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## **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)**

### **INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025**

#### **FINANCIAL HIGHLIGHTS**

	<b>Unaudited six months ended 30 June</b>		<b>Change</b>
	<b>2025</b>	<b>2024</b>	
	<b>US\$'000</b>	<b>US\$'000</b>	
Revenue	<b>184,267</b>	185,155	-888
Gross profit	<b>31,809</b>	32,903	-1,094
Profit for the period	<b>7,610</b>	8,344	-734
Profit attributable to owners of the Company	<b>7,598</b>	8,331	-733
Basic earnings per share	<b>0.50 US cents</b>	0.55 US cents	
Diluted earnings per share	<b>0.50 US cents</b>	0.55 US cents	
Interim dividend proposed per share	<b>0.300 US cents</b>	0.273 US cents	
Total dividends paid and proposed per share	<b>0.300 US cents</b>	0.273 US cents	

## INTERIM RESULTS

The board of directors (the “Board”) of Vedan International (Holdings) Limited (the “Company”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the corresponding period in the previous year.

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		<b>Unaudited</b>	<b>Audited</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		<b>115,513</b>	122,437
Right-of-use assets		<b>4,348</b>	4,614
Intangible assets		<b>949</b>	970
Long-term prepayments		<b>555</b>	536
Deferred tax assets		<b>538</b>	965
Investment in a joint venture		<b>626</b>	626
Investment in an associate		<b>3,994</b>	4,149
<b>Total non-current assets</b>		<b>126,523</b>	134,297
<b>Current assets</b>			
Inventories		<b>132,754</b>	126,871
Trade receivables	4	<b>32,319</b>	33,576
Prepayments and other receivables		<b>17,390</b>	7,111
Amount due from related parties		<b>812</b>	319
Structured bank deposits		<b>3,492</b>	–
Short-term bank deposits		<b>9,398</b>	16,535
Restricted deposits		<b>–</b>	2,509
Cash and cash equivalents		<b>48,765</b>	47,473
<b>Total current assets</b>		<b>244,930</b>	234,394
<b>Total assets</b>		<b>371,453</b>	368,691

		<b>Unaudited</b>	<b>Audited</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		<b>15,228</b>	15,228
Reserves		<b>286,173</b>	286,958
		<b>301,401</b>	302,186
Non-controlling interest		<b>242</b>	230
<b>Total equity</b>		<b>301,643</b>	302,416
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Bank borrowings		–	664
Lease liabilities		<b>2,551</b>	2,698
Retirement benefit obligations		<b>1,424</b>	1,474
<b>Total non-current liabilities</b>		<b>3,975</b>	4,836
<b>Current liabilities</b>			
Trade payables	5	<b>15,573</b>	11,254
Accruals and other payables		<b>17,282</b>	21,894
Amounts due to related parties		<b>1,579</b>	643
Bank borrowings		<b>27,809</b>	24,655
Lease liabilities		<b>516</b>	506
Current income tax liabilities		<b>3,076</b>	2,487
<b>Total current liabilities</b>		<b>65,835</b>	61,439
<b>Total liabilities</b>		<b>69,810</b>	66,275
<b>Total equity and liabilities</b>		<b>371,453</b>	368,691

## INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		Unaudited	
		Six months ended 30 June	
		2025	2024
	Note	US\$'000	US\$'000
Revenue	3	184,267	185,155
Cost of sales	7	<u>(152,458)</u>	<u>(152,252)</u>
<b>Gross profit</b>		<b>31,809</b>	32,903
Other gains – net	6	1,194	1,354
Selling and distribution expenses	7	(9,780)	(9,768)
Administrative expenses	7	<u>(12,216)</u>	<u>(12,118)</u>
<b>Operating profit</b>		<u>11,007</u>	<u>12,371</u>
Finance income		677	454
Finance costs		<u>(554)</u>	<u>(872)</u>
Finance income/(costs) – net	8	<u>123</u>	<u>(418)</u>
Share of post-tax loss of an associate		<u>(375)</u>	<u>(462)</u>
<b>Profit before income tax</b>		<b>10,755</b>	11,491
Income tax expense	9	<u>(3,145)</u>	<u>(3,147)</u>
<b>Profit for the period</b>		<u><b>7,610</b></u>	<u><b>8,344</b></u>
<b>Profit attributable to:</b>			
– Owners of the Company		7,598	8,331
– Non-controlling interest		<u>12</u>	<u>13</u>
		<u><b>7,610</b></u>	<u><b>8,344</b></u>
<b>Earnings per share for profit attributable to the owners of the Company</b>			
– Basic and diluted earnings per share (expressed in US cents)	10	<u><b>0.50</b></u>	<u><b>0.55</b></u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Profit for the period</b>	<b>7,610</b>	<b>8,344</b>
<b>Other comprehensive income/(loss)</b>		
<i>Items that may be reclassified to profit or loss</i>		
Currency translation differences	<u>297</u>	<u>(395)</u>
<b>Total comprehensive profit for the period</b>	<u><b>7,907</b></u>	<u><b>7,949</b></u>
<b>Total comprehensive profit for the period</b>		
<b>attributable to:</b>		
– Owners of the Company	<b>7,895</b>	<b>7,936</b>
– Non-controlling interest	<u>12</u>	<u>13</u>
	<u><b>7,907</b></u>	<u><b>7,949</b></u>

# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

## 1. Basis of preparation

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim Financial Reporting” issued by the Hong Kong Institution of Certified Public Accountants (“**HKICPA**”). The interim condensed consolidated financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, it should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”), and any public announcements made by Vedan International (Holdings) Limited during the interim reporting period.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

## 2. Accounting policies

Except as described in (a) below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024, as described in the annual financial statements.

- (a) The following amendments to standards are mandatory for the first time for the financial year beginning on 1 January 2025, but do not have any significant impact on the preparation of this interim condensed consolidated financial information.

HKAS 21 and HKFRS 1  
(Amendments)

Lack of Exchangeability (amendments)

- (b) The following new standards and amendments to standards (collectively “**Amendments**”) have been issued, but are not effective for the financial year beginning on 1 January 2025 and have not been early adopted.

		<b>Effective for annual periods beginning on or after</b>
HKFRS 9 and HKFRS 7 (Amendments)	Classification and Measurement of Financial Instruments (amendments)	1 January 2026
HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual Improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity (amendments)	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements (new standard)	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures (new standard)	1 January 2027
HK Int 5 (Amendments)	Hong Kong Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (amendments)	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (amendments)	To be determined

### 3. Segment information

The chief operating decision-maker has been identified as the Executive Directors collectively. The Executive Directors review the Group's policies and information for the purposes of assessing performance and allocating resources. During the period ended 30 June 2025, 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, GA and others (2024: same).

#### (i) Segment revenue

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Sales of goods		
Timing of revenue recognition		
At a point in time	<b>184,267</b>	<b>185,155</b>

The Group's revenue by geographical location, which is determined by the geographical presence of customers, is as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Vietnam	<b>73,350</b>	79,505
Japan	<b>32,131</b>	35,218
The PRC	<b>34,851</b>	29,126
The US	<b>17,573</b>	13,011
Taiwan	<b>7,464</b>	6,384
ASEAN member countries (other than Vietnam)	<b>13,573</b>	14,813
Other regions	<b>5,325</b>	7,098
Total revenue	<b>184,267</b>	<b>185,155</b>



- (ii) Non-current assets, other than deferred tax assets and long-term prepayments, by location, which is determined by the country in which the asset is located, are as follows:

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Vietnam	<b>117,316</b>	124,689
The PRC	<b>8,113</b>	8,105
Others	<b>1</b>	<b>2</b>
	<b>125,430</b>	<b>132,796</b>

#### 4. Trade receivables

	<b>Unaudited</b>	<b>Audited</b>
	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>31 December</b>
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Trade receivables from third parties	<b>32,508</b>	34,053
Less: loss allowance	<b>(189)</b>	<b>(477)</b>
<b>Trade receivables – net</b>	<b>32,319</b>	<b>33,576</b>

The credit terms of trade receivables generally range from cash on delivery to 30-90 days. The Group may grant a longer credit period to certain customers subject to the satisfactory results of credit assessment. As at 30 June 2025 and 31 December 2024, the ageing of the trade receivables based on invoice date was as follows:

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
0-30 days	<b>30,518</b>	32,918
31-90 days	<b>1,501</b>	520
91-180 days	<b>219</b>	163
181-365 days	<b>151</b>	–
Over 365 days	<b>119</b>	452
	<b>32,508</b>	34,053

***Loss allowance of trade receivables***

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The closing loss allowance for trade receivables as at 30 June 2025 and 2024 reconciles to the opening loss allowance as follows:

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
Opening loss allowance as at 1 January	<b>477</b>	350
Decrease in loss allowance recognised in condensed consolidated income statement during the period ( <i>Note 7</i> )	<b>(288)</b>	(43)
Closing loss allowance as at 30 June	<b>189</b>	307

## 5. Trade payables

Trade payables are unsecured and are usually paid within 30 days of recognition.

