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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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

FINANCIAL HIGHLIGHTS

	Year ended 31 December		
	2024	2023	**Difference**
	US$'000	*US$'000*	
Revenue	**380,184**	386,171	-1.6%
Gross profit	**66,243**	55,430	19.5%
Profit for the year	**16,071**	7,001	129.6%
Profit attributable to owners	**16,046**	6,986	129.7%
Basic earnings per share	**1.05 US cents**	0.46 US cents	
Diluted earnings per share	**1.05 US cents**	0.46 US cents	
Final dividend proposed per share	**0.5700 US cents**	0.2298 US cents	
Total dividends paid and proposed per share	**0.8430 US cents**	0.4588 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 2024, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2024	2023
	Note	***US$'000***	*US$'000*
Revenue	*2(a)*	**380,184**	386,171
Cost of sales	*6*	**(313,941)**	(330,741)
Gross profit		**66,243**	55,430
Selling and distribution expenses	*6*	**(20,363)**	(19,826)
Administrative expenses	*6*	**(24,444)**	(22,503)
Other gains/(losses) - net	*5*	**1,485**	(122)
Operating profit		**22,921**	12,979
Finance income	*7*	**1,081**	1,089
Finance costs	*7*	**(1,537)**	(2,880)
Finance costs – net	*7*	**(456)**	(1,791)
Share of post-tax loss of a joint venture		**(68)**	-
Share of post-tax loss of an associate		**(864)**	(841)
Profit before income tax		**21,533**	10,347
Income tax expense	*8*	**(5,462)**	(3,346)
Profit for the year		**16,071**	7,001
Profit attributable to:			
Owners of the Company		**16,046**	6,986
Non-controlling interest		**25**	15
		16,071	7,001
Earnings per share for profit attributable to the owners of the Company during the year (expressed in US cents per share)			
Basic earnings per share	*10*	**1.05**	0.46
Diluted earnings per share	*10*	**1.05**	0.46

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	US$'000	*US$'000*
Profit for the year	**16,071**	7,001
Other comprehensive loss:		
Item that may be reclassified to profit or loss		
Currency translation differences	**(753)**	(429)
Other comprehensive loss for the year, net of tax	**(753)**	(429)
Total comprehensive income for the year	**15,318**	6,572
Total comprehensive income for the year attributable to:		
– Owners of the Company	**15,293**	6,557
– Non-controlling interest	**25**	15
Total comprehensive income for the year	**15,318**	6,572

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2024	2023
	Note	***US$'000***	*US$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**122,437**	138,193
Right-of-use assets		**4,614**	4,600
Intangible assets		**970**	1,527
Long-term prepayments		**536**	1,527
Deferred tax assets		**965**	–
Investment in a joint venture		**626**	–
Investment in an associate		**4,149**	5,013
Total non-current assets		**134,297**	150,860
Current assets			
Inventories		**126,871**	137,680
Trade receivables	*3*	**33,576**	33,755
Prepayments and other receivables		**7,111**	10,084
Amounts due from related parties		**319**	772
Structured bank deposits		**–**	990
Short-term bank deposits		**16,535**	19,693
Restricted deposits		**2,509**	–
Cash and cash equivalents		**47,473**	29,676
Total current assets		**234,394**	232,650
Total assets		**368,691**	383,510
EQUITY			
Equity attributable to owners of the Company			
Share capital		**15,228**	15,228
Reserves		**286,958**	279,330
		302,186	294,558
Non-controlling interest		**230**	225
Total equity		**302,416**	294,783

		As at 31 December	
		2024	2023
	Note	***US$'000***	*US$'000*
LIABILITIES			
Non-current liabilities			
Bank borrowings		**664**	1,992
Lease liabilities		**2,698**	2,744
Deferred income tax liabilities		**–**	150
Retirement benefit obligations		**1,474**	1,484
Total non-current liabilities		**4,836**	6,370
Current liabilities			
Trade payables	*4*	**11,254**	18,391
Accruals and other payables		**21,894**	18,265
Amounts due to related parties		**643**	596
Bank borrowings		**24,655**	41,662
Lease liabilities		**506**	319
Current income tax liabilities		**2,487**	3,124
Total current liabilities		**61,439**	82,357
Total liabilities		**66,275**	88,727
Total equity and liabilities		**368,691**	383,510

