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INTERNATIONAL

VEDAN INTERNATIONAL (HOLDINGS) LIMITED

味丹國際（控股）有限公司

(Incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 02317)

**RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Year ended 31 December		
	2015	2014	Difference
	<i>US\$'000</i>	<i>US\$'000</i>	
Revenue	327,821	325,627	0.7%
Gross profit	60,703	44,116	37.6%
Profit/(loss) for the year	11,830	(2,928)	504%
Profit/(loss) attributable to owners	12,095	(2,434)	596.9%
Basic earnings/(loss) per share	0.79 US cents	(0.16) US cents	
Diluted earnings/(loss) per share	0.79 US cents	(0.16) US cents	
Final dividend proposed per share	0.301 US cents	– US cents	
Total dividends paid and proposed per share	0.476 US cents	– US cents	

RESULTS

The Board of Directors (the “Board”) of Vedan International (Holdings) Limited (the “Company”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2015	2014
	Note	US\$'000	US\$'000
Revenue	5	327,821	325,627
Cost of sales	7	(267,118)	(281,511)
Gross profit		60,703	44,116
Other (losses)/gains – net	6	(1,786)	870
Selling and distribution expenses	7	(20,737)	(22,627)
Administrative expenses	7	(21,937)	(23,491)
Operating profit/(loss)		16,243	(1,132)
Finance income		799	643
Finance costs		(1,136)	(910)
Finance costs – net	8	(337)	(267)
Share of post-tax loss of an associate		(28)	(97)
Profit/(loss) before income tax		15,878	(1,496)
Income tax expense	9	(4,048)	(1,432)
Profit/(loss) for the year		11,830	(2,928)
Profit/(loss) attributable to:			
Owners of the Company		12,095	(2,434)
Non-controlling interest		(265)	(494)
		11,830	(2,928)
Earnings per share for profit/(loss) attributable to the owners of the Company during the year <i>(expressed in US cents per share)</i>			
Basic earnings/(loss) per share	11	0.79	(0.16)
Diluted earnings/(loss) per share	11	0.79	(0.16)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
Profit/(loss) for the year	<u>11,830</u>	<u>(2,928)</u>
Other comprehensive income/(loss):		
Item that may be reclassified to profit or loss		
Currency translation differences	<u>(2,789)</u>	<u>(285)</u>
Other comprehensive income/(loss) for the year, net of tax	<u>(2,789)</u>	<u>(285)</u>
Total comprehensive income/(loss) for the year	<u><u>9,041</u></u>	<u><u>(3,213)</u></u>
Total comprehensive income/(loss) for the year attributable to:		
– Owners of the Company	<u>9,159</u>	<u>(2,715)</u>
– Non-controlling interest	<u>(118)</u>	<u>(498)</u>
Total comprehensive income/(loss) for the year	<u><u>9,041</u></u>	<u><u>(3,213)</u></u>

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2015	2014
	Note	US\$'000	US\$'000
ASSETS			
Non-current assets			
Land use rights		2,544	2,767
Property, plant and equipment		156,603	167,220
Intangible assets		9,177	9,822
Long-term loan and receivables		70	165
Investment in an associate		3,365	3,393
Total non-current assets		171,759	183,367
Current assets			
Inventories		80,037	104,775
Trade receivables	3	29,863	25,981
Amount due from the non-controlling interest of a subsidiary		879	933
Amount due from an associate		–	123
Short-term loan to an associate		120	–
Prepayments and other receivables		10,451	14,986
Amount due from a related party		–	1,146
Restricted cash		–	4,249
Short-term bank deposits		19,330	3,463
Cash and cash equivalents		44,190	37,491
		184,870	193,147
Disposal group held for sale		–	1,926
Total current assets		184,870	195,073
Total assets		356,629	378,440
EQUITY			
Equity attributable to owners of the Company			
Share capital		15,228	15,228
Reserves		260,390	253,901
		275,618	269,129
Non-controlling interest		(2,168)	(2,030)
Total equity		273,450	267,099

