

VEDAN

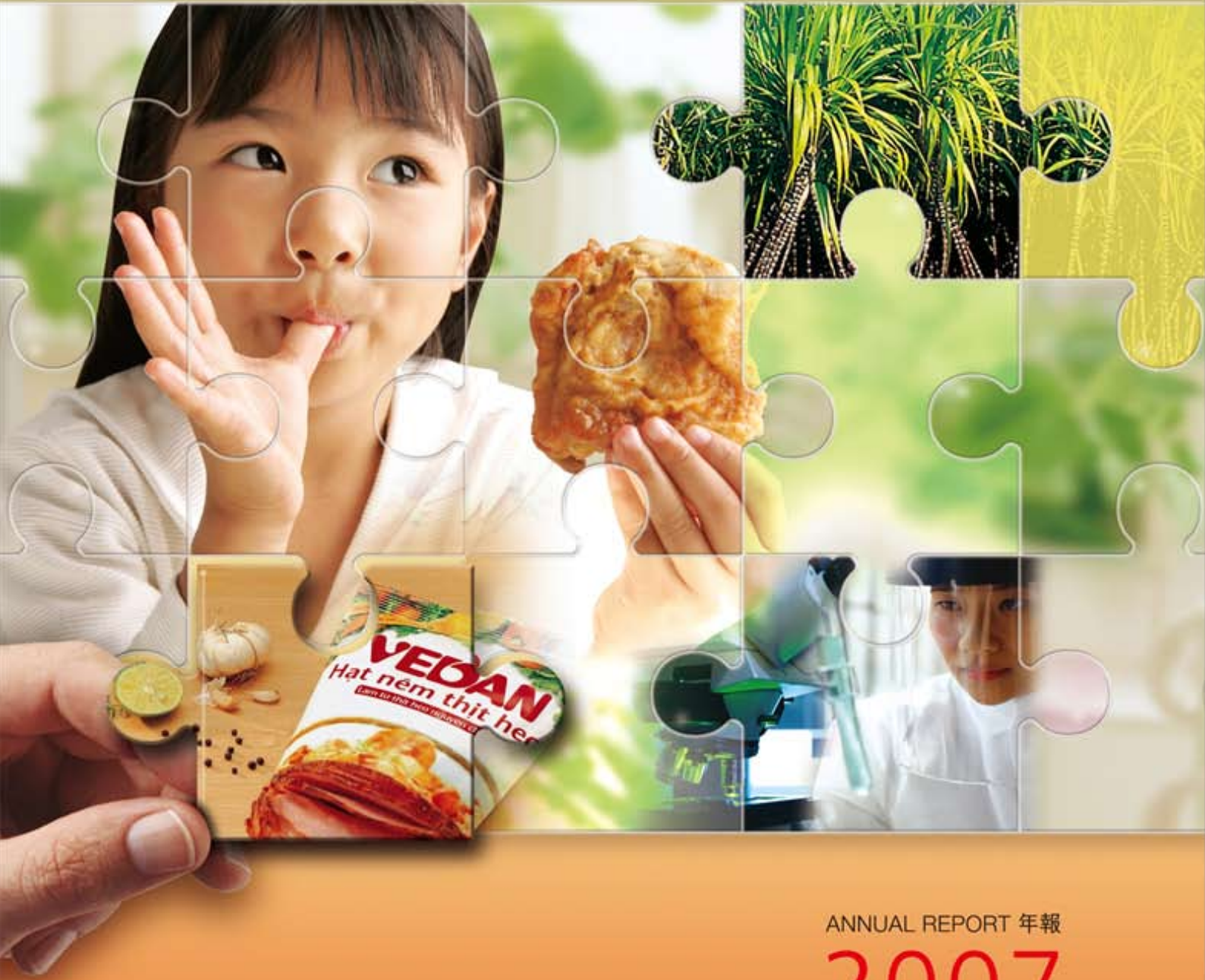
INTERNATIONAL

Vedan International (Holdings) Limited

味丹國際(控股)有限公司

Stock Code: 2317

Nature, Science and Taste



ANNUAL REPORT 年報

2007



Contents

目錄

- 02 Corporate Profile
公司簡介
- 03 Corporate Information
公司資料
- 04 Financial Highlights
財務摘要
- 05 Major Corporate Events
大事回顧
- 08 Chairman's Statement
主席報告書
- 14 Management Discussion and Analysis
管理層討論與分析
- 26 Profile of Directors
董事簡介
- 28 Profile of Senior Executives
高級管理層簡介
- 30 Corporate Governance Report
企業管治報告
- 35 Report of the Directors
董事會報告
- 48 Report of the Auditors
核數師報告
- 50 Accounts
財務資料
- 114 Five Year Financial Summary
五年財務概要
- 115 Shareholder Information
股東資料
- 116 Investor Relations
投資者關係



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.

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.



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。

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，所擁有高級發酵工藝技術以及其他高級生化加工技術，加上管理層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	周錫程

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
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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

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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

Financial Highlights

財務摘要

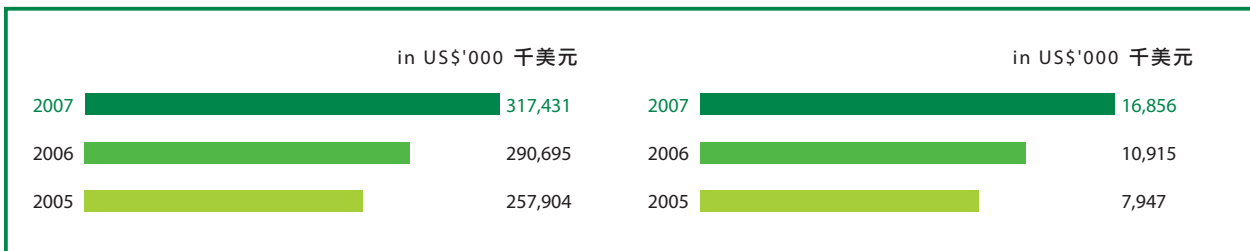
截至12月31日止年度 For the year ended 31 December				
		2007 US\$'000 (千美元)	2006 US\$'000 (千美元)	Change 變化
Turnover	營業額	317,431	290,695	9.2%
Profit from operations	經營盈利	20,738	14,762	40.5%
Net profit	純利	16,856	10,915	54.4%
Shareholders' funds	股東權益	257,716	243,984	5.6%
Basic earnings per share (US cents)	每股基本盈利(美仙)	1.11	0.72	54.2%
Diluted earnings per share (US cents)	每股攤薄盈利(美仙)	1.10	0.72	52.7%
Interim dividend per share (US cents)	中期股息(美仙)	0.26202	0.200	31.9%
Final dividend per share (US cents)	期末股息(美仙)	0.29105	0.158	82.2%
Dividend payout ratio	派息率	50%	50%	-

Turnover 營業額

12 months ended 31 Dec 2007
截至二零零七年十二月三十一日止十二個月

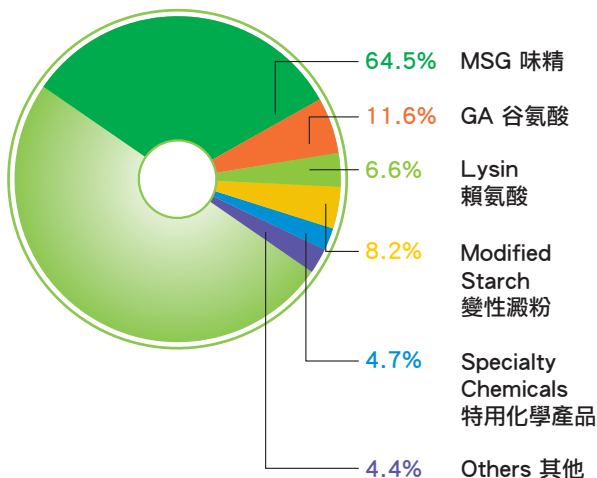
Net Profit 純利

12 months ended 31 Dec 2007
截至二零零七年十二月三十一日止十二個月



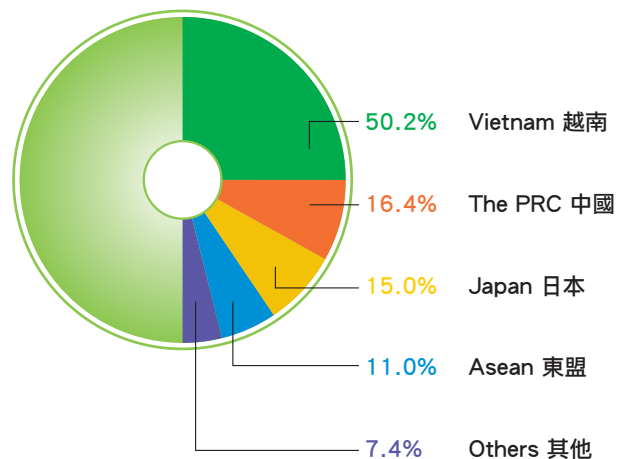
Turnover by Products 按產品分類之營業額

12 months ended 31 Dec 2007
截至二零零七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 2007
截至二零零七年十二月三十一日止十二個月



Major Corporate Events

大事回顧

Development of Modified Starch Business in China

中國區變性澱粉發展

2007年上海變性澱粉業務量達5213噸，主要銷售產品為冷凍肉製品、醬餡料及冷凍麵製品變性澱粉。2007年比2006年銷售量成長了243%。為了積極推廣變性澱粉，我們也參加了2007年第十一屆中國國際食品添加劑和配料展覽會，以下圖片為當時味丹展台照片。

In 2007, sales volume of modified starch in Shanghai amounted to 5,213 tonnes. The main products sold were modified starch for frozen meat products, jam filling and frozen noodle product. Compared with 2006, sales in 2007 grew by 243%. To actively promote usage of modified starch, we participated in the 11th Food Ingredients China exhibition. Below is a photo taken at Vedan's booth in the exhibition.



Marketing Activities in Rural Areas

鄉鎮行銷活動

中國區為強化味精與調味品的銷售，在2007年推出鄉鎮行銷活動，其主要目的是將產品推廣深入二、三級城市及農村市場，藉由此活動，把產品訊息傳遞給消費者，以增進其瞭解、信賴並購買本公司產品，達到擴大銷售及市場占有率的目的。

下面是鄉鎮行銷活動現場圖片：

In 2007, the China operation launched marketing activities in rural areas to boost sales of MSG and seasonings. Its aim was to promote the Company's products to second- and third-tier cities and villages, spreading product messages to consumers in these markets to enhance their understanding of the Company's products and confidence in purchase. The ultimate goal of such efforts was to boost sales and enlarge market share.

The photo below shows marketing activity in progress in rural area:



Vedan Vietnam 2007

2007年獎勵目錄

Award date 獎勵日期	Unit 單位	Description 內容	
2007			
17/1/2007	同奈省人委會 People's Committee of Dong Nai Province	完成2006年度稅務義務與執行各項關稅政策的成績表現 Completed taxation obligation in 2006 and performance in compliance with tariff policies	
17/5/2007	財政部部長 Finance Minister	完成2006年度進出口貨品繳納稅義務績優表現 Completed obligation on tax payment for import and export goods in 2006, reporting good performance	
4/10/2007	中央執行委會-越南勸學會 Central Executive Committee - Education Promotion Association in Vietnam	2006年度勸學運動特優成績表現 Excellent performance in the education promotion campaign in 2006	
2008			
4/2/2008	頭頓-巴地人委會主席 Chairman of People's Committee of Vung Tau-Ba Ria	參加2006年度9號颱風救助運動的績優表現 Good performance in relief work after major typhoon in 2006	

Vedan Shandong

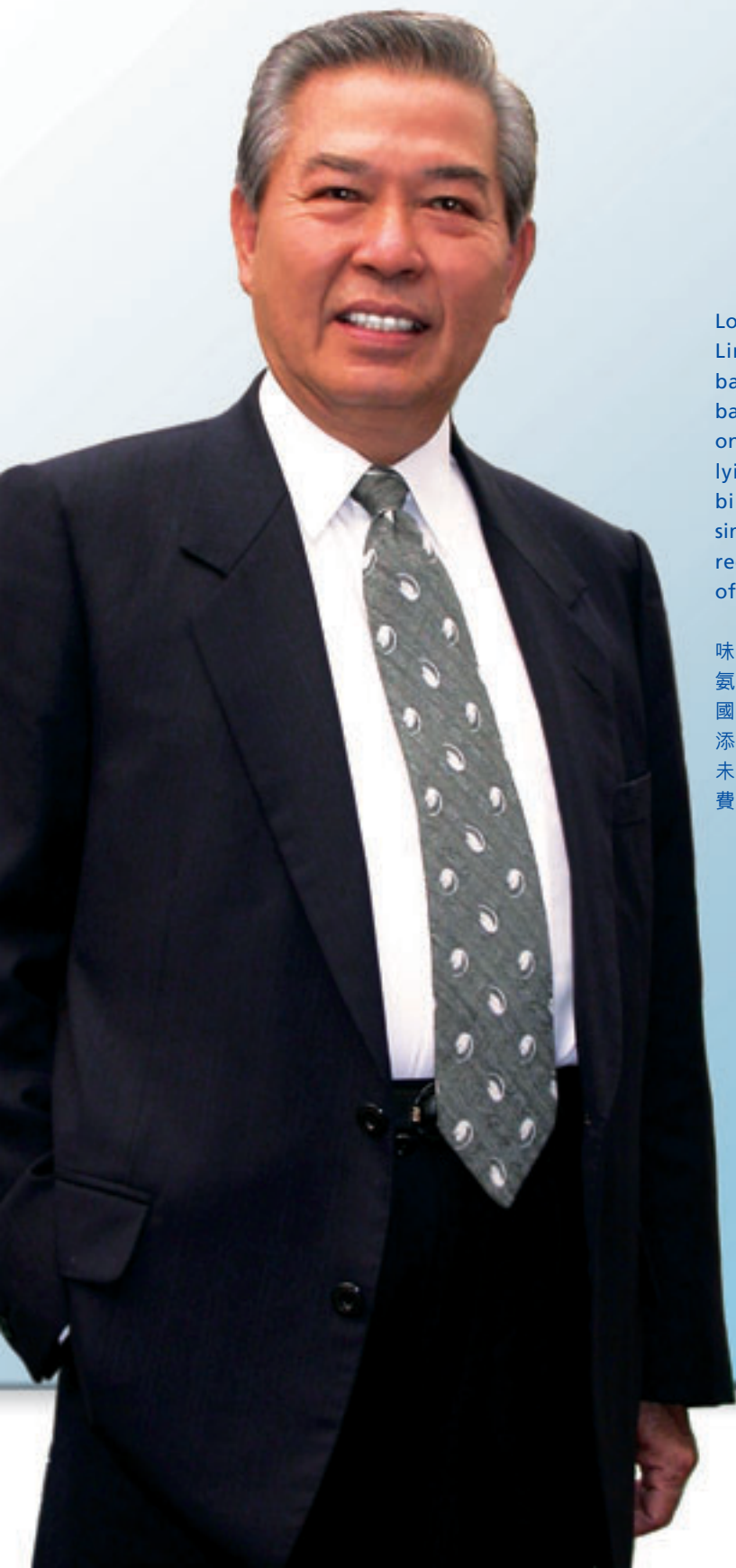
山東雪花

February 2007
2007年2月

Injected US\$5.20 million in capital
增資520萬美元

November 2007
2007年11月

Phase Two of MSG refinery with annual production capacity of 25,000 tonnes commenced production
年產25000噸味精的精製2廠開始生產。



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。



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。

Chairman's Statement

主席報告書

The global economy and raw material supply and demand experienced rapid change in 2007. The chain reactions of sustained high oil prices and unstable climate led to an upset in balance between supply and demand of raw materials and correspondingly rise in material prices, pushing up the production cost of different products and affected the operation of many industries. To cope with the rapidly changing market environment and material supply situation in 2007, the Group focused on implementing strategies to stabilize its operations and ensure proper deployment. With prudence, it endeavored to ensure stable supply of carbohydrate sources, strengthen its core businesses and expand overseas markets. Such efforts had allowed the Group to maintain stable profit growth and advance its business.

As for the Group's operation in 2007, it recorded a total turnover of US\$317,431,000, a 9.2% growth when compared with 2006, and net profit exceeding US\$16,850,000, representing a surge of 54.4%. Turnover from the major Vietnam and China markets saw a 5.2% and 16.3% growth respectively, with MSG and modified starch delivering more satisfactory performance. The ASEAN market, which has been reporting strong turnover growth year after year, continued to thrive in 2007 and brought in 38.3% more in turnover than last year, accounting

2007年全球的經濟環境與原料供需變化得相當快速，原油價格居高不下與氣候不穩定變化的連鎖效應，造成整體原物料供需的失衡，帶動物價上揚，這不僅拉高各項產品生產成本的敏感度，更加影響很多產業之經營。所以，在這樣原物料供給與經濟環境急劇變化的一年裡，集團主要策略仍力求穩定經營與佈局，採取穩紮穩打的策略，掌握糖源、強化核心事業並積極開拓海外市場，俾使在這樣變化激烈的環境中，集團仍兢兢業業，努力以推升業績，保持盈利穩定的成長。

綜觀集團2007年的營運，整體營業額達3億1仟7佰萬美元，較2006年提升9.2%，淨利超過1仟6佰萬美元，更是較2006年度增加54.4%。集團在最主要越南與中國市場，營業額分別成長5.2%及16.3%，以味精及變性澱粉的業績表現較為突出。而每年營業額均有快速增加的東盟國家，在2007年也有38.3%顯著之成長，已佔集團總營收的11%，充分發揮越南在地域上的地利優勢，亦



Chairman's Statement (continued) 主席報告書(續)



for 11% of the Group's total turnover. The geographical advantages of the Group's Vietnam operations were fully realized and the ASEAN countries have become an indispensable market in helping the Group run a stable operation. Furthermore, the Group's core products reported healthy growth in 2007. Amino acids products, modified starches and specialty chemicals all performed well in major markets. Turnover from modified starches grew an impressive 51.7% when compared with last year. These fruitful results proved that the Group was developing its business in the right direction.