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and disclosure requirements of the Hong Kong Companies Ordinance Cap.622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of retirement benefit obligation and plan assets of defined benefit plan and structured bank deposits, which are measured at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

(a) Interpretation and amendments to standards adopted by the Group

The Group has applied the following interpretation and amendments to standards which are mandatory for the Group for the first time for the financial year beginning on 1 January 2024:

Amendments to HKAS 1	Classification of liabilities as current or non-current
Amendments to HKAS 1	Non-current liabilities with covenants
Hong Kong Interpretation 5 (Revised)	Presentation of financial statements – classification by the borrower of a term loan that contains a repayment on demand clause
Amendments to HKFRS 16	Lease liability in a sale and leaseback
Amendments to HKAS 7 and HKFRS 7	Supplier finance arrangements

The adoption of the above interpretation and amendments to standards did not have any material impact on the current period or any prior periods.

(b) *The following new standards, amendments to standards and interpretations (together referred as "**New Standards and Amendments**") have been issued, but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted.*

		Effective for annual periods beginning on or after
Amendments to HKAS 21 and HKFRS 1	Lack of exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7	Classification and measurement of financial instruments	1 January 2026
Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7	Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18	Presentation and disclosure in financial statements	1 January 2027
HKFRS 19	Subsidiaries without public accountability: Disclosures	1 January 2027
Amendments to Hong Kong Interpretation 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group will adopt the above New Standards and Amendments as and when they become effective. Further information about those HKFRSs that are expected to be applicable to the Group is described below.

HKFRS 18 introduces new requirements for presentation within the consolidated statement of comprehensive income, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes. In addition, narrow-scope amendments have been made to HKAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also consequential amendments to several other standards. HKFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after January 1, 2027, but earlier application is permitted and must be disclosed. HKFRS 18 will apply retrospectively. The new requirements are expected to impact the Group's presentation of the statement of profit or loss and disclosures of the Group's financial performance. So far, the Group considers that the adoption of HKFRS 18 is unlikely to have a significant impact on the Group's results of operations and financial position.

The directors of the Company have performed preliminary assessment and do not anticipate any significant impact on the Group's financial position and results of operations upon adopting these New Standards and Amendments to existing HKFRS.

2 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 year ended 31 December 2024, 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, GA and others (2023: same).

(a) Revenue

	2024	2023
	US$'000	*US$'000*
Sales of goods	**380,184**	386,171

Revenue recognised in relation to contract liabilities

The Group receives payments from certain customers in advance of the performance under the contracts. The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities.

	2024	2023
	USD'000	*USD'000*
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	**4,579**	4,339

During the year ended 31 December 2024, revenue of approximately US$41,156,000 (2023: US$44,004,000) is derived from a single external customer located in Japan. The revenue is attributable to MSG and GA products.

All contracts are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

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

	2024	2023
	US$'000	*US$'000*
Vietnam	**165,956**	173,560
Japan	**69,604**	71,045
The PRC	**56,145**	54,965
ASEAN member countries (other than Vietnam)	**31,538**	31,185
The US	**29,539**	24,456
Other regions	**27,402**	30,960
	380,184	386,171

Accounting policy of revenue recognition

(i) Sales of goods

Sales are recognised when control of the product has been transferred, being when the product are delivered, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. The risks of obsolescence and loss have been transferred to the customer upon delivery or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the sale of goods is based on the price specified in the sales contracts. No element of financing is deemed present as the sales are made with a credit term from cash on delivery to 30-90 days, which is consistent with market practice.

Receivable is recognised when the product is delivered as this is the point in time when the consideration is unconditional, which only the passage of time is required before the payment is due.

(ii) Contract liabilities

Contract liabilities primarily relate to the deposits or payments received in advance for sales of goods not yet delivered to customers. Revenue is recognised when goods are delivered to customers.