		As at 31 December	
		2015	2014
	<i>Note</i>	US\$'000	<i>US\$'000</i>
LIABILITIES			
Non-current liabilities			
Bank borrowings		28,613	32,696
Deferred income tax liabilities		4,178	4,772
Retirement benefit obligations		1,230	1,214
		<hr/>	<hr/>
Total non-current liabilities		34,021	38,682
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Current liabilities			
Trade payables	4	10,686	14,546
Accruals and other payables		13,548	18,331
Amounts due to related parties		946	–
Bank borrowings		23,113	38,857
Current income tax liabilities		865	925
		<hr/>	<hr/>
Total current liabilities		49,158	72,659
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total liabilities		83,179	111,341
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Total equity and liabilities		356,629	378,440
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NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 Basis of preparation

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

- (a) The following new standards, interpretations and amendments to standards are mandatory for the Company for the first time for the financial year beginning on or after 1 January 2015, but have not had any significant impact on the preparation of the consolidated financial information.

HKAS 19 (2011) (Amendment)	Defined Benefit Plans: Employee Contributions
Annual Improvements Project	Annual Improvements 2010-2012 Cycle
Annual Improvements Project	Annual Improvements 2011-2013 Cycle

- (b) The following new standards, interpretation and amendments to standards have been issued, but are not effective for the financial year beginning on 1 January 2015 and have not been early adopted.

		Effective for annual periods beginning on or after
Annual Improvements Project	Annual Improvements 2012-2014 Cycle	1 January 2016
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	1 January 2016
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
HKFRS 14	Regulatory Deferral Accounts	1 January 2016
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKAS 1 (Amendment)	Disclosure Initiative	1 January 2016

		Effective for annual periods beginning on or after
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants	1 January 2016
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements	1 January 2016

The Group has already commenced an assessment of the impact of adopting the above new standards, interpretations and amendments to standards. The Group is not yet in a position to state whether substantial changes to the Group's accounting policies and financial statements presentation will result.

(c) New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial information.

2 Segment information

The chief operating decision-maker has been identified as the Executive Directors collectively. The Directors review the Group's policies and information for the purposes of assessing performance. The Group presents its operating segment results (below), based on the information reviewed by the chief operating decision-maker, and used to make strategic decisions. This information includes segment revenue, segment capital expenditure, segment assets, segment non-current assets, other than financial instruments and deferred income tax assets and segment liabilities.

The chief operating decision-maker considers the business mainly from a geographical aspect. In presenting information on the basis of operating segments, segment revenue is based on the geographical presence of customers. Segment capital expenditure, segment assets, segment non-current assets, other than financial instruments and deferred income tax assets and segment liabilities are based on the geographical location of the assets or liabilities.

The chief operating decision maker mainly assesses the performance based on revenue derived by each geographical segment and product nature. Accordingly, the segment performance is restricted to revenue information.

Revenue of approximately US\$45,453,000 (2014: US\$51,608,000) is derived from a single external customer located in Japan. This revenue is attributable to the MSG/GA segment.

(a) Segment revenue

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Vietnam	169,527	164,619
The PRC	34,480	33,842
Japan	64,176	74,985
Taiwan	12,765	14,947
ASEAN member countries (other than Vietnam)	28,992	29,787
Other regions	17,881	7,447
	<u>327,821</u>	<u>325,627</u>
	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
MSG/GA	230,344	225,153
Modified starch/Native starch	38,628	43,220
Specialty chemicals	22,557	22,566
Fertiliser and feed products	19,782	21,809
Others	16,510	12,879
	<u>327,821</u>	<u>325,627</u>

(b) Capital expenditure

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Vietnam	13,145	60,565
The PRC	151	817
	<u>13,296</u>	<u>61,382</u>

Capital expenditures are attributed to segments based on where the assets are located.

Capital expenditures comprise additions of property, plant and equipment, land use rights and intangible assets.

(c) *Assets*

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Vietnam	298,634	318,456
The PRC	45,608	53,586
Hong Kong	10,784	5,591
Taiwan	1,511	724
Singapore	92	83
	<u>356,629</u>	<u>378,440</u>
Total assets per consolidated balance sheet	<u><u>356,629</u></u>	<u><u>378,440</u></u>

Total assets are attributed to segments based on where the assets are located.

