | 年終     | <b>427</b>          | 31       |

作出及解除應收賬款減值撥備已計入綜合收益表的「行政開支」中(附註21)。計入撥備賬的金額一般於預期無法收回額外現金時撇銷。

**12 INVENTORIES – GROUP**

|                             |        | <b>2008</b>     | 2007     |
|-----------------------------|--------|-----------------|----------|
|                             |        | <b>US\$'000</b> | US\$'000 |
|                             |        | 千美元             | 千美元      |
| Spare parts and consumables | 零件及消耗品 | <b>4,091</b>    | 3,967    |
| Raw materials               | 原材料    | <b>40,794</b>   | 24,602   |
| Work in progress            | 在製品    | <b>2,709</b>    | 3,818    |
| Finished products           | 製成品    | <b>24,902</b>   | 23,783   |
|                             |        | <b>72,496</b>   | 56,170   |

**12 存貨**

**13 CASH AND CASH EQUIVALENTS – GROUP AND COMPANY**

Bank balances totaling US\$10,931,000 (2007: US\$4,739,000) and US\$16,764,000 (2007: US\$11,860,000) as at 31 December 2008 were placed with major state-owned financial institutions in PRC and Vietnam, respectively. The remittance of these funds out of the PRC and Vietnam is subject to the exchange restrictions imposed by the PRC and Vietnamese governments.

**13 現金及現金等價物—本集團及本公司**

於二零零八年十二月三十一日，銀行結餘合共10,931,000美元（二零零七年：4,739,000美元）及16,764,000美元（二零零七年：11,860,000美元）分別存入中國及越南的主要國有財務機構。該等資金匯出中國及越南須遵守中國及越南政府的外匯管制措施。

|                                    |            | Group<br>本集團  |          | Company<br>本公司 |          |
|------------------------------------|------------|---------------|----------|----------------|----------|
|                                    |            | 2008          | 2007     | 2008           | 2007     |
|                                    |            | US\$'000      | US\$'000 | US\$'000       | US\$'000 |
|                                    |            | 千美元           | 千美元      | 千美元            | 千美元      |
| Cash at bank and on hand           | 銀行及庫存現金    | <b>31,384</b> | 17,260   | <b>8,572</b>   | 1,087    |
| Short-term bank deposits<br>(Note) | 短期銀行存款（附註） | <b>4,902</b>  | 446      | —              | —        |
|                                    |            | <b>36,286</b> | 17,706   | <b>8,572</b>   | 1,087    |

Note:

Certain short-term bank deposits were pledged for certain banking facilities.

The Group's cash and cash equivalents are denominated in the following currencies:

附註：

若干短期銀行存款已抵押以取得若干銀行融資。

本集團現金及現金等價物按以下貨幣計值：

|                   |       | Group<br>本集團  |          | Company<br>本公司 |          |
|-------------------|-------|---------------|----------|----------------|----------|
|                   |       | 2008          | 2007     | 2008           | 2007     |
|                   |       | US\$'000      | US\$'000 | US\$'000       | US\$'000 |
|                   |       | 千美元           | 千美元      | 千美元            | 千美元      |
| Vietnam Dong      | 越南盾   | <b>12,721</b> | 6,470    | —              | —        |
| US\$              | 美元    | <b>12,618</b> | 6,394    | <b>8,458</b>   | 983      |
| PRC Renminbi      | 中國人民幣 | <b>10,833</b> | 4,738    | —              | —        |
| Hong Kong dollar  | 港元    | <b>49</b>     | 40       | <b>49</b>      | 40       |
| New Taiwan dollar | 新台幣   | <b>65</b>     | 64       | <b>65</b>      | 64       |
|                   |       | <b>36,286</b> | 17,706   | <b>8,572</b>   | 1,087    |

## 14 SHARE CAPITAL

|   |                               | Authorised ordinary shares<br>法定普通股 |                             |                 |
|---|-------------------------------|-------------------------------------|-----------------------------|-----------------|
|   |                               | Par value<br>US\$<br>面值美元           | Number of<br>shares<br>股份數目 | US\$'000<br>千美元 |
| At 31 December 2007 and<br>31 December 2008 | 二零零七年十二月三十一日及<br>二零零八年十二月三十一日 | 0.01                                | 10,000,000,000              | 100,000         |

|   |                               | Issued and fully paid ordinary shares<br>已發行及繳足普通股 |                             |                 |
|---|-------------------------------|--|-----------------------------|-----------------|
|   |                               | Par value<br>US\$<br>面值美元                          | Number of<br>shares<br>股份數目 | US\$'000<br>千美元 |
| At 31 December 2007 and<br>31 December 2008 | 二零零七年十二月三十一日及<br>二零零八年十二月三十一日 | 0.01   | 1,522,742,000               | 15,228          |

On 13 June 2003, a share option scheme and a pre-IPO share option plan were approved pursuant to a written resolution of the Company.

Under the share option scheme, the board of directors may at its discretion offer options to any directors, employees, business partners or their trustees of the Group which entitle them to subscribe for shares in aggregate not exceed 10% of the shares in issue from time to time. These options have duration of ten years from the date of grant, but shall lapse where the grantee ceases to be employed by the Company or its subsidiaries. No share options were granted by the Company under the share option scheme during the current and previous years.

Under the pre-IPO share option plan ("Pre-IPO Share Option Scheme"), the board of directors may at its discretion offer options to any directors or employees of the Group and its subsidiaries which entitle them to subscribe for shares of the Company. On 13 June 2003, 24,500,000 options and 5,270,000 options were granted to directors of the Company and employees of the Group, respectively, under the Pre-IPO Share Option Scheme. These options are exercisable in accordance with the terms of the Pre-IPO Share Option Scheme commencing on 13 June 2004 and up to 12 June 2008, whilst all outstanding share options lapsed before 31 December 2008.

於二零零三年六月十三日，本公司已根據書面決議案批准購股權計劃及首次公開售股前購股權計劃。

根據購股權計劃，董事會可酌情向本集團任何董事、僱員、業務夥伴或彼等的受託人授出購股權，賦予彼等權利認購合共不超過不時已發行股份10%的股份。該等購股權的有效期自授出當日起計，為期十年，惟將於該承授人不再受僱於本公司或其附屬公司時失效。本公司在本年及過往並無根據購股權計劃授出任何購股權。

根據首次公開售股前購股權計劃（「首次公開售股前購股權計劃」），董事會可酌情向本集團及其附屬公司任何董事或僱員授出購股權，賦予彼等權利認購本公司股份。二零零三年六月十三日，董事會根據首次公開售股前購股權計劃分別向本公司董事及本集團僱員授出24,500,000份及5,270,000份購股權。該等購股權自二零零四年六月十三日至二零零八年六月十二日期間可根據首次公開售股前購股權計劃的條款行使，而所有尚未行使購股權於二零零八年十二月三十一日前失效。

## 15 RESERVES

## (a) Group

|   |                        | Share<br>premium<br>股份溢價<br>US\$'000<br>千美元 | Exchange<br>reserve<br>匯兌儲備<br>US\$'000<br>千美元 | (Note)<br>Merger<br>reserve<br>合併儲備<br>(註)<br>US\$'000<br>千美元 | Retained<br>earnings<br>保留盈利<br>US\$'000<br>千美元 | Total<br>合計<br>US\$'000<br>千美元 |
|---|------------------------|---|--|---|---|--------------------------------|
| At 1 January 2007                           | 於二零零七年一月一日             | 47,358                                      | 5,196  | 79,994  | 92,486  | 225,034                        |
| Profit for the year                         | 本年度盈利                  | -   | -  | -   | 16,856  | 16,856                         |
| Dividends                                   | 股息                     | -   | -  | -   | (6,422)   | (6,422)                        |
| Exchange translation<br>differences         | 匯兌差額                   | -   | 2,435  | -   | -   | 2,435                          |
| At 31 December 2007                         | 於二零零七年十二月三十一日          | 47,358                                      | 7,631  | 79,994  | 102,920   | 237,903                        |
| Representing:                               | 即:                     |   |  |   |   |                                |
| 2007 Final dividend<br>proposed             | 建議派付的二零零七年<br>末期股息     |   |  |   | 4,432   |                                |
| Others                                      | 其他                     |   |  |   | 98,488  |                                |
| Retained earnings as at<br>31 December 2007 | 於二零零七年十二月三十一日<br>的保留盈利 |   |  |   | 102,920   |                                |
| At 1 January 2008                           | 於二零零八年一月一日             | 47,358                                      | 7,631  | 79,994  | 102,920   | 237,903                        |
| Profit for the year                         | 本年度盈利                  | -   | -  | -   | 8,403   | 8,403                          |
| Dividends                                   | 股息                     | -   | -  | -   | (9,076)   | (9,076)                        |
| Exchange translation<br>differences         | 匯兌差額                   | -   | 2,573  | -   | -   | 2,573                          |
| At 31 December 2008                         | 於二零零八年十二月三十一日          | 47,358                                      | 10,204   | 79,994  | 102,247   | 239,803                        |
| Representing:                               | 即:                     |   |  |   |   |                                |
| 2008 Final dividend<br>proposed             | 建議派付的二零零八年<br>末期股息     |   |  |   | -   |                                |
| Others                                      | 其他                     |   |  |   | 102,247   |                                |
| Retained earnings as at<br>31 December 2008 | 於二零零八年十二月三十一日<br>的保留盈利 |   |  |   | 102,247   |                                |

Note:

The merger reserve of the Group represents the difference between the nominal value of the share capital and share premium of the subsidiaries acquired pursuant to the group reorganisation completed on 26 December 2002 and the nominal value of the share capital of the Company issued in exchange thereof.