(b) Non-current assets, other than prepayments, by location, which is determined by the country in which the asset is located, are as follows:

	2024	2023
	US$'000	*US$'000*
Vietnam	**125,654**	140,093
The PRC	**8,105**	9,240
Cambodia	**2**	–
Total	**133,761**	149,333

3 Trade receivables

	2024	2023
	US$'000	*US$'000*
Trade receivables from third parties	**34,053**	34,105
Less: loss allowance	**(477)**	(350)
Trade receivables – net	**33,576**	33,755

The credit terms of trade receivables 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. The ageing of the trade receivables based on invoice date is as follows:

	2024	2023
	US$'000	*US$'000*
0-30 days	**32,918**	31,949
31-90 days	**520**	793
91-180 days	**163**	706
181-365 days	**–**	326
Over 365 days	**452**	331
	34,053	34,105

4 Trade payables

At 31 December 2024, the ageing of trade payables based on invoice date is as follows:

	2024	2023
	US$'000	*US$'000*
0-30 days	**9,795**	17,734
31-90 days	**1,459**	657
	11,254	18,391

5 Other gains/(losses) – net

	2024	2023
	US$'000	*US$'000*
Net exchange gain/(loss)	**1,152**	(263)
Loss on disposal of property, plant and equipment	**(36)**	(98)
Sales of scrap materials	**374**	389
Government grant	**15**	9
Fair value gains on structural bank deposits	**–**	4
Impairment of goodwill	**(491)**	(680)
Others	**471**	517
	1,485	(122)

6 Expenses by nature

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

	2024	2023
	US$'000	*US$'000*
Changes in inventories and consumables used	**254,591**	278,617
Amortisation of intangible assets	**70**	71
Amortisation of right-of-use assets	**581**	553
Auditor's remuneration		
– Audit services	**399**	345
– Non-audit services	**4**	5
Depreciation on property, plant and equipment	**22,058**	21,290
Written off of property, plant and equipment	**154**	277
Provision for impairment of inventories	**57**	641
Expense relating to short-term lease	**190**	87
Employee benefit expenses	**43,062**	40,844
Provision for/(reversal of) loss allowance of trade receivables	**127**	(39)
Technical support fee	**2,199**	2,184
Travelling expenses	**1,531**	1,629
Transportation expenses	**7,876**	6,645
Advertising expenses	**2,292**	1,718
Repair and maintenance expenses	**14,414**	10,751
Other expenses	**9,143**	7,452
Total cost of sales, selling and distribution expenses and administrative expenses	**358,748**	373,070

7 Finance costs – net

	2024	2023
	US$'000	*US$'000*
Bank interest income	**1,073**	1,084
Interest income from an associate	**8**	5
Finance income	**1,081**	1,089
Interest expense on bank borrowings	**(1,449)**	(2,831)
Interest expense on lease liabilities	**(88)**	(98)
Less: amounts capitalised on qualifying assets	**–**	49
Finance costs	**(1,537)**	(2,880)
Finance costs – net	**(456)**	(1,791)

8 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:

	2024	2023
	US$'000	*US$'000*
Enterprise income tax ("**EIT**")	**6,518**	3,782
Under/(over) provision of income tax in previous years	**59**	(9)
Total current tax	**6,577**	3,773
Deferred income tax	**(1,115)**	(427)
	5,462	3,346

9 Dividends

A final dividend of 0.2298 US cents per share amounting to US$3,499,000 that relates to the year ended 31 December 2023 was declared on 19 March 2024 and was paid on 11 June 2024.

For the year ended 31 December 2024, an interim dividend of 0.273 US cents (2023: 0.229 US cents) per share amounting to US$4,166,000 (2023: US$3,487,000) was declared and paid in 2024. A final dividend in respect of the year ended 31 December 2024 of 0.570 US cents per share, amounting to a final dividend of US$8,680,000, is to be proposed for approval at the forthcoming annual general meeting. These consolidated financial statements do not reflect this dividend payable.

	2024	2023
	US$'000	*US$'000*
Interim dividend paid of 0.273 US cents (2023: 0.229 US cents) per ordinary share	**4,166**	3,487
Proposed final dividend of 0.570 US cents (2023: 0.2298 US cents) per ordinary share	**8,680**	3,499
	12,846	6,986

10 Earnings per share

(a) Basic

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

	2024	2023
Profit attributable to owners of the Company *(US$'000)*	**16,046**	6,986
Weighted average number of ordinary shares in issue *(thousands)*	**1,522,742**	1,522,742
Basic earnings per share *(US cents per share)*	**1.05**	0.46

(b) Diluted

Diluted earnings per share is same as basic earnings per share as there are no dilutive instruments for the years ended 31 December 2024 and 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS OVERVIEW

In 2024, factors such as the slowdown in US economic growth, rising trade protectionism, high inflation and supply chain restructuring brought uncertainty to the global economy. Despite multiple challenges, the global economy still showed resilience. At the same time, countries were actively responding to new challenges such as digital transformation, industrial upgrading and climate change.