Property, plant and equipment are monitored by the management at the operating segment level. The following is a summary of amortisation, depreciation, impairment of non-current assets, income tax expense and share of loss from an associate for each operating segment.

	Amortisation and depreciation <i>US\$'000</i>	Impairment <i>US\$'000</i>	Income tax expense <i>US\$'000</i>	Share of loss from an associate <i>US\$'000</i>
2015				
Vietnam	19,615	1,790	3,989	28
The PRC	1,527	–	12	–
Others	–	–	47	–
	<u>21,142</u>	<u>1,790</u>	<u>4,048</u>	<u>28</u>
2014				
Vietnam	19,241	–	1,238	97
The PRC	2,334	–	194	–
	<u>21,575</u>	<u>–</u>	<u>1,432</u>	<u>97</u>

(d) *Non-current assets, other than financial instruments, by location:*

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Vietnam	146,704	152,019
The PRC	21,620	24,195
Hong Kong	—	3,595
	<hr/>	<hr/>
Total	168,324	179,809

(e) *Liabilities*

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Vietnam	69,951	92,353
The PRC	3,880	8,424
Hong Kong	7,689	5,352
Taiwan	1,613	5,167
Singapore	46	45
	<hr/>	<hr/>
Total liabilities per consolidated balance sheet	83,179	111,341

3 Trade receivables

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Trade receivables from third parties	30,216	27,651
<i>Less: provision for impairment of trade receivables</i>	<u>(353)</u>	<u>(1,670)</u>
	<hr/>	<hr/>
Trade receivables – net	29,863	25,981

The credit terms of trade receivables range from cash on delivery to 60 days and the ageing of the trade receivables based on invoice date is as follows:

	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
0 – 30 days	27,124	20,611
31 – 90 days	1,920	3,469
91 – 180 days	624	1,830
181 – 365 days	166	52
Over 365 days	382	1,689
	<u>30,216</u>	<u>27,651</u>

4 Trade payables

At 31 December 2015, the ageing of trade payables based on invoice date is as follows:

	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
0 – 30 days	7,872	13,738
31 – 90 days	2,654	685
91 – 180 days	31	59
181 – 365 days	99	27
Over 365 days	30	37
	<u>10,686</u>	<u>14,546</u>

5 Revenue

The Group manufactures and sells fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Revenues recognised for the years ended 31 December 2015 and 2014 were US\$327,821,000 and US\$325,627,000 respectively.

6 Other (losses)/gains – net

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Net exchange loss	(1,155)	(184)
Loss on disposal of property, plant and equipment	(474)	(314)
Impairment of property, plant and equipment	(1,790)	–
Sales of scrap materials	608	813
Gain on disposal of assets held for sale	460	–
Others	565	555
	<u>(1,786)</u>	<u>870</u>

7 Expenses by nature

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

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Changes in inventories and consumables used	216,542	237,639
Amortisation of intangible assets	318	1,334
Amortisation of land use rights	66	66
Auditor's remuneration		
– Audit services	305	340
– Non-audit services	30	220
Depreciation on property, plant and equipment	20,758	20,175
Operating leases expenses in respect of leasehold land	326	325
Employee benefit expenses	31,364	29,135
Reversal of provision for impairment of trade receivables	(38)	(21)
Technical support fee	2,216	2,267
Other expenses	37,905	36,149
	<u>309,792</u>	<u>327,629</u>
Total cost of sales, selling and distribution expenses and administrative expenses	<u>309,792</u>	<u>327,629</u>

8 Finance costs– net

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Finance income	799	643
Interest expense on bank borrowings	(1,269)	(1,359)
<i>Less: amounts capitalised on qualifying assets</i>	133	449
Finance costs	(1,136)	(910)
Finance costs – net	(337)	(267)

9 Income tax expense

Taxation on profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

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

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Enterprise income tax (“EIT”)	4,633	2,054
Under/(over)-provision of income tax in previous years	9	(37)
Total current tax	4,642	2,017
Deferred income tax	(594)	(585)
	4,048	1,432

10 Dividends

The interim dividend paid in 2015 was US\$2,670,000 (US\$0.175 per share) (2014:nil). A final dividend in respect of the year ended 31 December 2015 of US\$0.301 per share, amounting to a total dividend of US\$4,580,000, is to be proposed at the annual general meeting on 24 May 2016. These consolidated financial information do not reflect this dividend payable.

