VEDAN INTERNATIONAL (HOLDINGS) LIMITED

味丹國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2317)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

RESULTS

The Board of Directors 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 2006, together with the comparative figures for the previous year as follows:

CONSOLIDATED PROFIT AND LOSS ACCOUNT

	Note	2006 US$'000	2005 US$'000
Turnover	2	**290,695**	257,904
Cost of sales		**(237,222)**	(213,460)
Gross profit		**53,473**	44,444
Other gains – net	2	**2,188**	2,907
Selling and distribution expenses		**(16,058)**	(15,555)
Administrative expenses		**(19,010)**	(17,584)
Operating profit	3	**20,593**	14,212
Finance costs	4	**(5,831)**	(3,972)
Profit before income tax		**14,762**	10,240
Income tax expense	5	**(3,827)**	(2,293)
Profit for the year		**10,935**	7,947
Attributable to:			
– equity holders of the Company		**10,915**	7,947
– minority shareholder		**20**	–
		10,935	7,947
Earnings per share for profit attributable to the equity holders of the Company during the year			
Dividends	6	**5,458**	4,768
Basic earnings per share (US cents)	7	**0.72**	0.52
Diluted earnings per share (US cents)	7	**0.72**	0.52

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2006

	Note	2006 US$'000	2005 US$'000
ASSETS			
Non-current assets			
Land use rights		**6,038**	5,583
Property, plant and equipment		**211,688**	216,187
Intangible assets		**18,127**	19,241
Held-to-maturity financial assets		**3,361**	3,361
		239,214	244,372
Current assets			
Trade receivables	8	**38,150**	35,829
Inventories		**65,520**	51,993
Prepayments and other receivables		**6,312**	6,287
Tax recoverable		**980**	1,272
Cash and cash equivalents		**17,282**	27,987
Due from a minority shareholder		**–**	3,600
		128,244	126,968
Total assets		**367,458**	371,340
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**15,228**	15,228
Reserves			
– Proposed final dividend		**2,432**	1,708
– Others		**222,602**	216,119
		240,262	233,055
Minority interest		**3,722**	3,600
Total equity		**243,984**	236,655
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings		**21,336**	29,706
Deferred income tax		**11,449**	12,026
Long-term payable to a related party		**11,023**	12,560
Post-employment obligations		**870**	821
		44,678	55,113
Current liabilities			
Trade payables	9	**17,116**	18,520
Accruals and other payables		**9,376**	10,757
Due to a related party		**258**	274
Short-term bank borrowings			
– Secured		**4,421**	500
– Unsecured		**36,399**	41,101
Current portion of long-term bank borrowings		**11,162**	8,346
Taxation payable		**64**	74
		78,796	79,572
Total liabilities		**123,474**	134,685
Total equity and liabilities		**367,458**	371,340
Net current assets		**49,448**	47,396
Total assets less current liabilities		**288,662**	291,768

Notes:

1. BASIS OF PREPARATION

The consolidated financial statements of Vedan International (Holdings) Limited have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of 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) Standards, amendments and interpretations effective in 2006

- HKAS 19 (Amendment), Employee Benefits, is mandatory for the Group's accounting periods beginning on or after 1 January 2006. It introduces the option of an alternative recognition approach for actuarial gains and losses. It may impose additional recognition requirements for multi-employer plans where insufficient information is available to apply defined benefit accounting. It also adds new disclosure requirements. As the Group does not intend to change the accounting policy adopted for recognition of actuarial gains and losses and does not participate in any multi-employer plans, adoption of this amendment only impacts the format and extent of disclosures presented in the financial statements.
- HKAS 39 and IFRS 4 Amendment – Financial Guarantee

  The adoption of HKAS 39 Amendment does not have material impact to the financial statements of the Company and is not relevant to the consolidated financial statements.

(b) Interpretations to existing standards that are not yet effective and have not been early adopted by the Group

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 May 2006 or later periods that the Group has not early adopted:

- HKFRS 7, Financial instruments: Disclosures, and the complementary Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures (effective for annual periods beginning on or after 1 January 2007). HKFRS 7 introduces new disclosures relating to financial instruments. This standard does not have any impact on the classification and valuation of the Group's financial instruments.
- HK(IFRIC)-Int 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). HK(IFRIC)-Int 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC)-Int 8 from 1 January 2007, but it is not expected to have any impact on the Group's consolidated financial statements; and
- HK(IFRIC)-Int 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC)-Int 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC)-Int 10 from 1 January 2007, but it is not expected to have any impact on the Group's financial statements.