Same as other industry players around the world, the Group faced persistent high raw material prices last year. The Group became aware of this structural problem in the industry a few years ago and had begun paying attention on the issue. In addressing tense supply of agricultural products, apart from adopting flexible procurement, the Group also continued to conduct research on different carbohydrate sources and extended the plantation areas of carbohydrate sources so as to diversify risks as well as secure carbohydrate sources at lower cost. Also, applying the production advantages of its core businesses, the Group continued to enhance production efficiency and reduce production cost. On the operational front, in addition to adjusting the price of products for import and export in a timely basis to reflect changes in cost, the Group also stepped up efforts in expanding export market with the aim of seizing first opportunities and balancing operational risk. Facing a rapidly changing economy last year, the Group exercised prudence and adopted corresponding strategies to lower cost and operational expenses while expanding its markets. These initiatives enabled the Group to achieve turnover growth and remarkable increase in profit despite the adverse market environment.

使東盟國家成為集團穩定經營、不可或缺的重要市場。另一方面、集團的核心產品在2007年的營業表現也都有穩健的成長，氨基酸產品、變性澱粉與特用化學品在各主要市場都有不錯的表現，尤其是變性澱粉的營收較去年更是增加51.7%，這些營運成果的增長也顯示集團在產業的發展上應是朝向正確的方向前進。

集團於去年面對與全球產業都相同面臨的原料價格高漲之衝擊，我們也在幾年前即已注意到且相當重視這個結構性的問題。故在全球農產品緊張的供給環境下、集團除採取機動性的採購模式，同時持續進行不同糖源的研究與擴大糖源種植區域的掌握以分散風險，獲取較低成本之糖質原料。同時、我們憑藉核心產業的生產優勢，在期間內不斷地提升生產效率來降低生產成本。在業務方面，除適時反映成本於內銷及外銷產品的售價外，集團也特別加強外銷市場的拓展，以期搶佔市場先機與平衡營業的風險。因為去年面臨多變的經濟環境，集團採取較謹慎的態度與因應策略，降低成本與營業費用，拓展市場，使營收在逆勢中仍有成長，獲利更是明顯的提升。



Prospects of 2008

Since the beginning of this year, there have been different signs pointing to continuous or even worsening global inflation and raw material shortages. Heeding such an environment, the Group has planned a series of measures to help it overcome the challenges. The Group's primary task for this year will be securing stable supply of raw materials. In addition to developing carbohydrate sources of higher yield such as tropical sugar beet and sweet sorghum, the Group has also started to identify more carbohydrate sources in Vietnam, Laos and Cambodia. Concrete benefits from these efforts are expected to be seen in the next few years. If the Group have access to stable raw material supply, it will be able apply its sales and marketing competence to meet growing market demand and expand and strengthen its core amino acids and modified starch products. It will place special focus on expanding the export market and timely adjustment of sales strategies to match changing market conditions and reflect changes in cost. These strategies will help enhance the Group's profitability. Furthermore, the Group is negotiating with several well established overseas companies about technological cooperative and production projects to extend the application of fermentative technology and boost production and sales of new products.

MSG, seasonings and modified starch will remain as the core products of the Group's China operation. It will also look for other high value added projects to improve operational results and profit contribution. After Vietnam gained accession to the WTO last year, the country has seen active investment from foreign investors, booming economic

展望2008年

今年以來、由各種跡象顯示，2008年將延續全球性通貨膨脹與原料供應短缺的趨勢，甚至整個局勢將可能更為嚴峻。集團經營層瞭解到這個處境，已計劃採取各項措施來克服此等的難關。在今年度，集團首要的工作還是原料的掌握，集團除持續進行高效益糖源如熱帶甜菜與甜高粱等作物的開發，同時、自去年起，集團已在越南、寮國與柬埔寨積極地尋求更多糖質原料的來源，預計在未來幾年會逐漸顯現成效。如能確保原料的掌握，集團將因應市場持續成長的需求，發揮產銷優勢，擴大與強化集團核心的氨基酸與變性澱粉產品之拓展，尤其將特別加強外銷市場的開拓，並依市場狀況適時調整行銷策略以反映成本的變動，以期穩固集團獲利之基礎。更進一步地，集團目前亦與數家擁有先進技術的國外公司商談各項技術合作及生產的項目，以延伸醱酵技術之應用與增加新產品產銷的營運。

集團於今年在中國市場仍將致力以味精、調味料與變性澱粉為主要深耕經營的品項，並再積極尋找高附加價值之營業項目以提高營業成果與獲利貢獻。同時、基於越南自去年正式加入世界貿易組織(WTO)後，外國投資相當踴躍，各項經濟活

Chairman's Statement (continued) 主席報告書(續)

activities and rapid development of infrastructure. Its large consumer market is also full of lucrative business opportunities. With years of operational experience in Vietnam, the Group is set to fully capture these opportunities. It is negotiating with several large domestic and overseas companies about plans for cooperation in retail service related businesses or businesses with strong potential. It hopes to increase investment in other business areas in addition to existing fermentation related businesses and capitalize on its geographical advantage to realize a synergistic business effects and enhance the overall operational efficiency. The Group recognises that it has a challenging business environment to cope with and overcome. It will conduct business with prudence yet remain innovative and practical, and continue to expand its operations and create higher value for shareholders.

By order of the Board

Yang, Tou-Hsiung
Chairman

Hong Kong, 15 April 2008

動與基礎建設蓬勃發展，廣大的消費市場使越南處處充滿商機；集團已於越南耕耘甚久，自然不會錯過這段難得的時機，目前也正與數家具規模的國內外公司洽談，規劃合作與銷售相關或具潛力的產業，冀望除釀酵本業以外，在不同領域產業的投入，結合地緣利基，更能發揮加乘的效果，以期提升全面性的經營績效。尤其，在目前總體的經濟情勢下，集團各級同仁均體認到經營環境尚充滿挑戰，我們更將以謹慎的計劃、開創的態度與務實的做法來克服眼前種種的困難，繼續不斷地為集團開拓更廣的領域與為股東創造更高的價值。

承董事會命

主席
楊頭雄

香港 二零零八年四月十五日





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

The Group's total turnover broke the US\$300 million mark in 2007, increased by 9.2%, or US\$26,736,000, to US\$317,431,000. Net profit attributable to equity holders of the company for the year grew an impressive 54.4%, or US\$5,941,000, to US\$16,856,000. Revenue generated from the Vietnam and China subsidiaries were US\$268,635,000 and US\$48,796,000, up 10.7% and 7.7% respectively. On the product front, with the international price of lysine picking up, the Group resumed production of lysine, reclaiming capacity previously shifted to producing GA. As lysine full scale production returned in full force in the second half year, the turnover from GA dropped. Other than that, all of the Group's products saw steady growth. The main revenue growth contributors for the year were the increased MSG export of our Vietnam operation, growing modified starch sales in the China market and the rising of lysine price. By market, ASEAN countries (other than Vietnam) have the best performance in terms of sales, recorded an increase of 38.3% at approximately US\$9,636,000. The proportion of contribution from the market to the Group's overall turnover had increased from 8.7% in 2006 to 11% in 2007, mirroring the success of the Group in nurturing this important market. Sales from China and Vietnam markets also grew 16.3% and 5.2% respectively during the year.

Although the prices of oil, agricultural products and other commodities in general stood rather high in 2007, the Group managed to make commendable profit thanks to the lower molasses price relative to 2006 and lower net finance cost, down by US\$1,467,000, resulting from decreased borrowings. Hence, gross profit and net profit attributable to equity holders of the company increased by US\$7,113,000 and US\$5,941,000, or 13.3% and 54.4%, to US\$60,586,000 and US\$16,856,000 respectively. Gross profit margin and net profit margin surged from 18.4% and 3.8% in 2006 to 19.1% and 5.3% respectively this year.

業務總覽

集團二零零七年總營收突破3億美元，達317,431,000美元，比二零零六年成長9.2%金額26,736,000美元，增長9.2%。本公司股權持有人應佔淨利有亮麗的增長54.4%，金額5,941,000美元，達16,856,000美元。越南區附屬公司帶來之收益為268,635,000美元，中國區附屬公司帶來之收益為48,796,000美元，於期內分別成長10.7%及7.7%。集團主要產品中，除谷氨酸因賴氨酸國際價格已略有回升，自二零零七年下半年開始恢復全面生產，不再轉移生產谷氨酸，故營業額減少外，其餘產品均有穩定的成長。營業額的成長主要來自越南味精外銷業務的成長，變性澱粉在中國市場逐漸茁壯及賴氨酸售價逐漸提升。就銷售地區而言，東盟成員國(越南除外)成長金額最大，約9,636,000美元增長率38.3%，佔總營收從二零零六年的8.7%躍升到二零零七年的11%，顯示集團耕耘東盟市場已有成果，中國及越南市場銷售額亦有16.3%及5.2%的成長。

二零零七年是油價、農產品及其他產品物價飆漲的一年，但集團獲利依然能有不錯的獲利成長，主要是期內糖蜜價格比二零零六年低，利息費用因借款降低減少1,467,000美元，故毛利、淨利分別增加7,113,000美元及5,941,000美元，成長率為13.3%及54.4%，本公司股權持有人應佔毛利與淨利金額為60,586,000美元及16,856,000美元；毛利率及淨利率分別為19.1%及5.3%，高於二零零六年之18.4%及3.8%。

BUSINESS ANALYSIS

Sales Analysis by market

經營分析

市場銷售分析

TABLE 1: COMPARISON OF SALES OF VARIOUS PRODUCTS

表一：各項產品銷售的比較

Unit: US\$'000 單位：千美元

Regions	地區	2007		2006		Change 增/減	
		Amount	%	Amount	%	Amount	%
Vietnam	越南	159,290	50.1%	151,419	52.1%	7,871	5.2%
The PRC	中國	52,047	16.4%	44,751	15.4%	7,296	16.3%
Japan	日本	47,492	15.0%	53,191	18.3%	(5,699)	-10.7%
ASEAN countries	東盟	34,794	11.0%	25,158	8.7%	9,636	38.3%
Other regions	其他	23,808	7.5%	16,176	5.5%	7,632	47.2%
Total	總計	317,431	100.0%	290,695	100.0%	26,736	9.2%

I. Vietnam

The Vietnam market reported a 5.2% growth, or US\$7,871,000 increase, in turnover for the year to US\$159,290,000, accounting for 50.2% of the Group's total turnover this year against last year's 52.1%. The moderate 5.2% growth showed that the market growth had slowed down slightly when compared with other countries, as a result of MSG sales softened after years of rapid growth. However, other products such as caustic soda and hydrochloric acid continued to grow steadily.

(一) 越南市場

越南市場於二零零七年成長5.2%，金額成長7,871,000美元，達159,290,000美元，佔總營收50.2%比二零零六年52.1%略低，顯示成長相對其他國家較為減緩。主要原因在於味精銷售增長因多年來市場快速成長已有放慢趨勢，故期內僅成長5.2%。但賴氨酸及特化產品如鹽酸、蘇打，均有穩定的增長。



Management Discussion and Analysis (continued) 管理層討論與分析(續)

II. China

During the year, turnover from the China market reached US\$52,047,000, 16.4% or US\$7,296,000 higher than in 2006, attributable mainly to higher contribution from the modified starch and MSG businesses. Boasting consistent and steady growth in recent years, the China market has replaced Japan as the second largest market of the Group.

III. Japan

In the first half of 2007, because of the weak international selling price of lysine, the Group reduced lysine production in Vietnam and shifted the capacity to produce GA. Since Japan is the main lysine market of the Group, performance of the market was inevitably affected. The Group resumed lysine production in the second half year, however, with domestic demand increasing, the Group made the strategic move of focusing on domestic sales in Vietnam. As a result, sales in the Japan market maintained flat during the year. MSG sales, however, maintained stable growth. The total turnover from the market for this year was US\$47,492,000, representing a decrease of US\$5,699,000, or approximately 10.7%, when compared with 2006.

IV. ASEAN countries (other than Vietnam)

This market grew most remarkably, delivering an increase of US\$9,636,000 in turnover for the year as a result of substantial growth in MSG and GA sales. Although the market only grew by 14% in the first half year, it performed brilliantly in the second half year and therefore reported a remarkable 38.3% growth for the entire year. The market is expected to sustain the growth momentum in 2008.

(二) 中國市場

年度內中國市場營收達52,047,000美元，比二零零六年增長16.4%，金額為7,296,000美元。主要的成長來自變性澱粉和味精兩項業務的成長，由於近年來穩定持續的成長，二零零七年中國市場已取代日本成為集團第二大市場。

(三) 日本市場

二零零七年上半年由於國際賴氨酸價格疲軟，集團越南廠將賴氨酸減產，轉生產谷氨酸。由於賴氨酸主要以出口日本為主，日本市場當然受到影響，下半年雖然賴氨酸已恢復全面生產，但由於越南境內需求增加，乃改變策略以內銷為主，因而日本市場的銷售額維持平穩。味精業務則維持穩定成長，全年日本地區營收為47,492,000美元，比二零零六年減少5,699,000美元約10.7%。

(四) 東盟成員國(越南除外)

以成長金額而言東協市場於二零零七年增加9,636,000美元為最大，增加來自味精及谷氨酸的大幅成長。雖然上半年僅成長14%，但下半年則有大幅成長，全年增成率達38.3%，預計東協市場於二零零八年將能繼續維持成長之趨勢。

Sales Analysis by Product

產品銷售分析

TABLE 2: COMPARISON OF SALES IN VARIOUS REGIONS

表二：各地區銷售的比較

Unit: US\$'000 單位：千美元

Regions	地區	2007		2006		Change 增/減	
		Amount	%	Amount	%	Amount	%
MSG	味精	204,682	64.4%	189,493	65.2%	15,189	8.0%
GA	谷氨酸	36,925	11.6%	41,275	14.2%	(4,350)	-10.5%
Lysine	賴氨酸	20,798	6.6%	15,320	5.3%	5,478	35.8%
Modified Starch	變性澱粉	25,916	8.2%	17,088	5.9%	8,828	51.7%
Specialty Chemicals	特用化學品	14,844	4.7%	12,608	4.3%	2,236	17.7%
Others	其他	14,266	4.5%	14,911	5.1%	(645)	-4.3%
Total	總計	317,431	100.0%	290,695	100.0%	26,736	9.2%

I. MSG and GA

In 2007, sales of MSG, the Group's core product, amounted to US\$204,682,000, an increase of 8% or US\$15,189,000, a marked improvement from 1.5% or US\$2,882,000 in 2006. The strong growth was the result of strengthened export sales of the Vietnam plant in the second half year, especially ASEAN countries and Europe. As the price of lysine started to pick up and the Group partially shifted production capacity for GA in Vietnam back to producing lysine, the turnover of GA decreased by US\$4,350,000 to US\$36,925,000, a drop of 10.5% when compared with 2006, but still notably higher than US\$15,104,000 in 2005.

(一) 味精及谷氨酸

2007年集團最主要的產品味精增長15,189,000美元，達204,682,000美元，成長率8%，比2006年之成長率1.5%、金額2,882,000美元有顯著進步。主要的增長來自越南廠的外銷競爭力自下半年逐漸增強，特別是在東盟和歐洲市場均有顯著的成長。谷氨酸則因賴氨酸價格已逐漸上揚，越南廠已將部分轉移作谷氨酸生產線恢復生產賴氨酸，因此，年度內谷氨酸不僅沒成長，反而減少4,350,000美元，營業額為36,925,000美元，比2006年減少10.5%，但仍比2005年谷氨酸營業額15,104,000美元高出許多。

Management Discussion and Analysis (continued) 管理層討論與分析(續)

II. Lysine

With the price of lysine persistently low in recent years, the Group strategically reduced lysine production and used the freed capacity to produce GA in 2006. However, as the price of lysine started to pick up in the second half of 2007, the Group decided to resume full production of lysine. As such, the turnover of lysine for the year amounted to US\$20,798,000, an increase of US\$5,478,000 or 35.8% when compared with 2006. The product reported the strongest growth in sales in Vietnam for the year. The Group expects its lysine business to maintain steady growth in 2008.

III. Starch

Turnover of modified starches for the year amounted to US\$25,916,000, an increase of 51.7% or US\$8,828,000 when compared with last year's. After three years of hard work, that turnover of modified starch grew from US\$9,830,000 in 2004 to US\$25,916,000 a record high. The proportion of turnover contribution from modified starch to the Group's total turnover increased markedly from 4.4%, three years ago to 8.2% this year, indicating that the product has become another core product of the Group.

IV. Specialty chemicals

Demand for hydrochloric acid and caustic soda in Vietnam has grown as the country's industries gradually develop. During the year under review, their sales increased by US\$2,236,000 to US\$14,844,000, representing an increase of 17.7%.

MAJOR RAW MATERIALS

The prices of most fuel and agricultural products all grew notably in 2007 and pushed up the procurement cost of major raw materials used by the Group including cassava, liquid ammonia, industrial-grade salt etc. The price of molasses slightly dropped thanks to increased supply brought by strong harvest of major procurement sources and thus increasing supply. As a result, it helped lower cost for the Group's core products such as MSG, GA and lysine.