In retrospect of 2024, although energy and raw material prices showed signs of stabilization, the impact of global inflation continued, inhibiting the recovery of some economic activities. In order to stimulate economic growth, the Vietnamese government adopted a loose monetary policy. The exchange rate of the Vietnamese dong (VND) against the US dollar depreciated to the range of 25,000-25,500. The annual average consumer price index (CPI) increased by 3.63% year-on-year. Although it showed an upward trend, it was still below the 4.5% policy target.

Vietnam has been actively attracting foreign investment in recent years, and its economic development has maintained steady growth. With the opportunity arising from the Sino-US trade war, Vietnam has become an important option for the relocation of production bases. In addition, Vietnam has actively participated in regional economic and trade integration, signed free trade agreements (FTA) with major economies such as the United Kingdom, the EU, and China, and joined free trade regional alliances such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), the Regional Comprehensive Economic Partnership (RCEP), etc., which can help enhance overall competitiveness.

The annual GDP growth rate of Vietnam reached 7.09%, higher than the 6.5% target set by the government, and some industries showed strong recovery momentum. In addition, Vietnam's GDP per capita reached US$4,700 in 2024, an increase of US$377 compared to 2023, indicating a continuing upward trend in economic development.

During the year, China's industrial and supply chains further recovered, with economic growth reaching 5.0%, in line with the government's 5.0% growth target. However, the complexity and uncertainty of the external environment still pose challenges to economic development. Weak global trade and rising geopolitical risks have suppressed the growth of exports and corporate investment. In addition, the recovery of domestic demand has been slow and consumer confidence has been sluggish. The inflation rate remained low, with the consumer price index (CPI) for the year rising only 0.2% year-on-year, far below the government's 3% target, indicating that domestic demand remains weak. In terms of the labor market, the average surveyed urban unemployment rate for the year was 5.1%, and was 5.0% in December, indicating that the overall labor market was stable. However, due to the continued adjustment of the real estate market, corporate layoffs and the high youth unemployment rate, part of the labor market was still under pressure, and market vitality still needs to be improved.

The Group's revenue for the year amounted to approximately US$380,184,000, a decrease of 1.6% or US$5,987,000 from the same period last year. The decrease in revenue was mainly attributable to the ongoing conservative market sentiment and market demand. Among the Group's main products, the selling price and revenue of MSG products declined due to the slowdown in consumer market demand and competition. However, as the cost of raw materials and energy fell from last year, the gross profit margin during the year increased slightly year-on-year. Sales volume and revenue of modified starch increased compared to last year, driven by a recovery in exports to the European and US markets, with customers starting to increase their orders during the year after destocking in 2023. Impacted by the dampened market sentiment and competition, the demand for specialty chemicals products continued to be weak. In response, the Group lowered prices to maintain sales volume, resulting in a slight decrease in revenue compared with the same period last year. Meanwhile, the average selling price of hydrochloric acid continued to fall due to the sluggish market demand, resulting in a decrease in revenue compared with last year. However, due to a slight decrease in raw material and energy costs, its gross profit increased compared with last year. Regarding fertilizers and feed products, the Group focused on consolidating sales channels and adjusting the product structure, striving to develop high-margin products. In addition, revenue of the Group's other products, including coffee and bulk food ingredients, was higher compared with the same period last year, as consumption in Mainland China recovered following the suspension of pandemic control measures.

Benefiting from the fall in raw material and energy prices in 2024, the Group's overall gross profit margin increased to 17.4% from 14.4% in 2023. Gross profit was US$66,243,000, an increase of US$10,813,000 over the same period last year. Net profit margin increased to 4.2% from 1.8% in 2023, and net profit was US$16,071,000, an increase of US$9,070,000 over the same period last year.