As at 30 June 2025 and 31 December 2024, the ageing of the trade payables based on invoice date was as follows:

	<b>Unaudited</b>	Audited
	<b>As at</b>	As at
	<b>30 June</b>	31 December
	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
0-30 days	<b>11,960</b>	9,795
31-90 days	<b>3,080</b>	1,459
Over 90 days	<b>533</b>	—
	<u><b>15,573</b></u>	<u>11,254</u>

## 6. Other gains – net

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	2024
	<b>US\$'000</b>	US\$'000
Net exchange gains	<b>448</b>	1,443
Loss on disposal of property, plant and equipment	<b>(7)</b>	(24)
Sales of scrap materials	<b>193</b>	199
Government grant	<b>72</b>	13
Fair value gain on structured bank deposits	<b>—</b>	4
Impairment of goodwill	<b>—</b>	(491)
Rental income	<b>79</b>	33
Others	<b>409</b>	177
	<u><b>1,194</b></u>	<u>1,354</u>

## 7. Expenses by nature

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Changes in inventories and consumables used	<b>124,012</b>	121,448
Amortisation of intangible assets	<b>36</b>	35
Amortisation of right-of-use assets	<b>296</b>	284
Auditors' remuneration		
– Audit services	<b>129</b>	129
– Non-audit services	<b>–</b>	–
Depreciation on property, plant and equipment	<b>10,502</b>	10,992
Employee benefit expenses	<b>21,510</b>	20,745
Reversal of loss allowance of trade receivables ( <i>Note 4</i> )	<b>(288)</b>	(43)
Reversal of provision for inventories	<b>(313)</b>	(299)
Written-off of property, plant and equipment	<b>550</b>	–
Payment for short-term leases	<b>79</b>	145
Technical support fee	<b>1,575</b>	1,569
Travelling expenses	<b>787</b>	821
Transportation expenses	<b>3,181</b>	3,057
Advertising expenses	<b>928</b>	1,153
Repair and maintenance expenses	<b>7,600</b>	8,969
Other expenses	<b>3,870</b>	5,133
	<hr/>	<hr/>
Total cost of sales, selling and distribution expenses and administrative expenses	<b><u>174,454</u></b>	<b><u>174,138</u></b>

**8. Financial income/(costs) – net**

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Finance income:</b>		
– Interest income on short-term bank deposits	672	452
– Interest income from an associate	5	2
	<u>677</u>	<u>454</u>
<b>Finance costs:</b>		
– Interest expense on bank borrowings	(511)	(833)
– Interest expenses on lease liabilities	(43)	(39)
	<u>(554)</u>	<u>(872)</u>
Finance costs		
	<u>(554)</u>	<u>(872)</u>
<b>Finance income/(costs) – net</b>	<b>123</b>	<b>(418)</b>

**9. Income tax expense**

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

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

	<b>Unaudited</b>	
	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Enterprise income tax (“EIT”)	2,718	3,440
Deferred income tax	427	(293)
	<u>3,145</u>	<u>3,147</u>

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.

**(i) Vietnam**

The applicable EIT rate for the Group's principal operation in Vietnam is 15%, which is an incentive tax rate offered by the Vietnam Government and is stipulated in the respective subsidiary's investment license. For non-principal operation in Vietnam, the applicable EIT rate for the Group is 20%.

**(ii) The PRC**

The applicable EIT rate for the Group's operation in the PRC is 25%.

**(iii) Singapore/Hong Kong/Cambodia**

No Singapore/Hong Kong/Cambodia profits tax has been provided as the Group had no estimated assessable profit arising in or derived from Singapore, Hong Kong and Cambodia during the period.

**(iv) Taiwan**

The applicable EIT rate for the Group's operations in Taiwan is 20%.

**10. Earnings per share**

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company of US\$7,598,000 (2024: US\$8,331,000) by weighted average of ordinary shares of 1,522,742,000 (2024: 1,522,742,000) in issue during the period.

Diluted earnings per share is the same as the basic earnings per share as there are no dilutive instruments for the periods ended 30 June 2025 and 2024.

**11. Dividends**

A final dividend of 0.570 US cents per share amounting to US\$8,680,000 that relates to the year ended 31 December 2024 was declared on 18 March 2025 and was paid on 17 June 2025.

On 26 August 2025, the Board resolved to declare an interim dividend of 0.300 US cents per share (2024: 0.273 US cents). This interim dividend, amounting to US\$4,566,000 (2024: US\$4,166,000), has not been recognised as a liability in this interim condensed consolidated financial information.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **I. BUSINESS OVERVIEW**

In 2025, the global economy continued to face numerous challenges. With the US announcing the implementation of global reciprocal tariffs on 2 April 2025, cross-border trade has been severely impacted, changing the structure of bilateral negotiations and affecting supply chain costs and tax considerations. Free Trade Agreement (FTA) have gradually switched from promotion of free trade to protectionism and geopolitics.

Looking back at the first half of 2025, energy and raw material prices were decreased, but geopolitical risks and high interest rates placed immense pressure on the global economic recovery. Although global inflation slowed, reciprocal tariffs and the decision made by the Federal Reserve (FED) to delay interest rate cuts brought more uncertainty to the market.

Against this backdrop, the Vietnamese government continued to stimulate domestic demand and investment activities through loose monetary policies. The Vietnamese dong (VND) fluctuated between 25,200 and 26,100 against the US dollar. The average annual Consumer Price Index (CPI) growth rate during the period was 3.27%, lower than the same period last year but still within the government's control target of 4.5%, indicating that price pressure remained under control.