(c) Standards, amendments and interpretations effective in 2006 but not relevant for the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but are not relevant to the Group's operations:

- HKAS 21 Amendment – Net Investment in a Foreign Operation;
- HKAS 39 Amendment – Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKAS 39 Amendment – The Fair Value Option;
- HKFRS 6, Exploration for and Evaluation of Mineral Resources;
- HKFRS 1 Amendment – First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amendment), Exploration for and Evaluation of Mineral Resources;
- HK(IFRIC)-Int 4, Determining whether an Arrangement contains a Lease;
- HK(IFRIC)-Int 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC)-Int 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

2. TURNOVER AND OTHER GAINS – NET

(a) The Group manufacture and sell fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Turnover recognised for the years ended 31 December 2006 and 2005 is US$290,695,000 and US$257,904,000 respectively.

(b) Other gains – net

	2006 US$'000	2005 US$'000
Net exchange gain	**38**	73
Net loss from sale of electricity	**(94)**	(175)
Loss on disposal of property, plant and equipment	**(58)**	(395)
Sale of scrap materials	**334**	406
Interest income from held-to-maturity financial assets	**251**	189
Operating lease rental income	**–**	264
Tax refund on reinvestment	**–**	1,231
Technology support income	**941**	–
Others	**776**	1,314
	2,188	2,907

3. EXPENSES BY NATURE

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

	2006 US$'000	2005 US$'000
Changes in inventories of finished goods and work in progress	**15,892**	2,361
Raw materials and consumables used	**190,941**	186,171
Amortisation of trademarks	**1,209**	1,007
Amortisation of land use rights	**125**	24
Auditors' remuneration	**256**	208
Depreciation on property, plant and equipment	**27,046**	25,267
Operating leases expenses in respect of leasehold land	**125**	119
Employee benefit expenses	**15,799**	13,420
Other expenses	**20,897**	18,022
Total cost of sales, selling and distribution expenses and administrative expenses	**272,290**	246,599

4. FINANCE COSTS

	2006 US$'000	2005 US$'000
Interest expense on bank borrowings	**5,498**	3,806
Amortisation of discount on long-term payable to a related party	**585**	471
Interest income	**(252)**	(305)
	5,831	3,972

5. TAXATION

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

	2006 US$'000	2005 US$'000
Enterprise income tax ("EIT")	**4,268**	2,326
Deferred income tax	**(577)**	(33)
Withholding tax	**136**	–
	3,827	2,293

(i) Vietnam

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. The applicable EIT rates for the Group's operation in Vietnam range from 10% to 25%, as stipulated in the respective subsidiaries' investment licenses.

(ii) The PRC

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. The applicable EIT rate for the Group's operation in the PRC range from 18% to 33%.

Xiamen Maotai, Shanghai Vedan and Shandong Snowflake are entitled to full exemption from EIT for the first two years and 50% reduction in EIT for the next three years, commencing from the first profitable year offsetting all unexpired tax losses carried forward from the previous years. Shanghai Vedan and Shandong Snowflake have already triggered their first profitable year.

(iii) Singapore/Hong Kong

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

(iv) Taiwan

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

6. DIVIDENDS

	2006 US$'000	2005 US$'000
2006 Interim dividend of 0.200 US cents (2005: 0.201 US cents) per ordinary share, paid	**3,026**	3,060
2006 Final dividend of 0.158 US cents (2005: 0.112 US cents) per ordinary share, proposed	**2,432**	1,708
	5,458	4,768

7. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of US$10,915,000 (2005: US$7,947,000) by 1,522,742,000 (2005: 1,522,742,000) ordinary shares in issue during the period.

Diluted earnings per share is calculated adjusting the number of ordinary shares outstanding to assume conversion of all share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the pre-IPO share options.

	2006 US$'000	2005 US$'000
Profit attributable to equity holders of the Company	**10,915**	7,947
Weighted average number of ordinary shares in issue (thousands)	**1,522,742**	1,522,742
Adjustments for outstanding share options (thousands)	**2,431**	5,701
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**1,525,173**	1,528,443
Diluted earnings per share (US cents per share)	**0.72**	0.52

8. TRADE RECEIVABLES

	2006 US$'000	2005 US$'000
Trade receivables from third parties	**37,787**	33,542
Trade receivables from related parties	**363**	2,287
	38,150	35,829

The credit terms of trade receivables range from cash on delivery to 120 days and the ageing analysis of the trade receivables is as follows:

	2006 US$'000	2005 US$'000
Current	**22,634**	23,063
30 – 90 days	**14,917**	11,760
91 – 180 days	**458**	305
181 – 365 days	**141**	60
Over 365 days	**–**	641
	38,150	35,829

9. TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2006 US$'000	2005 US$'000
Current	**15,299**	18,161
30 – 90 days	**1,804**	359
91 – 180 days	**9**	–
181 – 365 days	**4**	–
	17,116	18,520

10. SEGMENTAL ANALYSIS

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

(a) Business segment

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, acid and beverages.