註:

本集團的合併儲備即本集團於二零零二年十二月二十六日完成重組時所收購附屬公司的股本面值及股份溢價與本公司因交換而發行股本面值的差額。

**15 RESERVES (continued)****(b) Company**

|  |                    | <b>Share<br/>premium</b> | <b>Retained<br/>earnings</b> | <b>Total</b> |
|--|--------------------|--------------------------|------------------------------|--------------|
|  |                    | 股份溢價                     | 保留盈利                         | 合計           |
|  |                    | US\$'000                 | US\$'000                     | US\$'000     |
|  |                    | 千美元                      | 千美元                          | 千美元          |
| At 1 January 2007                        | 於二零零七年一月一日         | 194,098                  | 10,911                       | 205,009      |
| Profit for the year                      | 本年度盈利              | –                        | 10,332                       | 10,332       |
| Dividends                                | 股息                 | –                        | (6,422)                      | (6,422)      |
| At 31 December 2007                      | 於二零零七年十二月三十一日      | 194,098                  | 14,821                       | 208,919      |
| Representing:                            | 即:                 |                          |                              |              |
| 2007 Final dividend proposed             | 建議派付的二零零七年末期股息     |                          | 4,432                        |              |
| Others                                   | 其他                 |                          | 10,389                       |              |
| Retained earnings as at 31 December 2007 | 於二零零七年十二月三十一日的保留盈利 |                          | 14,821                       |              |
| At 1 January 2008                        | 於二零零八年一月一日         | 194,098                  | 14,821                       | 208,919      |
| Profit for the year                      | 本年度盈利              | –                        | 7,988                        | 7,988        |
| Dividends                                | 股息                 | –                        | (9,076)                      | (9,076)      |
| At 31 December 2008                      | 於二零零八年十二月三十一日      | 194,098                  | 13,733                       | 207,831      |
| Representing:                            | 即:                 |                          |                              |              |
| 2008 Final dividend proposed             | 建議派付的二零零八年末期股息     |                          | –                            |              |
| Others                                   | 其他                 |                          | 13,733                       |              |
| Retained earnings as at 31 December 2008 | 於二零零八年十二月三十一日的保留盈利 |                          | 13,733                       |              |

Pursuant to Section 34 of the Cayman Companies Law (2003 Revision) and the Articles of Association of the Company, share premium of the Company is available for distribution to shareholders subject to a solvency test on the Company and the provision of the Articles of Association of the Company.

根據開曼群島公司法(二零零三年修訂版)第34條及本公司組織章程細則,本公司的股份溢價可分派予股東,惟本公司須具備償債能力且符合本公司組織章程細則的規定。

**16 TRADE PAYABLES – GROUP**

As at 31 December 2008, the ageing analysis of trade payables is as follows:

|              |          | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|--------------|----------|---------------------------------------|-------------------------|
| Current      | 即期       | <b>7,733</b>                          | 11,688                  |
| 30-90 days   | 30至90天   | <b>3,201</b>                          | 1,436                   |
| 91-180 days  | 91至180天  | <b>3,368</b>                          | 89                      |
| 181-365 days | 181至365天 | <b>33</b>                             | 2                       |
|              |          | <b>14,335</b>                         | 13,215                  |

The carrying amounts of the Group's trade payables are denominated in the following currencies:

|              |       | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|--------------|-------|---------------------------------------|-------------------------|
| Vietnam Dong | 越南盾   | <b>4,564</b>                          | 6,906                   |
| US\$         | 美元    | <b>4,272</b>                          | 5,744                   |
| PRC Renminbi | 中國人民幣 | <b>5,499</b>                          | 565                     |
|              |       | <b>14,335</b>                         | 13,215                  |

**16 應付貿易賬款 – 本集團**

於二零零八年十二月三十一日，應付貿易賬款的賬齡分析如下：

本集團應付貿易賬款的賬面值按以下貨幣計值：

**17 BANK BORROWINGS****17 銀行貸款**

|  |              | <b>Group</b><br>本集團                   |                         | <b>Company</b><br>本公司                 |                         |
|--|--------------|---------------------------------------|-------------------------|---------------------------------------|-------------------------|
|  |              | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
| Long-term bank borrowings                    | 長期銀行貸款       |                                       |                         |                                       |                         |
| – secured (Note 35)                          | – 有抵押 (附註35) | <b>3,746</b>                          | 21,335                  | –                                     | –                       |
| – unsecured                                  | – 無抵押        | <b>10,746</b>                         | 4,792                   | –                                     | –                       |
| Current portion of long-term bank borrowings | 長期銀行貸款之即期部份  |                                       |                         |                                       |                         |
| – secured                                    | – 有抵押        | <b>(1,873)</b>                        | (4,673)                 | –                                     | –                       |
| – unsecured                                  | – 無抵押        | <b>(5,067)</b>                        | (5,833)                 | –                                     | –                       |
|  |              | <b>7,552</b>                          | 15,621                  | –                                     | –                       |
| Short-term bank borrowings                   | 短期銀行貸款       |                                       |                         |                                       |                         |
| – unsecured (Note 33)                        | – 無抵押 (附註33) | <b>38,660</b>                         | 18,969                  | <b>9,713</b>                          | 6,291                   |
|  |              | <b>38,660</b>                         | 18,969                  | <b>9,713</b>                          | 6,291                   |

**17 BANK BORROWINGS (continued)**

As at 31 December 2008, the Group's long-term bank borrowings were repayable as follows:

|                       |      | Group<br>本集團            |                         | Company<br>本公司          |                         |
|-----------------------|------|-------------------------|-------------------------|-------------------------|-------------------------|
|                       |      | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
| Within one year       | 一年   | 6,940                   | 10,506                  | -                       | -                       |
| Between 1 and 2 years | 一至二年 | 7,552                   | 7,081                   | -                       | -                       |
| Between 2 and 5 years | 二至五年 | -                       | 8,540                   | -                       | -                       |
|                       |      | <b>14,492</b>           | <b>26,127</b>           | <b>-</b>                | <b>-</b>                |

**17 銀行貸款(續)**

於二零零八年十二月三十一日，本集團的長期銀行貸款須於以下期間償還：

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

受利率變化影響的本集團貸款及約定重新訂價日期如下：

|                     |               | Within<br>1 month<br>一個月內<br>US\$'000<br>千美元 | 1 - 3<br>months<br>一至三個月<br>US\$'000<br>千美元 | 3 - 6<br>months<br>三至六個月<br>US\$'000<br>千美元 | 6 - 12<br>months<br>六至<br>十二個月<br>US\$'000<br>千美元 | Total<br>合計<br>US\$'000<br>千美元 |
|---------------------|---------------|--|---|---|---|--------------------------------|
| At 31 December 2007 | 於二零零七年十二月三十一日 |  |   |   |   |                                |
| Total borrowings    | 貸款總額          | 23,325                                       | 11,355                                      | 10,416                                      | -   | 45,096                         |
| At 31 December 2008 | 於二零零八年十二月三十一日 |  |   |   |   |                                |
| Total borrowings    | 貸款總額          | 35,377                                       | 13,400                                      | 4,375                                       | -   | 53,152                         |

The exposure of the Company's borrowings to interest-rate changes and the contractual repricing dates are as follows:

受利率變化影響的本公司貸款及約定重新訂價日期如下：

|                     |               | Within<br>1 month<br>一個月內<br>US\$'000<br>千美元 | 1 - 3<br>months<br>一至三個月<br>US\$'000<br>千美元 | Total<br>合計<br>US\$'000<br>千美元 |
|---------------------|---------------|--|---|--------------------------------|
| At 31 December 2007 | 於二零零七年十二月三十一日 |  |   |                                |
| Total borrowings    | 貸款總額          | 2,500  | 3,791                                       | 6,291                          |
| At 31 December 2008 | 於二零零八年十二月三十一日 |  |   |                                |
| Total borrowings    | 貸款總額          | 1,800  | 7,913                                       | 9,713                          |

**17 BANK BORROWINGS (continued)**

The effective interest rates per annum of the Group at the balance sheet date were as follows:

|                 |      | 2008            |                          |                                | 2007            |                          |                                |
|-----------------|------|-----------------|--------------------------|--------------------------------|-----------------|--------------------------|--------------------------------|
|                 |      | US dollar<br>美元 | PRC<br>Renminbi<br>中國人民幣 | New<br>Taiwan<br>dollar<br>新台幣 | US dollar<br>美元 | PRC<br>Renminbi<br>中國人民幣 | New<br>Taiwan<br>dollar<br>新台幣 |
| Bank borrowings | 銀行貸款 | 5.3%            | 6.7%                     | 4%                             | 6.3%            | 7.1%                     | 3.5%                           |

**17 銀行貸款(續)**

於結算日期，本集團實際年利率如下：

The effective interest rates per annum of the Company at the balance sheet date were as follows:

|                 |      | 2008            |                                | 2007            |                                |
|-----------------|------|-----------------|--------------------------------|-----------------|--------------------------------|
|                 |      | US dollar<br>美元 | New<br>Taiwan<br>dollar<br>新台幣 | US dollar<br>美元 | New<br>Taiwan<br>dollar<br>新台幣 |
| Bank borrowings | 銀行貸款 | 4.1%            | 4%                             | 5.9%            | 3.5%                           |

於結算日期，本公司實際年利率如下：

The carrying amounts of bank borrowings approximate their fair value.