(二) 賴氨酸

最近幾年賴氨酸售價一直處於低檔，集團於2006年採減產策略轉生產谷氨酸，但自2007年下半年，鑒於賴氨酸價格上揚，已全線生產。故賴氨酸比2006年增加5,478,000美元，營業額達20,798,000美元，增長率為35.8%，增長較大地區為越南，展望2008年賴氨酸應可維持穩定成長。

(三) 澱粉事業

變性澱粉於期內營業額達25,916,000美元，成長51.7%金額8,828,000美元。經三年來的努力，變性澱粉由2004年營業額9,830,000美元增加到25,916,000美元。變性澱粉營業額佔總營收亦由4.4%大幅成長到8.2%，顯示變性澱粉已將逐漸形成另一項核心產品。

(四) 特用化學品

因越南的工業逐漸地成長，鹽酸及蘇打的需求也隨著提高。期內，銷售額增加2,236,000美元達14,844,000美元，成長率為17.7%。

主要原料概況

2007年絕大多數的能源、農產品的價格均大幅上揚，集團生產所需各種原物料均受到波及，如木薯、液氨、工業鹽...等採購價格均上漲。但糖蜜因主要採購地區蔗糖豐收，供應增加，價格於年度內不昇反而略有下降，有助於集團核心產品如味精、谷氨酸、賴氨酸成本之下跌。

Management Discussion and Analysis (continued) 管理層討論與分析(續)

I. Molasses

During the year, the price of molasses dropped slightly, but those of cassava and cassava starch products increased. The Group thus adopted a raw material mix for production, an opposite of that in 2006, meaning it increased the usage of molasses and reduced that of cassava starch to lower production cost. The strategy effectively enhanced the gross profit of MSG, GA and lysine. However, in 2008, the price of molasses is expected to follow that of petroleum and other major raw materials on the up trend, which will have bearing on the production costs of amino acid products such as MSG, GA and lysine. The Group will continue adopting flexible adjustments in raw material usage and production techniques.

II. Cassava and Cassava Starch

The price of cassava increased in the 2007/2008 harvest season because of the increase in export of cassava chip from Vietnam to China and Korea and increasing demand in the Vietnam domestic market. These factors kept the price of cassava on high level, even though supply had actually surged.

To stabilize supply of cassava starch, the Group plans to increase the daily production capacity of the starch production lines in Ve-Yu Starch Factory in Vietnam from 100 tonnes to 150 tonnes. The Group's new plant in Ha Tinh province in northern central Vietnam is currently under and is expected to commence operation by the end of 2008, allowing the Group to secure additional cassava starch supply.

III. Liquid Ammonia

The price of liquid ammonia was much higher in the first half of 2007 than in the second half, making the full year price slightly higher than that in 2006. The Group expects the price of liquid ammonia to continue to climb following surging energy price which will put pressure on the Group's production costs.

(一) 糖蜜

由於期內糖蜜價格略為下滑，但木薯及木薯澱粉價格上揚，集團依已掌握的生產技術採取不同的生產原料組合策略進行生產，即增加糖蜜使用比率，減少木薯澱粉使用比率，進而降低生產成本，有助於味精、谷氨酸和賴氨酸毛利之提升，但2008年糖蜜價格預估隨著大宗原料、石油價格之飆漲將有上漲之趨勢，對於味精、谷氨酸、賴氨酸等氨基酸類產品的生產，集團仍需在原料與技術層面，再進行更多的彈性調整。

(二) 木薯和木薯澱粉

2007/2008產季，木薯價格上漲，主要因越南外銷中國及韓國地區木薯干大幅增加，再加上越南境內需求亦增加，雖然產量增加，但是因需求殷切，價格高居不下。

為穩定木薯澱粉供應，集團於2008年內計劃再增設味友澱粉廠澱粉生產線，由100噸/天擴充到150噸/天。位於越南中北部之河靜澱粉廠，目前正在積極建廠中，預估年底前能投入生產，對未來木薯澱粉來源的掌握，將大有助益。

(三) 液氨

2007年液氨，上半年價格遠高於下半年，故全年價格比2006年略高，預估2008年液氨價格隨著能源價格高漲，將是走高的趨勢，對集團生產成本將有影響。

FINANCIAL REVIEW

I. Cash flow and financial resources

During the year under review, the Group saw an increase in net cash flow from operating activities and decreased bank borrowings and overdraft by approximately US\$27,840,000. As at 31 December 2007, the Group had bank deposits and cash amounting to US\$17,706,000, US\$424,000 more than at the end of 2006. Total bank loans and overdraft for the year decreased substantially by 38% from US\$73,318,000 at the end of 2006 to US\$45,478,000. Current ratio improved to 2.28 from 1.63 in 2006, with short term bank loans and overdraft down by about US\$22,125,000. Net gearing ratio decreased from 23% to 10.8%, indicating that the Group had a sound financial structure. 78.3% of the bank loans and overdraft were denominated in US dollars, and the rest were in the Taiwan dollar and Renminbi, accounting for 13.3% and 8.4% respectively of the total bank loans and overdraft. During the year, the average loans interest rate was 6.4% and net finance cost was US\$4,364,000. The amount of net finance cost was equivalent to 1.4% of the Group's total turnover, down from 2.0% last year. Of all bank loans and overdraft taken out, 34% were middle to long term bank loans and 66% were short term bank loans and overdraft. Gearing ratio (bank loans/shareholders interest) was 18%.

II. Capital expenditure

In 2007, the Group's total capital expenditure was US\$12,680,000. Investment in the new Ha Tinh starch plant in Vietnam, construction of the third and fourth phases of the solid fertilizer plant and bio-gas equipment in Ve-Yu Starch Factory and Phuoc Long Starch Factory took up in all US\$9,456,000. The Group plans to spend a total of US\$24,500,000 in capital expenditure in 2008, of which US\$10,500,000 will be used for funding projects continuing on from 2007 and the balance US\$14,000,000 will be injected into the cassava residue recycling project in Phuoc Long Starch Factory and raw materials development projects in Cambodia.

III. Exchange Rate

The Group's two main production bases are in Vietnam and China and local transactions are settled in their respective local currencies while export sales are settled in US dollars. Operations in China cater mainly to local demand with exports making up a very small portion of total sales. In 2007, against the weak US dollars and rising inflation in Vietnam, the Vietnam Dong appreciated slightly by about 0.2%, a turn from the general downward trend it had

財務回顧

(一) 流動資金和財政資源

期內由於淨營運現金流量增加，故銀行借款及透支減少約27,840,000美元，截至二零零七年十二月三十一日止，集團銀行存款和現金為17,706,000美元，比二零零六年底略增加424,000美元；銀行借款及透支則大幅降低，由二零零六年底73,318,000美元減少為45,478,000美元約38%。流動比率因短期借款減少約22,125,000美元，由二零零六年1.63提昇到2.28，同時淨借款／資本比率由23%下滑為10.8%，財務結構更趨穩健。銀行借款及透支主要以美金為主佔78.3%，其餘為新台幣及人民幣，分別為13.3%及8.4%。年度內總借款平均成本為6.4%，融資成本淨額為4,364,000美元，融資成本淨額佔總營比由2.0%下跌為1.4%，中長期和短期銀行借款及透支比例為34%比66%，資本負債比(銀行借款／股東權益)為18%。

(二) 資本支出

二零零七年總資本支出為12,680,000美元，主要投資於越南新設立河靜澱粉廠、固體肥料第三及第四期工程及味友和福隆兩澱粉廠之Bio-gas設備，共計9,456,000美元。集團預估於二零零八年動用約24.5百萬美元作資本支出，其中10,500,000美元為延續二零零七年上列所提到未完工之資本支出，其餘新增約14,000,000美元，主要用於福隆澱粉廠之薯渣回收再利用工程和柬埔寨發展原料專案。

(三) 匯率

集團兩大主要營運基地於越南和中國，交易幣別內銷以越盾和人民幣為主，外銷則為美元。中國區營運幾乎全以內銷為主，外銷比例極少，二零零七年越盾因國際美元疲弱，國內通貨膨脹上揚，改變多年來微幅走貶趨勢，反而略有升值，全年升值約0.2%。人民幣則是持續升值趨勢，由於

Management Discussion and Analysis (continued) 管理層討論與分析(續)

been on in recent years. As for the Renminbi, it continued to appreciate. Since the Group's China operation mainly served domestic needs and took out loans in US dollars, appreciation of the Renminbi had not posed any adverse impact on the Group's finance. However, with the Central Bank of Vietnam having relaxed the range of movement of the value of the Vietnamese Dong on a trading day from 0.25% in early 2007 to 1% in early 2008 and the Renminbi facing pressure to appreciate still further, the Group will continue to monitor changes in relation to the two currencies.

IV. Dividend

Basic earnings per share for 2007 were 1.1 US cents. The Board intends to adopt a dividend payout ratio of 50%, same as that in first half of 2007. Earnings per share were estimated at 0.5530 US cent. Since, for the first half of 2007, the Board paid an interim dividend of 0.26202 US cent per share, it intends to pay a final dividend of 0.29105 US cent per share, bringing the total final dividend distribution amount for the year to US\$4,432,000.

PROSPECTS

In 2007, the Vietnamese economy grew 8.4%. Foreign investment, inward remittance and stock market are dynamically growing. Along with the fast economic growth, prices of consumer goods and real estates in the country also surged. The phenomena plus rising international oil price and increasing price of agricultural products and raw materials, Vietnam's inflation rate in 2007 was as high as 12.6%, the highest in the last decade. To combat inflation and stabilize consumer price, the country's Central Bank has adopted a tighter monetary policy since the beginning of 2008, raised deposit provision rate and issued government bonds, pushing up the interest rate of Vietnamese Dong to increase the cost of borrowing of enterprises. It also relaxed the exchange rate movement range between the US dollar and the Dong, becoming challenges for all enterprises, domestic and foreign. Vietnam is the Group's primary production base as well as its biggest market. With raw materials, manufacturing, sales, management and transportation costs in the market all on the rise, the Group sees challenges for its business in the year to come. It is prepared to tackle them with vigilance. Expecting raw materials and fuel cost to stand on high in 2008, the Group will devote its utmost effort into lowering procurement cost while improving production efficiency with the ultimate aim of maintaining a reasonable profit. It will also seek to raise the selling prices of various products gradually in 2008 to reflect the increased costs, under the principle of not causing compromise to the Group's market share.

中國以內銷為主，借款則是美元，故人民幣升值對集團財務並無不利影響，然鑒於越南中央銀行已放寬越盾每交易日升貶之區間，由二零零七年初之0.25%擴到二零零八年初之1%，同時人民幣亦有升值壓力，集團將繼續密切注意越盾及人民幣之變化。

(四) 股利

二零零七年度每股基本盈利為1.1美仙，董事會擬定派息率與二零零七年上半年相同約為50%，預計每股股息為每股0.5530美仙。二零零七年中期已派股息每股0.26202美仙，故擬支付期末股利每股0.29105美仙，派發金額為4,432,000美元。

展望

二零零七年越南經濟成長率增至8.4%，外人投資巨幅成長，比二零零六年增加40億美元，達160億美元。由於快速的經濟成長，越南境內物價、地產亦水漲船高，再加上國際油價、各種農產品、原料價格高漲，越南二零零七年通膨高達12.6%，為近十年來之最高。越南央行為打擊通貨膨脹、穩定物價，自二零零八年初採取貨幣緊縮政策，提高存款準備率，發行公債，使越盾利率上升，同時放寬越盾對美元買賣區間增加匯率之波動，使在越南經營的企業，不管是外資或本地企業均面臨挑戰。越南是集團最主要的生產基地，也是最大的市場所在，面對各項原料、製造、銷售、管理、運輸費用…等各項費用之增加，集團以戰戰兢兢之心情做好準備，克服來自各方面之困難。由於主要原、物料、能源成本於二零零八年度內將是居高不下，為維持一定穩定合理的利潤，除竭力降低採購成本，持續提高生產效益外，將計劃於二零零八年內，在不嚴重侵蝕市場佔有率之下，逐步加快各類產品售價之提升，以反映各項成本之上揚。

Management Discussion and Analysis (continued) 管理層討論與分析(續)

The Group has been actively exploring and boosting access to more carbohydrate sources in the past few years, and expects to see the past efforts paid off gradually in the future. i) Construction of the first phase of Ha Tinh starch factory with a daily production capacity of 100 tonnes will be completed in the third quarter of 2008. Its production capacity will be expanded to 200 tonnes per day in the first quarter of 2009. ii) Expansion of the Ve-Yu Starch Factory from 100 tonnes a day capacity to 150 tonnes is in progress and will be completed in the fourth quarter of 2008. iii) The Group had located suitable plantation area and found right partners for the raw materials cultivation in Cambodia and signed a memorandum of understanding in relation to the project in early 2008. If the project proceeds smoothly, a joint venture will be set up in the first half of 2008 to implement this investment project. On the aspect of diversifying carbohydrate sources, the Group has made good progress in tropical sugar beet cultivation. Another important carbohydrate source, sweet sorghum, is also under test planting. We expect to see good result in the near future.

As for MSG business, domestic sales in Vietnam is expected to grow moderately, whereas a more substantial growth is expected for export sales as a result of market expansion. As for the China market, with its competitiveness in export weakening, the Group will thus strengthen the domestic sales in the market, which remains intensely competitive in the immediate future. In the long run, order will return to the market with the stronger players prevailing and maintaining reasonable profit.

In the future, when the construction of new Ha Tinh starch factory and expansion of the Ve-Yu Starch Factory are completed, and Cambodia's raw materials cultivation project launches, the Group will be able to enjoy more steady supply of higher quality raw materials at more competitive cost. This will help to greatly enhance the development and profitability of the Group's amino acids and starch businesses. At the same time, the Group will actively explore opportunities of other businesses in different market sections. Taking advantages of its long established foundations and geographical proximity, the Group is confident to enjoy a synergistic business effects and increase the Group's operational profits.

In conclusion, the Group expects to continue to face pressure from persistently high raw material and fuel costs in the coming year. However, it also sees 2008 as a critical year during which it will begin to reap fruits of the efforts it made in the past few years. The Group is confident of its ability to face the challenges ahead.

過去幾年來，集團致力於醴源的拓展和掌握，將於未來逐步顯現。i)河靜澱粉廠第一期工程產能100公噸／天，將於二零零八年第三季完成，2009年第一季將擴大到200公噸／天之生產規模。ii)味友澱粉廠產能擴充由100公噸／天增加到150公噸／天已展開擴廠作業，預估二零零八年第四季完工。iii)柬埔寨發展原料專案，已覓好地點及合作夥伴，且已於二零零八年初簽訂備忘錄，若一切順利將於二零零八年上半年成立聯營公司，來推展此投資方案。另外在醴源多元化方面，熱帶甜菜亦有不錯之進展。另外一種醴源，甜高粱的試種，也在積極進行中。預期會很快有好結果。

二零零八年味精業務，預估越南境內之銷售將是小幅成長，而外銷方面，隨著市場開拓成果陸續展現，預期將有較大幅增加。中國區則因受制於出口競爭力減弱，將再強化內銷市場，短期內尚是競爭激烈之市場，長期而言將是汰弱留強，將恢復一定之秩序，以維持合理之利潤。

未來，集團將因河靜新廠完工、味友澱粉廠擴廠完成、柬埔寨發展原材料專案的展開，將會擁有更具競爭力、高品質及更穩定原料來源，對不管是氨基酸或澱粉事業的業務拓展和獲利提升將是大有助益。另外，隨著越南經濟體的蓬勃發展，集團也將尋求不同領域產業的投入，相信在結合地緣利基的基礎上，可以發揮加乘的效果，並可提升經營利益。

總之，展望未來一年，集團依然面臨各項原物料、能源成本高居不下之壓力。但幾年來，集團進行之專案在二零零八年將是關鍵的時刻，亦將是開始有收穫的時刻，集團將有信心迎接挑戰。

EMPLOYEE COMPENSATION AND TRAINING

As at 31 December 2007, the Group had a total of 3,977 employees of whom 3,045 were employed by Subsidiaries in Vietnam 923 by subsidiaries in the PRC and 9 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 localized 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.

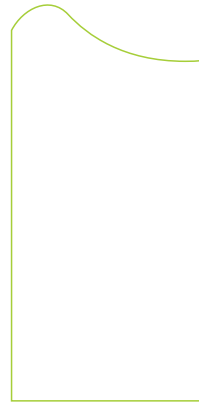
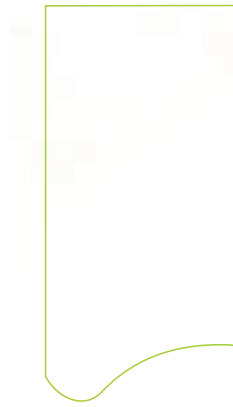
僱員薪酬及培訓資料

截至2007年12月31日，本集團僱有員工3977名，包括受僱於味丹越南廠子公司3,045，味丹中國子公司923名以及台灣分公司9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與其他員工福利，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, 65, our Chairman. Mr. YANG, Tou-Hsiung graduated from Taichung Min Der Commercial Vocational High School. Mr. YANG, Tou-Hsiung has approximately 45 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, 53, an executive Director. Mr. YANG, Cheng had approximately 32 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, 50, 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 17 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, 44, 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., 66, 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 37 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，65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45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，53歲，執行董事。楊正先生在味精行業積累約32年工作經驗。楊正先生負責制訂本集團之發展策略。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，50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17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，44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，66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37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。

Profile of Directors (continued) 董事簡介(續)

Non-executive Directors

Mr. HUANG, Ching-Jung, 54, 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 30 years' experience in administration and finance.

Mr. Chou, Szu-Cheng, 47, 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 15 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, 46, 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, 47, 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, 48, 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 20 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).

Ms. CHUANG, Shu-Fen, 57, an independent non-executive Director and a member of the Audit Committee. Ms. CHUANG graduated with a bachelor degree from the Department of History of Tung Hai University. Ms. CHUANG has been working in the advertising industry for approximately 18 years. Ms. CHUANG served as the director of China Airlines in Taiwan and the vice president of advertising for Cathay Advertising before moving to her current position as the Vice Chairman of Ogilvy & Mather China, and Chairman & CEO of Ogilvy & Mather Northern China. Ms. CHUANG has resigned from the Board of directors on 1 April 2008.