	2015 <i>US\$'000</i>	2014 <i>US\$'000</i>
Interim dividend paid of US\$0.175 (2014: US\$nil) per ordinary share	2,670	–
Proposed final dividend of US\$0.301 (2014: US\$nil) per ordinary share	<u>4,580</u>	<u>–</u>
	<u><u>7,250</u></u>	<u><u>–</u></u>

11 Earnings per share

(a) *Basic*

Basic earnings/(loss) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2015	2014
Profit/(loss) attributable to owners of the Company <i>(US\$'000)</i>	12,095	(2,434)
Weighted average number of ordinary shares in issue <i>(thousands)</i>	<u><u>1,522,742</u></u>	<u><u>1,522,742</u></u>
Basic earnings/(loss) per share <i>(US cents per share)</i>	<u><u>0.79</u></u>	<u><u>(0.16)</u></u>

(b) *Diluted*

Diluted earnings/(loss) per share is same as basic earnings/(loss) per share as there are no dilutive instruments for the years ended 31 December 2015 and 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OVERVIEW

In 2015, the global economy remained sluggish amid weak industrial production, trading activities and market demand. Moreover, emerging economies did not perform any better. The US interest rate hike, together with decreasing international oil prices and material prices have created structural economic issues. Governments and central banks have supported economic growth through further quantitative easing and facilitated consumer spending through depreciation. However, these measures have heightened the uncertainties and risks in global economies. During the year, while the PRC recorded a 6.9% growth in GDP, it was the lowest expansion in 25 years. The slowing economy in the PRC, together with its government's policies to reduce production capacity and inventory, as well as to deleverage, have added pressure to the global economy which has already suffered from continuous deflation. On the contrary, the economy of Vietnam was booming during the year with GDP growth of 6.7%, its highest in 5 years. Following the decrease of bulk commodity and energy prices, inflation rate remained at a historical low of 0.6%. Further opening its economy, Vietnam has joined several regional economic organisations, and signed a number of Free Trade Agreements (FTA), which can boost foreign direct investment (FDI). Meanwhile, export trade brought about by FDI has recorded growth for years, thus creating considerable trade surplus, and helping to stabilise the Vietnam Dong exchange rate to the US dollar. Low inflation, high economic growth and increasing consumer spending also benefited the market demand of Vietnam.

During the year under review, while revenue only increased slightly by 0.7% to US\$327,821,000, but gross profit surged around 37.6% to US\$60,703,000, with gross profit margin up from 13.5% to 18.5%. The Group also recorded a net profit after tax of US\$11,830,000, compared to a loss of US\$2,928,000 last year, and net profit margin also grew from -0.9% to 3.6%. The profit growth was attributable to: 1) Alternative energy solutions as investment in a cogeneration factory of Vedan Vietnam in 2014 started to bear fruit since March 2015. 2) The Group strategically extended its supply chain and diversified its sources in light of lower international material prices, and stabilised and reduced the material costs accordingly. 3) The efforts to improve production efficiency have started to yield results as well.

Reviewing the Group's business in 2015, markets in Vietnam and the US recorded growth but in Japan the market notably receded. Benefitting from a recovering local economy, and with the enhanced competitiveness of the Vietnam factory, sales of both MSG, and fertiliser and feed products reported growth in Vietnam market. As anti-dumping duties were imposed in the US during the year, the sales of MSG from Vietnam to the US market have recorded notable growth. In terms of product, in contrast to the improvement in MSG, other products, except for modified starch, generally remained at a similar level to 2014. Sales of modified starch dropped because the Group focused on the strategy of maintaining profitability to boost product margin and re-integrated its product strategies. Such procedure would drag down revenue in the short-term, but can benefit long-term development and revenue of this series.

