



## 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。

**Yang, Tou-Hsiung 楊頭雄**  
Chairman 主席

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。

In 2015, the global economy was weak due to the low international oil price which also had impact on the fluctuations in exchange rates and interest rates. Other unstable factors including the change in market sentiment in the PRC and the volatile geopolitical situation in the Middle East and Europe again added uncertainty to the improving economic and market atmosphere. Consumers became more cautious, which ultimately affected the Group's business growth during the period. However, the new energy supply system at the Vietnam factory was completed as scheduled at the beginning of this year, and material costs remained quite stable during the year, while the production cost gradually stabilised which facilitated higher profitability. Nevertheless, the intense price competition in the MSG market has shown no signs of abating, which affected not only the Group's major markets but also its overall profitability. To cope with this situation, the Group has switched its focus to business expansion through strengthening sales efforts and product development with the ultimate aim to boost profit.

Looking at the Group's operations and financial performance for the year of 2015, turnover amounted to about US\$327,000,000 during the period, which was similar to the level recorded last year. Although the competitiveness of the Group's production operations has improved, and the overall sales volume have recorded growth in most of the regions and products, the Group's revenue has only increased slightly mainly due to the price competition among competitors as well as the depreciation of the Japanese yen. These factors have dragged down the market selling price and thus considerably affected the Group's business. Nevertheless, the Group's gross profit for the year grew substantially by 37.6% from the corresponding year to US\$60,703,000 as the production cost at the Vietnam factory decreased due to more efficient energy utilisation. Net profit of the Group achieved a turnaround and increased by US\$14,758,000 to US\$11,830,000. Net profit margin was 3.6%.

二零一五年全球的經濟環境，隨著國際油價疲軟所拖累的景氣低迷，牽連到匯率及利率的波動；加上中國景氣的變化、中東與歐洲的局勢等，此等不穩定的因素使原本剛萌芽的經濟與市場景氣，又再度籠罩陰晴不定的氛圍中，致使各地市場消費心態仍趨保守，亦限制期內集團的業務增長。不過，集團越南廠所新設置之能源供應系統已於今年初如期順利完成，加上期內原料價格尚屬穩定，致使生產成本得以逐漸回穩，獲利得以提升。雖然如此，味精同業於市場上的低價競爭卻未見緩和，除衝擊集團各主要市場外，也影響集團的獲利水準。有鑑於此，集團今年的主要營運重點仍致力積極拓展業務、加強銷售力度與開發新產品等，以開創更高的利潤空間。

綜觀集團於今年（二零一五年）之營運與獲利，期內營業額約3億2仟7佰萬美元，與去年（二零一四年）同期相約。雖然生產競爭力回升，大部份區域與產品銷售數量有成長，但營收僅微幅上升，主要由於競爭者於國際間低價的競爭，及日本市場受到日元貶值的影響等，市場售價下滑，大幅影響業績增長。然而，因越南廠使用能源效率改善，生產成本下降，使全年毛利額達6,070萬美元，較去年大幅提升37.6%。淨利為1,183萬美元，由去年的轉虧為盈，較去年增加1,476萬美元，淨利率3.6%。

In terms of geographic markets and segment performance, in Vietnam, the economy was on the road to recovery and the sales of various products of the Group including MSG, hydrochloric acid, soda and maltose recorded an increase due to the lower energy costs and enhanced competitiveness of the Vietnam plant. Thus, overall performance of this region grew by 3.0% year-on-year. Regarding the operation in the PRC, due to the slowdown in economic growth, depreciation of the RMB, along with the weakening market demand and intense competition, sales of MSG and starch products were under pressure. However, the PRC market still recorded a year-on-year revenue growth of approximately 1.9%, thanks to the business growth of the newly-launched trading product mix. On the other hand, sales in Japan were affected by the tough price competition among industry players, together with the weak Japanese economy and the significant depreciation of the Japanese yen, thus the selling price of all products declined. Consequently, the sales performance in Japan decreased by 14.4% from the same period last year. The ASEAN and European markets experienced an even more adverse situation due to the cut-throat price competition among peers during the period. Thus, the prices of our products, in particular MSG and starch products, in these two markets have remained very low. The Group has resisted engaging in competition based solely on price, as profitability remains its key consideration. As such, our sales of MSG and starch in these two regions were notably affected and sales results in these regions contracted significantly when compared to last year. However, sales of MSG in the US market benefited from the imposition of an anti-dumping tax on products from the PRC. As a result, the revenue from the US saw a notable growth.