銀行貸款的賬面金額約為其公平價值。

The carrying amounts of the borrowings are denominated in the following currencies:

銀行貸款的賬面金額按以下貨幣計值：

|                   |       | Group<br>本集團            |                         | Company<br>本公司          |                         |
|-------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|
|                   |       | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
| US\$              | 美元    | 46,752                  | 35,624                  | 8,800                   | 2,500                   |
| PRC Renminbi      | 中國人民幣 | 5,487                   | 5,681                   | -                       | -                       |
| New Taiwan dollar | 新台幣   | 913                     | 3,791                   | 913                     | 3,791                   |
|                   |       | 53,152                  | 45,096                  | 9,713                   | 6,291                   |



**18 DEFERRED INCOME TAX – GROUP**

Deferred income tax is calculated in full on temporary differences under the liability method using the principal taxation rates prevailing in the countries in which the Group operates.

The movement on the deferred income tax liabilities account is as follows:

|  |             | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|-------------|---------------------------------------|-------------------------|
| At 1 January                           | 於一月一日       | <b>10,544</b>                         | 11,449                  |
| Credited to income statement (Note 24) | 計入收益表(附註24) | <b>(1,047)</b>                        | (905)                   |
| At 31 December                         | 於十二月三十一日    | <b>9,497</b>                          | 10,544                  |

Provided for in respect of:

撥備有關於：

|                              |        | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|------------------------------|--------|---------------------------------------|-------------------------|
| Accelerated tax depreciation | 加速稅項折舊 | <b>10,179</b>                         | 11,243                  |
| Other temporary differences  | 其他暫時差額 | <b>(682)</b>                          | (699)                   |
|                              |        | <b>9,497</b>                          | 10,544                  |

**18 遞延所得稅－本集團**

遞延所得稅乃根據負債法以本集團營運所在國家當時的主要稅率就所有暫時差額計算。

遞延所得稅負債變動如下：

**18 DEFERRED INCOME TAX – GROUP (continued)**

The movement in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year is as follows:

**Deferred income tax liabilities**

|                              |          | <b>Accelerated tax depreciation</b> |          |
|------------------------------|----------|-------------------------------------|----------|
|                              |          | 加速稅項折舊                              |          |
|                              |          | <b>2008</b>                         | 2007     |
|                              |          | <b>US\$'000</b>                     | US\$'000 |
|                              |          | 千美元                                 | 千美元      |
| At 1 January                 | 於一月一日    | <b>11,243</b>                       | 12,017   |
| Credited to income statement | 計入收益表    | <b>(1,064)</b>                      | (774)    |
| At 31 December               | 於十二月三十一日 | <b>10,179</b>                       | 11,243   |

**Deferred income tax assets**

|  |            | <b>Other temporary differences</b> |          |
|--|------------|------------------------------------|----------|
|  |            | 其他暫時差額                             |          |
|  |            | <b>2008</b>                        | 2007     |
|  |            | <b>US\$'000</b>                    | US\$'000 |
|  |            | 千美元                                | 千美元      |
| At 1 January                           | 於一月一日      | <b>(699)</b>                       | (568)    |
| Charged/(credited) to income statement | 扣除/(計入)收益表 | <b>17</b>                          | (131)    |
| At 31 December                         | 於十二月三十一日   | <b>(682)</b>                       | (699)    |

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current income tax liabilities and when the deferred income taxes relate to income taxed levied by the same fiscal authority. The above deferred income tax assets and liabilities have been offset and are shown in the consolidated balance sheet under deferred income tax liabilities.

**19 REVENUE**

The Group manufactures and sells fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Turnover recognised for the years ended 31 December 2008 and 2007 is US\$348,557,000 and US\$317,431,000 respectively.

**18 遞延所得稅—本集團(續)**

本年度遞延所得稅資產及負債(未抵銷相同徵稅司法權區的結餘前)的變動如下:

**遞延所得稅負債**

|                              |          | <b>Accelerated tax depreciation</b> |          |
|------------------------------|----------|-------------------------------------|----------|
|                              |          | 加速稅項折舊                              |          |
|                              |          | <b>2008</b>                         | 2007     |
|                              |          | <b>US\$'000</b>                     | US\$'000 |
|                              |          | 千美元                                 | 千美元      |
| At 1 January                 | 於一月一日    | <b>11,243</b>                       | 12,017   |
| Credited to income statement | 計入收益表    | <b>(1,064)</b>                      | (774)    |
| At 31 December               | 於十二月三十一日 | <b>10,179</b>                       | 11,243   |

**遞延所得稅資產**

|  |            | <b>Other temporary differences</b> |          |
|--|------------|------------------------------------|----------|
|  |            | 其他暫時差額                             |          |
|  |            | <b>2008</b>                        | 2007     |
|  |            | <b>US\$'000</b>                    | US\$'000 |
|  |            | 千美元                                | 千美元      |
| At 1 January                           | 於一月一日      | <b>(699)</b>                       | (568)    |
| Charged/(credited) to income statement | 扣除/(計入)收益表 | <b>17</b>                          | (131)    |
| At 31 December                         | 於十二月三十一日   | <b>(682)</b>                       | (699)    |

倘若有法定可行使權利將現有稅項資產與現有稅項負債抵銷，且遞延所得稅涉及相同的金融機構，則將遞延所得稅資產與負債抵銷。上述遞延所得稅資產與負債已作抵銷，見於綜合資產負債表遞延所得稅負債項下。

**19 收益**

本集團製造及銷售發酵食品添加劑、生化產品及木薯澱粉產品，包括化工澱粉、葡萄糖漿、味精、梳打、酸及飲料。截至二零零八年及二零零七年十二月三十一日止年度的經確認營業額分別為348,557,000美元及317,431,000美元。

**20 OTHER (LOSSES)/GAINS-NET****20 其他(虧損)/收益-淨額**

|  |                   | <b>2008</b>     | 2007     |
|--|-------------------|-----------------|----------|
|  |                   | <b>US\$'000</b> | US\$'000 |
|  |                   | 千美元             | 千美元      |
| Net exchange (loss)/gain                                 | 淨匯兌(虧損)/收益        | <b>(1,538)</b>  | 816      |
| Net loss from sale of electricity                        | 出售電力淨虧損           | <b>(74)</b>     | (14)     |
| (Loss)/gain on disposal of property, plant and equipment | 出售物業、廠房及設備(虧損)/收益 | <b>(35)</b>     | 603      |
| Sale of scrap materials                                  | 廢料銷售              | <b>439</b>      | 489      |
| Interest income from held-to-maturity financial assets   | 持有至到期的財務資產利息收入    | <b>245</b>      | 248      |
| Others   | 其他                | <b>767</b>      | 271      |
|  |                   | <b>(196)</b>    | 2,413    |

**21 EXPENSES BY NATURE****21 按性質分類的開支**

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

銷售成本、銷售及分銷開支及行政開支所包括的開支分析如下：

|  |                     | <b>2008</b>     | 2007     |
|--|---------------------|-----------------|----------|
|  |                     | <b>US\$'000</b> | US\$'000 |
|  |                     | 千美元             | 千美元      |
| Changes in inventories of finished goods and work-in-progress (Note 12)            | 製成品和在製品存貨變動(附註12)   | <b>(10)</b>     | 5,952    |
| Raw materials and consumables used   | 已用原料和消耗品            | <b>243,933</b>  | 213,713  |
| Amortisation of intangible assets  | 無形資產攤銷              | <b>1,474</b>    | 1,462    |
| Amortisation of land use rights  | 土地使用權攤銷             | <b>145</b>      | 135      |
| Auditor's remuneration   | 核數師酬金               | <b>295</b>      | 295      |
| Depreciation on property, plant and equipment (Note 7)                             | 物業、廠房及設備折舊(附註7)     | <b>29,307</b>   | 28,050   |
| Provision for impairment of property, plant and equipment (Note 7)                 | 物業、廠房及設備減值撥備(附註7)   | <b>2,154</b>    | -        |
| Operating leases expenses in respect of leasehold land                             | 有關租賃土地經營租約的開支       | <b>163</b>      | 149      |
| Employee benefit expenses (Note 28)  | 僱員福利開支(附註28)        | <b>21,727</b>   | 18,109   |
| Provision for impairment of trade receivables (Note 11)                            | 應收貿易賬款減值撥備(附註11)    | <b>396</b>      | 2        |
| Other expenses   | 其他開支                | <b>26,214</b>   | 26,875   |
| Total cost of sales, selling and distribution expenses and administrative expenses | 銷售成本、銷售及分銷開支及行政開支總額 | <b>325,798</b>  | 294,742  |

**22 ENVIRONMENTAL CHARGES IMPOSED BY VIETNAM GOVERNMENT**

In September 2008, the Group's subsidiaries in Vietnam were under inspection by Vietnam Environmental Protection Administration in Vietnam for certain environmental issues. On 8 October 2008, the Group received a decision from the Inspection Unit that the Group had been in violation of certain environmental laws in Vietnam. The Group is required to pay approximately US\$16,000 and US\$7,713,000 as penalty and environmental fees respectively. All these penalty and environmental fees have been recorded in the consolidated income statement. In prior years, management estimated the environmental fee paid to the government based on the estimated sewage disposal by the Group. The Directors are of the opinion that no further penalty will be imposed by the Vietnam government. The Group has received a number of claims in relation to this environmental issue but none of these claims had been accepted by the courts. Based on a legal opinion, the Directors considered that there is no significant contingent liabilities due to this environment issue which may result in material financial impact to the Group.