非執行董事

黃景榮先生，54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30年經驗。

周賜程先生，47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15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，46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，47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，48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20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。

莊淑芬女士，57歲，獨立非執行董事兼審核委員會成員。莊女士畢業於東海大學歷史系，獲頒學士學位。莊女士在廣告行業累積約18年經驗，現任奧美中國副董事長及北中國區董事長兼首席執行官，在此之前，莊女士曾擔任台灣中華航空董事及國泰廣告公司廣告部副總裁一職。莊女士已於二零零八年四月一日辭任董事會董事。

Profile of Senior Executives

高級管理層簡介

Senior Executives

Mr. HSIEH, Jau-Hwang, 58, 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 29 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, 59, 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 29 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. CHEN, Ping Huei, 54, the Vice President of Vietnam Vedan. Mr. CHEN graduated from Ming-Chi Institute of Technology in 1973. Mr. CHEN is in charge of the production operations. He is also in charge of engineering department of Vietnam Vedan. Mr. CHEN has 31 years' experience in the profession of mechanical engineering.

Dr. CHEN, Hsien-Che, 59, is Vice President of Research and Development at Vietnam Vedan. He obtained a PhD in Agricultural Chemistry from the National Taiwan University in 1981. With 31 years working experience in the food industry, specializing in grain processing and starch technology. He started serving the Group as Consultant of starch product development in 1991 and was appointed Vice President of R&D in 2004.

Mr. Yang, Wen-Hu, 47, 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 15 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.

高級管理層

謝朝煌先生，58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29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，59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29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。

陳炳輝先生，54歲，越南味丹副總裁。陳先生在一九七三年畢業於明志工業專科學校。陳先生負責生產管理部，亦負責管理越南味丹之工程部門。陳先生於機械工程專科行業內積累31年工作經驗。

陳賢哲博士，59歲，越南味丹副總裁。負責研究開發及技術中心。陳先生於一九八一年取得國立台灣大學農化博士學位。在食品業有31年的工作經驗，專長於穀類食品加工和澱粉技術。於一九九一起即擔任公司澱粉發展顧問，二零零四年正式任職研究開發及技術中心副總裁。

楊文湖先生，47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15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。

Profile of Senior Executives (continued) 高級管理層簡介(續)

Mr. YANG, Chang-Keng, 51, 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 14 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.

Mr. YANG, Tung, 37, 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. LIAO, Ruei-Hsing, 48, is the General Manager in charge of the Group's China operations. Mr. Liao holds a Master Degree in Business Administration from Taiwan Cheng-Chi University. In the past 20 years, he had held different senior executive positions in sales and management in various multinational companies such as Coca-Cola, Pepsi-Cola, Sara Lee and Bestfoods in Taiwan, the PRC, and the Philippines.

Mr. LIN, Yu, 49, 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 24 years of sales management experience in the food industry.

Mr. LO Chi Man, 46, the company secretary of the Company. He is responsible for the Group's company secretarial and listing compliance matters. Mr. Lo is a 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 24 years' experience in finance, accounting and company secretarial practice.

楊長庚先生，51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14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。

楊統先生，37歲，中國區副董事長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。

廖瑞星先生，48歲，味丹國際中國(大陸)區總經理。廖先生畢業於台灣政治大學，獲得企業管理碩士學位。過去20年，廖先生曾歷任台灣、中國大陸和菲律賓數家大型國際企業行銷與管理高階主管，如可口可樂、百事可樂、Sara Lee及Bestfoods。

林昱先生，49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24年。

羅志文先生，46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24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 2007, 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 four times during the year and the Directors’ attendance is shown in the table on page 33. 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

於二零零七年十二月三十一日，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，本集團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，董事會舉行了四次會議，而董事的出席記錄見第33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。

Corporate Governance Report (continued) 企業管治報告(續)

The Company appointed each of the Non-Executive directors during the Annual General Meeting or by the Board for new appointment during the year. The term of each of these appointments shall be expired up to the forthcoming Annual General Meeting and can offer for re-election in the Annual General Meeting.

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, Ms. CHUANG, Shu-Fen and Mr KO, Jim-Chen, 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 2 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.

非執行董事乃由本公司於股東週年大會上委任，或經由董事會於年內另行委任。該等委任各自的任期於即將舉行的股東週年大會屆滿，並可於股東週年大會上膺選連任。

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、莊淑芬女士及柯俊禎先生。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，審核委員會舉行兩次會議。

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。

The Audit Committee reviewed the financial statements of the Group for the year ended 31 December 2007 prior to recommending them to the Board for approval.

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 2007, 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 29 to the accounts and details of the 2003 Share Option Scheme are set out in the Report of Director and note 15 to the accounts.

Nomination Committee

The Company established the Nomination Committee in April 2008 to make recommendations to the Board on the appointment and re-appointment of Directors, structure, size and composition of the Board to ensure fair and transparent procedures for the appointment and re-appointment of Directors to the Board. As the nomination committee was formed in 2008, it did not hold any meeting during 2007.

審核委員會在提交本集團截至二零零七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。

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。於截至二零零七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29，而二零零三年購股權計劃之詳情載於董事會報告及賬目附註15。

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。由於提名委員會於二零零八年成立，故其於二零零七年並無舉行任何會議。

Corporate Governance Report (continued) 企業管治報告(續)

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 董事會 (4)	Audit Committee 審核委員會 (2)	Remuneration Committee 薪酬委員會 (1)
Executive directors	執行董事			
Yang, Tou-Hsiung (<i>Chairman</i>)	楊頭雄 (<i>主席</i>)	4	N/A 不適用	1
Yang, Cheng	楊正	3	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>)	4	2	N/A 不適用
Yang, Chen-Wen	楊辰文	4	N/A 不適用	N/A 不適用
Wang, Joel J.	王肇樹	4	1	N/A 不適用
Non-executive director	非執行董事			
Huang, Ching-Jung	黃景榮	4	N/A 不適用	N/A 不適用
Chou, Szu-cheng	周賜程	4	N/A 不適用	N/A 不適用
Independent non-executive directors	獨立非執行董事			
Chao, Pei-Hong	趙培宏	4	2	1
Chuang, Shu-Fen	莊淑芬	2	0	1
Ko, Jim-Chen	柯俊禎	4	2	1

Independence Information

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.

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。

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 the then 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 2007.

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\$295,000 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 48 and 49.

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當時上市規則附錄14所載的最佳應用守則。本公司於二零零七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。

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295,000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48及49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, 2007.

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, 2007 are set out in the consolidated income statement on page 53.

An interim dividend of 0.26202 US cents (2.0437 HK cents) per share was declared and paid to the shareholders during the year under review. The directors recommend the declaration and payment of a final dividend of 0.29105 US cents (2.2702 HK cents) per share for the year ended 31 December, 2007. Subject to shareholders' approval at the forthcoming annual general meeting of the Company, the final dividend will be paid in cash on or about 19 June 2008 to the shareholders whose names appear on the register of members of the Company on 6 June 2008.

Share Capital

Details of the movements in the share capital of the Company are set out in Note 15 to the accounts.

Distributable Reserves

As at 31 December, 2007, 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\$14,811,000 were available for distribution to the Company's shareholders.

Purchase, Sale or Redemption of Securities

During the year ended 31 December, 2007, 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 16 to the accounts.

本公司董事(「董事」)謹此呈報截至二零零七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

本集團截至二零零七年十二月三十一日止年度的業績載於第53頁的綜合收益表。

於回顧年度已宣派及派付中期股息每股0.26202美仙(2.0437港仙)。董事建議宣派截至二零零七年十二月三十一日止年度末期股息每股0.29105美仙(2.2702港仙)。倘若在本公司應屆股東週年大會獲得股東批准，則末期股息將約於二零零八年六月十九日以現金派發予在二零零八年六月六日名列本公司股東名冊之股東。

股本

本公司股本變動的詳情載於賬目附註15。

可供分派儲備

本公司於二零零七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14,811,000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二零零七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16。

Report of the Directors (continued) 董事會報告(續)

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 accounts.

Major Customers and Suppliers

During the year, the five largest customers of the Group accounted for approximately 34% of the Group's consolidated turnover. In addition, the five largest suppliers of the Group accounted for approximately 57% 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 13% and 25% 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 a shareholder of the Company, which to the knowledge of the directors owns more than 5% of the Company's issued share capital, were an interest in the share capital of any of the five largest customers 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
Chuang, Shu-Fen (resigned on 1 April 2008)
Ko, Jim-Chen
Chen, Joen-Ray (appointed on 1 April 2008)

According to Article 87(1) of the Company's articles of association, Mr Yang, Chen-Wen, Mr. Wang, Joel J., Mr. Huang, Ching-Jung and Mr. Ko, Jim-Chen will retire by rotation at the forthcoming annual general meeting of the Company. According to Article 86(3) of the Company's articles of association, Mr. Chen, Joen-Ray, who was appointed by the board of directors of the Company as an independent non-executive Director on 1 April 2008, will hold office until the forthcoming annual general meeting and shall then be eligible for re-election. 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 26 to 29.

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賬目附註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34%。此外，本年度本集團五大供應商佔本集團綜合採購額約57%。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13%及25%。

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
莊淑芬(於二零零八年四月一日辭任)
柯俊禎
陳忠瑞(於二零零八年四月一日獲委任)

根據本公司之組織章程細則第87(1)條，楊辰文先生、王肇樹先生、黃景榮先生及柯俊禎先生將於本公司應屆股東週年大會上輪席退任。根據本公司之組織章程細則第86(3)條，於二零零八年四月一日獲本公司董事會委任為獨立非執行董事的陳忠瑞先生的任期將直至應屆股東週年大會為止，並符合資格重選連任。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26至29頁。

Report of the Directors (continued) 董事會報告 (續)

Directors' Interests and Short Positions in Shares, Underlying Shares and Debentures

董事於股份、相關股份及債券之權益及淡倉

As at 31 December, 2007, 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:—

於二零零七年十二月三十一日，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 姓名	Number of ordinary shares in which interested (other than under equity derivatives) 擁有權益之普通股數目 (股本衍生工具除外)	Interests in shares 於股份中之權益		Total number of ordinary shares 普通股總數	Percentage of issued shares of the Company 佔本公司已發行股份百分比
		Number of shares in which interested under physically settled equity derivatives 透過實物結算股本衍生工具擁有權益之普通股數目 (Note 2) (附註2)			
Mr. YANG, Tou-Hsiung 楊頭雄先生	169,730,196 (Note 1) (附註1)	4,500,000		174,230,196	11.44%
Mr. YANG, Chen-Wen 楊辰文先生	—	4,500,000		4,500,000	0.30%
Mr. YANG, Cheng 楊正先生	—	4,500,000		4,500,000	0.30%
Mr. YANG, Kun-Hsiang 楊坤祥先生	—	4,500,000		4,500,000	0.30%
Mr. WANG, Joel J. 王肇樹先生	750,000	—		750,000	0.05%
Mr. HUANG, Ching-Jung 黃景榮先生	200,000	—		200,000	0.01%
Mr. CHAO, Pei-Hong 趙培宏先生	500,000	—		500,000	0.03%
Ms. CHUANG, Shu-Fen 莊淑芬女士	500,000	—		500,000	0.03%

Report of the Directors (continued) 董事會報告(續)

Notes:

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

附註:

1. 楊頭雄先生以下列身份持有股份權益:

Capacity	身份	Number of ordinary shares 普通股數目	Number of ordinary shares through physically settled equity derivatives *** 透過實物結算股本衍生工具持有之普通股數目 ***
Beneficial owner	實益擁有人	—	4,500,000 **
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 is 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。
** Mr. YANG, Tou-Hsiung is interested in 4,500,000 shares of the Company pursuant to the options granted to him on 13 June, 2003 under the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13 June, 2004 to 12 June, 2008.			** 楊頭雄先生根據首次公開售股前購股權計劃於二零零三年六月十三日獲授的購股權而於4,500,000股本公司股份擁有權益。該等購股權的行使價為0.801港元，行使期由二零零四年六月十三日至二零零八年六月十二日止。
*** These derivatives are unlisted.			*** 該等衍生工具均為非上市。
2. Various interests of the Directors and chief executives of the Company pursuant to physically settled equity derivatives are through share options granted pursuant to the Pre-IPO Share Option Scheme. The exercise price under the options is HK\$0.801 and the exercise period is 13 June 2004 to 12 June 2008.			2. 本公司董事及最高行政人員根據實物結算股本衍生工具擁有之各項權益乃透過本集團首次公開發售前購股權計劃授出之購股權擁有。該等購股權之行使價為0.801港元，行使期由二零零四年六月十三日至二零零八年六月十二日止。

Report of the Directors (continued) 董事會報告 (續)

Save as disclosed above, as at 31 December, 2007, none of the Directors or chief executive 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.

Share Option Schemes

On 13 June, 2003, the Pre-IPO Share Option Scheme and the Post-IPO 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, issued under the Pre-IPO Share Option Scheme from 27 June, 2003, the date of listing of the shares on the Stock Exchange. No options have been granted under the Post-IPO Share Option Scheme as at 31 December, 2007.

除上文所披露外，於二零零七年十二月三十一日，概無董事或本公司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第XV部)之股份、相關股份及債券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8分部須知會本公司及聯交所之任何權益或淡倉(包括彼等根據證券及期貨條例有關條文被當作或視為擁有之權益及淡倉)；或(b)根據證券及期貨條例第352條須記入有關條文所述之登記冊內之權益或淡倉；或(c)根據上市規則所載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或淡倉。

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首次公開發售後購股權計劃。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。於二零零七年十二月三十一日，概無根據首次公開售股後購股計劃授出購股權。

Report of the Directors (continued) 董事會報告(續)

Details of the share options outstanding as at 31 December, 2007 which have been granted to the Directors of the Company under the Pre-IPO Share Option Scheme are as follows:

以下是根據首次公開售股前購股權計劃向本公司董事授出，而於二零零七年十二月三十一日尚未行使之購股權詳情：

Directors/ Employees 董事／僱員	Number of options 購股權數目			Held as at 31 December, 2007	Exercise price 行使價	Date of grant 授出日期	Exercise period 行使期
	Held as at 1 January, 2007 於二零零七年 一月一日持有	Granted during the period 期內授出	Exercised during the period 期內行使	於二零零七年 十二月 三十一日持有			
Mr. YANG, Tou-Hsiung 楊頭雄先生	4,500,000	-	-	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Chen-Wen 楊辰文先生	4,500,000	-	-	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Cheng 楊正先生	4,500,000	-	-	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日
Mr. YANG, Kun-Hsiang 楊坤祥先生	4,500,000	-	-	4,500,000	HK\$0.801 0.801港元	13 June, 2003 二零零三年 六月十三日	13 June, 2004 to 12 June, 2008 二零零四年六月十三日至 二零零八年六月十二日

Report of the Directors (continued) 董事會報告(續)

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, Mr. Chao, Pei-Hong and Ms. Chuang, Shu-Fen 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.

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.

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.

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、趙培宏先生及莊淑芬女士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。

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。

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。

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。

Report of the Directors (continued) 董事會報告(續)

Connected Transactions

For the year ended 31 December, 2007, the Company entered into the following transactions with one of its controlling shareholder, Taiwan Vedan Enterprise Corporation (“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:

		Note 附註	US\$'000 千美元
A.	Sale of goods to Taiwan Vedan	向台灣味丹銷售貨品	
		(i)	2,584
B.	Technological support fee paid to Tung Hai Fermentation Industrial Co. Ltd. and Taiwan Vedan	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)	2,653

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 starch-based 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.
- (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.

關連交易

截至二零零七年十二月三十一日止年度，本公司與其中一控股股東及關連人士，台灣味丹企業股份有限公司(「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：

註：

1. 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。
2. 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。

Report of the Directors (continued) 董事會報告 (續)

For the year ended 31 December, 2007, the subsidiaries of the Company entered into various transactions with Shandong Xue Hua Bio-chemical Co., Ltd. ("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.

截至二零零七年十二月三十一日止年度，本公司之附屬公司與山東雪花生物化工股份有限公司（「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。

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.

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 2007 which are subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules:

下表概述截至二零零七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 附註	US\$'000 千美元
C.	Supply of certain raw materials by Xue Hua to the JV Company	雪花向合營公司供應若干原材料	
		(i)	12,707

Notes:

附註：

(i) On 28 December, 2005, Ordino, Xue Hua and the JV Company entered into an agreement ("Raw Materials Purchase Agreement") in respect of the supply of certain raw materials ("Raw Materials") by Xue Hua to the JV Company. The Raw Materials Purchase Agreement has taken effect from the date of approval by the relevant authority in the PRC on 14 December 2005 for a period of 3 years.

(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（「原材料採購協議」）。原材料採購協議已於二零零五年十二月十四日（即中國有關機關作出批准之日）生效為期三年。

Report of the Directors (continued) 董事會報告(續)

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 the Technology Services Agreement) or RMB60,570,000 (which excludes the service fees payable under the Technology Services Agreement).

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.

The annual aggregate amount of the Raw Materials to be purchased by the JV Company from Xue Hua will not exceed the maximum cap of RMB120,000,000 for each of the three financial years ending 31 December 2008.

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GA產品每年超過25,000噸，則(以下較低者)(a)平均每噸該等GA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GA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(不包括根據技術服務協議應付之服務費)。

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，則雪花有權向聯營公司申索合理賠償。

於截至二零零八年十二月三十一日止三個財政年度各年，合營公司向雪花採購原材料之全年總金額將不會超過人民幣120,000,000元的上限。

Report of the Directors (continued) 董事會報告(續)

The directors, including the independent non-executive directors, of the Company have reviewed the continuing connected transactions of the Company and confirmed that:

- (a) the 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.

