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: 2317)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

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 2007, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	**2007** *US$'000*	2006 *US$'000*
Turnover	*2*	**317,431**	290,695
Cost of sales	*3*	**(256,845)**	(237,222)
Gross profit		**60,586**	53,473
Other gains — net	*2*	**2,413**	2,188
Selling and distribution expenses	*3*	**(16,907)**	(16,058)
Administrative expenses	*3*	**(20,990)**	(19,010)
Operating profit		**25,102**	20,593
Finance costs	*4*	**(4,364)**	(5,831)
Profit before income tax		**20,738**	14,762
Income tax expense	*5*	**(4,878)**	(3,827)
Profit for the year		**15,860**	10,935
Attributable to:			
— equity holders of the Company		**16,856**	10,915
— minority shareholder		**(996)**	20
		15,860	10,935
Earnings per share for profit attributable to the equity holders the Company during the year (expressed in US cents per share)			
Basic earnings per share	*7*	**1.11**	0.72
Diluted earnings per share	*7*	**1.10**	0.72
Dividends (in US$'000)	*6*	**8,422**	5,458

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	2007 US$'000	2006 US$'000
ASSETS			
Non-current assets			
Land use rights		**6,320**	6,038
Property, plant and equipment		**197,848**	211,688
Intangible assets		**17,527**	18,127
Held-to-maturity financial assets		**3,295**	3,361
		224,990	239,214
Current assets			
Trade receivables	*8*	**42,063**	38,150
Inventories		**56,170**	65,520
Prepayments and other receivables		**6,905**	6,312
Tax recoverable		**6**	980
Cash and cash equivalents		**17,706**	17,282
		122,850	128,244
Total assets		**347,840**	367,458
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**15,228**	15,228
Reserves			
— Proposed final dividend		**4,432**	2,432
— Others		**233,471**	222,602
		253,131	240,262
Minority interest		**4,585**	3,722
Total equity		**257,716**	243,984

CONSOLIDATED BALANCE SHEET *(Continued)*
AS AT 31 DECEMBER 2007

	Note	**2007** **US$'000**	2006 US$'000
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings		**15,621**	21,336
Deferred income tax		**10,544**	11,449
Long-term payable to a related party		**9,393**	11,023
Post-employment obligations		**728**	870
		36,286	44,678
Current liabilities			
Trade payables	*9*	**13,215**	17,116
Accruals and other payables		**10,279**	9,376
Due to a related party		**301**	258
Bank overdraft — unsecured		**382**	—
Short-term bank borrowings			
— Secured		**—**	4,421
— Unsecured		**18,969**	36,399
Current portion of long-term bank borrowings		**10,506**	11,162
Taxation payable		**186**	64
		53,838	78,796
Total liabilities		**90,124**	123,474
Total equity and liabilities		**347,840**	367,458
Net current assets		**69,012**	49,448
Total assets less current liabilities		**294,002**	288,662

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.

(a) The following new standards, amendment to standards and interpretation are mandatory for financial year ended 31 December 2007

- HKAS 1 Amendment — Presentation of Financial Statements — Capital Disclosures;
- HKFRS 7 — Financial Instruments: Disclosures;
- HK(IFRIC)-Int 7 — Applying the Restatement Approach under HKAS 29 Financial Reporting in Hyperinflationary Economies;
- HK(IFRIC)-Int 8 — Scope of HKFRS 2;
- HK(IFRIC)-Int 9 — Reassessment of Embedded Derivatives; and
- HK(IFRIC)-Int 10 — Interim Financial Reporting and Impairment.

The adoption of the above standards, amendment and interpretations did not have any significant financial impact to the Group. The adoption of HKAS 1 (Amendment) and HKFRS 7 has resulted in additional disclosures on capital disclosures and sensitivity analysis on financial risks.

(b) The Group has not early adopted the following new/revised standards or interpretations that have been issued but are not yet effective. The directors are currently assessing the impact on their adoption.