As for the performance of our products, the Group's leading product, MSG, has boasted higher competitiveness as the Group has managed to gradually lower its energy costs since the beginning of the year. Consequently, both revenue and profit from this major product have increased when compared to the corresponding period last year. The sales of modified starch, another key product of the Group, decreased by 10.6% due to the keen product competition in Thailand and a slowdown in demand and reduction in sales of products with low profit margins by the Group during the year. The performance of hydrochloric acid and soda under the specialty chemicals segment recorded stable growth when compared with last year, which was attributable to greater demand from the infrastructure sector in the Vietnam market. Sales of fertiliser and feed products decreased by about 9.3% year-on-year as market competition became increasingly intense due to price reductions in these products caused by decreasing market demand reinforced by lower short-term demand in the market. Moreover, thanks to the growing demand and increased sales of amylase in Vietnam, turnover of the Group's new maltose plant soared by 47.8% year-on-year. The new plant has not only served as another revenue growth driver, but has also enhanced the production efficiency of its existing syrup plant and diversified the Group's starch business.

以集團各主要市場與業務經營分析，在越南市場，因經濟景氣漸緩復甦，配合越南廠能源成本下降，競爭力提升，使多項產品之銷售，包括味精、鹽酸、蘇打與麥芽糖等產品均錄得增長，整體區域內業績較去年同期上升3.0%。而集團在中國的營運，因整體經濟景氣趨緩與人民幣貶值，且受到市場需求下滑與競爭的影響，使味精、澱粉產品等銷售受壓，然而中國因本期新推出之貿易品項的業務成長，使營收較去年同期仍有約1.9%的成長。另外，日本市場的銷售除受到同業低價競爭的衝擊外，日本經濟低迷以及日元匯率波動，各項產品售價大幅調降，造成集團銷售於日本市場的業績亦較去年同期下降14.4%。同時，東盟與歐洲市場於期內受到同業低價競爭的影響亦大，尤其味精產品與澱粉產品於市場上的售價甚低，而集團仍以利潤為主要考量，不參與低價之競爭，造成此兩個區域的味精與澱粉銷售受到顯著影響，致使此等地區之業績較去年明顯下滑。然而，對美國市場的味精銷售卻因美國對中國產品課徵反傾銷稅，使今年該地區業績比去年有較大幅度的成長。

就產品別分析而言，集團主要的味精產品，由於年初已逐漸改善能源成本，提高競爭力，使本項主力產品之營收與獲利均較去年同期有所提升。集團另一項重要的變性澱粉產品，在年內卻因受到泰國產品競爭，需求趨緩，同時集團亦降低低毛利產品之銷售，致使該產品業績下滑10.6%。特化產品中的鹽酸與蘇打產品卻受惠於越南基礎工業穩定的需求，業績較去年同期尚有穩定成長。而集團的肥飼料產品，因市場需求下降，同類產品價格下滑，致使市場競爭激烈，且短期需求降低，銷售較去年減少約9.3%。此外，集團有鑒於越南市場對澱粉糖的需求與產銷情勢，所增設之麥芽糖廠於今年之營業額較去年大幅增加47.8%，其獲利也逐步提升，除增加營收之動能外，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。

The Vietnam plant has completed the construction of the new energy supply system in the first half of 2015. As the more efficient system has improved cost structure, the Group has managed to achieve a turnaround and gradually gained growth momentum. However, threats arising from the current intense price competition among its peers have continued to grow while overall economic uncertainties linger in the operating environment. To cope with these challenges, the Group will review its strategies and mechanism from time to time by adopting a more flexible raw material procurement procedure as well as improving the production technologies, so as to stabilise the costs and enhance competitiveness of its production. The Vietnam government has also entered into a number of free trade agreements including the Trans-Pacific Partnership Agreement. Such initiatives are expected to boost the medium- to long-term economic growth.

