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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: 2317)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

THE DECISION

Reference is made to the announcement of the Company dated 25 September 2008 (the “**Announcement**”). Capitalised terms not otherwise defined in this announcement shall have the same meaning as in the Announcement.

As disclosed in the Announcement, Vietnam Vedan has been under the Inspection by the Inspection Unit since mid-September 2008 in respect of the Environmental Issues. On 8 October 2008, Vietnam Vedan received a decision (the “**Decision**”) from the Inspection Unit. According to the Decision, Vietnam Vedan had been in violation of certain environmental laws in Vietnam and amongst other things, Vietnam Vedan is (i) required to (a) pay a sum of 267,500,000 Vietnam Dong (“**VND**”) (approximately US\$16,000) and a sum of 127,268,067,520 VND (approximately US\$7.6 million) as penalty and environmental fees (the “**Environmental Fees**”) respectively; (b) improve the existing environmental protection system; (c) install and remove certain sewage treatment equipment; (d) compensate the damage suffered by relevant parties in accordance with the legal requirements if such damage is caused by Vietnam Vedan; and (ii) prohibited from discharging any sewage which does not comply with the relevant environmental standards.

POSSIBLE IMPACT OF THE DECISION

The directors of the Company (the “**Directors**”) consider that the Decision could have an adverse impact on the financial performance of the Company and its subsidiaries (the “**Group**”). The Environmental Fees amounted to approximately US\$7.6 million, representing approximately 1.9% of the Group’s total assets as at 30 June 2008, and such fees would result in a post-tax charge to the consolidated income statement of the Group of approximately US\$6.5 million. Vietnam Vedan is currently seeking legal advice as to the Decision and, subject to legal advice, may appeal against the Decision. Nevertheless, the Decision is not expected to have any material adverse impact on the business operations or management of the Group. As at the date of this announcement, the production plant of Vietnam Vedan is still in operation.

GENERAL

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Company will continue to monitor the latest development of the situation and explore possible means to minimize any adverse impact arising from the Decision. Further announcement will be made by the Company on any significant development regarding the Decision if so required in compliance with the requirements of the Listing Rules. Investors and shareholders of the Company are advised to take caution when dealing in the Shares.

By Order of the Board of
Vedan International (Holdings) Limited
Yang, Tou-Hsiung
Chairman and Executive Director

Hong Kong, 9 October 2008

As at the date of this announcement, the board of directors of the Company comprises the following members:—

Executive Directors:—

Mr. YANG, Tou-Hsiung
Mr. YANG, Cheng
Mr. YANG, Kun-Hsiang
Mr. YANG, Chen-Wen
Mr. WANG, Joel J.

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