- HKAS 1 (Revised) — Presentation of financial statements (effective for annual periods beginning on or after 1 January 2009);

- HKAS 23 (Revised) — Borrowing Costs (effective for annual periods beginning on or after 1 January 2009);

- HKAS 27 (Revised) — Consolidated and Separate Financial Statements (effective for annual periods beginning on or after 1 July 2009);

- HKFRS 2 Amendment — Share-based Payment Vesting Conditions and Cancellations (effective from 1 January 2009);

- HKFRS 3 (Revised) — Business Combinations (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009);

- HKFRS 8 — Operating Segments (effective for annual periods beginning on or after 1 January 2009);

- HK(IFRIC)-Int 11, HKFRS 2 — Group and Treasury Share Transactions (effective for annual periods beginning on or after 1 March 2007);

- HK(IFRIC)-Int 12, Services Concession Arrangements (effective for annual periods beginning on or after 1 January 2008);

1 BASIS OF PREPARATION *(CONTINUED)*

- HK(IFRIC)-Int 13, Customer Loyalty Programmes (effective for annual periods beginning on or after 1 July 2008); and

- HK(IFRIC)-Int 14, HKAS 19 — The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective for annual periods beginning on or after 1 January 2008).

2 Turnover and other gains — net

(a) The Group manufactures and sells fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Turnover recognised for the years ended 31 December 2007 and 2006 is US$317,431,000 and US$290,695,000 respectively.

(b) Other gains-net

	2007	2006
	US$'000	*US$'000*
Net exchange gain	**816**	38
Net loss from sale of electricity	**(14)**	(94)
Gain/(loss) on disposal of property, plant and equipment	**603**	(58)
Sale of scrap materials	**489**	334
Interest income from held-to-maturity financial assets	**248**	251
Technology support income	**—**	941
Others	**271**	776
	2,413	2,188

3 EXPENSES BY NATURE

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

	2007	2006
	US$'000	*US$'000*
Changes in inventories of finished goods and work-in-progress	**5,952**	15,892
Raw materials and consumables used	**213,713**	190,941
Amortisation of intangible assets	**1,462**	1,323
Amortisation of land use rights	**135**	125
Auditor's remuneration	**295**	256
Depreciation on property, plant and equipment	**28,050**	27,046
Operating leases expenses in respect of leasehold land	**149**	125
Employee benefit expenses	**18,109**	15,799
Other expenses	**26,877**	20,783
Total cost of sales, selling and distribution expenses and administrative expenses	**294,742**	272,290

4 FINANCE COSTS

	2007	2006
	US$'000	*US$'000*
Interest expense on bank borrowings	**4,223**	5,498
Amortisation of discount on long-term payable to a related party	**515**	585
Interest income	**(374)**	(252)
	4,364	5,831

5 INCOME TAX EXPENSE

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

	2007	2006
	US$'000	*US$'000*
Enterprise income tax ("EIT")	**5,764**	4,004
Under provision of income tax in previous years	**19**	264
Deferred income tax	**(905)**	(577)
Withholding tax	**—**	136
	4,878	3,827

Enterprise income tax ("EIT")

(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 operations 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 operations in the PRC range from 18% to 33%.

(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.

5 INCOME TAX EXPENSE *(Continued)*

Enterprise income tax ("EIT") *(Continued)*

(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 operations in Taiwan is 25%.

6 DIVIDENDS

	2007	2006
	US$'000	*US$'000*
2007 Interim dividend of 0.26202 US cents (2006: 0.19872 US cents) per ordinary share, paid	**3,990**	3,026
2007 Final dividend of 0.29105 US cents (2006: 0.15971 US cents) per ordinary share, proposed	**4,432**	2,432
	8,422	5,458

7 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of US$16,856,000 (2006: US$10,915,000) by 1,522,742,000 (2006: 1,522,742,000) ordinary shares in issue during the year.

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.

	2007	2006
	US$'000	*US$'000*
Profit attributable to equity holders of the Company	**16,856**	10,915
Weighted average number of ordinary shares in issue (thousands)	**1,522,742**	1,522,742
Adjustments for outstanding share options (thousands)	**3,394**	2,431
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**1,526,136**	1,525,173
Diluted earnings per share (US cents per share)	**1.10**	0.72

8 TRADE RECEIVABLES

	2007	2006
	US$'000	*US$'000*
Trade receivables from third parties	**41,724**	37,787
Trade receivables from related parties	**339**	363
	42,063	38,150

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:

	2007	2006
	US$'000	*US$'000*
Current	**22,838**	22,634
30-90 days	**18,890**	14,917
91-180 days	**242**	458
181-365 days	**31**	141
Over 365 days	**62**	—
	42,063	38,150