II. BUSINESS ANALYSIS

(1) Sales Analysis by Market

Unit: US$'000

Country	2024		2023		Difference	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
Vietnam	**165,956**	**43.7%**	173,560	44.9%	-7,604	-4.4%
Japan	**69,604**	**18.3%**	71,045	18.4%	-1,441	-2.0%
PRC	**56,145**	**14.8%**	54,965	14.2%	1,180	2.1%
ASEAN	**31,538**	**8.3%**	31,185	8.1%	353	1.1%
USA	**29,539**	**7.8%**	24,456	6.3%	5,083	20.8%
Others	**27,402**	**7.2%**	30,960	8.0%	-3,558	-11.5%
Total	**380,184**	**100.0%**	386,171	100.0%	-5,987	-1.6%

1. Vietnam

Vietnam is the largest market of the Group. Its revenue was approximately US$165,956,000 for the year, a decrease of approximately US$7,604,000, or 4.4% from the same period last year, and its share of revenue dropped from 44.9% to 43.7%. The decrease in revenue in the Vietnamese market during the year was mainly attributable to the slow recovery of the market sentiment for MSG, fertilizer and feed, and specialty chemical products, characterized by reduced demand and a prevailing wait-and-see atmosphere. In particular, as MSG products were affected by the low-price competition from imports, the Group adjusted its selling price, which in turn impacted the revenue. During the year, the Group was committed to strengthening and consolidating sales channels, strengthening the launch of new products, adjusting product structure and flexibly adjusting marketing strategies to strengthen sales and improve its market network.

2. Japan

The Japanese market is the Group's second largest market. Amid rising rates of the US dollar, the Bank of Japan has maintained a low interest rate policy. Yen significantly depreciated and prices were up, which has affected consumption sentiment in the country and resulted in intensified competition of MSG products. Revenue of modified starch market continued to grow. The Group will continue to focus on various products, further deepen the new customer base and cross-border applications in this market, and actively develop high-value-added products, so as to increase overall revenue and profit in the coming year. Revenue for the year was approximately US$69,604,000, a slight decrease of approximately US$1,441,000 or 2.0% from the same period last year, and its share of the Group's revenue decreased slightly from 18.4% to 18.3%.

3. *China market*

After the epidemic ended, the industrial chain and supply chain in the Chinese market gradually recovered. However, impacted by geopolitics, some industries and supply chains of foreign corporations have relocated out of China, resulting in an increase in unemployment rate and thus sluggish demand in the consumer market as well as slow economic recovery. In addition to stabilizing the seasoning market, the Group has also continued to expand its new product lines, hoping to boost its revenue. During the year, revenue in the China market was approximately US$56,145,000, an increase of approximately US$1,180,000 or 2.1% over the same period in 2023, and its share of revenue rose from 14.2% to 14.8%.

4. *The ASEAN Market*

In the ASEAN market (excluding Vietnam), revenue for the year was approximately US$31,538,000, a slight increase of US$353,000 or 1.1% over the same period last year. Its revenue share increased to 8.3% from 8.1%. Except for growth in sales volume and revenue of modified starch the region, sales volume and revenue of other products declined slightly. The ASEAN market has always been a key market for the Group to aggressively develop. The Group hopes to realize its industry advantages and 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 US*

In the US, revenue for the year was approximately US$29,539,000, an increase of approximately US$5,083,000 or 20.8% over the same period last year, while its share of revenue increased from 6.3% to 7.8%. The improved performance during the year was mainly due to the gradual stabilization of inflation and the gradual recovery of consumption power, which led to an increase in the revenue of MSG and starch sugar. The Group will maintain key channels and customers, integrate the production and sales value chain, and continue to develop products that meet market demand in order to meet customer needs and improve the quality and competitiveness of products. The sales performance in the future is still optimistic.

6. *Other Markets*

Other markets are mainly Taiwan, South Korea, and the EU. The total revenue for the year was approximately US$27,402,000, a decrease of approximately US$3,558,000 or 11.5% from 2023. Its share of the Group's total revenue fell from 8.0% to 7.2%, mainly due to the decrease in sales volume and thus revenue of modified starch and fertilizers.

(2) Sales Analysis by Product

Unit: US$'000

Item	2024		2023		Difference	
	Amount	*%*	*Amount*	*%*	*Amount*	*%*
MSG and Seasonings	**218,194**	**57.4%**	230,820	59.8%	-12,626	-5.5%
Modified Starch, Native Starch and Starch Sugar	**70,368**	**18.5%**	66,880	17.3%	3,488	5.2%
Specialty Chemicals	**20,485**	**5.4%**	21,154	5.5%	-669	-3.2%
Fertilizers and Feed products	**33,257**	**8.7%**	34,250	8.9%	-993	-2.9%
Others	**37,880**	**10.0%**	33,068	8.6%	4,813	14.6%
Total	**380,184**	**100.0%**	386,171	100.0%	-5,987	-1.6%

1. *MSG and Seasonings*

Revenue from MSG and seasoning-related products for the year was approximately US$218,194,000, a decrease of approximately US$12,626,000 or 5.5% from the same period last year. The decline in performance was mainly since market demand in Vietnam, Japan, China, and ASEAN markets has not yet recovered, and low-price competition in the market has suppressed sales volume and selling prices, resulting in a decline in revenue. As the overall sales of MSG and seasoning-related products decreased, their revenue share declined from 59.8% last year to 57.4%.