2. FINANCIAL REVIEW

(1) Liquidity and Financial Resources

As at 31 December 2015, due to the increase in net profit and the reduction in capital expenditure and inventory during the year, the Group had cash and bank deposits of US\$63,520,000, which was 40.5% or US\$18,317,000 higher than that in late 2014. Short-term bank borrowings decreased by US\$15,744,000 or around 40.5% to US\$23,113,000 as compared to that in late 2014, while middle-to-long-term bank borrowings declined by 12.5% or US\$4,083,000 to US\$28,613,000. Total bank borrowings decreased by 27.7% or US\$19,827,000 to US\$51,726,000. The borrowings were mainly denominated in US dollars, which accounted for 98.4% of the total, with 1.5% denominated in New Taiwan dollars and the remaining 0.1% denominated in RMB. The proportions of short-term and medium-to-long-term bank borrowings were 44.7% and 55.3% respectively. Net interest expenses rose by about US\$70,000.

Trade receivables were US\$29,863,000, representing an increase of US\$3,882,000 or around 14.9% when compared with late 2014. Around 89.8% of the trade receivables were due within 30 days. As at 31 December 2015, total inventory was US\$80,037,000, down by US\$24,738,000 or around 23.6% when compared with that in late 2014, mainly attributable to the decline in inventories of bulk materials and finished products.

As the borrowings decreased during the year, gearing ratio (total borrowings to total capital ratio) was 18.9%, which was lower than 26.8% at the end of 2014. Due to the cash exceeding borrowings, the net gearing ratio (total borrowings less cash and deposits to total capital ratio) changed from 9.9% at the end of 2014 to -4.3%. As current liabilities declined substantially in 2015, the current ratio rose to 3.8 during the year from 2.7 as at the end of 2014. The financial position of the Group has remained sound.

(2) Capital expenditure

In 2015, capital expenditure amounted to approximately US\$13,296,000, US\$48,086,000 less than the capital expenditure of US\$61,382,000 in 2014.

3. EXCHANGE RATE

Recovery of the US economy and the interest rate hike by the US Federal Reserve led to the upward trend of the US dollar. As a result, the currency of different countries to the US dollar depreciated in 2015 and the Vietnam Dong was also slightly affected. On 6 January 2015, The Central Bank of Vietnam announced the first depreciation of the benchmark exchange rate of the Vietnam Dong to the US dollar by 1% to VND21,458 to US\$1 within 2015. In May 2015, the Central Bank of Vietnam announced a further 1% downward adjustment to the benchmark exchange to VND21,673 to US\$1. Through the depreciation, the Central Bank of Vietnam has aimed to stimulate exports and alleviate the pressure of slower economic growth. In August 2015, the People's Bank of China (PBOC) allowed the RMB to depreciate. In light of this development, Vietnam decided on a 1% adjustment to the exchange rate of the US dollar to Vietnam Dong, which depreciated from VND21,673 to US\$1 to VND21,890 to US\$1 and expanded the allowable range of movement in that exchange rate to within plus or minus 3%. Thus, the Vietnam Dong depreciated three times within a year by about 3%.

The Group's subsidiaries in the PRC are mainly for domestic distribution and the transactions there are denominated in RMB. In mid-August, 2015, the PRC's decision of allowing the RMB to depreciate more than 3% resulted in the largest trading band of RMB seen since 1994 within just two days. In 2015, the median exchange rate of the RMB depreciated by a total of 6%. In 2015, the extent of the depreciation of the Vietnam Dong was relatively stable when compared to the Asian countries where the Group's key markets are found. More than 42% of the revenue of the Vietnam factories was in US dollars, so the potential exchange risk was relatively low.

4. DIVIDENDS

Basic earnings per share for the period under review were 0.79 US cents. The Board has resolved to declare the payment of a final dividend of 0.301 US cents per share. The dividend payout ratio was 60%.

5. PROSPECTS

Looking ahead, in face of global deflation, weak market demand, excess production capacity and supply, it is expected that the price competition within the industry will continue, creating uncertainty for the Group's operations.