(b) Geographical segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical presence of customers. Segment assets and capital expenditures are based on the geographical location of the assets.

(i) Segment revenue

	2006 US$'000	2005 US$'000
Vietnam	**151,419**	138,842
The PRC	**44,751**	38,867
Japan	**53,191**	52,778
Taiwan	**10,607**	3,353
ASEAN member countries (other than Vietnam)	**25,158**	14,119
Other regions	**5,569**	9,945
	290,695	257,904

(ii) Capital expenditures

	2006 US$'000	2005 US$'000
Vietnam	**8,811**	29,951
The PRC	**13,540**	10,269
Taiwan	**40**	–
	22,391	40,220

Capital expenditures are allocated based on where the assets are located.

Capital expenditures comprise additions of land use rights, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

(iii) Total assets

	2006 US$'000	2005 US$'000
Vietnam	**308,925**	298,818
The PRC	**56,728**	58,425
Hong Kong	**763**	12,461
Taiwan	**173**	1,571
Singapore	**869**	65
	367,458	371,340

Total assets are allocated based on where the assets are located.

BUSINESS OVERVIEW

The total turnover of the Group increased by 12.7% to US$290,695,000 in 2006. It is the fifth consecutive year that its turnover has double-digit growth. The Group's two main production bases, Vietnam and China, also recorded steady growth in turnover, increasing by 10.7% and 24.8% to US$245,408,000 and US$45,287,000 respectively. Due to the low international demand for lysine and hence suppressed price, the Group continued to strategically reduce lysine production, which caused turnover from lysine sales to decrease by approximately 24.6%. As for MSG and GA, their turnover increased by approximately 14.4%, and native starch also brought in turnover approximately 2,937% higher than last year's. Other products, including fertilizers, caustic soda and hydrochloric acid also increased. These achievements indicated that the Group is making steady progress in different markets and with different products as guided by its strategies. Although still facing pressure from persistently high material costs and severe competition, the Group overcame all the different challenges and reported increase in gross profit and net profit by 20.3% and 37.3% to US$53,473,000 and US$10,915,000 respectively. The improved profitability and turnover of the Group were the fruits of its efforts to gradually raise product prices, apply stringent cost control, undertake flexible production strategy and realize the goals it set for the supply chain in China.

During the year, the Group's principle markets including Vietnam, Japan, China and ASEAN, all recorded growth, with the ASEAN region, in particular, reporting a marked 78.2% growth in 2006 against 54.2% in 2005. In term of transaction amount, Vietnam recorded the highest at US$12,577,000 among all markets. It reflected that, with a large-scale and vertically integrated operation in Vietnam where it has a firm foothold, the Group has been able to ride on the booming Vietnam economy to achieve sustained growth and the country's AFTA membership and geographical advantage to tap the ASEAN market. The Group expects trade activities among AFTA member countries to increase and in turn present more opportunities for its business.

Since China became an ASEAN member, trade and bilateral investment activities between her and other members have grown continuously. In addition to the production base in Vietnam, the Group also has three production bases, namely Xiamen Mao Tai, Shanghai Vedan and Shandong Vedan Snowflake, in China. These facilities have capacities sufficient to satisfy the demand of the rapidly growing AFTA and China markets. The Group sees bright prospects and enormous room for growth for its operations.

FINANCIAL REVIEW

Cash flow and financial resources

As at 31 December 2006, the Group's cash and bank savings amounted to US$17,282,000, US$10,705,000 less than in 2005. The decline was mainly due to the injection of US$8,400,000 as capital into the Joint Venture Company, Shandong Vedan Snowflake, in early 2006. The Group's deposits are mainly denominated in US dollars (42%), Vietnamese Dong (30.5%) and Renminbi (26.8%). Account receivables totaled at US$38,150,000, US$2,321,000 more than in 2005. The 6.5% growth is lower than the 12.7% turnover growth. Overall inventory increased by approximately 26%, or US$13,527,000, due to increase in inventory of finished products.