本公司董事(包括獨立非執行董事)已審閱上述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。

Report of the Directors (continued) 董事會報告(續)

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, 2007, 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，於二零零七年十二月三十一日，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 名稱	Number of ordinary shares in which interested (other than under equity derivatives) 擁有權益之普通股數目 (股本衍生工具除外)	Percentage of issued shares of the Company 佔本公司已 發行股份百分比
Billion Power Limited ("Billion Power")	460,237,609 (Note 1) (附註1)	30.45%
Taiwan Vedan 台灣味丹	460,237,609 (Note 1) (附註1)	30.45%
King International Limited ("King International")	169,730,196 (Note 2) (附註2)	11.15%
Concord Worldwide Holdings Limited ("Concord Worldwide")	127,297,646 (Note 3) (附註3)	8.36%
High Capital Investments Limited ("High Capital")	127,297,646 (Note 4) (附註4)	8.36%

Notes:

- 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.
- The capacity of King International in holding the 169,730,196 shares was as beneficial owner.
- The capacity of Concord Worldwide in holding the 127,297,646 shares was as beneficial owner.
- The capacity of High Capital in holding the 127,297,646 shares was as beneficial owner.

附註：

- 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。
- King International乃以實益持有人身份持有169,730,196股股份。
- Concord Worldwide乃以實益擁有人身份持有127,297,646股股份。
- High Capital乃以實益擁有人身份持有127,297,646股股份。

Report of the Directors (continued) 董事會報告(續)

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, no other person (not being a Director or chief executives of the Company) who 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 who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.

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.

Since Messrs. Yang, Tou-Hsiung 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

15 April 2008

除上文所披露者外，據董事或本公司最高行政人員所知，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，或直接或間接擁有附有權利於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值5%或以上權益或持有該等股本之購股權。

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、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構成競爭。

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。

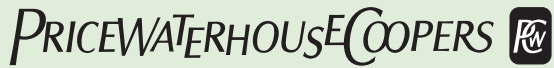
承董事會命

楊坤祥

董事兼行政總裁

二零零八年四月十五日

Independent Auditor's Report 獨立核數師報告



羅兵咸永道會計師事務所

PricewaterhouseCoopers
22nd Floor, Prince's Building
Central, Hong Kong**TO THE SHAREHOLDERS OF
VEDAN INTERNATIONAL (HOLDINGS) LIMITED**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Vedan International (Holdings) Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 50 to 113, which comprise the consolidated and company balance sheets as at 31 December 2007, 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.

Directors' responsibility for the financial statements

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.

Auditor's responsibility

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.

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.

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)

本核數師(以下簡稱「我們」)已審核列載於第50頁至第113頁味丹國際(控股)有限公司(「貴公司」)及其子公司(以下合稱「集團」)的綜合財務報表，當中包括於二零零七年十二月三十一日之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。

董事就財務報表須承擔的責任

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。

核數師的責任

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。

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。

Independent Auditor's Report (continued) 獨立核數師報告(續)

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 judgement, 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 2007 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, 15 April 2008

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的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公司及集團於二零零七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
香港執業會計師

香港，二零零八年四月十五日

Consolidated Balance Sheet 綜合資產負債表

As at 31 December 2007 二零零七年十二月三十一日

		Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
ASSETS	資產			
Non-current assets	非流動資產			
Land use rights	土地使用權	6	6,320	6,038
Property, plant and equipment	物業、廠房及設備	7	197,848	211,688
Intangible assets	無形資產	8	17,527	18,127
Held-to-maturity financial assets	持有至到期之金融資產	11	3,295	3,361
			224,990	239,214
Current assets	流動資產			
Trade receivables	應收貿易賬款	12	42,063	38,150
Inventories	存貨	13	56,170	65,520
Prepayments and other receivables	預付款項及其他應收款項		6,905	6,312
Tax recoverable	可收回稅項		6	980
Cash and cash equivalents	現金及現金等價物	14	17,706	17,282
			122,850	128,244
Total assets	資產總值		347,840	367,458
EQUITY	權益			
Capital and reserves attributable to the Company's equity holders	本公司股權持有人應佔資本及儲備			
Share capital	股本	15	15,228	15,228
Reserves	儲備			
– Proposed final dividend	– 建議末期股息	16, 25	4,432	2,432
– Others	– 其他	16	233,471	222,602
			253,131	240,262
Minority interest	少數股東權益		4,585	3,722
Total equity	權益總額		257,716	243,984

The notes on pages 56 to 113 are an integral part of these consolidated financial statements.

載於第56至113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 2007 二零零七年十二月三十一日

		Note	2007	2006
		附註	US\$'000	US\$'000
			千美元	千美元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Long-term bank borrowings	長期銀行貸款	18	15,621	21,336
Deferred income tax	遞延所得稅	19	10,544	11,449
Long-term payable to a related party	應付有關連人士之長期款項	33(c)	9,393	11,023
Post-employment obligations	離職後責任		728	870
			36,286	44,678
Current liabilities	流動負債			
Trade payables	應付貿易賬款	17	13,215	17,116
Accruals and other payables	應計費用及其他應付款項		10,279	9,376
Due to a related party	應付有關連人士款項	33(c)	301	258
Bank overdraft – unsecured	銀行透支 – 無抵押		382	–
Short-term bank borrowings	短期銀行貸款			
– Secured	– 有抵押	18	–	4,421
– Unsecured	– 無抵押	18	18,969	36,399
Current portion of long-term bank borrowings	長期銀行借貸的即期部份	18	10,506	11,162
Taxation payable	應付稅項		186	64
			53,838	78,796
Total liabilities	負債總額		90,124	123,474
Total equity and liabilities	權益及負債總額		347,840	367,458
Net current assets	流動資產淨值		69,012	49,448
Total assets less current liabilities	總資產減流動負債		294,002	288,662

YANG, Tou-Hsiung
楊頭雄
Director
董事

WANG, Joel J
王肇樹
Director
董事

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載於第56至113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 2007 二零零七年十二月三十一日

		Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
ASSETS	資產			
Non-current assets	非流動資產			
Investment in subsidiaries, at cost	對附屬公司投資(按成本)	9	170,390	170,390
Long-term loan to a subsidiary	給予一間附屬公司之 長期貸款	9	10,500	–
Intangible assets	無形資產	8	8,664	9,873
			189,554	180,263
Current assets	流動資產			
Due from subsidiaries	應收附屬公司款項	10	51,895	60,525
Prepayments and other receivables	預付款項及其他應收款項		341	94
Cash and cash equivalents	現金及現金價物	14	1,087	825
			53,323	61,444
Total assets	資產總值		242,877	241,707
Capital and reserves attributable to the Company's equity holders	本公司股權持有人 應佔資本及儲備			
Share capital	股本	15	15,228	15,228
Reserves	儲備			
– Proposed final dividend	– 建議末期股息	16, 25	4,432	2,432
– Others	– 其他	16	204,487	202,577
Total equity	權益總額		224,147	220,237
LIABILITIES	負債			
Non-current liability	非流動負債			
Long-term payable to a related party	應付有關連人士 之長期款項	33(c)	9,393	11,023
Current liabilities	流動負債			
Accruals and other payables	應計費用及其他應付款項		3,046	1,835
Short-term bank borrowings – unsecured	短期銀行借貸 – 無抵押	18	6,291	8,612
			9,337	10,447
Total liabilities	負債總額		18,730	21,470
Total equity and liabilities	權益及負債總額		242,877	241,707
Net current assets	流動資產淨值		43,986	50,997
Total assets less current liabilities	總資產減流動負債		233,540	231,260

YANG, Tou-Hsiung
楊頭雄
Director
董事

WANG, Joel J
王肇樹
Director
董事

The notes on pages 56 to 113 are an integral part of these consolidated financial statements.
載於第56至113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 2007 截至二零零七年十二月三十一日止年度

		Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
Turnover	營業額	20	317,431	290,695
Cost of sales	銷售成本	21	(256,845)	(237,222)
Gross profit	毛利		60,586	53,473
Other gains – net	其他收益淨額	20	2,413	2,188
Selling and distribution expenses	銷售及分銷開支	21	(16,907)	(16,058)
Administrative expenses	行政開支	21	(20,990)	(19,010)
Operating profit	經營盈利		25,102	20,593
Finance costs	融資成本	22	(4,364)	(5,831)
Profit before income tax	未計所得稅前盈利		20,738	14,762
Income tax expense	所得稅開支	23	(4,878)	(3,827)
Profit for the year	本年度盈利		15,860	10,935
Attributable to:	以下項目應佔：			
– equity holders of the Company	– 本公司股權持有人		16,856	10,915
– minority shareholder	– 少數股東權益		(996)	20
			15,860	10,935
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	26	1.11	0.72
Diluted earnings per share	每股攤薄盈利	26	1.10	0.72
Dividends (in US\$'000)	股息 (千美元)	25	8,422	5,458

The notes on pages 56 to 113 are an integral part of these consolidated financial statements.
載於第56至113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 2007 截至二零零七年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司股權持有人應佔						
		Share capital	Share premium	Exchange reserve	Merger reserve	Retained earnings	Minority interest	Total
		股本	股份溢價	匯兌儲備	合併儲備	保留盈利	權益	總計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元	千美元	千美元
At 1 January 2006	二零零六年一月一日	15,228	47,358	4,170	79,994	86,305	3,600	236,655
Profit for the year	本年度盈利	-	-	-	-	10,915	20	10,935
Dividends	股息	-	-	-	-	(4,734)	-	(4,734)
Exchange translation differences	匯兌差額	-	-	1,026	-	-	102	1,128
At 31 December 2006 and 1 January 2007	二零零六年十二月三十一日及於二零零七年一月一日	15,228	47,358	5,196	79,994	92,486	3,722	243,984
Profit/(loss) for the year	本年度溢利/(虧損)	-	-	-	-	16,856	(996)	15,860
Dividends	股息	-	-	-	-	(6,422)	-	(6,422)
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
Exchange translation differences	匯兌差額	-	-	2,435	-	-	299	2,734
At 31 December 2007	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

The notes on pages 56 to 113 are an integral part of these consolidated financial statements.

載於第56至113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 2007 截至二零零七年十二月三十一日止年度

	Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
Cash flows from operating activities	經營業務現金流量		
Cash generated from operations	業務產生的現金	30	30,126
Interest paid	已付利息	(3,880)	(5,103)
Income taxes paid	已付所得稅	(4,687)	(4,122)
Net cash generated from operating activities	經營業務產生的現金流入淨額	47,109	20,901
Cash flows from investing activities	投資活動產生的現金		
Purchase of property, plant and equipment	收購物業、廠房及設備	7	(21,997)
Purchase of intangibles	收購無形資產	8	-
Purchase of land use rights	收購土地使用權	-	(394)
Interest received from held-to-maturity financial assets	已收持有至到期之金融資產之利息	314	251
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	30	23
Net cash used in investing activities	投資活動所用現金淨額	(11,685)	(22,117)
Cash flows from financing activities	融資活動產生的現金流量		
Dividends paid	已付股息	(6,422)	(4,734)
Contribution from a minority shareholder	少數股東出資	1,560	3,600
Net change in short-term bank borrowings	短期銀行借貸淨變動	(21,851)	(781)
New long-term bank borrowings raised	新增長期銀行借貸	4,792	2,792
Repayment of long-term bank borrowings	償還長期銀行借貸	(11,163)	(8,346)
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」)的長期退付款	(2,145)	(2,123)
Net cash used in financing activities	融資活動所用現金淨額	(35,229)	(9,592)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	195	(10,808)
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物的匯兌(虧損)/收入	(153)	103
Cash and cash equivalents at 1 January	一月一日的現金及現金等價物	17,282	27,987
Cash and cash equivalents at 31 December	十二月三十一日的現金及現金等價物	17,324	17,282
Analysis of balance of cash and cash equivalents:	現金及現金等價物的結餘分析：		
Bank balances and cash	銀行結餘及現金	14	17,282
Bank overdrafts	銀行透支	(382)	-
		17,324	17,282

The notes on pages 56 to 113 are an integral part of these consolidated financial statements.

載於第56至113頁的附註乃構成綜合財務報表的一部份。

Notes to the Consolidated Financial Statements 財務報表附註

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 US dollars (US\$), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 15 April 2008.

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

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工業用品，包括化工澱粉、葡萄糖糖漿、味精、梳打、酸及飲料。味丹國際的產品銷售予越南及其他東盟國家、中華人民共和國(「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。

本公司為一家在開曼群島註冊成立之有限公司，其註冊辦事處之地址為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第一上市地位。

除另有列明外，此等綜合財務報表以美元呈列。此等綜合財務報表已於二零零八年四月十五日獲董事會批准。

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

味丹國際(控股)有限公司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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

2 Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)**

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.

(a) *The following new standards, amendment to standards and interpretation are mandatory for financial year ended 31 December 2007*

- HKAS 1 Amendment – Presentation of Financial Statements – Capital Disclosures;
- HKFRS 7 – Financial Instruments: Disclosures;
- HK(IFRIC)-Int 7 – Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies;
- HK(IFRIC)-Int 8 – Scope of HKFRS 2;
- HK(IFRIC)-Int 9 – Reassessment of Embedded Derivatives; and
- HK(IFRIC)-Int 10 – Interim Financial Reporting and Impairment.

The adoption of the above standards, amendment and interpretations did not have any significant financial impact to the Group. The adoption of HKAS 1 (Amendment) and HKFRS 7 has resulted in additional disclosures on capital disclosures and sensitivity analysis on financial risks.

2. 主要會計政策概要(續)**2.1 編製基準(續)**

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。

(a) *以下新準則、準則之修訂及詮釋於截至二零零七年十二月三十一日止財政年度強制執行。*

- 香港會計準則第1號(經修訂) – 財務報表呈列 – 資本披露
- 香港財務報告準則第7號 – 金融工具：披露
- 香港(國際財務報告詮釋委員會) – 詮釋第7號，應用香港會計準則第29號下於惡性通貨膨脹經濟之重列法
- 香港(國際財務報告詮釋委員會) – 詮釋第8號，香港財務報告準則第2號之範圍
- 香港(國際財務報告詮釋委員會) – 詮釋第9號，重估嵌入式衍生工具；及
- 香港(國際財務報告詮釋委員會) – 詮釋第10號，中期財務報告及減值。

採納以上準則、修訂及詮釋並未對本集團造成重大財務影響。採納香港會計準則第1號(經修訂)及香港財務報告準則第7號令本集團須作出有關資本披露及財務風險敏感度分析的額外披露。

2 Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)**

(b) The Group has not early adopted the following new/ revised standards or interpretations that have been issued but are not yet effective. The directors are currently assessing the impact on their adoption.

- HKAS 1 (Revised) – Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009);
- HKAS 23 (Revised) – Borrowing Costs (effective for annual periods beginning on or after 1 January 2009);
- HKAS 27 (Revised) – Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009);
- HKFRS 2 Amendment – Share-based Payment Vesting Conditions and Cancellations (effective from 1 January 2009);
- HKFRS 3 (Revised) – Business Combinations (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009);

2. 主要會計政策概要(續)**2.1 編製基準(續)**

(b) 本集團已提早採納以下已頒佈但尚未生效之新訂／經修訂準則或詮釋。董事目前正評估採納予以採納所帶來之影響。

- 香港會計準則第1號(經修訂) – 財務報表呈列(於二零零九年一月一日或之後開始的年度期間生效)；
- 香港會計準則第23號(經修訂) – 借貸成本(於二零零九年一月一日或之後開始的年度期間生效)；
- 香港會計準則第27號(經修訂) – 綜合及獨立財務報表(於二零零九年七月一日或之後開始的年度期間生效)；
- 香港財務報告準則第2號(修訂本) – 以股份為基礎付款之歸屬條件及註銷(於二零零九年一月一日生效)；
- 香港財務報告準則第3號(經修訂) – 業務合併(適用於收購日期為於二零零九年七月一日或之後開始之首個年度報告期間或之後之業務合併)；

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

2 Summary of significant accounting policies (continued)**2.1 Basis of preparation (continued)**

(b) (continued)

- HKFRS 8 – Operating Segments (effective for annual periods beginning on or after 1 January 2009);
- HK(IFRIC)-Int 11, HKFRS 2 – Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007);
- HK(IFRIC)-Int 12, Services Concession Arrangements (effective for annual periods beginning on or after 1 January 2008);
- HK(IFRIC)-Int 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008); and
- HK(IFRIC)-Int 14, HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

2. 主要會計政策概要(續)**2.1 編製基準(續)**

(b) (續)

- 香港財務報告準則第8號 – 營運分部(於二零零九年一月一日或之後開始之年度期間生效)；
- 香港(國際財務報告詮釋委員會) – 詮釋第11號，香港財務報告準則第2號 – 集團及庫存股份交易(於二零零七年三月一日或之後開始之年度期間生效)；
- 香港(國際財務報告詮釋委員會) – 詮釋第12號，服務經營權安排(於二零零八年一月一日或之後開始之年度期間生效)；
- 香港(國際財務報告詮釋委員會) – 詮釋第13號，客戶忠誠計劃(於二零零八年七月一日或之後開始之年度期間生效)；及
- 香港(國際財務報告詮釋委員會) – 詮釋第14號，香港會計準則第19號 – 界定利益資產之限制、最低資金需要及其相互關係(於二零零八年一月一日或之後開始之年度期間生效)。

2 Summary of significant accounting policies (continued)

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.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as 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.

2. 主要會計政策概要(續)

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。

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。

2 Summary of significant accounting policies (continued)**2.2 Consolidation (continued)***(a) Subsidiaries (continued)*

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary 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 and 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.

2.3 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. 主要會計政策概要(續)**2.2 綜合(續)***(a) 附屬公司(續)*

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，除非交易有證據顯示所轉讓資產出現減值。本公司對附屬公司之會計政策在必要情況下已予修訂，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的差額。

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 Summary of significant accounting policies (continued)

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 US dollars, 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. 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 income statement, except when deferred in equity as qualifying cash flow hedges or qualifying net investment hedges.

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.

2. 主要會計政策概要(續)

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。

(b) 交易及結餘

外幣交易均按交易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。

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。

2 Summary of significant accounting policies (continued)**2.4 Foreign currency translation (continued)***(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, and of borrowings and other currency instruments designated as hedges of such investments, 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.

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. 主要會計政策概要(續)**2.4 外幣換算(續)***(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和折算被指定為此等投資之對沖工具之借貸及其他貨幣工具而產生之匯兌差異,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。

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 Summary of significant accounting policies (continued)

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.