Nevertheless, the Group has reinforced its corporate structure, introduced alternative energy solutions and enhanced marketing and business development efforts in recent years. Despite facing numerous uncertainties in the future, the Group will continue to adhere to its development strategies and adopt measures to ensure such strategies are well-implemented, including:

- Product lines will be restructured to raise the proportion of high value-added products. The number of low gross profit items will be reduced to maintain the reasonable profitability of products.
- New products will be developed as the Group seeks out new markets. We will increase the number of new agents and customers, and establish a mutually beneficial mechanism and channel of communications, which will further reinforce the business development of the Group.
- Strengthen the procurement of critical bulk materials in order to reduce wastage and enhance production efficiency.
- Develop customised production techniques and enhance the production scale of new products by utilising the Group's resources, collaborating with different industries and conducting regular evaluations. More products from third parties will be introduced to fulfill customers' needs in a segmented market and bolster niche markets.

- Based on the strategy of co-opetition, the production base in Vietnam will be used to develop markets in ASEAN and TPP nations. This complementary relationship can develop relevant businesses with value.
- By strengthening its financial management, the Group can enhance efficiency and maximise the utilization rate of assets. Steps will also be taken to mitigate the risk of exchange rate and interest rate fluctuations amidst turbulent financial markets.

Management will adopt a flexible approach in adapting a rapidly changing business environment. Apart from maintaining basic operations, the Group will also devote more efforts to formulating strategies for new environments. In the coming year, we will continue to prudently implement strategies, and we remain cautiously optimistic about the Group's performance next year.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the year ended 31 December 2015.

CORPORATE GOVERNANCE

The Company is strongly committed to maintaining good corporate governance. The Directors aim to continually review and enhance corporate governance practices of the Group.

Save and except for code provision E.1.2 as set out below, the Company has complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") during the reporting period:

In respect of code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting and should also invite the chairman of the audit, remuneration and nomination committees to attend. Mr. YANG, Tou-Hsiung, the Chairman of the Board and the Chairman of the Nomination Committee and Mr. KO, Jim-Chen, Chairman of the Remuneration Committee, were not able to attend the Annual General Meeting of the Company held on 19 May 2015 due to business commitments.

AUDIT COMMITTEE

The Audit Committee, comprising all the Independent Non-executive Directors of the Company, has reviewed the results of the Group for the year ended 31 December 2015 and has discussed with the management the accounting principles and practices adopted by the Group, and its internal controls and financial reporting matters.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2015 have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial information for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND AND CLOSURE OF REGISTER OF MEMBERS

The Board recommended the payment of a final dividend of 0.301 US cents (2014: nil), subject to the approval of such final dividend by the shareholders at the Annual General Meeting of the Company to be held on 24 May 2016. It is expected that the proposed final dividend will be paid on or before 15 June 2016 to shareholders registered on the record date, being 31 May 2016.

The register of members of the Company will be closed from 28 May 2016 to 31 May 2016, both days inclusive during such period no transfer of shares will be effected. In order to be eligible to receive the proposed final dividend, unregistered holders of shares of the Company should ensure all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Tengis Limited, 22/F, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 27 May 2016.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement was published on the Hong Kong Stock Exchange's website at (www.hkexnews.hk) and the Company's website at (www.vedaninternational.com). The Company's 2015 annual report containing all the information required under the Listing Rules will be dispatched to shareholders and published on the websites of the Hong Kong Stock Exchange and the Company in due course.

OUR APPRECIATION

Finally, the Board would like to express our gratitude to the shareholders, business partners and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the Group.

By Order of the Board
Vedan International (Holdings) Limited
YANG, Kun-Hsiang
Executive Director and Chief Executive Officer

Hong Kong, 29 March 2016

As at the date of this announcement, the Board comprises of the following Directors:–

Executive Directors:–

Mr. YANG, Tou-Hsiung
Mr. YANG, Cheng
Mr. YANG, Kun-Hsiang
Mr. YANG, Chen-Wen
Mr. YANG, Kun-Chou

Non-executive Directors:–

Mr. HUANG, Ching-Jung
Mr. CHOU, Szu-Cheng

Independent non-executive Directors:–

Mr. CHAO, Pei-Hong
Mr. KO, Jim-Chen
Mr. CHEN, Joen-Ray
Mr. HSIEH, Lung-Fa