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

Revenue from modified starch, natural starch and starch sugar products during the year was approximately US$70,368,000, an increase of approximately US$3,488,000 or 5.2% over the same period last year. As the US dollar interest rates remained high, consumption slowed down and customer orders became more conservative, revenue of modified starch decreased. Revenue of starch sugar gradually rebounded due to customer destocking. The Group has attached great importance to the development potential of these products, continued to actively develop new high-value-added products, and pursued cooperation with leading global companies, which points to promising profit potential for the future.

3. *Specialty Chemicals*

Specialty chemicals including hydrochloric acid, soda and bleach are sold in Vietnam. Total revenue of specialty chemicals products during the year was approximately US$20,485,000, a decrease of approximately US$669,000 or 3.2% from the same period in 2023, and its share of the Group's total revenue fell from 5.5% to 5.4%. During the year, the revenue of soda products decreased due to lowered selling price amid weak industry demand, and the slight increase in import competition. Due to weak demand and low-price competition of the industry, the selling price of hydrochloric acid products continued to decline, resulting in a decrease in overall revenue.

4. *Fertilizers and Feed Products*

Revenue from fertilizer and feed products during the year was approximately US$33,257,000, a decrease of US$993,000 or 2.9% from the same period in 2023, and its share of the Group's total revenue decreased from 8.9% to 8.7%. However, given the continued bearish sentiment on international prices of chemical fertilizers and urea, the market in general has adopted a wait-and-see approach. In addition, the epidemic in some markets and lower demand have affected selling prices and revenue. The Group has continued to invest in new products and improve its product mix, and to open up new markets and new customers, hoping to achieve further growth in revenue and profit.

5. *Other Products*

During the year, the Group's revenue from other products was approximately US$37,880,000, an increase of approximately US$4,813,000 or 14.6% over the same period last year, and its share of the Group's total revenue increased from 8.6% to 10.0%. The improved performance during the year was mainly attributable to the slight recovery of the consumer market in China, which resulted in an increase in sales volume and thus revenue of coffee beans and bulk raw materials.

III. MAIN RAW MATERIALS/ENERGY OVERVIEW

(1) Cassava/Starch

During the 2024/25 production season, output in major plantation areas such as Thailand, Vietnam, and Cambodia has rebounded, while market demand has remained weak, and prices have fallen 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

Total output of molasses in Vietnam has been stable in the 2024/25 production season, while the international trade volume of molasses remains to be seen. India's 50% export tax will also continue to affect the market. 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 was relatively weak during the year, especially in the second half of the year when WTI fell to US$66. The price of WTI oil was between US$66 and US$86 per barrel throughout the year. With the changes in energy policy and tariff adjustments by the new US administration, there is still uncertainty in crude oil prices and supply, but it is not expected to increase significantly.

Coal:

The trend of the international coal market was relatively stable this year. As the impact of the Russia-Ukraine war gradually subsided, the global supply of natural gas, crude oil and coal was stable in 2024, and the international coal prices was steady. In the first quarter of 2025, due to high coal inventories in various countries, a slower economic recovery and modest demand growth, prices have fallen slightly.

Given the market forecast for economic growth in 2025 and the impact of traditional energy policies in the US, there is still uncertainty about the future, even though coal prices have fallen. The Group will continue to monitor changes in the energy industry and plan flexibly.

Electricity:

According to the Vietnam Electricity (EVN) report, in 2024, the total electricity produced and imported by EVN increased by nearly 11%, which could still meet the demand of socio-economic development and people's daily lives. At the same time, in order to ensure the supply of electricity for the period of 2026-2030, all parties concerned must proactively take measures in line with "Vietnam's Power Development Plan 8" issued by the government to cope with the country's development demand.