**23 FINANCE COSTS – NET**

|   |                           | <b>2008</b>     | 2007     |
|---|---------------------------|-----------------|----------|
|   |                           | <b>US\$'000</b> | US\$'000 |
|   |                           | 千美元             | 千美元      |
| Interest income   | 利息收入                      | <b>(2,267)</b>  | (374)    |
| Interest expense on bank borrowings   | 銀行貸款利息開支                  | <b>3,200</b>    | 4,223    |
| Amortisation of discount on long-term payable to a related party (Note 34(c)) | 長期應付一名有關連人士的折讓攤銷(附註34(c)) | <b>439</b>      | 515      |
|   |                           | <b>3,639</b>    | 4,738    |
| Finance costs – net   | 財政支出 – 淨值                 | <b>1,372</b>    | 4,364    |

**22 越南政府徵收的環境相關費用**

於二零零八年九月，本集團於越南的附屬公司就若干環境事項接受越南的越南自然資源環境部調查。於二零零八年十月八日，本集團獲悉調查單位有關本集團違反越南若干環境法例的決議。本集團須分別支付約16,000美元及7,713,000美元作為罰款及環境費用。全部該等罰款及環境費用已於綜合收益表中記錄。於過往年度，管理層根據本集團的估計污水排放量而估計須向政府支付的環境費用。董事認為，越南政府將不會進一步徵收罰款。本集團已接獲若干有關此項環境事項的申索，但該等申索並未獲法院接納。根據法律意見，董事認為概無因此項環境事項而構成任何重大或然負債，從而對本集團造成重大財務影響。

**23 財政支出 – 淨值**

**24 INCOME TAX EXPENSE**

The amount of income tax charged to the consolidated income statement represents:

|   |                | <b>2008</b>     | 2007     |
|---|----------------|-----------------|----------|
|   |                | <b>US\$'000</b> | US\$'000 |
|   |                | 千美元             | 千美元      |
| Enterprise income tax ("EIT")                   | 企業所得稅(「企業所得稅」) | <b>7,694</b>    | 5,764    |
| Under provision of income tax in previous years | 過往年度所得稅撥備不足    | <b>406</b>      | 19       |
| Deferred income tax (Note 18)                   | 遞延所得稅(附註18)    | <b>(1,047)</b>  | (905)    |
|   |                | <b>7,053</b>    | 4,878    |

The income tax on the Group's profit before income tax differs from the theoretical amount that would arise using the applicable taxation rate for Vedan (Vietnam) Enterprise Corporation Limited ("Vietnam Vedan"), which is a major subsidiary of the Company, as follows:

|  |                          | <b>2008</b>     | 2007     |
|--|--------------------------|-----------------|----------|
|  |                          | <b>US\$'000</b> | US\$'000 |
|  |                          | 千美元             | 千美元      |
| Profit before taxation   | 除稅前盈利                    | <b>13,462</b>   | 20,738   |
| Calculated at taxation rate of 15% (2007: 15%)                   | 按稅率15%計算<br>(二零零七年: 15%) | <b>2,019</b>    | 3,110    |
| Effect of different tax rate                                     | 不同稅率之影響                  | <b>(133)</b>    | (442)    |
| Income not subject to tax  | 毋需繳稅收入                   | <b>(300)</b>    | (152)    |
| Expenses not deductible for tax purposes                         | 不可扣減的評稅開支                | <b>3,922</b>    | 1,630    |
| Under provision of income tax in previous years                  | 過往年度所得稅撥備不足              | <b>406</b>      | 19       |
| Utilisation of previously unrecognised tax losses                | 動用之前未確認稅務虧損              | <b>(92)</b>     | (463)    |
| Tax losses for which no deferred income tax asset was recognised | 無確認遞延所得稅資產的稅損            | <b>1,231</b>    | 1,176    |
| Taxation charge  | 稅項支出                     | <b>7,053</b>    | 4,878    |

Deferred income tax assets are recognised in respect of tax losses carried forward to the extent that realisation of the related tax benefit through the future taxable profits is probable. The Group has unrecognised tax losses of US\$8,897,000 (2007: US\$4,123,000) to carry forward against future taxable income. These tax losses will expire in one to five years.

**24 所得稅開支**

於綜合收益表內扣除的所得稅開支包括：

|   | <b>2008</b>     | 2007     |
|---|-----------------|----------|
|   | <b>US\$'000</b> | US\$'000 |
|   | 千美元             | 千美元      |
| Enterprise income tax ("EIT")                   | <b>7,694</b>    | 5,764    |
| Under provision of income tax in previous years | <b>406</b>      | 19       |
| Deferred income tax (Note 18)                   | <b>(1,047)</b>  | (905)    |
|   | <b>7,053</b>    | 4,878    |

本集團未計所得稅前盈利的所得稅與倘若採用本公司主要附屬公司—味丹(越南)股份有限公司(「越南味丹」)的適用稅率而計算的理論稅款的差額如下：

|  | <b>2008</b>     | 2007     |
|--|-----------------|----------|
|  | <b>US\$'000</b> | US\$'000 |
|  | 千美元             | 千美元      |
| Profit before taxation   | <b>13,462</b>   | 20,738   |
| Calculated at taxation rate of 15% (2007: 15%)                   | <b>2,019</b>    | 3,110    |
| Effect of different tax rate                                     | <b>(133)</b>    | (442)    |
| Income not subject to tax  | <b>(300)</b>    | (152)    |
| Expenses not deductible for tax purposes                         | <b>3,922</b>    | 1,630    |
| Under provision of income tax in previous years                  | <b>406</b>      | 19       |
| Utilisation of previously unrecognised tax losses                | <b>(92)</b>     | (463)    |
| Tax losses for which no deferred income tax asset was recognised | <b>1,231</b>    | 1,176    |
| Taxation charge  | <b>7,053</b>    | 4,878    |

遞延所得稅資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉的稅損作確認。本集團有未確認稅損8,897,000美元(二零零七年: 4,123,000美元)可結轉以抵銷未來應課稅收入。該等稅損將於一年至五年間到期。

**24 INCOME TAX EXPENSE (continued)****Enterprise income tax ("EIT")***(i) Vietnam*

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rates for the Group's operations in Vietnam range from 10% to 25%, as stipulated in the respective subsidiaries' investment licenses.

*(ii) The PRC*

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rate for the Group's operation in the PRC range from 12.5% to 25%.

Xiamen Maotai, Shanghai Vedan and Shandong Snowflake are entitled to full exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the first profitable year after offsetting all unexpired tax losses brought forward from the previous years.

*(iii) Singapore/Hong Kong*

No Singapore/Hong Kong profits tax has been provided as the Group had no estimated assessable profit arising in or derived from Singapore and Hong Kong during the year.

*(iv) Taiwan*

EIT is provided on the basis of the statutory profit for financial reporting purposes, adjusted for income and expenses items which are not assessable or deductible for income tax purposes. The applicable EIT rate for the Group's operations in Taiwan is 25%.

**25 PROFIT ATTRIBUTABLE TO SHAREHOLDERS**

The profit attributable to shareholders is dealt with in the consolidated financial statements of the Company to the extent of US\$7,988,000 (2007: US\$10,332,000).

**24 所得稅開支 (續)****企業所得稅 (「企業所得稅」)***(i) 越南*

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在越南的業務適用企業所得稅率介乎10%至25%，按附屬公司各自的投資許可證所規定。

*(ii) 中國*

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在中國的業務適用企業所得稅率介乎12.5%至25%。

廈門茂泰、上海味丹及山東雪花在抵銷所有過往年度結轉的未過期稅項虧損後，由首個盈利年度開始可享首兩年全數豁免企業所得稅及緊接其後三個年度可享50%企業所得稅寬減。

*(iii) 新加坡／香港*

由於本集團於本年度並無在新加坡及香港賺取或獲得估計應課稅盈利，因此並無作出新加坡／香港利得稅撥備。

*(iv) 台灣*

企業所得稅按財務申報的法定盈利計算，且就所得稅的毋須課稅或不可扣減的收支項目作出調整。本集團在台灣業務適用企業所得稅率為25%。

**25 股東應佔盈利**

計入本公司綜合財務報表的股東應佔盈利為7,988,000美元 (二零零七年：10,332,000美元)。

**26 DIVIDENDS**

|   |  | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|--|---------------------------------------|-------------------------|
| 2008 Interim dividend of 0.305 US cents (2007: 0.26203 US cents) per ordinary share, paid | 已付二零零八年中期股息<br>每股普通股0.305美仙<br>(二零零七年:<br>0.26203美仙) | <b>4,644</b>                          | 3,990                   |
| No final dividend was proposed for 2008 (2007: 0.29105 US cents per ordinary share)       | 二零零八年並無擬派<br>末期股息<br>(二零零七年: 每股<br>普通股0.29105美仙)     | -                                     | 4,432                   |
|   |  | <b>4,644</b>                          | 8,422                   |

**26 股息****27 EARNINGS PER SHARE****Basic**

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company over the weighted average number of ordinary shares in issue during the year.