As at 31 December 2007, trade receivables of US$3,701,000 (2006: US$9,165,000) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these past due but not impaired receivables is as follows:

	Group	
	2007	2006
	US$'000	*US$'000*
Current to 3 months	**3,656**	9,137
3-6 months	**45**	28
	3,701	9,165

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2007	2006
	US$'000	*US$'000*
Vietnam Dong	**26,109**	22,148
US dollar	**11,731**	13,678
PRC Renminbi	**4,194**	2,324
Others	**29**	—
	42,063	38,150

9 TRADE PAYABLES

The ageing analysis of trade payables is as follows:

	2007	2006
	US$'000	*US$'000*
Current	**11,688**	15,299
30-90 days	**1,436**	1,804
91-180 days	**89**	9
181-365 days	**2**	4
	13,215	17,116

The carrying amounts of the Group's trade payables are denominated in the following currencies:

	2007	2006
	US$'000	*US$'000*
Vietnam Dong	**6,906**	6,684
US dollar	**5,744**	9,145
PRC Renminbi	**565**	1,287
	13,215	17,116

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.

10 SEGMENTAL ANALYSIS *(Continued)*

(b) Geographical segment *(Continued)*

(i) Segment revenue

	2007 US$'000	2006 US$'000
Vietnam	**159,290**	151,419
The PRC	**52,047**	44,751
Japan	**47,492**	53,191
Taiwan	**9,264**	10,607
ASEAN member countries (other than Vietnam)	**34,794**	25,158
Other regions	**14,544**	5,569
	317,431	290,695

(ii) Capital expenditures

	2007 US$'000	2006 US$'000
Vietnam	**9,870**	8,811
The PRC	**2,810**	13,540
Taiwan	**—**	40
	12,680	22,391

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

	2007 US$'000	2006 US$'000
Vietnam	**280,961**	308,925
The PRC	**65,139**	56,728
Hong Kong	**550**	763
Taiwan	**1,126**	173
Singapore	**64**	869
	347,840	367,458

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

BUSINESS OVERVIEW

The Group's total turnover broke the US$300 million mark in 2007, increased by 9.2%, or US$26,736,000, to US$317,431,000. Net profit attributable to equity holders of the company for the year grew an impressive 54.4%, or US$5,941,000, to US$16,856,000. Revenue generated from the Vietnam and China subsidiaries were US$268,635,000 and US$48,796,000, up 10.7% and 7.7% respectively. On the product front, with the international price of lysine picking up, the Group resumed production of lysine, reclaiming capacity previously shifted to producing GA. As lysine full scale production returned in full force in the second half year, the turnover from GA dropped. Other than that, all of the Group's products saw steady growth. The main revenue growth contributors for the year were the increased MSG export of our Vietnam operation, growing modified starch sales in the China market and the rising of lysine price. By market, ASEAN countries (other than Vietnam) have the best performance in terms of sales, recorded an increase of 38.3% at approximately US$9,636,000. The proportion of contribution from the market to the Group's overall turnover had increased from 8.7% in 2006 to 11% in 2007, mirroring the success of the Group in nurturing this important market. Sales from China and Vietnam markets also grew 16.3% and 5.2% respectively during the year.

Although the prices of oil, agricultural products and other commodities in general stood rather high in 2007, the Group managed to make commendable profit thanks to the lower molasses price relative to 2006 and lower net finance cost, down by US$1,467,000, resulting from decreased borrowings. Hence, gross profit and net profit attributable to equity holders of the company increased by US$7,113,000 and US$5,941,000, or 13.3% and 54.4%, to US$60,586,000 and US$16,856,000 respectively. Gross profit margin and net profit margin surged from 18.4% and 3.8% in 2006 to 19.1% and 5.3% respectively this year.

I. Vietnam

The Vietnam market reported a 5.2% growth, or US$7,871,000 increase, in turnover for the year to US$159,290,000, accounting for 50.2% of the Group's total turnover this year against last year's 52.1%. The moderate 5.2% growth showed that the market growth had slowed down slightly when compared with other countries, as a result of MSG sales softened after years of rapid growth. However, other products such as caustic soda and hydrochloric acid continued to grow steadily.