In addition, Vietnam actively expanded trade with major economies, continued to promote economic opening and industrial upgrading, and deepened regional economic cooperation. Through multilateral and bilateral FTAs, Vietnam has significantly diversified its export market, helping to mitigate external shocks and strengthen its role in the global supply chain. During the period, registered FDI (foreign direct investment) exceeded US\$21.5 billion, an increase of more than 32.6% year-on-year.

During the period, Vietnam's annual GDP growth rate reached 7.52%, marking a 15-year high. The estimated GDP per capita for this year was US\$5,036, up 9% from US\$4,636 at the end of 2024, reflecting economic structural upgrading and income improvement.

China's annual GDP growth rate reached 5.3%, slightly above the annual target of 5%. Despite signs of recovery in manufacturing and infrastructure, export momentum was significantly impacted by reciprocal tariffs, while domestic demand continued to be weighed down by a relatively high youth unemployment rate and a downturn in the property market. During the period, China's CPI fell by 0.1% year-on-year, reflecting overall price stability.

The Group's revenue for the period amounted to approximately US\$184,267,000, a decrease of 0.5%, or US\$888,000, from the same period last year. The primary reason for the decline was intensified competition in various markets. Among the Group's major products, the selling price and revenue of MSG products decreased due to declining market demand and intensified competition. Although the costs of raw materials and energy fell from the same period last year, market competition led to a decline in gross profit margin compared with the same period last year. Due to overcapacity in Thailand, prices for modified starch were affected. However, the Group's product prices remained relatively high, resulting in a decline in sales volume and revenue. Nevertheless, gross profit achieved period-on-period growth due to lower raw material prices compared with the last corresponding period. Demand for specialty chemicals remained weak amid a sluggish market and intense competition. To stimulate sales, the Group adjusted prices downward, resulting in a modest decrease in revenue compared with the same period last year. The average selling price of hydrochloric acid continued to fall due to weak market demand, leading to a decline in revenue compared with the same period last year, coupled with the moderate dip in raw materials and energy costs, which has resulted in a period-on-period decrease in gross profit. For fertilizer and feed products, the Group actively developed other products in response to market competition and sluggish demand. In addition, revenue of some of the Group's other products, including coffee and bulk food ingredients, increased compared with the same period last year, benefiting from increasing product prices and sustained market demand.



Due to intensified competition and changes in the international market, the Group's overall gross profit margin slid from 17.8% in the first half of 2024 to 17.3% in the first half of 2025. Gross profit was US\$31,809,000, down US\$1,094,000 from the same period last year. Net profit margin decreased from 4.5% for the same period in 2024 to 4.1%, while net profit was US\$7,610,000, US\$734,000 less than the last corresponding period.

## II. BUSINESS ANALYSIS

### (1.) Sales Analysis by Market

*Unit: US\$'000*

Country	Jan-Jun 2025 cumulative		Jan-Jun 2024 cumulative		Difference	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Vietnam	73,350	39.8%	79,505	42.9%	-6,155	-7.7%
Japan	32,131	17.4%	35,218	19.0%	-3,087	-8.8%
PRC	34,851	18.9%	29,125	15.7%	5,726	19.7%
ASEAN	13,573	7.4%	14,813	8.0%	-1,240	-8.4%
USA	17,573	9.5%	13,011	7.0%	4,562	35.1%
Others	12,789	7.0%	13,483	7.4%	-694	-5.1%
Total	<b>184,267</b>	<b>100.0%</b>	<b>185,155</b>	<b>100.0%</b>	<b>-888</b>	<b>-0.5%</b>

#### 1. Vietnam

Vietnam is the Group's largest market, with revenue of approximately US\$73,350,000 for the period, a decrease of approximately US\$6,155,000, or 7.7%, from the same period last year, and its share of revenue dropped from 42.9% to 39.8%. The decline in revenue in the Vietnamese market during the period was mainly due to the slow market recovery, reduced demand, and prevalence of a wait-and-see approach, which affected sales of MSG, fertilizer and feed, and specialty chemical products. In particular, competition from cheaper imported products affected the sales volume and revenue of MSG products. During the period, the Group focused on bolstering and integrating its sales channels, developing new products, adjusting its product structure, and flexibly revising its marketing strategies to strengthen sales and improve its market network.

## **2. *Japan***

Japan is the Group's third largest market. In January 2025, the Japanese yen fell to its lowest level of the year at 158 JPY/USD. Although it rebounded from April to June, the consumer market remained under pressure, affecting consumption sentiment. The Group will continue to develop new customer groups and promote cross-sector applications of its products. It will also actively develop high-value-added products to drive overall revenue and profit growth. Revenue for the period was approximately US\$32,131,000, a decrease of approximately US\$3,087,000, or 8.8%, from the same period last year, and its share of revenue declined from 19.0% to 17.4%.