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 year, the Group's cash and cash equivalents, short-term bank deposits, and structured bank deposits amounted to US$66,517,000, an increase of US$16,158,000 or approximately 32.1% compared with last year. Total borrowings amounted to US$25,319,000, a decrease of US$18,335,000, or approximately 42%, from last year.

The central bank of Vietnam cut interest rates several times during the year to stimulate the economy, while the cost of US dollar financing remained high. Considering the interest rates, financing costs and exchange rate risks, the Group adjusted its total bank borrowings in a timely manner, and adjusted the ratio of the VND to the US dollar for some of its bank borrowings to minimize interest expenses and mitigate the risks. Total net finance costs for the year amounted to US$456,000, a decrease of US$1,335,000 compared to last year

The Group's trade receivables for the year amounted to US$33,576,000, a decrease of US$179,000 or approximately 0.5% from the same period last year. Total inventory was US$126,871,000, a decrease of US$10,809,000 or approximately 7.9% from the same period last year.

In addition, trade payables was US$11,254,000, a decrease of US$7,137,000 or approximately 38.8% from the same period last year. Current ratio increased to 3.82 from 2.82 in the same period last year, and the Group's financial structure remained stable.

(2) Capital Expenditure

Capital expenditure for the year totaled US$6,630,000, a slight decrease from US$8,280,000 in the same period last year. The expenditure was mainly for the replacement of some 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 has continued to actively plan and carefully review several development and investment projects. As a result, there were no new major projects requiring significant capital expenditure during the year other than those mentioned above. The Group will continue to review and seize opportunities for investment.

(3) Exchange rate

As of December 2024, the US Federal Reserve (FED) had cumulatively cut interest rates three times, totaling 1 percentage point, with the policy rate being adjusted to a range of 4.25% to 4.50%. Against this backdrop, the State Bank of Vietnam (SBV) maintained the refinancing rate at 4.5% after several rate cuts in 2024.

The pressure on the exchange rate of the VND against the US dollar eased as the interest rate cuts in the US narrowed the spread between the US dollar and the VND. As of the fourth quarter of 2024, the VND/USD exchange rate stabilized at approximately VND24,800/USD. In addition, Vietnam's economy performed strongly in 2024, with annual GDP growth of 7.09%, mainly due to growth in exports, industrial production and foreign investment. The strong economic performance will help support the stability of the VND exchange rate.

The Group's subsidiaries in the PRC are mainly engaged in local sales with transactions denominated in RMB. 2024 saw a weakening of the RMB against the US dollar due to Sino-US geopolitical factors and the strengthening of the US dollar, but the exchange rate remained stable at around 7.1 throughout the year. The Group will continue to monitor the movements in the exchange rate between RMB and the US dollar to assess the potential impact on the business.

(4) EPS & Dividend

Basic earnings per share for the year were 1.054 US cents. The Board of Directors has resolved a final dividend of 0.570 US cents per share. Together with the interim dividend of 0.273 US cents per share already paid, total dividends for the year will amount to 0.843 US cents per share, representing a payout ratio of 80% on the earnings for the financial year.

V. PROSPECTS

In 2025, it is expected that the global economy will stabilize or grow modestly. Although the effects of the Russia-Ukraine war may gradually fade and the prices of energy and raw materials may decline compared to 2024, the political and economic instability in the Middle East, inflationary pressures and the lagging effect of US interest rate hikes will still impact the global economy. The FED has cut interest rates since mid-2024, with three cuts throughout the year that has lowered the policy rate to 4.25% – 4.50%, bringing changes to global capital flows and financial markets.

In 2024, the Vietnamese government implemented a number of policies to stimulate economic growth, covering innovation, green growth, energy transformation, processing and manufacturing industry development, human resources training, and attracting investment. Vietnam's economic growth rate for the year was at 7.09%, exceeding the government's forecast range of 6.0%-6.5%. In addition, Vietnam's exports resumed growth in 2024, mainly due to a rebound in the electronics, textile and footwear sectors, as well as stable trade with the US and the EU. This trend is expected to continue in 2025, driving Vietnam's continued economic growth.