II. China

During the year, turnover from the China market reached US$52,047,000, 16.4% or US$7,296,000 higher than in 2006, attributable mainly to higher contribution from the modified starch and MSG businesses. Boasting consistent and steady growth in recent years, the China market has replaced Japan as the second largest market of the Group.

III. Japan

In the first half of 2007, because of the weak international selling price of lysine, the Group reduced lysine production in Vietnam and shifted the capacity to produce GA. Since Japan is the main lysine market of the Group, performance of the market was inevitably affected. The Group resumed lysine production in the second half year, however, with domestic demand increasing, the Group made the strategic move of focusing on domestic sales in Vietnam. As a result, sales in the Japan market maintained fiar during the year. MSG sales, however, maintained stable growth. The total turnover from the market for this year was US$47,492,000, representing a decrease of US$5,699,000, or approximately 10.7%, when compared with 2006.

IV. ASEAN countries (other than Vietnam)

This market grew most remarkably, delivering an increase of US$9,636,000 in turnover for the year as a result of substantial growth in MSG and GA sales. Although the market only grew by 14% in the first half year, it performed brilliantly in the second half year and therefore reported a remarkable 38.3% growth for the entire year. The market is expected to sustain the growth momentum in 2008.

FINANCIAL REVIEW

I. Cash flow and financial resources

During the year under review, the Group saw an increase in net cash flow from operating activities and decreased bank borrowings and overdraft by approximately US$27,840,000. As at 31 December 2007, the Group had bank deposits and cash amounting to US$17,706,000, US$424,000 more than at the end of 2006. Total bank loans and overdraft for the year decreased substantially by 38% from US$73,318,000 at the end of 2006 to US$45,478,000. Current ratio improved to 2.28 from 1.63 in 2006, with short term bank loans and overdraft down by about US$22,125,000. Net gearing ratio decreased from 23% to 10.8%, indicating that the Group had a sound financial structure. 78.3% of the bank loans and overdraft were denominated in US dollars, and the rest were in the Taiwan dollar and Renminbi, accounting for 13.3% and 8.4% respectively of the total bank loans and overdraft. During the year, the average loans interest rate was 6.4% and net finance cost was US$4,364,000. The amount of net finance cost was equivalent to 1.4% of the Group's total turnover, down from 2.0% last year. Of all bank loans and overdraft taken out, 34% were middle to long term bank loans and 66% were short term bank loans and overdraft. Gearing ratio (bank loans/shareholders interest) was 18%.

II. Capital expenditure

In 2007, the Group's total capital expenditure was US$12,680,000. Investment in the new Ha Tinh starch plant in Vietnam, construction of the third and fourth phases of the solid fertilizer plant and bio-gas equipment in Ve-Yu Starch Factory and Phuoc Long Starch Factory took up in all US$9,456,000. The Group plans to spend a total of US$24,500,000 in capital expenditure in 2008, of which US$10,500,000 will be used for funding projects continuing on from 2007 and the balance US$14,000,000 will be injected into the cassava residue recycling project in Phuoc Long Starch Factory and raw materials development projects in Cambodia.

III. Exchange Rate

The Group's two main production bases are in Vietnam and China and local transactions are settled in their respective local currencies while export sales are settled in US dollars. Operations in China cater mainly to local demand with exports making up a very small portion of total sales. In 2007, against the weak US dollars and rising inflation in Vietnam, the Vietnam Dong appreciated slightly by about 0.2%, a turn from the general downward trend it had been on in recent years. As for the Renminbi, it continued to appreciate. Since the Group's China operation mainly served domestic needs and took out loans in US dollars, appreciation of the Renminbi had not posed any adverse impact on the Group's finance. However, with the Central Bank of Vietnam having relaxed the range of movement of the value of the Vietnamese Dong on a trading day from 0.25% in early 2007 to 1% in early 2008 and the Renminbi facing pressure to appreciate still further, the Group will continue to monitor changes in relation to the two currencies.

IV. Dividend

Basic earnings per share for 2007 were 1.1 US cents. The Board intends to adopt a dividend payout ratio of 50%, same as that in first half of 2007. Earnings per share were estimated at 0.55 US cent. Since, for the first half of 2007, the Board paid an interim dividend of 0.262 US cent per share, it intends to pay a final dividend of 0.288 US cent per share, bringing the total final dividend distribution amount for the year to US$4,612,000.