## **3. *The PRC***

China is the Group's second largest market. China's industrial chain and supply chain have gradually recovered after the end of the pandemic. The Group expanded its coffee consumption market by segmenting the market and boosting demand, resulting in steady growth in coffee bean sales. In addition to stabilizing the seasoning market, the Group continued to expand its new products in order to drive revenue growth. During the period, revenue from the PRC market was approximately US\$34,851,000, an increase of approximately US\$5,726,000, or 19.7%, over the same period in 2024, and its share of revenue rose from 15.7% to 18.9%.

## **4. *The ASEAN Market***

Revenue from the ASEAN market (excluding Vietnam) for the period was approximately US\$13,573,000, a decrease of US\$1,240,000, or 8.4%, from the same period last year, and its share of the Group's total revenue dipped from 8.0% to 7.4%. The ASEAN market has always been a key market for the Group's development. The Group hopes to leverage its industrial and geographical advantages to expand into this market with its core products, seek new customers, explore new markets, establish closer partnerships, and broaden its sales channels in a bid to achieve a breakthrough in sales performance.

## 5. *The USA*

Revenue from the US market for the period was approximately US\$17,573,000, a surge of approximately US\$4,562,000, or 35.1%, over the same period last year, while its share of revenue increased from 7.0% to 9.5%. The improvement in performance during the period was mainly due to the uncertainty caused by reciprocal tariffs, which led to US placing orders in advance, resulting in an increase in regional revenue. The Group will maintain key channels and customers, integrate the production and sales value chain, and continue to develop market-driven products in order to meet customer needs and improve the quality and competitiveness of its products. Future sales performance remains encouraging.

## 6. *Other markets*

Other markets mainly consist of Taiwan, Korea, and the EU. Total revenue for the period was approximately US\$12,789,000, a decrease of approximately US\$694,000, or 5.1%, from the same period of 2024. Its share of the Group's total revenue slid from 7.4% to 7.0%, mainly due to a decline in sales volume of CMS in Korea.

## (2) Sales Analysis by Product

*Unit: US\$'000*

Item	Cumulative from January to June 2025		Cumulative from January to June 2024		Difference	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
MSG and Seasonings	99,745	54.1%	105,611	57.0%	-5,866	-5.6%
Modified Starch, Native Starch and Starch Sugar	31,369	17.0%	33,446	18.1%	-2,077	-6.2%
Specialty Chemicals	9,433	5.1%	9,963	5.4%	-530	-5.3%
Fertilizers and Feed Products	14,931	8.1%	16,414	8.9%	-1,483	-9.0%
Coffee Beans	19,558	10.6%	8,723	4.7%	10,835	124.2%
Others	9,231	5.1%	10,998	5.9%	-1,767	-16.1%
Total	<b>184,267</b>	<b>100.0%</b>	<b>185,155</b>	<b>100.0%</b>	<b>-888</b>	<b>-0.5%</b>

## **1. *MSG and Seasonings***

During the period, revenue from MSG and seasoning-related products was approximately US\$99,745,000, a decrease of approximately US\$5,866,000, or 5.6%, from the same period last year. The weaker performance was mainly because market demand in Vietnam, Japan, the PRC, and ASEAN markets had not yet recovered, and low-price competition in the market had suppressed breakthroughs in sales volume and selling price, resulting in a decline in revenue. Their share of revenue fell from 57.0% the same period last year to 54.1%.

## **2. *Modified Starch/Native Starch/Starch Sugar***

Revenue from modified starch, natural starch and starch sugar products was approximately US\$31,369,000 for the period, a decline of approximately US\$2,077,000, or 6.2%, over the same period last year. Excess production capacity of modified starch in the PRC, combined with higher supply from Thailand, led to more intense market competition. While the Group's limited price reductions caused a decline in sales volume and revenue, the continuous drop in raw material costs contributed to a rise in gross profit compared with the same period last year. Sales of starch sugar also continued to rebound due to customer destocking. The Group attaches great importance to the development potential of these products, and has therefore continued to actively develop new high-value-added products and seek cooperation with leading global companies, which indicates promising profit potential for the future.

### **3. *Specialty Chemicals***

Specialty chemical products include hydrochloric acid, soda, and bleach, all of which are sold in Vietnam. Total revenue from specialty chemicals products was approximately US\$9,433,000 for the period, a decrease of approximately US\$530,000, or 5.3%, from the same period in 2024, and its share of the Group's total revenue receded from 5.4% to 5.1%. During the period, revenue from soda products remained relatively unchanged from the same period last year. Due to weak demand and low-price competition in the industry, the selling price of hydrochloric acid and bleach products continued to fall, resulting in a decrease in overall revenue.

### **4. *Fertilizers and Feed Products***

Revenue from fertilizer and feed products was approximately US\$14,931,000 for the period, a decrease of US\$1,483,000, or 9.0%, from the same period in 2024, and its share of the Group's total revenue decreased from 8.9% to 8.1%. The drop in international molasses prices, coupled with intensified market competition for CMS products, impacted both selling price and volumes and negatively impacted overall revenue. The Group continued to invest in products with new specifications, improve its product structure, and explore new markets and customers in order to regain revenue and profit growth.