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. 主要會計政策概要(續)

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。

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 Summary of significant accounting policies (continued)**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. Separately recognised goodwill is tested annually 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. The Group allocates goodwill to each business segment in each country in which it operates (Note 2.7).

(b) Trademarks and brand names

Acquired trademarks and brand names are shown at historical cost. 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 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)**2.6 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。分開確認之商譽乃每年進行減值測試，並按成本減累計減值虧損而列賬。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。本集團將商譽分配至其業務所在國家之各個業務分類中(附註2.7)。

(b) 商標及品牌

收購的商標及品牌乃按歷史成本呈列。商標及品牌具有有限定可使用年期，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 or have not yet been available for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation 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). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.8 Financial assets

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 in the balance sheet (Note 2.10).

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毋須攤銷，但須每年測試減值。須攤銷之資產須在遇上有事件顯示或情況有變而顯示其賬面值或許不能收回時，測試有否減值。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

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)。

2 Summary of significant accounting policies (continued)

2.8 Financial assets (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.

Loans and receivables and held-to-maturity financial assets are carried at amortised cost using the effective interest method. 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)

(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。

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。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 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 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值確認，而其後則採用實際利率法按已攤銷成本計量。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

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 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 Deferred income tax

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 遞延所得稅

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) Profit-sharing and bonus plans

The Group recognises a liability and an expense for bonuses and profit-sharing, 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. 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12個月支付的福利貼現為現值。

(c) 分享溢利及花紅計劃

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），就花紅及分享溢利確認負債及開支。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 Summary of significant accounting policies (continued)

2.17 Revenue 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.

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

Sale of goods is 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.

2. 主要會計政策概要(續)

2.17 收益確認

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。

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。

2 Summary of significant accounting policies (continued)**2.17 Revenue recognition (continued)***(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) Technology support income

The Group renders technology support pursuant to a technology support agreement. Revenue is recognised when the conditions attaching to the technology support agreement have been fulfilled.

(e) Dividend income

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

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. 主要會計政策概要(續)**2.17 收益確認(續)***(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) 技術支援收入

本集團根據技術支援協議提供技術支援。收入乃於技術支援協議附帶條件獲履行時確認。

(e) 股息收入

在確立收取股息款項時，股息收入予以確認。

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。

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks: market risk (including currency risk, cash flow and fair value 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.

Fund management is carried out by a Treasury Department that reports to the Chief Finance Officer. Risk management decisions are made in monthly fund management meetings, which include members of senior management.

(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 dollars. 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.

At 31 December 2007, if Vietnam Dong had weakened/strengthened by 1% against the US dollars with all other variable held constant, post-tax profit for the year would have been US\$220,000 (2006: US\$176,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of Vietnam Dong-denominated trade receivables and cash and bank balances, and foreign exchange gains/losses on translation of Vietnam Dong-denominated trade payables.

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、現金流量及公平值利率風險)、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。

資金管理乃由一個向財務總監匯報的資金部負責。風險管理乃於每月資金管理會議上作出，其成員包括高級管理層。

(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。

於二零零七年十二月三十一日，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220,000美元(二零零六年：176,000美元)，主要來自換算以越南盾計算之貿易應收賬款及現金及銀行結餘產生之匯兌虧損/收益以及換算以越南盾計算之貿易應付賬款之匯兌收益/虧損。

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

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

As the Group has no significant interest-bearing assets apart from bank balance, 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 2007, 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\$288,000 (2006: US\$340,000) lower/higher, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. For banks and financial institutions, the Group only uses banks and financial institutions with good reputation. For customers, the Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history. The Group has a risk control department 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 in accordance with limits set by the credit committee and approved by the Board of Directors. 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)

(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。

於二零零七年十二月三十一日，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288,000美元(二零零六年：340,000美元)，主要由於浮息借款之利率開支增加/減少。

(b) 信貸風險

信貸風險按組別形式處理。信貸風險來自現金及現金等價物以及存於銀行及財務機構之存款，以及承受客戶之信貸風險，包括未清償之應收款項以及承諾交易。就銀行及財務機構而言，本集團僅利用具良好信譽之銀行及財務機構。至於客戶方面，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。本集團設有風險監控部，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。本集團會根據信貸委員會設定並由董事會批准的上限，按內部及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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

3 Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Treasury Department aims at maintaining flexibility in funding by keeping committed credit lines available.

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. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

審慎之流動資金風險管理包括維持充足之現金，以及透過已承諾信貸融資的足夠額度備有資金。資金部致力透過已承諾的可用信貸額度維持資金的靈活性。

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。由於折現之影響並不重大，於十二個月內到期之結餘相等於其賬面結餘。

		Less than 1 year 一年內 US\$'000 千美元	Between 1 and 2 years 一年至兩年 US\$'000 千美元	Between 2 and 5 years 兩年至五年 US\$'000 千美元	Over 5 years 超過五年 US\$'000 千美元
Group	本集團				
At 31 December 2007	於二零零七年十二月三十一日				
Bank borrowings	銀行借貸	29,475	7,081	8,540	-
Trade payables	應付貿易賬款	13,215	-	-	-
Long-term payable to a related party	應付有關連人士之 長期款項	2,145	2,145	6,435	2,144
At 31 December 2006	於二零零六年十二月三十一日				
Bank borrowings	銀行借貸	51,982	10,506	10,830	-
Trade payables	應付貿易賬款	17,116	-	-	-
Long-term payable to a related party	應付有關連人士之 長期款項	2,145	2,145	6,435	4,289
Company	本公司				
At 31 December 2007	於二零零七年十二月三十一日				
Bank borrowings	銀行借貸	6,291	-	-	-
Long-term payable to a related party	應付有關連人士之 長期款項	2,145	2,145	6,435	2,144
At 31 December 2006	於二零零六年十二月三十一日				
Bank borrowings	銀行借貸	8,612	-	-	-
Long-term payable to a related party	應付有關連人士之 長期款項	2,145	2,145	6,435	4,289

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 2007, the Group's strategy, which was unchanged from 2006, was to maintain a minimal gearing ratio. The gearing ratios at 31 December 2006 and 2007 were as follows:

		Group 本集團	
		2007 US\$'000 千美元	2006 US\$'000 千美元
Total borrowings (note 18)	總借款(附註18)	45,096	73,318
Equity holders' equity	權益持有人之權益	253,131	240,262
Gearing ratio	資產負債比率	18%	31%

The decrease in the gearing ratio during 2007 resulted primarily from repayment of bank borrowings.

3.3 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are a reasonable approximation of 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。

於二零零七年，本集團之策略與二零零六年所採納者貫徹一致，乃維持資產負債比率於最低水平。於二零零六年及二零零七年十二月三十一日之資產負債比率如下：

資產負債比率於二零零七年減少主要由於償還銀行借貸借款。

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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

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.

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

The useful lives of property, plant and equipment and intangible assets are assessed by management annually. The assessment requires the use of judgement and estimates.

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。

(c) 物業、廠房及設備和無形資產的使用年限

管理層每年評估物業、廠房及設備和無形資產的使用年限。該等評估需要作出判斷及估計。

4 Critical accounting estimates and judgements (continued)

4.1 Critical accounting estimates and assumptions (continued)

(d) *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 income tax and deferred tax provisions in the periods in which such determination are made.

Deferred 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) *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所得稅及遞延稅項撥備。

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稅項資產及稅項虧損。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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

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.

(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

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Vietnam	越南	159,290	151,419
The PRC	中國	52,047	44,751
Japan	日本	47,492	53,191
Taiwan	台灣	9,264	10,607
ASEAN member countries (other than Vietnam)	東盟國家 (越南除外)	34,794	25,158
Other regions	其他地區	14,544	5,569
		317,431	290,695

5. 分部分析

分部資料以本集團的業務及地區分類而呈報。業務分部資料為主要呈報形式，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。

(b) 地區分部

以地區分部呈報資料時，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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

5 Segmental analysis (continued)

(b) Geographical segment (continued)

(ii) Capital expenditures

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam	越南	9,870	8,811
The PRC	中國	2,810	13,540
Taiwan	台灣	-	40
		12,680	22,391

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.

資本開支乃根據資產所在地而分配。

資本開支包括對土地使用權、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。

(iii) Total assets

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam	越南	280,961	308,925
The PRC	中國	65,139	56,728
Hong Kong	香港	550	763
Taiwan	台灣	1,126	173
Singapore	新加坡	64	869
		347,840	367,458

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

資產總值乃根據資產所在地而分配。

5. 分部分析(續)

(b) 地區分部(續)

(ii) 資本開支

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam	越南	9,870	8,811
The PRC	中國	2,810	13,540
Taiwan	台灣	-	40
		12,680	22,391

資本開支乃根據資產所在地而分配。

資本開支包括對土地使用權、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。

(iii) 資產總值

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam	越南	280,961	308,925
The PRC	中國	65,139	56,728
Hong Kong	香港	550	763
Taiwan	台灣	1,126	173
Singapore	新加坡	64	869
		347,840	367,458

資產總值乃根據資產所在地而分配。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

6 Land use rights

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

		2007 US\$'000 千美元	2006 US\$'000 千美元
Held outside Hong Kong	在香港以外持有		
Leases of between 10 and 50 years	租約由十年至五十年	6,320	6,038

		2007 US\$'000 千美元	2006 US\$'000 千美元
Opening	期初	6,038	5,583
Additions	增加	-	394
Exchange difference	匯兌差額	417	186
Amortisation of prepaid operating lease payment	營業租約預繳費用的攤銷	(135)	(125)
		6,320	6,038

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 are 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. Bank borrowings in 2006 were secured on certain land use rights for the carrying amount of US\$388,000 (Note 34) and the pledge was released during the year.

6. 土地使用權

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。於二零零六年之銀行借貸以賬面值388,000美元的若干土地使用權作為抵押(附註34)，而有關抵押已於本年度解除。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

7 Property, plant and equipment

7. 物業、廠房及設備

		Construction in progress 在建工程 US\$'000 千美元	Properties 物業 US\$'000 千美元	Plant and machinery 廠房 US\$'000 千美元	Office equipment and other fixed assets 辦公室 設備及其他 固定資產 US\$'000 千美元	Motor vehicles 汽車 US\$'000 千美元	Total 合計 US\$'000 千美元
At 1 January 2006	二零零六年一月一日						
Cost	成本	11,629	76,174	318,783	30,054	7,778	444,418
Accumulated depreciation	累積折舊	-	(28,503)	(167,178)	(26,532)	(6,018)	(228,231)
Net book amount	賬面淨額	11,629	47,671	151,605	3,522	1,760	216,187
Year ended 31 December 2006	截至二零零六年 十二月三十一日止年度						
Opening net book amount	年初賬面淨額	11,629	47,671	151,605	3,522	1,760	216,187
Exchange differences	匯兌差額	-	290	319	12	10	631
Additions	添置	8,070	2,017	10,858	526	526	21,997
Transfer	轉讓	(18,703)	3,073	13,444	2,169	17	-
Disposals	出售	-	-	(8)	(48)	(25)	(81)
Depreciation	折舊	-	(3,766)	(21,942)	(812)	(526)	(27,046)
Closing net book amount	年末賬面淨額	996	49,285	154,276	5,369	1,762	211,688
At 31 December 2006	二零零六年十二月三十一日						
Cost	成本	996	81,593	343,495	32,687	8,069	466,840
Accumulated depreciation	累積折舊	-	(32,308)	(189,219)	(27,318)	(6,307)	(255,152)
Net book amount	賬面淨額	996	49,285	154,276	5,369	1,762	211,688
Year ended 31 December 2007	截至二零零七年 十二月三十一日止年度						
Opening net book amount	期初賬面淨額	996	49,285	154,276	5,369	1,762	211,688
Exchange differences	匯兌差異	8	704	1,260	23	27	2,022
Additions	添置	9,365	278	1,751	58	814	12,266
Transfer	轉讓	(2,752)	745	1,881	126	-	-
Disposals	出售	-	(1)	(28)	(22)	(27)	(78)
Depreciation	折舊	-	(3,894)	(22,802)	(831)	(523)	(28,050)
Closing net book amount	期末賬面淨額	7,617	47,117	136,338	4,723	2,053	197,848
At 31 December 2007	二零零七年十二月三十一日						
Cost	成本	7,617	83,127	347,239	30,621	8,518	477,122
Accumulated depreciation	累積折舊	-	(36,010)	(210,901)	(25,898)	(6,465)	(279,274)
Net book amount	賬面淨額	7,617	47,117	136,338	4,723	2,053	197,848

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

7 Property, plant and equipment (continued)

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

	2007 US\$'000 千美元	2006 US\$'000 千美元
Net book value of pledged property, plant and equipment (Note 34)	25,417	41,520

Depreciation expense of US\$27,648,000 (2006: US\$26,244,000) has been charged in cost of sales, US\$40,000 (2006: US\$42,000) in selling and distribution expenses and US\$362,000 (2006: US\$760,000) in administrative expenses respectively.

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27,648,000美元(二零零六年：26,244,000美元)、40,000美元(二零零六年：42,000美元)和362,000美元(二零零六年：760,000美元)已分別於銷售成本、銷售及分銷開支以及行政開支中扣除。

8 Intangible assets

		Group 本集團				Company 本公司	
		Goodwill 商譽	Software 軟件	Brand name 品牌	Trademarks 商標	Total 合計	Trademarks 商標
		US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	
At 1 January 2006	二零零六年一月一日	8,159	-	-	11,082	11,082	
Transfer from goodwill	轉讓自商譽	(1,142)	-	1,142	-	-	
Exchange differences	匯兌差異	209	-	-	209	-	
Amortisation for the year	年內攤銷	-	-	(114)	(1,209)	(1,209)	
At 31 December 2006	二零零六年十二月三十一日	7,226	-	1,028	9,873	9,873	
At 1 January 2007	二零零七年一月一日	7,226	-	1,028	9,873	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)	(1,462)	(1,209)	
At 31 December 2007	二零零七年十二月三十一日	7,674	275	914	8,664	8,664	

Amortisation charge is included in administrative expenses.

8. 無形資產

攤銷列入行政開支。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

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.

		The PRC 中國	Vietnam 越南	
		MSG packaging 味精及 調味料包裝 US\$'000 千美元	MSG packaging 味精包裝 US\$'000 千美元	Total 合計 US\$'000 千美元
At 31 December 2007	二零零七年十二月三十一日	6,944	730	7,674
At 31 December 2006	二零零六年十二月三十一日	6,496	730	7,226

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use 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

Gross margin	13.3% – 14.4%
Growth rate	0% – 3.0%
Discount rate	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：

毛利	13.3%-14.4%
增長率	0.0%-3.0%
折現率	10.4%

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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

9 Investments in subsidiaries

9. 對附屬公司投資

		2007 US\$'000 千美元	2006 US\$'000 千美元
Unlisted shares, at cost	非上市股份(按成本)	170,390	170,390
Long-term loan to a subsidiary (Note)	授予一間附屬公司長期貸款 (附註)	10,500	-
		180,890	170,390

Note:

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 directors regard the long-term loan as part of the net investment in the subsidiary as at 31 December 2007.

The following is a list of the principal subsidiaries at 31 December 2007:

附註：

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。於二零零七年十二月三十一日，董事視長期貸款為於附屬公司之投資淨額之一部份。

下列為於二零零七年十二月三十一日的主要附屬公司：

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

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

9 Investments in subsidiaries (continued)

9. 對附屬公司投資(續)

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Principal activities and place of operation 主要業務及 營運地點	Particulars of issued share capital 已發行 股本詳情	Interest held 持有權益
<i>Indirectly held:</i> 間接持有：				
Burghley Enterprise Pte., Ltd.	Singapore 新加坡	Investment holding in Singapore 在新加坡投資控股	S\$106,067,921 Ordinary shares 106,067,921新加坡元 普通股	100%
Ordino Investments Pte., Ltd.	Singapore 新加坡	Investment holding in Singapore 在新加坡投資控股	S\$34,944,929 Ordinary shares 34,944,929新加坡元 普通股	100%
Vedan (Vietnam) Enterprise Corporation Limited 味丹(越南)股份有限公司	Vietnam 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 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、穀氨酸、化工澱粉、 葡萄糖漿、梳打及酸並銷售出口	US\$118,300,000 Legal capital 118,300,000美元 法定股本	100%
Mao Tai Foods (Xiamen) Co., Ltd. 茂泰食品(廈門)有限公司	PRC 中國	Packaging and sale of MSG and beverages in the PRC 在中國包裝及銷售味精及飲料	US\$20,270,000 Registered capital 20,270,000美元 註冊資本	100%
Orsan Vietnam Co., Ltd.	Vietnam 越南	Packaging and sale of MSG in Vietnam 在越南包裝及銷售味精	US\$1,838,282 Legal capital 1,838,282美元 法定股本	100%

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

9 Investments in subsidiaries (continued)

9. 對附屬公司投資(續)

Name 名稱	Place/country of incorporation 註冊成立 地點/國家	Principal activities and place of operation 主要業務及 營運地點	Particulars of issued share capital 已發行 股本詳情	Interest held 持有權益
<i>Indirectly held: (continued)</i> 間接持有：(續)				
Shandong Vedan Snowflake Enterprise Co., Ltd. 山東雪花實業有限公司 (「山東雪花」)	PRC 中國	Manufacture and sale of MSG in the PRC 在中國生產及銷售味精	US\$12,000,000 Registered capital 12,000,000美元 註冊資本	70%
Shanghai Vedan Enterprise Co. Ltd. 上海味丹企業有限公司	PRC 中國	Packaging and sale of MSG in the PRC 在中國包裝及銷售味精	US\$9,800,000 Registered capital 9,800,000美元 註冊資本	100%
Veyu Enterprise Co., Ltd	Vietnam 越南	Manufacture and sale of cassava starch-based industrial products in Vietnam and for export 在越南製造及銷售木薯澱粉 工業產品並銷售出口	US\$2,300,000 Legal capital 2,300,000美元 法定股本	100%
Xiamen Darong Import & Export Trade Co., Ltd. 廈門大容進出口貿易 有限公司	PRC 中國	Trading of cassava starch-based industrial products in the PRC 在中國買賣木薯澱粉工業產品	US\$254,000 Registered capital 254,000美元 註冊資本	100%

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

10 Due from subsidiaries

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

11 Held-to-maturity financial assets

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.