PROSPECTS

In 2007, the Vietnamese economy grew 8.4%. Foreign investment, inward remittance and stock market are dynamically growing. Along with the fast economic growth, prices of consumer goods and real estates in the country also surged. The phenomena plus rising international oil price and increasing price of agricultural products and raw materials, Vietnam's inflation rate in 2007 was as high as 12.6%, the highest in the last decade. To combat inflation and stabilize consumer price, the country's Central Bank has adopted a tighter monetary policy since the beginning of 2008, raised deposit provision rate and issued government bonds, pushing up the interest rate of Vietnamese Dong to increase the cost of borrowing of enterprises. It also relaxed the exchange rate movement range between the US dollar and the Dong, becoming challenges for all enterprises, domestic and foreign. Vietnam is the Group's primary production base as well as its biggest market. With raw materials, manufacturing, sales, management and transportation costs in the market all on the rise, the Group sees challenges for its business in the year to come. It is prepared to tackle them with vigilance. Expecting raw materials and fuel cost to stand on high in 2008, the Group will devote its utmost effort into lowering procurement cost while improving production efficiency with the ultimate aim of maintaining a reasonable profit. It will also seek to raise the selling prices of various products gradually in 2008 to reflect the increased costs, under the principle of not causing compromise to the Group's market share.

The Group has been actively exploring and boosting access to more carbohydrate sources in the past few years, and expects to see the past efforts paid off gradually in the future. i) Construction of the first phase of Ha Tinh starch factory with a daily production capacity of 100 tonnes will be completed in the third quarter of 2008. Its production capacity will be expanded to 200 tonnes per day in the first quarter of 2009. ii) Expansion of the Ve-Yu Starch Factory from 100 tonnes a day capacity to 150 tonnes is in progress and will be completed in the fourth quarter of 2008. iii) The Group had located suitable plantation area and found right partners for the raw materials cultivation in Cambodia and signed a memorandum of understanding in relation to the project in early 2008. If the project proceeds smoothly, a joint venture will be set up in the first half of 2008 to implement this investment project. On the aspect of diversifying carbohydrate sources, the Group has made good progress in tropical sugar beet cultivation. Another important carbohydrate source, sweet sorghum, is also under test planting. We expect to see good result in the near future.

As for MSG business, domestic sales in Vietnam is expected to grow moderately, whereas a more substantial growth is expected for export sales as a result of market expansion. As for the China market, with its competitiveness in export weakening, the Group will thus strengthen the domestic sales in the market, which remains intensely competitive in the immediate future. In the long run, order will return to the market with the stronger players prevailing and maintaining reasonable profit.

In the future, when the construction of new Ha Tinh starch factory and expansion of the Ve-Yu Starch Factory are completed, and Cambodia's raw materials cultivation project launches, the Group will be able to enjoy more steady supply of higher quality raw materials at more competitive cost. This will help to greatly enhance the development and profitability of the Group's amino acids and starch businesses. At the same time, the Group will actively explore opportunities of other businesses in different market sections. Taking advantages of its long established foundations and geographical proximity, the Group is confident to enjoy a synergistic business effects and increase the Group's operational profits.

In conclusion, the Group expects to continue to face pressure from persistently high raw material and fuel costs in the coming year. However, it also sees 2008 as a critical year during which it will begin to reap fruits of the efforts it made in the past few years. The Group is confident of its ability to face the challenges ahead.

EMPLOYEE COMPENSATION AND TRAINING

As at 31 December 2007, the Group had a total of 3,977 employees (2006: 3,247), of whom 3,045 were employed by Subsidiaries in Vietnam, 923 by subsidiaries in the PRC and 9 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 2007.

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 non-executive 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 three independent non-executive directors. 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 0.29105 US cents (2006: 0.15971 US cents) per share for the year ended 31 December 2007 at the forthcoming Annual General Meeting to be held on 27 May 2008. The final dividend amounting to US$4,432,000, if approved by shareholders, is expected to be paid on or about 19 June 2008 to those shareholders whose names appear on the Register of Members on 6 June 2008.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 3 June 2008 to 6 June 2008, 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 19 June 2008) 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 2 June 2008.

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
KO, Jim-Chen
CHEN, Joen-Ray

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

Hong Kong, 15 April 2008