

Chairman's Statement

主席報告書

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，我們開創多種優質產品，以迎合消費者的口味和要求。



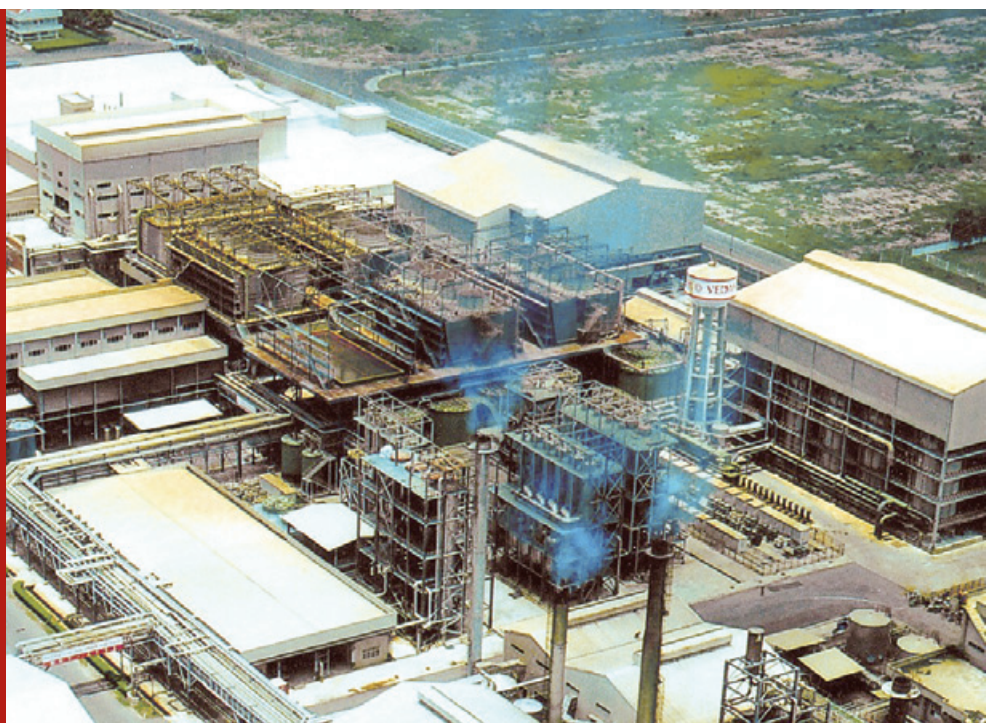
Long-established in Asia, Vedan International (Holdings) Limited is a premier manufacturer of fermentation-based amino acids, food additive and cassava starch-based products. Its prominent reputation has been built on the quality manufacture of MSG, a key food additive lying at the heart of the unique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

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



Looking at the Group's results and profit in 2012, net profit reached US\$6,551,000, a growth of approximately 10.3% from 2011.

綜觀集團於二零一二年之業績與盈利，淨利達6,551,000美元，相較二零一一年增加約10.3%。



In 2012, the ongoing downturn across the global economy has seen a slow pace of recovery and the continued weak demand within the US and European countries, which in turn had an adverse effect on the output of the emerging countries as well as on consumer confidence around the world. Not surprisingly, this pervasive conservative consumption sentiment has also affected the Group's business results during the year. Though carbohydrate prices have stabilised in 2012 when compared to 2011, the continuous rise in Vietnam's natural gas and energy costs has in turn led to persistently high production costs which affect overall profits. Under these adverse operating conditions, the Group has focused on enhancing the flexibility of its procurement, adjusting production of its products in response to market shifts aimed at improving production efficiency, and stepping up sales and marketing efforts while developing new products. These measures have helped to alleviate the impact of those conditions on sales and the effect of increasing energy prices on costs in 2012 by broadening the Group's sources of income and reducing expenditures, thus enabling it to maintain profitability.