12 Trade receivables

		2007 US\$'000 千美元	2006 US\$'000 千美元
Trade receivables from third parties	應收第三方貿易賬款	41,724	37,787
Trade receivables from related parties (Note 33(c))	應收有關連人士貿易賬款 (附註33(c))	339	363
		42,063	38,150

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:

		2007 US\$'000 千美元	2006 US\$'000 千美元
Current	即期	22,838	22,634
30-90 days	30至90天	18,890	14,917
91-180 days	91至180天	242	458
181-365 days	181至365天	31	141
Over 365 days	365天以上	62	-
		42,063	38,150

10. 應收附屬公司款項

應收附屬公司款項為無抵押及免息，且於催繳時償還。

11. 持有至到期之金融資產

持有至到期之金融資金包括由Dong Nai Province People's Committee of Vietnam於二零零五年三月三十日發出的五年建築債券。債券每年賺取利息8厘，並可於五年期滿時贖回。

12. 應收貿易賬款

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：

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

12 Trade receivables (continued)

As at 31 December 2007, trade receivables of US\$3,701,000 (2006: US\$9,165,000) 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 these past due but not impaired receivables is as follows:

		Group 本集團	
		2007 US\$'000 千美元	2006 US\$'000 千美元
Current to 3 months	即期至三個月	3,656	9,137
3 – 6 months	三個月至六個月	45	28
		3,701	9,165

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

本集團之應收貿易賬款之賬面值以下列貨幣計值：

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam Dong	越南盾	26,109	22,148
US dollar	美元	11,731	13,678
PRC Renminbi	中國人民幣	4,194	2,324
Others	其他	29	-
		42,063	38,150

13 Inventories**13. 存貨**

		2007 US\$'000 千美元	2006 US\$'000 千美元
Spare parts and consumables	零件及消耗品	3,967	2,975
Raw materials	原料	24,602	28,992
Work-in-progress	在製品	3,818	3,781
Finished products	製成品	23,783	29,772
		56,170	65,520

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

14 Cash and cash equivalents

Bank balances totaling US\$16,599,000 as at 31 December 2007 (2006: US\$16,437,000) were placed with banks in the PRC and Vietnam. The remittance of these funds out of the PRC and Vietnam is subject to the exchange restrictions imposed by the PRC and Vietnamese governments.

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

		Group 本集團		Company 本公司	
		2007 US\$'000 千美元	2006 US\$'000 千美元	2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam Dong	越南盾	6,470	5,276	-	-
US dollar	美元	6,394	7,267	983	713
PRC Renminbi	人民幣	4,738	4,627	-	-
Hong Kong dollar	港元	40	65	40	65
New Taiwan dollar	新台幣	64	47	64	47
		17,706	17,282	1,087	825

The effective interest rate of the bank overdraft as at 31 December 2007 was 6.25%.

14. 現金及現金等價物

於二零零七年十二月三十一日，銀行結餘合共16,599,000美元(二零零六年：16,437,000美元)已存入中國及越南的銀行。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。

本集團現金及現金等價物按以下貨幣計值：

於二零零七年十二月三十一日之銀行透支實際利率為6.25%。

15 Share capital

		Authorised ordinary shares 法定普通股		
		Par value US\$ 面值美元	Number of shares 股份數目	US\$'000 千美元
At 31 December 2006 and at 31 December 2007	二零零六年十二月三十一日及 二零零七年十二月三十一日	0.01	10,000,000,000	100,000

15. 股本

		Issued and fully paid ordinary shares 法定普通股		
		Par value US\$ 面值美元	Number of shares 股份數目	US\$'000 千美元
At 31 December 2006 and at 31 December 2007	二零零六年十二月三十一日及 二零零七年十二月三十一日	0.01	1,522,742,000	15,228

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

15 Share capital (continued)

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.

11,270,000 share options were exercised in September 2004. There was no other exercise of share options for the current and previous years. No share options (2006: 500,000) were cancelled during the year. Pre-IPO share options outstanding as at 31 December 2007 are as follows:

15. 股本(續)

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。

於二零零四年九月，11,270,000份購股權獲行使。於本年度及過往年度，並無購股權行使。於本年度，概無購股權被註銷(二零零六年：500,000)。截至二零零七年十二月三十一日，尚未行使的首次公開售股前購股權的條款如下：

Held by 由以下人士持有	Exercise Price 行使價	Number of options 購股權數目
Directors 董事	HK\$0.801 0.801港元	18,000,000

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

16 Reserves

(a) Group

16. 儲備

(a) 本集團

		Share premium 股份溢價 US\$'000 千美元	Exchange reserve 匯兌儲備 US\$'000 千美元	(Note) Merger reserve 合併儲備 (註) US\$'000 千美元	Retained earnings 保留盈利 US\$'000 千美元	Total 合計 US\$'000 千美元
At 1 January 2006	二零零六年一月一日	47,358	4,170	79,994	86,305	217,827
Profit for the year	本年度盈利	-	-	-	10,915	10,915
Dividends	已付股息	-	-	-	(4,734)	(4,734)
Exchange translation differences	匯兌差額	-	1,026	-	-	1,026
At 31 December 2006	二零零六年十二月三十一日	47,358	5,196	79,994	92,486	225,034
Representing:	即:					
2006 Final dividend proposed	建議派付的二零零六年 末期股息				2,432	
Others	其他				90,054	
Retained earnings as at 31 December 2006	二零零六年十二月三十一日 的保留盈利				92,486	
At 1 January 2007	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 differences	匯兌差額	-	2,435	-	-	2,435
At 31 December 2007	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 proposed	建議派付的二零零七年 末期股息				4,432	
Others	其他				98,488	
Retained earnings as at 31 December 2007	二零零七年十二月三十一日 的保留盈利				102,920	

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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

16 Reserves (continued)

(b) Company

16. 儲備(續)

(b) 本公司

		Exchange reserve 匯兌儲備 US\$'000 千美元	Share premium 股份溢價 US\$'000 千美元	Retained earnings 保留盈利 US\$'000 千美元	Total 合計 US\$'000 千美元
At 1 January 2006	二零零六年一月一日	(8)	194,098	2,945	197,035
Profit for the year	本年度盈利	-	-	12,704	12,704
Dividends	股息	-	-	(4,734)	(4,734)
Exchange translation differences	匯兌差額	4	-	-	4
<hr/>					
At 31 December 2006	二零零六年十二月三十一日	(4)	194,098	10,915	205,009
<hr/>					
Representing:	即:				
2006 Final dividend proposed	建議派付的二零零六年末期股息			2,432	
Others	其他			8,483	
Retained earnings as at 31 December 2006	二零零六年十二月三十一日 的保留盈利			10,915	
<hr/>					
At 1 January 2007	二零零七年一月一日	(4)	194,098	10,915	205,009
Profit for the year	本年度盈利	-	-	10,318	10,318
Dividends	股息	-	-	(6,422)	(6,422)
Exchange translation differences	匯兌差額	14	-	-	14
<hr/>					
At 31 December 2007	二零零七年十二月三十一日	10	194,098	14,811	208,919
<hr/>					
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			10,379	
Retained earnings as at 31 December 2007	二零零七年十二月三十一日 的保留盈利			14,811	

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。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

17 Trade payables

The ageing analysis of trade payables is as follows:

		2007 US\$'000 千美元	2006 US\$'000 千美元
Current	即期	11,688	15,299
30-90 days	30至90天	1,436	1,804
91-180 days	91至180天	89	9
181-365 days	181至365天	2	4
		13,215	17,116

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

		2007 US\$'000 千美元	2006 US\$'000 千美元
Vietnam Dong	越南盾	6,906	6,684
US dollar	美元	5,744	9,145
PRC Renminbi	人民幣	565	1,287
		13,215	17,116

17. 應付貿易賬款

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：

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

18 Bank borrowings

18. 銀行貸款

	Group 本集團		Company 本公司	
	2007	2006	2007	2006
	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Long-term bank borrowings 長期銀行貸款				
– secured (Note 34) – 有抵押(附註34)	21,335	32,498	–	–
– unsecured – 無抵押	4,792	–	–	–
Current portion of long-term bank borrowings 長期銀行貸款之即期部份	(10,506)	(11,162)	–	–
	15,621	21,336	–	–
Short-term bank borrowings 短期銀行貸款				
– secured (Note 34) – 有抵押(附註34)	–	4,421	–	–
– unsecured – 無抵押	18,969	36,399	6,291	8,612
	18,969	40,820	6,291	8,612

The Group's long-term bank borrowings were repayable as follows:

本集團的長期銀行貸款須於以下期間償還：

	Group 本集團		Company 本公司	
	2007	2006	2007	2006
	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
Within one year 一年	10,506	11,162	–	–
Between 1 and 2 years 一至二年	7,081	10,506	–	–
Between 2 and 5 years 二至五年	8,540	10,830	–	–
	26,127	32,498	–	–

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

18 Bank borrowings (continued)

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

		Within 1 month 一個月內 US\$'000 千美元	1 – 3 months 一至 三個月 US\$'000 千美元	3 – 6 months 三至 六個月 US\$'000 千美元	6 – 12 months 六至 十二個月 US\$'000 千美元	Total 合計 US\$'000 千美元
At 31 December 2006	二零零六年十二月					
Total borrowings	三十一日貸款總額	31,880	17,811	22,346	1,281	73,318
At 31 December 2007	二零零七年十二月					
Total borrowings	三十一日貸款總額	23,325	11,355	10,416	–	45,096

18. 銀行貸款(續)

受利率變化影響的本集團貸款及約定重新訂價日期如下：

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 1 month 一個月內 US\$'000 千美元	1 – 3 months 一至三個月 US\$'000 千美元	Total 合計 US\$'000 千美元	
At 31 December 2006	二零零六年十二月				
Total borrowings	三十一日貸款總額		5,300	3,312	8,612
At 31 December 2007	二零零七年十二月				
Total borrowings	三十一日貸款總額		2,500	3,791	6,291

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

18 Bank borrowings (continued)

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

	2007			2006		
	US	PRC	New	US	PRC	New
	dollar	Renminbi	Taiwan	dollar	Renminbi	Taiwan
	美元	人民幣	新台幣	美元	人民幣	新台幣
Bank borrowings 銀行貸款	6.3%	7.1%	3.5%	7.2%	6.6%	4.6%

18. 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:

於結算日期，本公司實際年利率如下：

	2007		2006	
	US	New	US	New
	dollar	Taiwan	dollar	Taiwan
	美元	新台幣	美元	新台幣
Bank borrowings 銀行貸款	5.9%	3.5%	5.3%	4.6%

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 本集團		Company 本公司	
	2007	2006	2007	2006
	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元	US\$'000 千美元
US dollar 美元	35,624	70,385	2,500	7,600
PRC Renminbi 人民幣	5,681	1,921	–	–
New Taiwan dollar 新台幣	3,791	1,012	3,791	1,012
	45,096	73,318	6,291	8,612

19 Deferred income tax

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:

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
At 1 January	一月一日	11,449	12,026
Credited to income statement (Note 23)	計入損益表(附註23)	(905)	(577)
At 31 December	十二月三十一日	10,544	11,449

Provided for in respect of:

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Accelerated tax depreciation	加速稅項折舊	11,243	12,017
Other temporary differences	其他暫時差額	(699)	(568)
		10,544	11,449

19. 遞延所得稅

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：

撥備有關於：

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

19 Deferred income tax (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

		Accelerated tax depreciation 加速稅項折舊	
		2007 US\$'000 千美元	2006 US\$'000 千美元
At 1 January	一月一日	12,017	12,700
Credited to income statement	計入損益表	(774)	(683)
At 31 December	十二月三十一日	11,243	12,017

Deferred income tax assets

		Other temporary differences 其他暫時差額	
		2007 US\$'000 千美元	2006 US\$'000 千美元
At 1 January	一月一日	(568)	(674)
(Credited)/charged to income statement	(計入)/在損益表扣除	(131)	106
At 31 December	十二月三十一日	(699)	(568)

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 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. 遞延所得稅(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**遞延所得稅資產**

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。

20 Turnover

- (a) 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 2007 and 2006 is US\$317,431,000 and US\$290,695,000 respectively.

(b) Other gains-net

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Net exchange gain	外匯收益淨值	816	38
Net loss from sale of electricity	出售電力淨虧損	(14)	(94)
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備收益／(虧損)	603	(58)
Sale of scrap materials	廢料銷售	489	334
Interest income from held-to-maturity financial assets	持有至到期之金融資產的利息收入	248	251
Technology support income	技術支援收入	-	941
Others	其他	271	776
		2,413	2,188

20. 營業額

- (a) 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。截至二零零七年及二零零六年十二月三十一日止年度的經確認營業額分別為317,431,000美元及290,695,000美元。

(b) 其他收益淨值

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

21 Expenses by nature

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

		2007 US\$'000 千美元	2006 US\$'000 千美元
Changes in inventories of finished goods and work-in-progress	製成品和在製品存貨變動	5,952	15,892
Raw materials and consumables used	已用原料和消耗品	213,713	190,941
Amortisation of intangible assets	無形資產攤銷	1,462	1,323
Amortisation of land use rights	土地使用權攤銷	135	125
Auditor's remuneration	核數師酬金	295	256
Depreciation on property, plant and equipment	物業、廠房及設備折舊	28,050	27,046
Operating leases expenses in respect of leasehold land	有關租賃土地經營租約的開支	149	125
Employee benefit expenses (Note 27)	僱員福利開支(附註27)	18,109	15,799
Other expenses	其他開支	26,877	20,783
Total cost of sales, selling and distribution expenses and administrative expenses	銷售成本、售賣及分銷開支及行政開支總額	294,742	272,290

21. 按性質分類的開支

銷售成本、售賣及分銷開支及行政開支所包括的開支分析如下：

22 Finance costs

		2007 US\$'000 千美元	2006 US\$'000 千美元
Interest expense on bank borrowings	銀行貸款利息開支	4,223	5,498
Amortisation of discount on long-term payable to a related party (Note 33(c))	長期應付一名有關連人士的折讓攤銷(附註33(c))	515	585
Interest income	利息收入	(374)	(252)
		4,364	5,831

22. 融資成本

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

23 Income tax expense

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

		2007 US\$'000 千美元	2006 US\$'000 千美元
Enterprise income tax ("EIT")	企業所得稅(「企業所得稅」)	5,764	4,004
Under provision of income tax in previous years	過往年度所得稅撥備不足	19	264
Deferred income tax (Note 19)	遞延所得稅(附註19)	(905)	(577)
Withholding tax	預扣稅	-	136
		4,878	3,827

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:

		2007 US\$'000 千美元	2006 US\$'000 千美元
Profit before Income tax	除所得稅前盈利	20,738	14,762
Calculated at taxation rate of 15% (2006: 15%)	按稅率15%計算 (二零零六年: 15%)	3,110	2,214
Expenses not deductible for tax purposes	不可扣減的評稅開支	1,052	1,144
Withholding tax	預扣稅	-	136
Effect of different tax rate	不同稅率之影響	(442)	(29)
Under provision of income tax in previous years	過往年度撥備不足	19	264
Utilisation of previously unrecognised tax losses	動用之前未確認稅務虧損	(187)	-
Tax losses for which no deferred income tax asset was recognised	無確認遞延所得稅資產的稅損	474	98
Taxation charge	稅項支出	4,878	3,827

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\$4,123,000 (2006: US\$2,210,000) to carry forward against future taxable income. These tax losses will expire in one to five years.

23. 所得稅開支

於綜合損益表內扣除的稅項包括：

本集團未計所得稅前盈利的所得稅與倘若採用本集團主要附屬公司一味丹(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：

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4,123,000美元(二零零六年：2,210,000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。

23 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 operations in the PRC range from 18% to 33%.

(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%.

24 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\$10,318,000 (2006: US\$12,704,000).

23. 所得稅開支(續)**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相關企業所得稅率介乎10%至25%，按附屬公司各自的投資許可證所規定。

(ii) 中華人民共和國(「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相關企業所得稅率介乎18%至33%。

(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。本集團在台灣業務相關企業所得稅率為25%。

24. 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10,318,000美元(二零零六年：12,704,000美元)。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

25 Dividends

		2007 US\$'000 千美元	2006 US\$'000 千美元
2007 Interim dividend of 0.26202 US cents (2006: 0.19872 US cents) per ordinary share, paid	已付二零零七年年中期股息 每股普通股0.26202美仙 (二零零六年: 0.19872美仙)	3,990	3,026
2007 Final dividend of 0.29105 US cents (2006: 0.15971 US cents) per ordinary share, proposed	建議派發二零零七年年末期股息 每股普通股0.29105美仙 (二零零六年: 0.15971美仙)	4,432	2,432
		8,422	5,458

25. 股息

26 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of US\$16,856,000 (2006: US\$10,915,000) by 1,522,742,000 (2006: 1,522,742,000) ordinary shares in issue during the year (Note 15).

Diluted earnings per share is calculated 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.