### **5. *Other Products***

During the period, the Group's revenue from other products was approximately US\$28,789,000, an increase of approximately US\$9,068,000, or 46.0%, over the same period last year, and its share of the Group's total revenue increased from 10.6% to 15.7%. The improved performance during the period was primarily driven by the greater sales volume of coffee beans and bulk raw materials in the PRC, which ultimately contributed to revenue growth.

### **III. MAJOR RAW MATERIALS/ENERGY OVERVIEW**

#### **(1) Cassava/Starch**

Due to the rebound in output from major plantation areas such as Thailand, Vietnam, and Cambodia during the current production season, market demand has remained weak, resulting in a decline in prices throughout the season. As part of the Group's annual strategy to centralize procurement and develop new sources of supply during the production season, it strives to secure most of the required raw materials in 2025 while controlling production costs and increasing profits.

#### **(2) Molasses**

Vietnam's total molasses output for the current production season has increased slightly. In the first half of 2025, stable climatic conditions in key producing countries led to increased output and a more relaxed supply situation, which contributed to a decline in prices. In addition to ensuring the domestic supply of molasses in Vietnam, the Group will continue to monitor changes in the international molasses market, and place orders in a timely manner, and actively develop additional sources of supply to ensure a stable supply of the raw materials.

#### **(3) Energy**

Crude oil: The international crude oil market exhibited an oversupply trend during the period, with price remaining relatively weak. The price of WTI oil continued to hover within the range of US\$62 to US\$75 per barrel. Due to changes in demand and escalating geopolitical risks, the possibility of a short-term surge still exists, which would create uncertainty regarding crude oil prices and supply, but it is not expected to increase significantly.

Coal: During the period, the international coal market faced downward pressure, mainly due to ample supply and weak demand. As a result, coal inventories in various countries remained high. Additionally, the impact of US reciprocal tariffs hindered economic recovery, leading to a slight decline in coal prices. The Group will continue to monitor changes in the energy industry and flexibly plan ahead.

Electricity: The key focus of Vietnam's 2025 power and energy sector overview is energy transition, policy adjustments, and emerging investment opportunities. The new "Vietnam's Power Development Plan 8" (PDP8) emphasizes the development of renewable energy (including offshore wind power) and nuclear energy, as well as the expansion of green electricity capacity. The new regulations also provide incentives for renewable energy to attract investment. However, due to increasing electricity demand, challenges such as electricity price hikes also exist.

In summary, 2025 is a pivotal year for the transformation of Vietnam's power and energy policies, with new regulations and initiatives strongly promoting the development of low-carbon energy – primarily renewable energy and nuclear power – while actively expanding the solar and offshore wind power markets. However, challenges such as electricity price adjustments driven by rising demand, the pace of infrastructure construction, and policy execution capabilities also need to be addressed.

In Vietnam, the Group has adopted a cogeneration power system to ensure a stable supply of electricity, and its production units have continuously reviewed and promoted energy and power conservation. Meanwhile, in addition to continuously seeking fuel supply solutions to control energy costs, the Group has stepped up its efforts in evaluating various green energy solutions to continue to move towards the goal of net-zero carbon emissions.

## **IV. FINANCIAL REVIEW**

### **1. Liquidity and Financial Resources**

During the period, the Group's cash and cash equivalents, short-term bank deposits, restricted deposits, and structured bank deposits amounted to US\$61,655,000, a decrease of US\$4,862,000, or approximately 7.3%, compared with the end of 2024. Total borrowings amounted to US\$27,809,000, an increase of US\$2,490,000, or approximately 9.8%, from the end of 2024.

During the period, the central bank of Vietnam kept its key policy interest rate largely unchanged at 4.5%, while the cost of US dollar financing remained high. Considering interest rates, financing costs and exchange rate risks, the Group adjusted its total bank borrowings in a timely manner and adjusted the VND-USD ratio for some of its bank borrowings to minimize interest expenses and mitigate risks. Total net finance income for the period amounted to US\$123,000, a rise of US\$541,000 compared with the same period last year.

The Group's trade receivables for the period amounted to US\$32,319,000, a decrease of US\$1,257,000, or approximately 3.7%, from the end of 2024. Total inventory stood at US\$132,754,000, an increase of US\$5,883,000, or approximately 4.6%, from the end of 2024.

In addition, trade payables amounted to US\$15,573,000, an increase of US\$4,319,000, or approximately 38.4%, from the end of 2024. The current ratio decreased to 3.72 from 3.82 at the end of 2024, and the Group's financial structure remained stable.