二零一二年全球經濟持續低迷，復甦趨緩，歐美國家疲弱的需求，拖累新興國家生產供應的力道與整體市場的消費信心，因此保守的消費氣氛也影響到年內集團的業務成績。雖然二零一二年的醣質原料價格較二零一一年稍趨緩和，但越南的天然氣及能源價格卻仍持續的調漲，使生產成本無法降低，侵蝕整體獲利。於此不景氣的情況下，集團二零一二年的主要營運重點致力於強化採購彈性、彈性調節生產與提升效率、加強銷售力度以及開發新產品項目，以減緩經濟環境對銷售所帶來的衝擊及能源調漲之不利影響，以期開源節流，努力維持獲利的空間。



The Group's operations in 2012 recorded a turnover of approximately US\$372,922,000, a decrease of around 2.6% when compared with 2011. The decline was mainly attributable to the overall economic malaise which caused the revenue in the Group's major markets in Vietnam, the PRC and Japan to drop to varying degrees. Nevertheless, the Group managed to secure raw materials at a lower cost to realise production efficiency while boosting its business in emerging markets, which contributed to an increase in gross profit by 9.4% year-on-year. Net profit also reached US\$6,551,000, a growth of approximately 10.3% against last year.

In terms of geographical distribution and segmental performance, the serious inflation and trade imbalance that emerged during 2011 in Vietnam, the Group's major market, has come under better control and its exchange rate has stabilised, thanks to the fiscal policy of the Vietnamese Government in 2012. However, the subsequent slowdown in economic growth in the country and international economic headwinds have further affected its exports and domestic consumption market. The resulting unfavourable operating environment has presented greater challenges for manufacturers in the country. Although the Group has been focusing on enhancing sales channels and branding, its revenue of the year still dropped by 2.6% year-on-year. The Group's operations in the PRC also performed unsatisfactorily during the year. The growth slowdown in the PRC's economy, together with the historically low price of MSG in the past few years due to keen market competition resulting from

綜觀集團於二零一二年之營運與獲利，期內營業額達372,922,000美元，相較二零一一年減少約2.6%，主要受到整體經濟景氣趨緩的影響，致使集團的主要市場，包括越南、中國及日本地區之營收均有不同程度的下滑。雖然如此，集團能夠掌握到部份價格較低之原料，並發揮生產效率，同時也加強新興市場的業務，致使毛利較去年同期提升9.4%，淨利亦達6,551,000美元，較去年增加約10.3%。

以各地區市場與業務經營分析，集團在各主要市場，尤其是越南地區，雖然政府二零一二年的財政政策已穩定控制二零一一年嚴重的通貨膨脹與貿易失衡，並穩定匯率，但隨之而來的卻是經濟成長的下滑，同時又受到國際景氣不振的波及，對越南的生產出口與國內消費市場更是雪上加霜。這些嚴峻的經營環境對越南的營運產生相當程度的挑戰，雖然集團不斷努力拓展銷售通路與提高品牌知名度，但收益仍較去年同期下滑2.6%。而集團今年在中國區的營運業績不甚理想，由於景氣不佳，加上國內同業味精產能大幅度擴張，市場競爭激烈，味精價格降至近幾年之低點，使業務受到相當程度的衝擊，營收較去年同期衰退13.9%。雖然今年中國區的變性澱粉之業務推展已有顯著的成長，但味精產品仍在市場

the expanded production capacity of industry players in Vietnam, has considerably adversely affected the Group's business and its revenue in the PRC market decreased by 13.9% year-on-year. While the business expansion of modified starch in the PRC achieved notable progress this year, the intense competition in the MSG market, unstable product prices and the limited production which prevented the Group from fully leveraging economies of scale led to higher costs and affected overall profitability. Moreover, the weak performance and sluggish demand of the Japanese economy has continued in the aftermath of the earthquake and tsunami in 2011, which led to a year-on-year drop of 7.1% in the Group's results in the Japanese market. However, the Group's revenue generated in the ASEAN market grew notably by 39.1% over that of last year as the region became its third largest market surpassing the PRC. The growth was attributable to the Group's geographical advantage of proximity to southeast Asia and its ongoing development of strong business relations and a solid operational foundation in the region.