Vietnam's annual average inflation rate was maintained at 4.1% in 2024, lower than the government's target of 4.5%. Due to the impact of interest rate cuts in the US, the exchange rate of the VND against the US dollar stabilized in the second half of the year, closing at around VND25,345 per US dollar. Foreign direct investment (FDI) continued to grow, attracting about US$33.7 billion for the year, indicating that foreign investors' confidence in the Vietnamese market remains strong. Vietnam has set a GDP growth rate target of 8.0% for 2025, and is committed to strengthening administration, streamlining innovation, and implementing measures such as actively seeking FDI growth, planning for large-scale infrastructure, and proposing policies to revitalize the consumer market, which demonstrate the country's determination for strong economic development.

China's economy grew at 5.0% in 2024. Due to the impact of geopolitical factors, foreign companies and part of the supply chain have continued to relocate to Southeast Asia and India, posing challenges to China's domestic manufacturing sector. This in turn has led to rising unemployment and sluggish demand in the consumer market. However, with the support of the government's policies to stabilize growth, China still achieved its growth target of 5.0%. The RMB exchange rate was maintained at around 7.18 throughout the year, demonstrating the success of the Chinese government in maintaining exchange rate stability through various fiscal and monetary policies, despite the pressure of capital outflows. China's real estate market has not yet fully recovered and the overall performance of the industry has been weak, affecting fiscal revenue of local governments and the wealth effect on residents. Despite the current weakness, the Chinese economy is expected to return to high growth levels soon in 2025.

While facing an uncertain economic environment and market variables in the future, the Group 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 production. At the same time, the Group will place greater focus on satisfying customer demand, optimize the cost structure and industrial chain integration, and implement its action plan to create new growth drivers and improve its profitability. The key tasks and directions are outlined below:

- Expand product lines and optimize 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, look for cooperative partners to expand market scale, strengthen brand positioning and competitive advantages to improve the Group's results performance. Particularly, in view of the popularity of the Internet platform, the Group will 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 achieve the dual objectives of raising quality and lowering costs.

- Capture the market trends of 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 the ASEAN market and the markets that are signatories of the Free Trade Agreement (FTA) and Regional Comprehensive Economic Partnership (RCEP), and via mutual support within the Group to realize its core advantages and expand the Group's business presence.

- Enhance the organizational efficiency of all units, coordinate the Company's operational action plans, and integrate the Group's resources. Seek strategic partnerships to jointly develop markets with effective resources integration, strengthen research and development capabilities, and promote the Group's upgrading and restructuring efforts to increase revenue, profit, and scale.

- Continue to enhance the efficiency of equipment utilization and automation.

- Intensify efforts in evaluating energy-saving plans and promoting energy-saving and consumption reduction in 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 2025, the global economy will remain uncertain due to the ongoing economic tug-of-war between China and the US, inflation and fluctuations in foreign exchange rates, persistent regional wars, and the restructuring of supply chains resulting from trade wars. The Group's business operations will therefore face certain challenges. Nevertheless, the Group is cautiously optimistic and will continue to cultivate the market in line with the Group's established business strategies and sales network. It will also actively explore new products, new businesses, and new areas of operations through strategic alliances. Therefore, the Group remains confident that it will leverage its operational synergies to promote the overall upward development of its operations.

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 2024.

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 F.2.2 as set out below, the Company has complied with the provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix C1 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 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 was not able to attend the annual general meeting of the Company held on 21 May 2024 and the adjourned annual general meeting of the Company held on 31 May 2024 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 2024 and has discussed with 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 Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

FINAL DIVIDEND, CLOSURE OF REGISTER OF MEMBERS AND DATE OF ANNUAL GENERAL MEETING

Final dividend and date of Annual General Meeting

The Board recommended the payment of a final dividend of 0.57 US cents (2023: 0.2298 US cents), subject to the approval of such final dividend by the shareholders at the annual general meeting of the Company to be held on 27 May 2025 (the "**2025 Annual General Meeting**").

Shareholders whose names appear on the register of members of the Company on 27 May 2025 will be eligible to attend and vote at the 2025 Annual General Meeting. It is expected that the proposed final dividend, if approved, will be paid on 17 June 2025 to shareholders whose name appeared on the register of members on 6 June 2025.

Closure of register of members

The register of members of the Company will be closed from Thursday, 22 May 2025 to Tuesday, 27 May 2025, (both days inclusive), during such period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2025 Annual General Meeting, 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 Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 21 May 2025.

The register of members of the Company will also be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025, (both days inclusive), during such period no transfer of shares will be registered. 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 Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for registration not later than 4:30 p.m. on Monday, 2 June 2025.

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 2024 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 of 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, 25 March 2025

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