## **2. Capital Expenditure**

Capital expenditures for the period totaled US\$4,122,000, up by 45.4% from US\$2,835,000 for the same period last year. The expenditure was primarily for the replacement of certain obsolete equipment at a Vietnamese subsidiary and the continuation of outstanding maintenance projects from the previous year. Affected by interest rates, exchange rates and economic recovery, the operating environment remained uncertain. The Group is continuing to actively plan several development and investment projects, but is reviewing them with caution. As a result, there were no new major projects requiring significant capital expenditure during the period other than those mentioned above. The Group will continue to review and seize opportunities for investment.

## **3. Exchange rate**

In 2024, the FED cut interest rates three times, totaling 1 percentage point, with the policy rate being adjusted to a range of 4.25% to 4.50%. In the first half of 2025, the FED maintained interest rates unchanged following five consecutive meetings. The market expects interest rate cuts to begin in the second half of the year. Against this backdrop, the current policy focus of the State Bank of Vietnam (SBV) is to maintain stable interest rates and moderate interest rate cuts, promote credit growth, and flexibly manage exchange rates to support the official GDP growth target of 8.3% to 8.5%.

Since the FED has yet to cut interest rates, the interest rate differential between the USD and the VND still exists, continuing to put pressure on the VND. In the first half of 2025, the VND depreciated by around 2.7% against the USD, with the exchange rate falling from around 25,080 VND/USD at the beginning of the year to around 26,095 by mid-year, with a peak of 26,219. The estimated average exchange rate for the year is approximately 25,776 VND/USD. In addition, Vietnam's economy continued to demonstrate strong momentum in the first half of 2025 - GDP growth reached 7.52%, the highest level for the same period in 15 years, with second quarter annualized growth of nearly 7.96%, approaching the full-year target of 8.0%. FDI inflows also continued to increase, further supporting economic performance and exchange rate stability.

The Group's subsidiaries in the PRC are mainly engaged in local sales, with transactions conducted in RMB. The average exchange rate of the RMB against the USD in the first half of 2025 is 7.18, a slight depreciation from 7.11 in the first half of 2024. The overall performance of the RMB is weak but manageable. The Group will continue to monitor movements in the RMB-USD exchange rate to assess the potential impact on the business.

#### **4. EPS & Dividend**

Basic earnings per share for the period were 0.50 US cents. The Board of Directors has resolved an interim dividend of 0.300 US cents per share. The dividend payout ratio for the first half of the year was 60.0%.

### **V. PROSPECTS**

In the first half of 2025, the global economy showed modest signs of improvement amid overall stability. Although the direct impact of the Russia-Ukraine war has gradually faded and energy and raw material prices have fallen slightly compared with last year, geopolitical tensions in the Middle East persist, supply chain disruption risks remain, and the lagged effects of the US interest rate hikes are still being digested, leaving the global economic recovery facing numerous uncertainties.

In the second quarter of this year, the United States imposed reciprocal tariffs on the rest of the world, leading to heightened economic uncertainty worldwide. The Vietnamese government was among the first in the world to initiate negotiations, and continued to advance a number of growth-promoting measures launched in 2024, including green energy transformation, manufacturing upgrades, infrastructure expansion, and investment attraction plans. In addition, it officially began to streamline its government agencies and administrative areas in July, as well as introduced and implemented multiple new policies, demonstrating a rapid and proactive response. The annual GDP growth rate in the first half of 2025 reached 7.52%, slightly higher than the same period last year (6.42%), but still below the 8.3%-8.5% target. In terms of inflation, as of June 2025, Vietnam's average annual CPI growth rate for the first half of the year was maintained at 3.7% - lower than the government's target of 4.5%.

In PRC, the economic growth rate was around 4.6% for the first half of 2025, slightly lower than the same period last year (5.0%). Despite the government's continued implementation of policies aimed at stabilizing growth, including easing restrictions on local government debt, real estate absorption and technology investment subsidies, structural pressures on the manufacturing and real estate markets remained significant. With a high youth unemployment rate and weak consumer confidence, the CPI annual growth rate was only around 0.4% as of June 2025, indicating that the recovery momentum of domestic demand remained limited.

In general, the performance of emerging Asian economies was relatively strong in the first half of 2025. In particular, Vietnam maintained growth levels above the regional average thanks to various policies and industrial relocation, becoming a focal point for global capital.

Although the Group continues to face an uncertain economic environment and numerous variables in the future, it will continue to improve the flexibility of its overall operations, adjust its business portfolios and models, strengthen its organizational operations to enhance management efficiency, actively develop new products, and expand the scale of its production. At the same time, the Group will place greater focus on satisfying customer demand, optimizing the flexible cost structure and industrial chain integration, and implementing its action plan to ultimately create new growth drivers and improve its profitability. Key tasks and directions are outlined below:

- Expand product lines and optimize the product mix, partially transform existing products, assess and launch extended products, and gradually develop high-value-added products. The Group will also increase the proportion of highly functional and high-value-added products to enlarge its market share and boost its profitability.
- Actively expand into new channels and new markets, adjust product positioning and sales tactics, seek cooperative partners to expand market scale, and strengthen product marketing and brand promotion to improve the Group's results performance. The Group will also invest in the development of Internet sales channels to expand its reach.