In terms of products, consumption sentiment has been conservative as a result of the gloomy economy which has affected sales of the Group's products such as MSG targeting consumers which has decreased by 0.9%. In addition, sales of modified starch and native starch, another key product, grew by 2.9% benefitting from lower raw material prices. However, supported by the consistently stable demand despite the generally unfavourable environment, specialty chemicals such as caustic soda and hydrochloric acid, essential raw materials of the industry, managed to grow in 2012 by 1.0% over last year. Benefitting from the greater market demand, the performance of our fertiliser and feed products achieved a year-on-year growth of 17.3%, thanks to more aggressive marketing activities in recent years. During the year, the Vietnam plant sold the inefficient and unprofitable cassava starch production line. In response to the growing demand and sales of amylase in Vietnam, the Group built a new maltose plant in 2012, which should enhance the production efficiency of existing maltose production, diversify the Group's starch business and create a new revenue growth driver.

As the sluggish macroeconomic growth affected our performance, the Group has reviewed our operations and procedures and enhanced the speed of our response and effectiveness of our procedures in coping with potential changes in the business or operating environment. Look ahead to 2013, the key area of focus in our operations is to promptly adjust to fluctuations of raw materials prices, so as to stabilise our production costs. To accomplish this, the Group has set up a procurement team charged with expanding and diversifying sources aimed at minimising related costs. As for the changing energy costs, on top of implementing energy-saving initiatives, the Group is actively collecting and analysing related information with the aim to come up with countermeasures or alternative measures to maintain its competitiveness. At the same time, due to the underperformance of its operations in the PRC during recent years, the Group is planning to actively expand the

競爭激烈，受產品售價不穩定及公司生產規模的限制，無法發揮規模經濟的情況下，導致成本相對較高，影響整體盈利水準。另外，日本國內的經濟自二零一一年地震受創後持續衰退，景氣停滯，需求無法提升，使集團銷售於日本市場的業績亦較去年同期衰退7.1%。惟東盟市場處於地利之優勢，且具集團長期佈局及深耕的基礎，使本期業績較上期大幅成長39.1%，並超越中國成為集團的第三大市場。

產品個別分析方面，受到景氣影響，消費意願趨於保守，集團主要向末端消費者銷售的味精產品亦受到影響，營收下降0.9%。但集團另一項重要的變性澱粉及天然澱粉產品在期內受惠於原料價格降低，銷售成長2.9%。特化產品之蘇打與鹽酸為基礎工業之必須原料，故雖處不利的景氣，但仍有持續與穩定的需求，業績尚能較去年同期成長1.0%。而集團的肥飼料產品，市場需求持續增加，幾年來努力的推廣下，業績亦較去年同期成長17.3%。在期內，越南廠出售處分效益不彰且虧損之木薯澱粉生產線，但鑒於越南市場對澱粉糖的需求與產銷情勢，於二零一二年新增設麥芽糖廠，不僅可更充分發揮現有糖漿廠之生產效率，使集團之澱粉事業更多元化，並增加營收之動能。

由於經濟景氣造成整體業績下滑，集團也檢討加強對環境變化的應變速度與機制。展望二零一三年，在經營上，集團最重要的仍是要掌握原料價格的趨勢，冀使集團的生產成本得以穩定；對此，集團已成立專責單位，針對原料的取得來源，靈活並積極採取更多元化與廣泛的收購，以期將成本波動降至最低。另外，集團為因應能源近來的變化，除積極再加強節能省電專案外，目前針對能源項目，也正積極收集分析相關資訊，審慎研究應對方案或替代措施，以維持生產之競爭力。與此同時，雖然中國區獲利狀況連年不甚理想，但集團目前除大力投入澱粉事業的拓展外，也積極進行上海廠與廈門廠營運的整合，並

starch business, consolidate the Shanghai and Xiamen plants and businesses, enhance its branding efforts and expand its distribution network as well as allocate more resources to maximise its operational efficiency and cut unnecessary costs.