**27 每股盈利****基本**

每股基本盈利按本公司股權持有人應佔盈利除以年內已發行普通股的加權平均數計算。

|   |                      | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|----------------------|---------------------------------------|-------------------------|
| Profit attributable to equity holders of the Company            | 本公司股權持有人<br>應佔盈利     | <b>8,403</b>                          | 16,856                  |
| Weighted average number of ordinary shares in issue (thousands) | 已發行普通股加權平均數<br>(以千計) | <b>1,522,742</b>                      | 1,522,742               |
| Basic earnings per share (US cents per share)                   | 每股基本盈利<br>(每股美仙)     | <b>0.55</b>                           | 1.11                    |

**Diluted**

Diluted earnings per share is calculated by adjusting the number of ordinary shares outstanding to assume conversion of all share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the pre-IPO share options. During the year ended 31 December 2008, the outstanding share options have anti-diluted impact. Therefore, the diluted earnings per share for the year ended 31 December 2008 is the same as basic earnings per share (2007: US1.10 cents per share).

**攤薄**

每股攤薄盈利乃按假設行使所有購股權而調整已發行普通股數目予以計算。股份數目的計算為根據尚未行使購股權附有的認購權的貨幣價值，按公平值(以本公司股份的平均年度市場價格釐訂)購入的股份數目。根據上述計算得出的股份數目與假設行使首次公開售股前購股權而應已發行的股份數目比較。截至二零零八年十二月三十一日止年度，尚未行使的購股權具反攤薄效應。因此，截至二零零八年十二月三十一日止年度的每股攤薄盈利與每股基本盈利相同(二零零七年：每股1.10美仙)。

**28 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' REMUNERATION)**

|  |              | <b>2008</b>     | 2007     |
|--|--------------|-----------------|----------|
|  |              | <b>US\$'000</b> | US\$'000 |
|  |              | 千美元             | 千美元      |
| Wages, basic salaries and allowances       | 工資、底薪及津貼     | <b>17,767</b>   | 14,574   |
| Bonuses                                    | 花紅           | <b>630</b>      | 1,634    |
| Pension costs – defined contribution plans | 退休金成本—定額供款計劃 | <b>1,400</b>    | 903      |
| Other employee benefits                    | 其他僱員福利       | <b>1,930</b>    | 998      |
|  |              | <b>21,727</b>   | 18,109   |

**29 EMPLOYEE RETIREMENT BENEFITS**

As stipulated by rules and regulations in the PRC, the Group contributes to state-sponsored defined contribution retirement plans for its employees in Xiamen, Shandong and Shanghai, the PRC. The Group contributes to the plans at rates ranging from 8% to 22% of the basic salaries predetermined by local governments. The state-sponsored retirement plans are responsible for the entire pension obligations payable to retired employees. For the year ended 31 December 2008, the Group has contributed approximately US\$503,000 (2007: US\$215,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to state-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 17% of the employee's salary. The state-sponsored social insurance scheme is responsible for the entire obligations payable to retired employees. For the year ended 31 December 2008, the Group has contributed approximately US\$733,000 (2007: US\$584,000) to the aforesaid state-sponsored social insurance scheme.

**28 僱員福利開支(包括董事薪酬)**

|  |              | <b>2008</b>     | 2007     |
|--|--------------|-----------------|----------|
|  |              | <b>US\$'000</b> | US\$'000 |
|  |              | 千美元             | 千美元      |
| Wages, basic salaries and allowances       | 工資、底薪及津貼     | <b>17,767</b>   | 14,574   |
| Bonuses                                    | 花紅           | <b>630</b>      | 1,634    |
| Pension costs – defined contribution plans | 退休金成本—定額供款計劃 | <b>1,400</b>    | 903      |
| Other employee benefits                    | 其他僱員福利       | <b>1,930</b>    | 998      |
|  |              | <b>21,727</b>   | 18,109   |

**29 僱員退休福利**

根據中國的規則及法例，本集團為中國廈門、山東及上海僱員向國家營辦的定額供款退休計劃作出供款。本集團對該等計劃的供款率為當地政府指定底薪的8%至22%。國家營辦的退休計劃負責向退休僱員支付所有退休福利。截至二零零八年十二月三十一日止年度，本集團向上述國家營辦的退休計劃供款約503,000美元(二零零七年：215,000美元)。

根據越南的規則及法例，本集團為越南僱員向國家營辦的僱員社會保險計劃作出供款。本集團按僱員薪金的17%向計劃作出供款。國家營辦的社會保險計劃負責為退休僱員提供所有保障。截至二零零八年十二月三十一日止年度，本集團向上述國家營辦的社會保險計劃供款約733,000美元(二零零七年：584,000美元)。



**30 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT**

- (a) The aggregate amounts of emoluments paid and payable to the directors of the Company by the Group during the year are as follows:

|                               |         | <b>2008</b><br><b>US\$'000</b><br>千美元 | 2007<br>US\$'000<br>千美元 |
|-------------------------------|---------|---------------------------------------|-------------------------|
| Fees                          | 袍金      | -                                     | -                       |
| Basic salaries and allowances | 底薪及津貼   | <b>1,472</b>                          | 1,435                   |
| Discretionary bonuses         | 酌情發放的花紅 | <b>588</b>                            | 1,575                   |
|                               |         | <b>2,060</b>                          | 3,010                   |

None of the directors of the Company waived any emoluments during the year (2007: Nil).

The remuneration of the directors of the Company for the year ended 31 December 2008 is set out below:

| Name of Director                          | 董事姓名      | Fees            | Salary          | Discretionary   | Other           | Total           |
|---|-----------|-----------------|-----------------|-----------------|-----------------|-----------------|
|   |           | 袍金              | 薪金              | 酌情發放花紅          | 其他福利(i)         | 合計              |
|   |           | US\$'000<br>千美元 | US\$'000<br>千美元 | US\$'000<br>千美元 | US\$'000<br>千美元 | US\$'000<br>千美元 |
| <b>Executive Director</b>                 |           | <b>執行董事:</b>    |                 |                 |                 |                 |
| Mr. Yang, Tou-Hsiung                      | 楊頭雄先生     | -               | 369             | 394             | 13              | 776             |
| Mr. Yang, Cheng                           | 楊正先生      | -               | 200             | 179             | 13              | 392             |
| Mr. Yang, Kun-Hsiang                      | 楊坤祥先生     | -               | 329             | 7               | 13              | 349             |
| Mr. Yang, Chen-Wen                        | 楊辰文先生     | -               | 224             | 4               | 13              | 241             |
| Mr. Wang, Joel J.                         | 王肇樹先生     | -               | 224             | 4               | 13              | 241             |
| <b>Non-executive Director</b>             |           | <b>非執行董事:</b>   |                 |                 |                 |                 |
| Mr. Chou, Sze-Cheng                       | 周賜程先生     | -               | -               | -               | 12              | 12              |
| Mr. Huang, Ching-Jung                     | 黃景榮先生     | -               | -               | -               | 13              | 13              |
| <b>Independent non-executive Director</b> |           | <b>獨立非執行董事:</b> |                 |                 |                 |                 |
| Mr. Chao, Pei-Hong                        | 趙培宏先生     | -               | -               | -               | 12              | 12              |
| Ms. Chuang, Shu-Fen                       | 莊淑芬女士     | -               | -               | -               | 12              | 12              |
| Mr. Ko, Jim-Chen                          | 柯俊禎先生     | -               | -               | -               | 12              | 12              |
| <b>Total</b>                              | <b>合計</b> | -               | 1,346           | 588             | 126             | 2,060           |

**30 董事及高級管理層的薪酬**

- (a) 本年度本集團向本公司董事已付及應付的薪酬總額如下:

本年度本公司董事並無放棄任何薪酬(二零零七年:無)。

截至二零零八年十二月三十一日止年度本公司董事的薪酬載列如下:

**30 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**

The remuneration of the directors of the Company for the year ended 31 December 2007 is set out below:

| Name of Director                          | 董事姓名          | Fees<br>袍金<br>US\$'000<br>千美元 | Salary<br>薪金<br>US\$'000<br>千美元 | Discretionary<br>bonuses<br>酌情發放花紅<br>US\$'000<br>千美元 | Other<br>benefits(i)<br>其他福利(i)<br>US\$'000<br>千美元 | Total<br>合計<br>US\$'000<br>千美元 |
|---|---------------|-------------------------------|---------------------------------|---|--|--------------------------------|
| <b>Executive Director</b>                 |               | <b>執行董事:</b>                  |                                 |   |  |                                |
| Mr. Yang, Tou-Hsiung                      | 楊頭雄先生         | -                             | 356                             | 945   | 16   | 1,317                          |
| Mr. Yang, Cheng                           | 楊正先生          | -                             | 200                             | 472   | 13   | 685                            |
| Mr. Yang, Kun-Hsiang                      | 楊坤祥先生         | -                             | 314                             | 72  | 16   | 402                            |
| Mr. Yang, Chen-Wen                        | 楊辰文先生         | -                             | 204                             | 43  | 16   | 263                            |
| Mr. Wang, Joel J.                         | 王肇樹先生         | -                             | 223                             | 43  | 16   | 282                            |
| <b>Non-executive Director</b>             |               | <b>非執行董事:</b>                 |                                 |   |  |                                |
| Mr. Chou, Sze-Cheng (Note (ii))           | 周賜程先生(附註(ii)) | -                             | -                               | -   | 12   | 12                             |
| Mr. Huang, Ching-Jung                     | 黃景榮先生         | -                             | -                               | -   | 13   | 13                             |
| Mr. Lam, Tuan (Note (ii))                 | 林俊先生(附註(ii))  | -                             | -                               | -   | -  | -                              |
| <b>Independent non-executive Director</b> |               | <b>獨立非執行董事:</b>               |                                 |   |  |                                |
| Mr. Chao, Pei-Hong                        | 趙培宏先生         | -                             | -                               | -   | 12   | 12                             |
| Ms. Chuang, Shu-Fen                       | 莊淑芬女士         | -                             | -                               | -   | 12   | 12                             |
| Mr. Ko, Jim-Chen                          | 柯俊禎先生         | -                             | -                               | -   | 12   | 12                             |
| Total                                     | 合計            | -                             | 1,297                           | 1,575   | 138  | 3,010                          |

Notes:

- (i) Other benefits include travelling allowance.
- (ii) Mr. Chou, Szu-Cheng was appointed while Mr. Lam, Tuan resigned as non-executive director of the Company during the year ended 31 December 2007.

截至二零零七年十二月三十一日止年度本公司董事的薪酬載列如下:

| Name of Director                          | 董事姓名          | Fees<br>袍金<br>US\$'000<br>千美元 | Salary<br>薪金<br>US\$'000<br>千美元 | Discretionary<br>bonuses<br>酌情發放花紅<br>US\$'000<br>千美元 | Other<br>benefits(i)<br>其他福利(i)<br>US\$'000<br>千美元 | Total<br>合計<br>US\$'000<br>千美元 |
|---|---------------|-------------------------------|---------------------------------|---|--|--------------------------------|
| <b>Executive Director</b>                 |               | <b>執行董事:</b>                  |                                 |   |  |                                |
| Mr. Yang, Tou-Hsiung                      | 楊頭雄先生         | -                             | 356                             | 945   | 16   | 1,317                          |
| Mr. Yang, Cheng                           | 楊正先生          | -                             | 200                             | 472   | 13   | 685                            |
| Mr. Yang, Kun-Hsiang                      | 楊坤祥先生         | -                             | 314                             | 72  | 16   | 402                            |
| Mr. Yang, Chen-Wen                        | 楊辰文先生         | -                             | 204                             | 43  | 16   | 263                            |
| Mr. Wang, Joel J.                         | 王肇樹先生         | -                             | 223                             | 43  | 16   | 282                            |
| <b>Non-executive Director</b>             |               | <b>非執行董事:</b>                 |                                 |   |  |                                |
| Mr. Chou, Sze-Cheng (Note (ii))           | 周賜程先生(附註(ii)) | -                             | -                               | -   | 12   | 12                             |
| Mr. Huang, Ching-Jung                     | 黃景榮先生         | -                             | -                               | -   | 13   | 13                             |
| Mr. Lam, Tuan (Note (ii))                 | 林俊先生(附註(ii))  | -                             | -                               | -   | -  | -                              |
| <b>Independent non-executive Director</b> |               | <b>獨立非執行董事:</b>               |                                 |   |  |                                |
| Mr. Chao, Pei-Hong                        | 趙培宏先生         | -                             | -                               | -   | 12   | 12                             |
| Ms. Chuang, Shu-Fen                       | 莊淑芬女士         | -                             | -                               | -   | 12   | 12                             |
| Mr. Ko, Jim-Chen                          | 柯俊禎先生         | -                             | -                               | -   | 12   | 12                             |
| Total                                     | 合計            | -                             | 1,297                           | 1,575   | 138  | 3,010                          |

附註:

- (i) 其他福利包括差旅津貼。
- (ii) 於截至二零零七年十二月三十一日止年度，周賜程獲委任為本公司非執行董事，而林俊先生則辭任。

**30 EMOLUMENTS OF DIRECTORS AND SENIOR MANAGEMENT (continued)**

- (b) The five individuals whose emoluments were the highest in the Group for both years were also directors and their emoluments are reflected in the analysis presented above.
- (c) During the year, no emoluments have been paid to the directors of the Company or the five highest paid individuals of the Group as an inducement to join or as compensation for loss of office.

There is no outstanding share option as at 31 December 2008. Details of the share options outstanding as at 31 December 2007 which have been granted to the Directors of the Group under the Pre-IPO Share Option Scheme are as follows:

| Directors<br>董事               | Number of options<br>購股權數目                            |  | Exercise<br>price<br>行使價 | Date of grant<br>授出日期          | Exercise period<br>行使期間                                      |
|-------------------------------|---|--|--------------------------|--------------------------------|--|
|                               | Held as at<br>31 December 2007<br>於二零零七年<br>十二月三十一日持有 |  |                          |                                |  |
| Mr. YANG, Tou-Hsiung<br>楊頭雄先生 | 4,500,000   |  | HK\$0.801<br>0.801港元     | 13 June 2003<br>二零零三年<br>六月十三日 | 13 June 2004 to<br>12 June 2008<br>二零零四年六月十三日至<br>二零零八年六月十二日 |
| Mr. YANG, Chen-Wen<br>楊辰文先生   | 4,500,000   |  | HK\$0.801<br>0.801港元     | 13 June 2003<br>二零零三年<br>六月十三日 | 13 June 2004 to<br>12 June 2008<br>二零零四年六月十三日至<br>二零零八年六月十二日 |
| Mr. YANG, Cheng<br>楊正先生       | 4,500,000   |  | HK\$0.801<br>0.801港元     | 13 June 2003<br>二零零三年<br>六月十三日 | 13 June 2004 to<br>12 June 2008<br>二零零四年六月十三日至<br>二零零八年六月十二日 |
| Mr. YANG, Kun-Hsiang<br>楊坤祥先生 | 4,500,000   |  | HK\$0.801<br>0.801港元     | 13 June 2003<br>二零零三年<br>六月十三日 | 13 June 2004 to<br>12 June 2008<br>二零零四年六月十三日至<br>二零零八年六月十二日 |

**30 董事及高級管理層的薪酬(續)**

- (b) 本集團兩個年度內最高薪酬的五位人士均為董事，彼等的酬金已載於上文分析內。
- (c) 本年度並無向本公司董事或本集團五位最高薪酬人士支付酬金，作為招攬加入本集團的獎勵或離職補償。

於二零零八年十二月三十一日概無購股權尚未行使。於二零零七年十二月三十一日根據首次公開售股前購股權計劃授予董事而尚未行使的購股權詳情如下：

## 31 CASH GENERATED FROM OPERATIONS

## 31 經營業務所得現金

|   |                          | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|--------------------------|-------------------------|-------------------------|
| Profit before income tax  | 未計所得稅前盈利                 | 13,462                  | 20,738                  |
| Adjustments for:  | 就以下項目調整：                 |                         |                         |
| Finance costs – net (Note 23)   | 融資支出－淨值(附註23)            | 1,372                   | 4,364                   |
| Interest received from held-to-maturity financial assets  | 已收持有至到期金融資產的利息           | (245)                   | (248)                   |
| Depreciation of property, plant and equipment (Note 7)  | 物業、廠房及設備折舊(附註7)          | 29,307                  | 28,050                  |
| Provision for impairment of property, plant and equipment (Note 7)  | 物業、廠房及設備減值撥備(附註7)        | 2,154                   | –                       |
| Provision for impairment of trade receivables (Note 11)   | 貿易應收賬款減值撥備(附註11)         | 396                     | 2                       |
| Amortisation of intangible assets (Note 8)  | 無形資產攤銷(附註8)              | 1,474                   | 1,462                   |
| Amortisation of land use rights (Note 6)  | 土地使用權攤銷(附註6)             | 145                     | 135                     |
| Loss/(gain) on disposal of property, plant and equipment (see below)                                      | 出售物業、廠房及設備虧損／(收益)(見下文)   | 35                      | (603)                   |
|   |                          | <b>48,100</b>           | 53,900                  |
| Change in working capital (excluding the effects of acquisition and exchange difference on consolidation) | 營運資金變動(未計收購影響及綜合產生的匯兌差異) |                         |                         |
| – Inventories   | – 存貨                     | (16,326)                | 9,350                   |
| – Trade receivables, prepayments and other receivables  | – 應收貿易賬款、預付款項及其他應收款項     | 13,379                  | (4,508)                 |
| – Trade payables, accruals and other payables   | – 應付貿易賬款、應計費用及其他應付款項     | 4,991                   | (3,109)                 |
| – Amount due to minority interest   | – 應付少數股東款項               | (1,153)                 | –                       |
| – Amount due to a related party   | – 應付一名有關連人士款項            | (87)                    | 43                      |
| Cash generated from operations  | 經營業務所得現金                 | <b>48,904</b>           | 55,676                  |

In the consolidated cash flow statement, proceeds from sale of property, plant and equipment comprise:

在綜合現金流量表內，出售物業、廠房及設備所得款項如下：

|  |                    | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|--------------------|-------------------------|-------------------------|
| Net book amount (Note 7)                                 | 賬面淨值(附註7)          | 94                      | 78                      |
| (Loss)/gain on disposal of property, plant and equipment | 出售物業、廠房及設備之(虧損)／收益 | (35)                    | 603                     |
| Proceeds from disposal of property, plant and equipment  | 出售物業、廠房及設備所得款項     | 59                      | 681                     |

**32 COMMITMENTS****(a) Capital commitments for property, plant and equipment**

The Group's capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

|                               |          | <b>2008</b>     | 2007     |
|-------------------------------|----------|-----------------|----------|
|                               |          | <b>US\$'000</b> | US\$'000 |
|                               |          | 千美元             | 千美元      |
| Property, plant and equipment | 物業、廠房及設備 | <b>14,042</b>   | 3,893    |

The Company did not have any significant capital commitment at 31 December 2008 (2007: Nil).