26. 每股盈利

每股基本盈利按本公司股權持有人應佔盈利16,856,000美元(二零零六年: 10,915,000美元)除以年內已發行普通股1,522,742,000(二零零六年: 1,522,742,000股)計算(附註15)。

每股攤薄盈利乃按假設行使所有尚未行使購股權而發行之普通股數目予以調整而計算。股份數目之計算為根據尚未行使購股權附有之認購權之貨幣價值，按公平值(以本公司股份之平均年度市場價格釐訂)購入之股份數目。根據上述計算得出之股份數目與假設行使首次公開售股前購股權而應已發行之股份數目比較。

		2007 US\$'000 千美元	2006 US\$'000 千美元
Profit attributable to equity holders of the Company	本公司股權持有人應佔盈利	16,856	10,915
Weighted average number of ordinary shares in issue (thousands)	已發行普通股加權平均數 (以千計)	1,522,742	1,522,742
Adjustments for outstanding share options (thousands)	尚未行使購股權調整 (以千計)	3,394	2,431
Weighted average number of ordinary shares for diluted earnings per share (thousands)	每股攤薄盈利之已發行 普通股加權平均數(以千計)	1,526,136	1,525,173
Diluted earnings per share (US cents per share)	每股攤薄盈利 (每股美仙)	1.10	0.72

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

27 Employee benefit expenses (including directors' remuneration) **27. 僱員成本(包括董事薪酬)**

		2007	2006
		US\$'000	US\$'000
		千美元	千美元
Wages, basic salaries and allowances	工資、底薪及津貼	14,574	13,266
Bonuses	花紅	1,634	917
Pension costs – defined contribution plans	退休金成本 – 定額供款計劃	903	796
Other employee benefits	其他僱員福利	998	820
		18,109	15,799

28 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 2007, the Group has contributed approximately US\$215,000 (2006: US\$153,000) to the aforesaid state-sponsored retirement plans.

As stipulated by rules and regulations in Vietnam, the Group contributes to stated-sponsored employees' social insurance scheme for its employees in Vietnam. The Group contributes to the scheme at a rate of 15% 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 2007, the Group has contributed approximately US\$584,000 (2006: US\$539,000) to the aforesaid state-sponsored social insurance scheme.

28. 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。截至二零零七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215,000美元(二零零六年：153,000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15%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。截至二零零七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584,000美元(二零零六年：539,000美元)。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

29 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:

		2007 US\$'000 千美元	2006 US\$'000 千美元
Fees	袍金	-	-
Basic salaries and allowances	底薪及津貼	1,435	1,421
Discretionary bonuses	酌情發放的花紅	1,575	873
		3,010	2,294

The emoluments of the directors of the Company fell within the following bands:

		Number of directors 董事數目	
		2007	2006
Nil to HK\$1,000,000 (approximately US\$128,000)	零至1,000,000港元 (約128,000美元)	5	6
HK\$2,000,001 to HK\$2,500,000 (approximately US\$256,001 to US\$320,000)	2,000,001港元至2,500,000港元 (約256,001美元至320,000美元)	2	2
HK\$3,000,001 to HK\$3,500,000 (approximately US\$384,001 to US\$448,000)	3,000,001港元至3,500,000港元 (約384,001美元至448,000美元)	1	1
HK\$3,500,001 to HK\$4,000,000 (approximately US\$448,001 to US\$513,000)	3,500,001港元至4,000,000港元 (約448,001美元至513,000美元)	-	1
HK\$5,000,001 to HK\$5,500,000 (approximately US\$641,001 to US\$705,000)	5,000,001港元至5,500,000港元 (約641,001美元至705,000美元)	1	-
HK\$7,000,001 to HK\$7,500,000 (approximately US\$897,001 to US\$960,000)	7,000,001港元至7,500,000港元 (約897,001美元至960,000美元)	-	1
HK\$10,000,001 to HK\$10,500,000 (approximately US\$1,280,001 to US\$1,344,000)	10,000,001港元至10,500,000港元 (約1,280,001美元至1,344,000美元)	1	-
		10	11

None of the directors of the Company waived any emoluments during the year (2006: Nil).

29. 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：

本公司董事的薪酬介乎以下範圍：

本年度本公司董事並無放棄任何薪酬(二零零六年：無)。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

29 Emoluments of directors and senior management (continued) 29. 董事及高級管理層的薪酬(續)

Name of Director	董事姓名	Fees	Salary	Discretionary bonuses	Other benefits (i)	Total
		袍金	薪金	酌情發放花紅	其他福利(i)	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Director	執行董事：					
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
Non-executive Director	非執行董事：					
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))	-	-	-	-	-
Independent non-executive Director	獨立非執行董事：					
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 to the Consolidated Financial Statements (continued) 財務報表附註(續)

29 Emoluments of directors and senior management (continued)

The remuneration of the directors of the Company for the year ended 31 December 2006 is set out below:

29. 董事及高級管理層的薪酬(續)

截至二零零六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	Salary	Discretionary bonuses	Other benefits(i)	Total
		袍金	薪金	酌情發放花紅	其他福利(i)	合計
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
		千美元	千美元	千美元	千美元	千美元
Executive Director	執行董事：					
Mr. Yang, Tou-Hsiung	楊頭雄先生	-	363	583	13	959
Mr. Yang, Cheng	楊正先生	-	200	250	13	463
Mr. Yang, Kun-Hsiang	楊坤祥先生	-	312	20	13	345
Mr. Yang, Chen-Wen	楊辰文先生	-	201	10	13	224
Mr. Wang, Joel J.	王肇樹先生	-	219	10	13	242
Non-executive Director	非執行董事：					
Mr. Chou, Sze-Cheng (Note (ii))	周錫程(附註ii)	-	-	-	9	9
Mr. Huang, Ching-Jung	黃景榮先生	-	-	-	13	13
Mr. Lam, Tuan (Note (ii))	林俊先生(附註ii)	-	-	-	3	3
Independent non-executive Director	獨立非執行董事：					
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	-	1,295	873	126	2,294

Notes:

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

附註：

- (i) 其他福利包括差旅津貼。
- (ii) 於本年度周錫程獲委任為本公司非執行董事，而林俊先生辭任。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

29 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.

Details of the share options outstanding as at 31 December 2007 and 2006 which have been granted to the Directors of the Group under the Pre-IPO Share Option Scheme are as follows:

29. 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。

於二零零七及二零零六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：

Directors 董事	Number of options 購股權數目	Exercise price 行使價	Date of grant 授出日期	Exercise period 行使期間
	Held as at 31 December 2006 and 31 December 2007 二零零六年三十一日及 二零零七年十二月三十一日持有			
Mr. YANG, Tou-Hsiung 楊頭雄先生	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年 六月十三日至 二零零八年 六月十二日
Mr. YANG, Chen-Wen 楊辰文先生	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年 六月十三日至 二零零八年 六月十二日
Mr. YANG, Cheng 楊正先生	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年 六月十三日至 二零零八年 六月十二日
Mr. YANG, Kun-Hsiang 楊坤祥先生	4,500,000	HK\$0.801 0.801港元	13 June 2003 二零零三年六月十三日	13 June 2004 to 12 June 2008 二零零四年 六月十三日至 二零零八年 六月十二日

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

30 Cash generated from operations

30. 經營業務所得現金

		2007 US\$'000 千美元	2006 US\$'000 千美元
Profit before income tax	未計所得稅前盈利	20,738	14,762
Adjustments for:	就以下項目調整：		
Finance costs – net (Note 22)	融資成本淨額(附註22)	3,849	5,246
Interest received from held-to-maturity financial assets	已收持有至到期 金融資產的利息	(248)	(251)
Amortisation of discount on long-term payable to a related party	長期應付 — 有關連人士 的折讓攤銷	515	585
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	28,050	27,046
Amortisation of intangible assets (Note 8)	無形資產攤銷(附註8)	1,462	1,323
Amortisation of land use rights (Note 6)	土地使用權攤銷(附註6)	135	125
(Gain)/loss on disposal of property, plant and equipment (see below)	出售物業、廠房及設備(收益)/ 虧損(見下文)	(603)	58
		53,898	48,894
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	9,350	(13,527)
– Trade receivables, prepayments and other receivables	– 應收貿易賬款、預付款項及 其他應收款項	(4,506)	(2,346)
– Trade payables, accruals and other payables	– 應付貿易賬款、應計費用及 其他應付款項	(3,109)	(2,879)
– Amount due to a related party	– 應付一名有關連人士款項	43	(16)
Cash generated from operations	經營業務所得現金	55,676	30,126

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：

		2007 US\$'000 千美元	2006 US\$'000 千美元
Net book amount (Note 7)	賬面淨值(附註7)	78	81
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及 設備之收益/(虧損)	603	(58)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及 設備所得款項	681	23

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

31 Commitments

(a) Capital commitments for property, plant and equipment

		2007 US\$'000 千美元	2006 US\$'000 千美元
Contracted but not provided for	已訂約但未撥備	3,893	211
Authorised but not contracted for	已授權但未訂約	6,031	14,823

(b) Lease commitments

The Group had future aggregate minimum lease payments in respect of land under non-cancellable operating leases as follows:

		2007 US\$'000 千美元	2006 US\$'000 千美元
Not later than one year	第一年內	125	118
Later than one year and not later than five years	第二至第五年內	483	466
Later than five years	第五年後	3,411	3,299
		4,019	3,883

32 Contingent liabilities

As at 31 December 2007, the Company has given guarantees for bank borrowings of subsidiaries amounting to US\$179,249,000 (2006: US\$172,404,000) of which US\$141,102,000 has not been utilised.

31. 承擔

(a) 物業、廠房及設備的資本承擔

(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：

32. 或然負債

於二零零七年十二月三十一日，本公司為附屬公司提供銀行借貸之擔保達179,249,000美元（二零零六年：172,404,000美元），其中141,102,000美元尚未動用。

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

33 Related party transactions

- (a) Significant related parties transactions, which were carried out in the normal course of the Group's business are as follows:

	Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
Sale of goods to Vedan Enterprise Corporation ("Taiwan Vedan")	向台灣味丹企業股份有限公司(「台灣味丹」)銷售貨品 (i)	2,584	4,085
Technological support fee paid to Tung Hai Fermentation Industrial Co., Ltd. and Taiwan Vedan	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)	2,653	2,422
Technological support fee received from Taiwan Vedan	從台灣味丹收取技術支援費	-	20
Commission income from Taiwan Vedan	收取台灣味丹的佣金收入 (ii)	85	73
Commission paid to Taiwan Vedan	向台灣味丹支付的佣金收入 (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。

(b) Key management compensation

	2007 US\$'000 千美元	2006 US\$'000 千美元	
Salaries and other short-term employee benefits	薪金及其他短期員工福利	2,949	2,233

33. 有關連人士交易

- (a) 在本集團日常業務中與有關連人士進行的重大交易如下：

(b) 主要管理人員酬金

Notes to the Consolidated Financial Statements (continued) 財務報表附註(續)

33 Related party transactions (continued)**(c) Balances with related parties**

As at 31 December 2007, the Group had the following significant balances with related parties:

	Note 附註	2007 US\$'000 千美元	2006 US\$'000 千美元
Current:			
Trade receivable from related parties (Note 12)	(i)		
– Shanghai Vedan Foods		–	4
– Taiwan Vedan		339	359
		339	363
Due to Taiwan Vedan	(i)	301	258
Non-current:			
Due to Taiwan Vedan in connection with assignment of trademarks	(ii)	9,393	11,023

Notes:

- (i) All these balances with related parties are unsecured, interest-free and have no fixed terms of repayment.
- (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.

34 Banking facilities

The Group's bank borrowings of US\$21,335,000 (2006: US\$36,919,000) as at 31 December 2007 were secured by:

- (i) legal charges over certain of the Group's property, plant and equipments with the net book value of approximately US\$25,417,000 (2006: property, plant and equipments and land use rights of US\$41,908,000); and
- (ii) corporate guarantee provided by the Company.

33. 有關連人士交易(續)**(c) 有關連人士的結餘**

於二零零七年十二月三十一日，本集團與有關連人士有以下重大結餘。

附註：

- (i) 有關連人士的所有結餘均無抵押、免息及無固定還款期。
- (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。

34. 銀行信貸

本集團於二零零七年十二月三十一日的銀行借貸21,335,000美元(二零零六年：36,919,000美元)以下列各項作為抵押：

- (i) 本集團賬面淨值約25,417,000美元的若干物業、廠房及設備(二零零六年：物業、廠房及設備以及土地使用權41,908,000美元)的法定抵押；及
- (ii) 本公司提供的公司擔保。

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

		2007 US\$'000 千美元	2006 US\$'000 千美元	2005 US\$'000 千美元	2004 US\$'000 千美元	2003 US\$'000 千美元
Consolidated Result Turnover	綜合業績 營業額	317,431	290,695	257,904	224,976	203,797
Profit before taxation	除稅前盈利	20,738	14,762	10,240	29,887	26,194
Taxation	稅項	(4,878)	(3,827)	(2,293)	(5,553)	(4,115)
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	16,856	10,915	7,947	24,334	22,079

Consolidated Assets And Liabilities As at 31 December 於十二月三十一日綜合資產及負債

		2007 US\$'000 千美元	2006 US\$'000 千美元	2005 US\$'000 千美元	2004 US\$'000 千美元	2003 US\$'000 千美元
Assets and liabilities	資產及負債					
Total assets	資產總額	347,840	367,458	371,340	337,269	313,033
Total liabilities	負債總額	(90,124)	(123,474)	(134,685)	(102,748)	(87,910)
Total equity	權益總額	257,716	243,984	236,655	234,521	225,123

Note: Certain comparative figures for the year ended 31 December 2004 have been restated to reflect the adoption of new/revised Hong Kong Financial Reporting Standards. The comparative figure for the year ended 31 December 2003 have not been restated as the Directors considered that this would involve undue delay and expenses.

附註：截至二零零四年十二月三十一日止年度的若干比較數字經已重列，以反映採納新訂／經修訂香港財務報告準則。截至二零零三年十二月三十一日止年度的比較數字並無重列，因董事認為這會導致不必要的延誤及費用。

Shareholder Information 股東資料

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

Financial Calendar

Financial year ended	31 December, 2007
Full year results announced	15 April, 2008
Register of members closed	3-6 June, 2008
Annual general meeting	27 May, 2008
Despatch of dividend warrants	on or about 19 June 2008
Interim results to be announced	In the 1st week of September, 2008*

* subject to change

Final Dividend

The board recommends the payment of a final dividend of 0.29105 US cents per share in respect of the year ended 31 December, 2007. Subject to shareholders' par approval, the final dividend will be paid in cash to shareholders whose names appear on the register of members of the Company on 6 June, 2007.

Dividend warrants will be despatched to shareholders on or about 19 June, 2008.

The register of members will be closed from 3-6 June, 2008, both dates inclusive. In order to qualify for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrars not later than 2 June 2008.

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.

上市 : 於香港聯合交易所有限公司主板上市(「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

財務行事曆

全年業績結算	二零零七年十二月三十一日
全年業績公佈	二零零八年四月十五日
股份暫停登記	二零零八年六月三日 至六日
股東週年大會	二零零八年五月二十七日
寄發股息單	約/在二零零八年 六月十九日
中期業績公佈	二零零八年九月 第一個星期*

* 有待確定

末期股息

董事會建議派發截至二零零七年十二月三十一日止年度之末期股息每股0.29105美仙。待股東批准後，末期股息將以現金派付予二零零八年六月六日名列本公司股東名冊之股東。

股息單將於二零零八年六月十九日或該日前後寄予股東。

本公司將於二零零八年六月三日至六日(首尾兩日包括在內)暫停辦理股份過戶登記手續。股東如欲獲取擬派之末期股息，須於二零零八年六月二日前將所有填妥之過戶表格連同有關股票送交本公司之香港股份過戶登記分處。

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
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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。

Investor Relations 投資者關係

The Group has been professional and truthful in maintaining optimum contact and all-round communication with investors. The approach enables it to collect information and valuable opinions from investors and disclose in a timely manner the Group's business strategies and directions. In doing so, the Group hopes to perfect corporate governance and strengthen investor confidence.

During the year under review, the management team met with investors regularly in Hong Kong and proactively provided investors with the latest information about the Group and its business to help them make the best investment decisions.

Providing the latest information and news about the Group to investors has been one of the most significant missions of Vedan. 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 the investors the Group's latest operations and future development plans. During the year under review, the Group held investor meetings in Hong Kong including one-on-one meetings and teleconferences with more than 20 renowned international financial institutions, namely Deutsche Bank, Citigroup, Value Partners, BNP Paribas, UOB Kay Hian, CIMB-GK Securities, Kim Eng Securities, etc, serving as an important medium for investor relations.

Vedan has relentlessly expanded its local and overseas investors network. The Group has also actively participated in various investment forums in Hong Kong and Singapore, including the "Vietnam Access Day" hosted by CLSA. It helped the investors to understand more about the Group's business operations, and promote Vedan's core competencies and investment values to overseas investors, so as to strengthen the Group's shareholders base.

Apart meetings with investors, the Group's annual reports, interim reports and announcements are also available on its website. Investors thus have full access to the latest information of the Group on the website which is also an effective channel of communication with the investor community. The Company website address is: <http://www.vedaninternational.com>.

Vedan welcomes all opinions and suggestions from investors. The e-mail address of our investor relations department is vdi@vedaninternational.com.

集團一直以來均以專業及坦誠的態度與投資者保持充分及良好的溝通，以便收集更多訊息及寶貴意見，並在適當時候，披露有關集團的業務策略及發展方向，期望在企業管治上力臻完善，鞏固投資者的信心。

於回顧年度內，集團管理層均定期來港與投資者會面，並積極及主動向投資者發佈最新資訊及業務消息，讓投資者作出最佳的投資決定。

為投資者帶來及時和最新的集團信息，乃味丹國際之首要任務之一。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，集團曾與逾二十家國際知名的投資機構如德意志銀行、花旗集團、惠理基金、法國巴黎百富勤、大華繼顯、聯昌國際證券、金英證券等在香港舉行了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。

味丹國際於擴闊海外及本地投資者基礎方面不遺餘力。集團積極參與香港及新加坡的投資者論壇，包括由里昂證券主辦之「進軍越南之投資者論壇」，不單讓投資者可以深入了解集團的業務運作，更把味丹國際的營銷理念及投資價值推廣至香港以外的地區，以增強集團之股東陣容。

此外，集團的年報、中期業績報告及通告均上載至集團網站，此舉不但可讓投資者充分掌握集團的最新資訊，也可利用網站與投資者保持溝通。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。



Vedan International (Holdings) Limited
味丹國際(控股)有限公司

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