

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。

Recovery of the global economy has proceeded at a slow pace during 2013 as uncertainties linger about the strength of the economic rebound in many regions, including the U.S. and countries in the European Union. The economies in emerging markets, in particular Vietnam, were still stagnant with weak market sentiment which in turn has eroded consumer confidence. The consequent conservative consumption pattern has inevitably adversely affected the Group's results during the reporting period. Aggravating the situation was the modest increase in the price of raw materials during the year. In particular the price of natural gas and energy continued to rise in Vietnam, substantially pushing up production costs. Meanwhile, the intense price competition among MSG industry players has also affected the Group's business development and squeezed its overall profitability. Facing such serious challenges in both sales and production, the Group's focus of operations for 2014 is on securing low cost raw materials, flexibly adjusting production operations to enhance cost efficiencies, implementing energy saving measures and stepping up sales and marketing efforts while developing new products. These strategic directions can help alleviate the impact of increasing energy prices on costs and the unfavourable conditions on sales by reducing expenses and broadening the Group's sources of income, thus enabling it to maintain profitability.

Looking at the Group's operation and profit in this year, the turnover was US\$342,453,000, a decrease of around 8.2% when compared with the previous year. The decline was mainly attributable to market competition which caused a turnover in the Group's major markets in Vietnam, ASEAN and Europe to drop by varying degrees. At the same time, the rising prices of natural gas and energy in Vietnam, the Group's major production base, have substantially increased the Group's production costs. Thus, the gross profit of the Group dropped by 21.8% year-on-year. Net profit was also lowered by about 88.9% to around US\$728,000.

全球經濟在二零一三年復甦緩慢，很多地區如歐美等國家之景氣回升仍存在變數，而新興國家，尤其是越南，經濟與市場景氣仍低迷，影響消費者信心，此保守的消費氛圍也影響到期內集團的業務成績。另一方面，今年各種原料價格有微幅的調漲，尤其越南的天然氣及能源價格持續調漲，使生產成本大幅提高。與此同時，味精同業於市場上的低價競爭亦嚴重影響集團的業務拓展與侵蝕獲利空間。面對此等銷售與生產的挑戰，集團二零一四年的主要營運重點在於致力掌握低價原料、彈性調節生產以提升成本效益、著手能源因應對策、加強銷售力度、開發新產品項目與節省開支等，減緩因經濟環境對銷售所帶來的衝擊與能源調漲之不利影響，以期開源節流，努力維持獲利的空間。

綜觀集團於今年之營運與獲利，期內營業額達342,453,000美元，相較去年同期下滑約8.2%。營收不如預期，其中主要受到市場競爭的影響，致使集團的主要市場，包括越南、東盟與歐洲地區之營業額均有不同程度的下滑。同時，集團主要的生產基地，越南的天然氣及能源價格持續飆升，導致生產成本大幅提高，使毛利較去年同期明顯下降21.8%，而淨利僅餘約728,000美元，較去年同期下降約88.9%。

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In terms of geographical markets and segmental performance, the most critical factor, the serious inflation and trade imbalance which emerged in Vietnam, the Group's major market, appears to be improving while the country's exchange rate has stabilised, thanks to the fiscal policy of the Vietnamese Government. However, the subsequent slowdowns in economic growth in the country and international economic headwinds have further affected both its exports and domestic consumption. The resulting unfavourable operating environment has presented strident challenges for the Group's operations, most notably its production operations within the country. Although the Group has been focusing on strengthening its distribution channels and enhancing its branding, the competition centred on low prices among MSG peers has still affected the sales of GA and bulk packaged MSG, resulting in a year-on-year drop of 2.5% in the revenues in the Vietnam market. In our PRC operation, after a period of production and sales integration, gross profit rose slightly. In spite of this, owing to the persistently intense market competition in the PRC, turnover has dropped by 4.6%. Besides, the economy in Japan showed signs of a rebound and consumption demand improved slightly, thus this market recorded a modest growth of 0.02% year-on-year. However, when compared to last year, the prices of products in the ASEAN and European markets remained very low due to fierce price competition. The Group has not been actively engaged in competition solely on price as profitability remains its key consideration. As such, sales of bulk packaged MSG in these regions were seriously affected and revenues in the ASEAN region contracted substantially by 40.2% when compared with the same period last year.

As for the business of our products, adversely affected by the poor sentiment and product price competition, the revenue of MSG, the Group's principal product, recorded a year-on-year drop of 10.7%. Although the prices of cassava and energy surged during the period, the revenue of modified starch, another key product, rose slightly by 2.1% when compared to the corresponding period last year, as the Group diligently strived to bolster its sales network. Supported by the consistently stable demand in the face of the generally unfavourable environment, specialty chemicals such as soda and hydrochloric acid, the essential raw materials of industrial companies, managed to grow by 12.6% over the same period last year. Benefitting from the greater market demand, the performance of its fertiliser and feed products achieved a year-on-year growth of 2.4%, thanks to our more aggressive marketing activities during recent years. To tap the strong demand for amylase in Vietnam, the Group's new maltose plant built last year has started a trial run. The new plant not only enhances the production efficiency of maltose production, but also diversifies the Group's starch business and ultimately creates a new revenue growth driver.