While the pace of recovery continues to be slow, the Group is implementing cost control measures to tighten its control on materials and energy saving measures to stabilise production costs. It is also continuing to enhance R&D capabilities and new product development. The Group business strategies aim at consolidating its presence in major markets and maintain product prices to preserve profit margins. It also has plans to develop new markets while expanding its sales coverage. With regard to operations in Vietnam and the PRC, the Group intends to aggressively strengthen its marketing strategies, as well as further expand distribution and sales channels in order to realise the full potential of the Group's sales network. At the same time, to further raise its brand awareness, the Group is planning to launch new products related to current product lines, as well as enhance its sales presence. On the other hand, the Group is identifying potential collaborative projects that can extend its geographical coverage, bolster its international exposure, and, ultimately, improve efficiency while both broadening its revenue streams and raising its profits.

Under the prevailing unfavourable economic and operational environment, the Group faces many challenges and difficulties. As a first step to tackle the challenges, the Group is currently conducting in-depth analysis of its current situation as a prelude to planning and setting strategic directions. Though it is not easy to control or even predict macroeconomic trends, the Group has confidence in its production technology and the strength of its marketing network. We believe that our prudent approach to both operations and business development fully leverages our edge in production and sales. We believe that by implementing the strategies for market expansion and branding, we can mitigate the impact from an adverse macroeconomic turn. The management and staff at all levels appreciate the urgency required during these changing times, but a prudent approach guided by our innovative vision should help us to create and execute mid- to long-term operational and business development strategies to overcome the existing challenges and explore new opportunities, and bring our business to the next level.

By Order of the Board

Yang, Tou-Hsiung

Chairman

Hong Kong, 26 March 2013

進行業務區域整併，強化品牌與通路的精耕，使集團得以集中更多資源，發揮更大的經營效果，並節省冗餘不必要之開支。

集團在此景氣復甦仍趨緩的時間點，成本控制策略除加強原料掌控與能源因應措施以穩定生產成本外，亦持續強化研發項目以增進生產效能與開發新產品。業務策略除集中於鞏固主要銷售市場，穩定銷售價格以維持獲利水準外，同時亦計劃開拓新市場，擴大銷售版圖。在越南與中國區的業務，將更加緊整合集團的行銷策略與強化通路架構，深耕銷售網絡，以發揮通路價值。同時，集團也將藉由已成熟的通路基礎，規劃導入相關新的產品與銷售之運作，延伸品牌的加乘效果。另一方面，集團也將掌握機會，積極檢討尋找各項策略聯盟合作的項目，結合地緣利基與國際經驗，以期擴張經營綜效及增加盈利之來源。

以目前全球的經濟情勢與經營環境，對集團的營運的確仍存在諸多的挑戰與困難。對於此等變數，集團已有深入的檢討與規劃，並擬訂相關的策略以因應迎面而來的挑戰。雖然整個大環境的變化不容易控制或甚至預測，但管理層對集團的生產技術與行銷網絡仍深具信心。我們深信，憑藉集團穩健的經營方針，發揮產銷優勢，落實市場的深耕與延伸品牌的價值等策略，能使大環境的因素對集團的衝擊可以降至最低。同時，管理層與各級同仁均體認到目前多變的環境，我們將以謹慎的態度、開創的眼光，檢討中長期的經營策略，尋求更多的商機，共同努力來克服眼前之困難，並為集團開拓未來更寬廣的事業及領域。

承董事會命

主席

楊頭雄

香港，二零一三年三月二十六日