- Continue to advance production technologies and master key technologies to enhance core competitiveness, and reactivate idle equipment to achieve the dual objectives of improving quality and lowering costs.
- Capture market trends in bulk raw materials, actively seek alternative raw material solutions, maintain stable cooperative relations with domestic and overseas suppliers, and effectively execute procurement strategies to ensure a stable supply of raw materials.
- Adopt a “co-opetition” strategy to boost product and service value, leverage the Group’s production base in Vietnam to actively develop markets that are signatories of the Free Trade Agreement (FTA) and Regional Comprehensive Economic Partnership (RCEP), while utilizing mutual support within the Group to realize its core advantages and expand the Group’s business presence.
- Integrate the Group’s resources and seek strategic partnerships to jointly develop markets with effective resource integration, strengthen research and development capabilities, and promote the Group’s upgrading and restructuring efforts to increase revenue, profit, and scale.
- Enhance equipment automation, accelerate the informatization of administrative processes, and develop AI enterprise applications to improve the efficiency of decision-making management.
- Intensify efforts in evaluating energy-saving plans and promoting energy conservation, and reduce consumption in the pursuit of carbon reduction.
- Continuously control capital deployment strategies, improve the operational efficiency of assets, and reduce risks associated with financial market fluctuations amid global financial market volatility.

Looking ahead to the second half of 2025, the global economy will continue to face uncertainty due to factors such as the ongoing economic tug-of-war between China and the US, inflation and fluctuations in foreign exchange rates, ongoing regional conflicts, and supply chain restructuring resulting from trade wars. The Group's business operations will therefore face certain challenges. However, the Group is cautiously optimistic and will continue to cultivate the market in accordance with its established business strategies and sales network. It will also actively explore new products, new businesses, and new areas of operation through strategic alliances. Therefore, the Group remains confident in its ability to leverage its operational synergies to drive the overall development of its operations.

## **INTERIM DIVIDEND**

The Board has resolved to declare an interim dividend for the six months ended 30 June 2025 of 0.300 US cents per share. The interim dividend will be paid on 13 October 2025 in HK dollar to shareholders whose names appear on the register of members of the Company on 25 September 2025. The HK\$ equivalent of the interim dividend is 2.3337 HK cents per share, which is based on the exchange rate of US\$ against HK\$ at US\$1.00 to HK\$7.779 as quoted by The Hong Kong Association of Banks on 26 August 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of members of the Company will be closed from Monday, 22 September 2025 to Thursday, 25 September 2025 (both days inclusive), during such period no transfer of the Company's shares will be registered. The record date will be Thursday, 25 September 2025. In order to be eligible to receive the interim dividend for the six months ended 30 June 2025, unregistered holders of the Company's shares must lodge all transfer documents accompanied by the relevant share certificates with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Friday, 19 September 2025.

## **PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries has purchased or sold or redeemed any of the Company's shares during the six months ended 30 June 2025.

## **COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has made specific enquiries of all Directors to confirm that they have complied with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules of the Hong Kong Stock Exchange") during the reporting period up to 30 June 2025.

## **COMPLIANCE WITH APPENDIX C1 OF THE LISTING RULES OF THE HONG KONG STOCK EXCHANGE**

The Company has complied with the provisions of the Corporate Governance Code ("CG Code") set out in Appendix C1 of the Listing Rules of the Hong Kong Stock Exchange during the reporting period up to 30 June 2025, save and except for the below code provision.

In respect of code provision F.2.2 of the CG Code, the chairman of the board should attend the annual general meeting. Mr. YANG, Tou-Hsiung, the Chairman of the Board could not attend the annual general meeting of the Company held on 27 May 2025 due to business commitments.

## **AUDIT COMMITTEE**

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters including the review of the unaudited interim condensed consolidated financial information for the six months ended 30 June 2025. The Audit Committee comprises the four Independent Non-executive Directors of the Company since 22 October 2018.

The unaudited condensed consolidated interim financial information for the six months ended 30 June 2025 have been reviewed by the Group's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The Audit Committee has reviewed the interim results for the six months ended 30 June 2025.

## **PUBLICATION OF INTERIM REPORT**

The Company's interim report for the six months ended 30 June 2025 containing all the relevant information required by Appendix D2 to the Listing Rules of the Hong Kong Stock Exchange will be dispatched to shareholders and published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vedaninternational.com](http://www.vedaninternational.com)) in due course.

## APPRECIATION

The Board would like to take this opportunity to express our sincere thanks to our shareholders for their support and to our staff for their commitment and diligence during the period.

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

Hong Kong, 26 August 2025

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

*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. HUANG, Chung-Fong  
Ms. LEE, Peir-Fen