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，雖然政府的金融政策已穩定控制通貨膨脹與貿易失衡，並穩定匯率，但經濟成長趨緩，同時又受到國際景氣不穩定的波及，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集團在越南的營運產生相當程度的挑戰。同時，在味精同業在市場的低價競爭之下，雖然集團不斷努力於通路與品牌的經營，但仍影響谷氨酸與大包裝味精的銷售，使越南市場之業績較去年同期下滑2.5%。而集團在中國區的營運，於期內加強味精銷售之整合效益，致使毛利微增，雖利潤增加，但因中國市場競爭仍激烈，致使營收下滑4.6%。另外，日本國內的經濟景氣逐漸回溫，消費需求稍有提升，使集團銷售於日本市場的業績亦較去年微升0.02%。但相較去年，東盟與歐洲市場因市場上同業以低價競爭，其產品於市場上的售價甚低，而集團仍以利潤為主要考量，不參與價格競爭，造成此兩個區域的大包裝的味精銷售受到嚴重影響，致使期內之東盟地區的業績較上年同期大幅減少40.2%。

以產品類別分析，受到景氣與價格競爭的影響，集團主要的味精產品營收較去年同期下降10.7%。集團另一項重要的變性澱粉產品，在期內雖然木薯及能源價格上漲，但集團仍努力鞏固銷售網絡，致使營收較去年同期微升2.1%。特化產品包括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12.6%。而集團的肥飼料產品，因市場需求持續增加，在幾年來努力的推廣下，業績亦較去年同期成長2.4%。鑒於越南市場對澱粉糖具殷切需求，集團於去年新增設麥芽糖廠，已開始試產，未來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，並增加集團整體營收貢獻。

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In order to address the current unstable market and intense competition, the Group has reviewed and enhanced the speed and effectiveness of its procedures in monitoring and coping with potential changes in the operating environment. In 2014, the key area of focus in its operations is to promptly adjust to fluctuations of raw materials prices so as to stabilise its production costs, as well as diversify and expand raw material procurement strategy aimed at minimising cost fluctuations and risks. As for the surging energy costs, on top of implementing energy-saving initiatives, the Group is also evaluating alternative energy solutions and has come up with measures to maintain its competitiveness in production operations. It has also continued to boost its research and development (R&D) capabilities to improve production efficiencies and develop innovative products to best leverage the cost control measures.

As for the Group's business strategies, apart from bolstering its presence in major markets and maintaining profit margins, the Group has also planned to explore new markets while at the same time expanding its sales network. To further develop its sales and operations in Vietnam and the PRC, the Group intends to aggressively strengthen its marketing strategies, as well as further extend distribution and sales channels in order to realise the full potential of the Group's sales network. At the same time, the Group is planning to launch new products to complement current product lines, as well as enhance its sales presence to boost its brand awareness. In addition to actively expanding the starch business in the PRC, the Group is also enhancing its branding efforts and its distribution network as well as allocating more resources to maximise its operational efficiency and evaluate its cost structure aiming at higher cost savings. On the other hand, the Group is identifying potential collaborative projects with partners that can extend its geographical coverage, bolster its international exposure, and ultimately improve efficiency while both broadening its revenue streams and boosting its profits.

面對現階段不穩定的景氣與激烈競爭的挑戰，集團已檢討加強對環境變化的應變速度與機制。故在今年的經營上，集團首先仍是要掌握生產原料價格波動的趨勢，冀使集團的生產成本得以穩定，靈活並積極地採取更多元化及廣泛的原料收購策略，以期將成本波動與風險降至最低。另外，集團為因應能源成本持續上漲，除積極再加強節能省電專案外，目前針對替代能源的項目，已採取應對方案以維持生產之競爭力。而除上述的成本控制策略外，亦持續強化研發項目以增進生產效能與開發新產品。

而在業務策略的執行上，除鞏固主要銷售市場並努力維持盈利能力外，同時亦計劃開拓新市場，擴大銷售版圖。於越南與中國區的銷售經營，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，計劃導入相關新的產品與銷售之運作，延伸品牌的加乘效果。目前中國區除投入澱粉事業的拓展外，將持續強化品牌與通路的精耕與整合，使集團得以集中更多資源，發揮更大的經營效果，並定期檢討成本架構，務求節省開支。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，以期擴張經營效率及增加盈利之來源。

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Under the prevailing unfavourable economic and operating environment, the Group faces many challenges and difficulties. To tackle the challenges and uncertainties, the Group has been constantly conducting an analysis of its current situation as a prelude to planning and setting strategic directions. Though it is impossible to control and not easy to predict macroeconomic trends, we believe that our prudent operational approach and strategies for market expansion and branding can mitigate the impact from an adverse macroeconomic turn. The management and all of our staff well appreciate the careful attention to trends required during these changing times. We believe that our prudent approach guided by our innovative vision should help us create effective and successfully execute operational and business development strategies over the medium and long term to overcome the existing challenges and explore new opportunities in order to bring our business to the next level.

By Order of the Board

Yang, Tou-Hsiung

Chairman

Hong Kong, 25 March 2014

以目前全球的經濟形勢與經營環境而言，集團的營運的確仍存在諸多嚴峻的挑戰。對於此等變數，集團已持續的檢討與規劃，並擬訂相關的策略以應對迎面而來的挑戰。雖然整個大環境的變化不容易控制或預測，但管理層仍將以穩健的經營方針，深化市場的經營與延伸品牌的價值等策略，以期降低大環境對集團經營的衝擊。同時，管理層與全體員工均已體認到目前多變的環境，我們將以謹慎的態度、開創的眼光來檢討未來中長期的經營策略，尋求更多的商機，共同努力來克服眼前的困難，並為集團的未來開拓更具發展的事業及領域。

承董事會命

主席

楊頭雄

香港，二零一四年三月二十五日