Total bank loans decreased to US$73,318,000, US$6,335,000 less than at the end of 2005. Of the total loan amount, US$51,982,000 was short-term loans and US$21,336,000 was long-term loans. 96%, or US$70,385,000, of the bank loans are denominated in US dollars, and the rest are in Renminbi and Taiwan dollar. During the year, the total cost of bank loans increased to 7.2% per annum from 5.7% per annum in 2005, as a result of US interest rate hike. Current ratio improved slightly from 1.60 last year to 1.63. Gearing ratio dropped from 33.7% to 30.1%, while net gearing ratio increased from 21.8% to 23%.

As at 31 December 2006, the Group's had a net asset value of US$243,984,000.

Capital Expenditure

During the year, the Group's capital expenditure amounted to approximately US$22,000,000. At the end of 2005, the Group established a joint venture, Shandong Vedan Snowflake, with Shandong Xue Hua involving a total investment of US$12,000,000, of which 70%, or US$8,400,000, was injected in the beginning of 2006. The joint venture commenced operation in April 2006. Other investments were made by the Group in mainly Vietnam, such as in the γPGA factory and an organic solid fertilizer by-product processing factory.

Capital expenditure for 2007 is expected to reach US$19,000,000, which will be used mainly to expand the production capacity of Ve-Yu starch factory and the organic solid fertilizer production capacity in Vietnam, add a modified starch production line and acquire new MSG production facilities for Shandong Vedan Snowflake.

Exchange Rate

The Group's two main production bases are Vietnam and China. Catering primarily for domestic demand, the China operation transacts in Reminbi, however, its bank loans are mainly denominated in US dollars. As for the operation in Vietnam, around 40% of its products are exported, with transactions settled in US dollars, and 60% are for domestic sales. The Vietnamese Dong depreciated around 1.3% in 2006 and picked up moderately in the beginning of 2007. In the past five years, the currency has depreciated at a rate of 1% each year. Its exchange rate against US dollar is expected to remain stable in 2007.

Dividend

In the three years following listing, the Group had adhered to the dividend payout ratio of 60%. For 2006, the Board will adopt a dividend payout ratio of 50%, translating into a total dividend of US0.358 cent per share, making up of a proposed final dividend of US0.158 cent per share and the interim dividend of US0.200 cent per share already paid. The total dividend distribution amount is US$5,458,000 for this year.

PROSPECTS

In November 2006, Vietnam gained accession to the WTO and formally became the 150th member country in January 2007, a recognition of Vietnam's successful economic reform and integration into the international economy. Against such a backdrop, both domestic and foreign enterprises operating in Vietnam will become increasingly transparent and open and present huge development potentials. However, admitted into the international market, enterprises there will have to face challenges arising from globalization and in the rapidly changing market. These phenomena, for Vedan with Vietnam as its main production base and market, represent both opportunities and challenges. The Group will strive to enhance management efficiency, improve its technology and product quality, and reinforce and expand its market share. As the Vietnam government continues to relax control over the economy and living standard in the country improves, the people's demand for more diverse and better quality consumer products will rise. The Group will build on its 15 years' experience in the market, its extensive distribution network and the local professional team to actively develop its business scope and generate higher turnover and profit.

At the same time, the Group will expand procurement of cassava from sources in Central and Northern Vietnam and also seek to boost the diversity of raw materials for use in production. For example, it has started trial cultivation of tropical sugar beet, in a number of provinces in Vietnam, including Dong Nai, Bin Thuan, Gia Lai, Tay Ninh, Ha Tinh. After two years' hard work, the trial program has reported encouraging results confirming that the weather and soil condition in Vietnam are favourable for growing the crop. Tropical sugar beet will be a very competitive source of raw materials for the Group, giving it cost advantage while benefiting the development of rural villages and the farming industry in Vietnam. This is one way the Group is going to pay back to the local community that has braced its success.

As for the China market, with new GA plants expected to be built or start operation and existing ones to be expanded in the near future, competition will intensify. The Group will move the MSG production facilities of the Xiamen Mao Tai plant to Shandong Vedan Snowflake to resolve the low competitiveness of Mao Tai resulting from fuel and material limitations and at the same time enable Shandong Vedan Snowflake to extend its capabilities from fermentation to also include processing. The development will allow Shangdong Vedan Snowflake to build an all-round operation and raise competitiveness. To ensure its long term development, the Group will also actively look for sites promising high cost effectiveness to set up production base and potential partners in areas including North-western and North-eastern China or Inner Mongolia.