**(b) Lease commitments**

The Group had future aggregate minimum lease payments in respect of land and building under non-cancellable operating leases as follows:

|   |         | <b>2008</b>     | 2007     |
|---|---------|-----------------|----------|
|   |         | <b>US\$'000</b> | US\$'000 |
|   |         | 千美元             | 千美元      |
| Not later than one year                           | 第一年內    | <b>126</b>      | 125      |
| Later than one year and not later than five years | 第二至第五年內 | <b>482</b>      | 483      |
| Later than five years                             | 第五年後    | <b>3,341</b>    | 3,411    |
|   |         | <b>3,949</b>    | 4,019    |

The Company did not have any significant commitment under operating lease at 31 December 2008 (2007: Nil).

**33 CONTINGENT LIABILITIES**

Save as disclosed in Note 22 to the financial statements, the contingent liabilities of the Group and the Company are as follows:

As at 31 December 2008, the Company has given guarantees for bank borrowings of subsidiaries amounting to US\$173,220,017 (2007: US\$179,249,000) of which US\$129,038,781 (2007: US\$141,102,000) has not been utilised.

**32 承擔****(a) 物業、廠房及設備的資本承擔**

本集團於結算日已訂約但未產生之資本承擔如下：

|                               | <b>2008</b>     | 2007     |
|-------------------------------|-----------------|----------|
|                               | <b>US\$'000</b> | US\$'000 |
|                               | 千美元             | 千美元      |
| Property, plant and equipment | <b>14,042</b>   | 3,893    |

本公司於二零零八年十二月三十一日並無任何重大資本承擔(二零零七年：無)。

**(b) 租約承擔**

本集團根據土地的不可撤銷經營租約而須於未來支付的最低租約承擔總額如下：

|   | <b>2008</b>     | 2007     |
|---|-----------------|----------|
|   | <b>US\$'000</b> | US\$'000 |
|   | 千美元             | 千美元      |
| Not later than one year                           | <b>126</b>      | 125      |
| Later than one year and not later than five years | <b>482</b>      | 483      |
| Later than five years                             | <b>3,341</b>    | 3,411    |
|   | <b>3,949</b>    | 4,019    |

本公司於二零零八年十二月三十一日在經營租約下並無任何重大承擔(二零零七年：無)。

**33 或然負債**

除財務報表附註22所披露者外，本集團及本公司之或然負債如下：

於二零零八年十二月三十一日，本公司為附屬公司提供銀行借貸之擔保達173,220,017美元(二零零七年：179,249,000美元)，其中129,038,781美元(二零零七年：141,102,000美元)尚未動用。

**34 RELATED PARTY TRANSACTIONS**

- (a) The table below summaries the names of related parties and nature of relationship with the Company as at 31 December 2008:

| Related parties<br>有關連人士   | Relationship with the Company<br>與本公司的關係             |
|--|--|
| Taiwan Vedan<br>台灣味丹   | A substantial shareholder of the Company<br>本公司的主要股東 |
| Tung Hai Fermentation Industrial Company Limited<br>("Tung Hai")<br>東海醱酵工業股份有限公司(「東海」) | A subsidiary of a Taiwan Vedan<br>台灣味丹的附屬公司          |

- (b) Significant related parties transactions, which were carried out in the normal course of the Group's business are as follows:

|  | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|------------|-------------------------|-------------------------|
| Sale of goods to Taiwan Vedan                                  | (i)        | 2,552                   | 2,584                   |
| Technological support fee paid to<br>Tung Hai and Taiwan Vedan | (ii)       | 2,755                   | 2,653                   |
| Commission income from<br>Taiwan Vedan                         | (ii)       | 114                     | 85                      |
| Commission paid to Taiwan Vedan                                | (ii)       | -                       | 12                      |

Notes:

- (i) In the opinion of the directors of the Company, sales to the related party were conducted in the normal course of business at prices and terms no less favourable than those charged to and contracted with other third party customers of the Group.
- (ii) In the opinion of the directors of the Company, the transactions were carried out in the ordinary course of business and the fees are charged in accordance with the terms of underlying agreements.

附註:

- (i) 本公司董事認為向有關連人士銷售是在日常業務中進行，且價格及條款不遜於本集團與其他第三者客戶交易所支付及訂立的價格及條款。
- (ii) 本公司董事認為該等交易在日常業務中進行，並且根據相關協議的條款收費。

**(c) Key management compensation**

|  | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|-------------------------|-------------------------|
| Salaries and other short-term<br>employee benefits | 2,156                   | 2,949                   |

**34 有關連人士交易**

- (a) 下表概述於二零零八年十二月三十一日有關連人士名稱及與本公司的關係性質：

| 有關連人士  | 與本公司的關係  |
|--|--|
| Taiwan Vedan<br>台灣味丹   | A substantial shareholder of the Company<br>本公司的主要股東 |
| Tung Hai Fermentation Industrial Company Limited<br>("Tung Hai")<br>東海醱酵工業股份有限公司(「東海」) | A subsidiary of a Taiwan Vedan<br>台灣味丹的附屬公司          |

- (b) 在本集團日常業務中與有關連人士進行的重大交易如下：

|  | Note<br>附註 | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|------------|-------------------------|-------------------------|
| Sale of goods to Taiwan Vedan                                  | (i)        | 2,552                   | 2,584                   |
| Technological support fee paid to<br>Tung Hai and Taiwan Vedan | (ii)       | 2,755                   | 2,653                   |
| Commission income from<br>Taiwan Vedan                         | (ii)       | 114                     | 85                      |
| Commission paid to Taiwan Vedan                                | (ii)       | -                       | 12                      |

Notes:

- (i) In the opinion of the directors of the Company, sales to the related party were conducted in the normal course of business at prices and terms no less favourable than those charged to and contracted with other third party customers of the Group.
- (ii) In the opinion of the directors of the Company, the transactions were carried out in the ordinary course of business and the fees are charged in accordance with the terms of underlying agreements.

附註:

- (i) 本公司董事認為向有關連人士銷售是在日常業務中進行，且價格及條款不遜於本集團與其他第三者客戶交易所支付及訂立的價格及條款。
- (ii) 本公司董事認為該等交易在日常業務中進行，並且根據相關協議的條款收費。

**(c) 主要管理人員酬金**

|  | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|--|-------------------------|-------------------------|
| Salaries and other short-term<br>employee benefits | 2,156                   | 2,949                   |

**34 RELATED PARTY TRANSACTIONS (continued)****(d) Balances with related parties**

As at 31 December 2008, the Group had the following significant balances with related parties:

|   |                     | Note | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|---------------------|------|-------------------------|-------------------------|
|   |                     | 附註   |                         |                         |
| Current:  | 即期:                 |      |                         |                         |
| Trade receivable from Taiwan Vedan (Note 11)  | 應收台灣味丹貿易款項 (附註11)   | (i)  | 320                     | 339                     |
| Due to Taiwan Vedan   | 應付台灣味丹款項            | (i)  | 214                     | 301                     |
| Current portion of the amount due to Taiwan Vedan in connection with assignment of trademarks     | 有關轉讓商標應付台灣味丹款項即期部份  | (ii) | 1,786                   | 1,705                   |
| Non-current:  | 非即期:                |      |                         |                         |
| Non-current portion of the amount due to Taiwan Vedan in connection with assignment of trademarks | 有關轉讓商標應付台灣味丹款項非即期部份 | (ii) | 5,902                   | 7,688                   |

Notes:

- (i) All these balances with related parties are unsecured, interest-free and repayable on demand.
- (ii) The amount represents the fair value payable to Taiwan Vedan for assignment of certain trademarks. It is payable by seven equal annual instalment commencing on 1 January 2007. The face amount is US\$15,014,000 and was discounted to fair value using a rate based on the borrowing rate of 4.7% at the date of assignment of the trademarks.

附註:

- (i) 有關連人士的所有結餘均無抵押及免息，且於催繳時償還。
- (ii) 該款項相當於就轉讓若干商標而應付台灣味丹之公平值。其須由二零零七年一月一日起，分七期每年支付相同款額。面值為15,014,000美元，並按根據轉讓商標當日之借貸利率4.7厘計算之利率折現至公平值。

**35 BANKING FACILITIES**

Save as disclosed in Notes 13 and 33 to the financial statements, the Group's bank borrowings of US\$3,746,000 as at 31 December 2008 (2007: US\$21,335,000) were secured by legal charges over certain of the Group's property, plant and equipment with net book value of approximately US\$19,315,000 (2007: property, plant and equipments and land use rights of US\$25,417,000).