In the area of sales and marketing, the Group will expand the local Vietnam market and focus on emerging markets with development potential as well as strengthen its distribution channels. To support the current product lines, the Group will integrate its marketing strategies and expand its sales channels in order to realise the full potential of its sales network while enhancing its sales presence to boost brand awareness. As for the PRC operation, in addition to re-strengthening its business development team, the Group will continue to expand regional markets and develop new products with higher gross profit. The Group will also review and identify potential acquisitions and strategic collaborative projects, and by leveraging its geographical reach and international experience, aiming to improve efficiency while broadening its revenue streams. The Group is also continuing to bolster its research and development (R&D) capabilities to boost production efficiency and develop innovative products. These efforts will help the Group extend the life cycle of its products and enhance its brand presence.

越南廠於今年上半年完成新能源供應系統之設置，在成本改善的驅動下，集團轉虧為盈，逐漸升溫動能。雖然如此，現階段同業在市場的低價競爭威脅還是有增無減，總體經濟的不確定因素仍充滿在經營的環境中。面對此等環境變化，集團會隨時檢討應變策略與機制，將採取更靈活的原料採購模式與持續提升生產技術，以期穩定成本，維持生產競爭力。另一方面，越南政府已簽訂多項自由貿易協定如「跨太平洋夥伴關係」(TPP)協議，預期將會帶動中長期經濟發展。

有鑒於此，集團將把握機會，在行銷業務方面，精耕越南本地市場，並著力於具潛質空間之新興市場，強化通路架構，對於已成熟的通路，將更整合集團的行銷策略，深耕銷售網絡，以發揮通路價值。同時，集團將藉由規劃導入相關新產品之銷售，延伸品牌的加乘效果。而在中國區的營運，除了再強化業務團隊，將再努力於區域市場之精耕與開發高毛利新產品。此外，集團也將繼續檢討尋找各項併購或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。同時，集團也將持續強化研發項目，以增進生產效能與開發新產品，延伸產品生命週期，增強品牌力度與廣度。

## Chairman's Statement 主席報告書

We realise that the prevailing uncertain global economic conditions and operating environment will present many growth opportunities but also tough challenges to the Group's operations. Facing these variables, the Group is conducting in-depth review and planning, as well as formulating related strategies to capture the opportunities and overcome the challenges ahead. Looking ahead to 2016, the Group believes that the competitiveness of our production operations has improved. This plus an open market in Vietnam and the current stable economic growth in the region have enhanced the confidence of the operation team in promoting sales and further expanding into different business sectors. As the Group enters a benign phase of the business cycle, it has observed positive signs of an upswing as its operation develops and advances. Recognising the ever-changing operating environment, the opportunities presented to the Company as well as the responsibilities it shoulders, the management at all levels will execute the operational strategies set by the Group in a proactive, pragmatic and prudent manner. In this way, acting in concert our colleagues will advance the Group's business to greater heights as well as generate more fruitful returns for shareholders.

By Order of the Board  
**Yang, Tou-Hsiung**  
*Chairman*

Hong Kong, 29 March 2016

我們深刻體會到目前全球許多不確定性之經濟情勢與經營環境，對集團的營運而言雖然仍有許多成長機會，但確實也存在諸多挑戰。面對此等變數，集團將作更深入的檢討與規劃，並擬訂相關的策略以掌握時機及對應迎面而來的挑戰。展望二零一六年，集團相信我們生產競爭力獲得改善，且面對越南開放的市場與經濟穩定的成長現況，經營團隊更有信心在業務銷售面得以發揮，同時將對各事業領域進行更進一步的拓展。集團也相信，在此良性循環之下，經營將持續朝向正面與進步的發展。而集團的各級主管同仁，亦深切體認多變的環境、公司的契機與所肩負之責任，將會以開創的眼光與積極的態度，務實並謹慎地來執行集團擬具之各項營運策略，以期共同為開創集團未來另一個業績的高峰，並且提高對股東的回報。

承董事會命  
主席  
楊頭雄

香港，二零一六年三月二十九日