In addition to growing its MSG and GA operations, the Group has also been actively expanding the product scope of chicken essence and edible modified starch to assure continuous turnover and profit growth. The edible modified starch segment, in particular, after the Group's hard work in the past two years, has started to bear fruits. It performed well in both sales and turnover in the forth quarter of 2006 and sees abundant room for growth in 2007 and the following few years as industrialization lead to more people eating out and a greater demand for processed foods to be served by restaurants and other suppliers who use the Group's edible modified starch. Currently, the Group's R&D arm is aggressively developing new applications for different products and products that meet different customer needs.

Future development focuses:

– Complete construction of the Ha Tinh factory as soon as possible, aiming for phase I of the plant to be completed by the end of 2007 and begin operation.

– Tighten relationship with farmers, suppliers and molasses manufacturers to ensure stable raw material supply.

– Accelerate trial cultivation and promotion of tropical sugar beet to achieve as soon as possible the target of using it to replace part of the molasses as raw material.

– Strengthen R& D activities, especially those in relation to new product development.

– Integrate the Group's strengths to take advantage of Vietnam's accession to the WTO and the strengthening trading ties between China and ASEAN countries and India, and expand market shares.

– Continue to strengthen professional training for local workforces to meet the Group's development requirement.

– Honour corporate social responsibilities, tighten ties with the community and actively participate in community programmes to promote prosperity and development of the community concerned.

EMPLOYEE COMPENSATION AND TRAINING

As at 31 December 2006, the Group had a total of 3,247 employees (2004: 2,818; 2005: 3,079), of whom 2,586 were employed by Vietnam Vedan, 203 and 37 employed by Orsan Complex and Ve-Yu Starch factory respectively also in Vietnam, 239 by Xiamen Mao Tai Company and 167 by Shanghai Vedan in China, and 15 by the Taiwan Branch.

The Group's employees are remunerated in accordance with prevailing industry practices, and with reference to the financial performance of the Group and individual work performance. Other fringe benefits such as accommodation, meals, insurance, medical coverage and provident fund are provided to employees to ensure of their competitiveness and loyalty. To enhance work quality and the management abilities of employees and build localized workforces, the Group provides job rotation, internal and external training courses covering such as common/general and professional skills, languages, etc. to employees to help boost their specialized capabilities and knowledge and the overall quality of its human an resources.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed shares.

STATEMENT OF CORPORATE GOVERNANCE POLICY

The Directors is strongly committed to enhancing corporate governance. The Directors aims to continually review and enhance corporate governance practices of the Group.

Throughout the year, the company was in compliance with the applicable code provisions of the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. In the opinion of the Board, the Company has complied with the code and upon specific enquiry of all the directors is not aware of any non-compliance with the Model Code throughout the fiscal year ended 31 December 2006.

The Company has received, from each of the independent non-executive directors, a confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all the independent nonexecutive directors are independent.

In compliance with Rule 3.21 of the Listing Rules the Company has established an audit committee to review the financial reporting procedures and internal control and provides guidance thereto. The audit committee of the Company comprises four non-executive directors, three of whom are independent. The annual results have been reviewed by the Audit Committee.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 0.158 US cents (2005: 0.112 US cents) per share for the year ended 31 December 2006 at the forthcoming Annual General Meeting to be held on 15 May 2007. The final dividend amounting to US$0.158, if approved by shareholders, is expected to be paid on or about 5 June 2007 to those shareholders whose names appear on the Register of Members on 25 May 2007.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 22 May 2007 to 25 May 2007, both days inclusive, during which period no transfer of shares can be registered. To qualify for the final dividend (which will be payable on or about 1 June 2007) to be approved at the forthcoming Annual General meeting, shareholders must ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tengis Limited, at 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, no later than 4:00 p.m. on 21 May 2007.

PUBLISHMENT OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website at "www.hkex.com.hk" and the Company's website at "www.vedaninternational.com" in due course.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all customers and shareholders for their support and to our staff for their commitment and diligence during the year.

GENERAL INFORMATION

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

Executive Directors:–
YANG, Tou-Hsiung
YANG, Cheng
YANG, Kun-Hsiang
YANG, Chen-Wen
WANG, Joel J.

Non-executive Directors:–
HUANG, Ching-Jung
CHOU, Szu-Cheng

Independent non-executive Directors:–
CHAO, Pei-Hong
CHUANG, Shu-Fen
KO, Jim Chen

By Order of the Board
YANG, KUN-HSIANG
Executive Director and CEO

Hong Kong, 20 March 2007