**34 有關連人士交易(續)****(d) 有關連人士的結餘**

於二零零八年十二月三十一日，本集團與有關連人士有以下重大結餘：

|   |                     | Note | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 |
|---|---------------------|------|-------------------------|-------------------------|
|   |                     | 附註   |                         |                         |
| Current:  | 即期:                 |      |                         |                         |
| Trade receivable from Taiwan Vedan (Note 11)  | 應收台灣味丹貿易款項 (附註11)   | (i)  | 320                     | 339                     |
| Due to Taiwan Vedan   | 應付台灣味丹款項            | (i)  | 214                     | 301                     |
| Current portion of the amount due to Taiwan Vedan in connection with assignment of trademarks     | 有關轉讓商標應付台灣味丹款項即期部份  | (ii) | 1,786                   | 1,705                   |
| Non-current:  | 非即期:                |      |                         |                         |
| Non-current portion of the amount due to Taiwan Vedan in connection with assignment of trademarks | 有關轉讓商標應付台灣味丹款項非即期部份 | (ii) | 5,902                   | 7,688                   |

Notes:

- (i) All these balances with related parties are unsecured, interest-free and repayable on demand.
- (ii) The amount represents the fair value payable to Taiwan Vedan for assignment of certain trademarks. It is payable by seven equal annual instalment commencing on 1 January 2007. The face amount is US\$15,014,000 and was discounted to fair value using a rate based on the borrowing rate of 4.7% at the date of assignment of the trademarks.

附註:

- (i) 有關連人士的所有結餘均無抵押及免息，且於催繳時償還。
- (ii) 該款項相當於就轉讓若干商標而應付台灣味丹之公平值。其須由二零零七年一月一日起，分七期每年支付相同款額。面值為15,014,000美元，並按根據轉讓商標當日之借貸利率4.7厘計算之利率折現至公平值。

**35 銀行信貸**

除財務報表附註13及33所披露者外，本集團於二零零八年十二月三十一日之銀行貸款3,746,000美元(二零零七年: 21,335,000美元)由賬面淨值約19,315,000美元之若干本集團物業、廠房及設備之法定抵押(二零零七年: 物業、廠房及設備及土地使用權25,417,000美元)作出抵押。

# Five Year Financial Summary

## 五年財務概要

### CONSOLIDATED RESULTS FOR THE YEARS ENDED 31 DECEMBER 截至十二月三十一日止年度綜合業績

|   |                    | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 | 2006<br>US\$'000<br>千美元 | 2005<br>US\$'000<br>千美元 | 2004<br>US\$'000<br>千美元 |
|---|--------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Turnover  | 營業額                | <b>348,557</b>          | 317,431                 | 290,695                 | 257,904                 | 224,976                 |
| Profit before taxation  | 除稅前盈利              | <b>13,462</b>           | 20,738                  | 14,762                  | 10,240                  | 29,887                  |
| Taxation  | 稅項                 | <b>(7,053)</b>          | (4,878)                 | (3,827)                 | (2,293)                 | (5,553)                 |
| Profit for the year and attributable to equity holders of the Company | 本年度盈利及本公司股權持有人應佔盈利 | <b>8,403</b>            | 16,856                  | 10,915                  | 7,947                   | 24,334                  |

### CONSOLIDATED ASSETS AND LIABILITIES AS AT 31 DECEMBER 於十二月三十一日綜合資產及負債

|                        |       | 2008<br>US\$'000<br>千美元 | 2007<br>US\$'000<br>千美元 | 2006<br>US\$'000<br>千美元 | 2005<br>US\$'000<br>千美元 | 2004<br>US\$'000<br>千美元 |
|------------------------|-------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assets and liabilities | 資產及負債 |                         |                         |                         |                         |                         |
| Total assets           | 資產總額  | <b>360,497</b>          | 347,840                 | 367,458                 | 371,340                 | 337,269                 |
| Total liabilities      | 負債總額  | <b>(102,587)</b>        | (90,124)                | (123,474)               | (134,685)               | (102,748)               |
| Total equity           | 權益總額  | <b>257,910</b>          | 257,716                 | 243,984                 | 236,655                 | 234,521                 |



Listing : Main Board of  
The Stock Exchange of  
Hong Kong Limited ("HKEx")

Stock Code  
HKEx : 2317  
Access to Bloomberg : 2317 HK Equity  
Access to Reuters : 2317.HK  
Board Lot : 4,000  
Par Value : US\$0.01  
Trading Currency : HKD

上市 : 香港聯合交易所有限公司  
主板(「聯交所」)

股份代號  
聯交所 : 2317  
彭博版面 : 2317 HK Equity  
路透社版面 : 2317.HK  
買賣單位 : 4,000  
面值 : 0.01美元  
交易貨幣 : 港元

### FINANCIAL CALENDAR

Financial year ended 31 December, 2008  
Full year results announced 7 April, 2008  
Annual general meeting 22 June, 2009  
Interim results to be announced In the 1st week of  
September, 2009\*

\* subject to change

### SHAREHOLDER SERVICES

For enquiries about share transfer and registration, please contact the Company's Hong Kong branch share registrars:

Tengis Limited  
26/F Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong  
Telephone : (852) 2980 1768  
Facsimile : (852) 2528 3158

Holders of the Company's shares should notify the Hong Kong branch share registrars promptly of any change of addresses.

### 財務行事曆

全年業績結算 二零零八年十二月三十一日  
全年業績公佈 二零零八年四月七日  
股東週年大會 二零零九年六月二十二日  
中期業績公佈 二零零九年九月  
第一個星期\*

\* 有待確定

### 股東服務

任何有關股份過戶及登記之查詢，請聯絡本公司之香港股份過戶登記分處：

登捷時有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓  
電話：(852) 2980 1768  
傳真：(852) 2528 3158

持有本公司股票之人士，若更改地址，請盡快通知本公司之香港股份過戶登記分處。

The Group has been active in maintaining close relationship with investors over the years. Its management believes by maintaining close contact and good communication with investors in a professional and open manner can allow it to collect more information and valuable opinions for the benefit of enhancing corporate governance. Timely disclosure of business strategies and directions of the Group will also help strengthen investor confidence.

During the year under review, the management team had regular meetings or conference calls with investors in Hong Kong and was proactive in the dispatch of latest information about its business to investors. Information about environmental issue concerning its Vietnam operation was relayed to investors at first instance. This is in line with the Group's commitment to open and transparent communication as well as ensuring investors fully understand its operation for making sound investment decisions.

Vedan International appreciates the importance of providing up to date information about the Group to investors. It continued to hold one-on-one meetings with investors as well as group presentations. Since listed on the Stock Exchange of Hong Kong, the Group has organized investor presentations for interim and annual results announcements in Hong Kong, during which the management explained to investors the Group's latest operations and future development plans. During the year under review, the Group met with and hosted more than 20 one-on-one meetings and teleconferences with renowned international institutional investors including Merrill Lynch, Credit Suisse, Macquarie, Citigroup, Value Partners, BOCI, DBS Vickers, etc., making use of all the different important channels to build investor relations.

In addition, the Group maintains interaction with investors via its website. During the year, the Group posted its annual reports, interim reports and all relevant announcements on its website promptly for the convenient access and reference by investors. The Company website address is: <http://www.vedaninternational.com>

Vedan welcomes all opinions and suggestions from investors. The e-mail address of its investor relations department is [vdi@vedaninternational.com](mailto:vdi@vedaninternational.com)

集團長期以來均致力與投資者維持緊密聯繫。管理層相信以專業及坦誠的態度與投資者保持充分及良好的溝通，收集更多訊息及寶貴意見，有利於企業管治；及時披露有關集團的業務策略及發展方向，鞏固投資者信心。

於回顧年度內，集團管理層均定期與本港投資者會面及進行電話會議，並積極及主動向投資者發佈最新資訊及業務消息，更就越南廠房的環保事宜及時發布公告給投資者，力求保持信息的公開與透明，讓投資者充分了解公司營運情況，作出最佳的投資決定。

味丹國際相當重視為投資者帶來最新的集團訊息，集團繼續舉行個別投資者會議及團體簡報。於香港聯交所上市至今，每當公佈中期業績及全年業績時，集團的主要管理層均會出席在香港舉行的投資者簡報會，解釋集團最新的業務情況及發展方向。於回顧年度內，集團曾與國際知名的投資機構如美林、瑞士信貸、麥格理、花旗集團、惠理基金、中銀國際、星展銀行等在香港舉行逾二十個別投資者會議及電話會議，達致投資者關係目標的重要媒介。

另一方面，集團通過網站與投資者保持溝通。期內集團及時更新公告、年報及中期業績報告及通告均上載至集團網站，讓投資者充分掌握集團的最新資訊，切合投資者的需要。公司網址為：<http://www.vedaninternational.com>

味丹國際期待投資者繼續對集團提出寶貴意見，歡迎隨時與集團的投資者關係部聯絡 [vdi@vedaninternational.com](mailto:vdi@vedaninternational.com)。





**VEDAN**  
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