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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)

CONTINUING CONNECTED TRANSACTIONS

The Group has been engaging in certain continuing connected transactions with the Taiwan Vedan Group and Xue Hua in its ordinary and usual course of business, which is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

References are made to the Company's announcements dated 23 December 2008, 30 April 2009 and 24 December 2009, respectively and the Company's circular dated 13 January 2009, relating to, amongst other things, the following continuing connected transactions between the Taiwan Vedan Group and the Group:

- (1) the provision of certain technological support services by the Taiwan Vedan Group to the Group pursuant to the Existing Technology Support Agreement;
- (2) the sales of certain GA, MSG and cassava starch-based industrial products by the Group to the Taiwan Vedan Group pursuant to the Existing Taiwan Sales Agreement; and
- (3) each of Taiwan Vedan and the Company has agreed to appoint the Company and Taiwan Vedan respectively to act as its sole and exclusive agent to sell, distribute, supply and/or provide the Group's Product Portfolio to the Customers in the Group's Exclusive Markets or in Taiwan (as the case may be) pursuant to the Existing Agency Agreement.

In addition, the Company has been engaging in certain continuing connected transactions with Taiwan Vedan which are exempted from all reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Existing Taiwan Agreements will expire on 31 December 2011.

References are also made to the announcement and circular of the Company dated 23 December 2008 and 13 January 2009, respectively, relating to, amongst other things, the supply of certain raw materials by Xue Hua to the JV Company. Ordino, Xue Hua and the JV Company entered into the Existing Raw Materials Purchase Agreement to govern such transactions and the Existing Raw Materials Purchase Agreement will expire on 27 December 2011.

As the transactions contemplated under each of the Existing Taiwan Agreements and the Existing Raw Materials Purchase Agreement are expected to continue after the expiration of their respective terms, the Company and Taiwan Vedan have entered into the Taiwan Agreements on substantially the same terms as the Existing Taiwan Agreements and each for a term of three years from 1 January 2012 to 31 December 2014; and Ordino, Xue Hua and the JV Company have entered into the Raw Materials Purchase Agreement to renew the Existing Raw Materials Purchase Agreement on substantially the same terms and for a term of three years from 28 December 2011 to 27 December 2014 (with the JV Company's right to renew for successive terms of three years each until the end of the term of the JV Company subject to compliance with the relevant requirements under the Listing Rules), subject to compliance with the relevant requirements under the Listing Rules and approval of the independent shareholders of the Company (if required) having been obtained.

As at the date of this announcement, Taiwan Vedan is one of the controlling shareholders of the Company holding indirectly approximately 30.22% of the entire issued share capital of the Company, and Xue Hua is a substantial shareholder of the JV Company holding 30% of the equity interest in the JV Company, the transactions contemplated under each of the Taiwan Agreements and the Raw Materials Purchase Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under each of the Taiwan Agreements and the Raw Materials Purchase Agreement is/are, on an annual basis, greater than 0.1% while all such ratios are below 5% for the purposes of Rule 14.07 of the Listing Rules, such transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

BACKGROUND

The Group has been engaging in certain continuing connected transactions with the Taiwan Vedan Group and Xue Hua in its ordinary and usual course of business, which are subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

References are made to the Company's announcements dated 23 December 2008, 30 April 2009 and 24 December 2009, respectively and the Company's circular dated 13 January 2009, relating to, amongst other things, the following continuing connected transactions between the Taiwan Vedan Group and the Group:

- (1) the provision of certain technological support services by the Taiwan Vedan Group to the Group pursuant to the Existing Technology Support Agreement;
- (2) the sales of certain GA, MSG and cassava starch-based industrial products by the Group to the Taiwan Vedan Group pursuant to the Existing Taiwan Sales Agreement; and
- (3) each of Taiwan Vedan and the Company has agreed to appoint the Company and Taiwan Vedan respectively to act as its sole and exclusive agent to sell, distribute, supply and/or provide the Group's Product Portfolio to the Customers in the Group's Exclusive Markets or in Taiwan (as the case may be) pursuant to the Existing Agency Agreement.

In addition, the Company has been engaging in certain continuing connected transactions with Taiwan Vedan which are exempted from all reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Existing Taiwan Agreements will expire on 31 December 2011.

References are also made to the announcement and circular of the Company dated 23 December 2008 and 13 January 2009, respectively, relating to, amongst other things, the supply of certain raw materials by Xue Hua to the JV Company. Ordino, Xue Hua and the JV Company entered into the Existing Raw Materials Purchase Agreement to govern such transactions and such Existing Raw Materials Purchase Agreement will expire on 27 December 2011.

As the transactions contemplated under each of the Existing Taiwan Agreements and the Existing Raw Materials Purchase Agreement are expected to continue after the expiration of their respective terms, the Company and Taiwan Vedan have entered into the Taiwan Agreements on substantially the same terms as the Existing Taiwan Agreements and each for a term of three years from 1 January 2012 to 31 December 2014; and Ordino, Xue Hua and the JV Company have entered into the Raw Materials Purchase Agreement to renew the Existing Raw Materials Purchase Agreement on substantially the same terms and for a term of three years from 28 December 2011 to 27 December 2014 (with the JV Company's right to renew for successive terms of three years each until the end of the term of the JV Company subject to compliance with the relevant requirements under the Listing Rules), subject to compliance with the relevant requirements under the Listing Rules and approval of the independent shareholders of the Company (if required) having been obtained.

AGREEMENTS

1. Technology Support Agreement

Nature of Transaction

Pursuant to the Technology Support Agreement dated 23 December 2011 entered into between Taiwan Vedan and the Company, Taiwan Vedan has agreed to continue to provide and/or to procure other member(s) of the Taiwan Vedan Group to continue to provide to the Group during the Relevant Period certain technological support services (including provision of staff training and staff secondment to the Group's production complexes in Vietnam and the PRC upon request of the Group) for the purpose of supporting the product research and development activities of the Group for the development of polyglutamic acid products and other advanced fermentation technology as may be required by the Group from time to time.

The Company has agreed to pay or procure to be paid to Taiwan Vedan a service fee at the rate of one per cent. of the turnover of Xiamen Mao Tai and Vietnam Vedan during the Relevant Period, which is the same as the service fee rate under the Existing Technology Support Agreement.

The basis of the service fee rate was principally determined after arm's length negotiations and on normal commercial terms after taking into account factors such as the experience and background of the Taiwan Vedan Group.

The service fee shall be paid by cash in US dollars within 60 days from the publication of the Company's audited accounts for the relevant financial year of the Relevant Period and shall be subject to a cap of US\$2,500,000 (equivalent to approximately HK\$19,450,000).

Historical Figures and Pricing Basis

For the financial year ended 31 December 2010 and the 11 months ended 30 November 2011, the total aggregate amount of service fee paid by the Group to the Taiwan Vedan Group directly or through Tung Hai pursuant to the Existing Technology Support Agreement amounted to approximately HK\$18,993,068 and HK\$12,092,065, respectively. The transaction amount for each of the two financial years ending 31 December 2011 was or is expected to be within the relevant annual cap as disclosed in the announcement of the Company dated 24 December 2009, which is US\$3,000,000 (equivalent to approximately HK\$23,340,000) for each of the two financial years ending 31 December 2011.

The Company currently estimates that the annual total aggregate amount of service fee calculated at the rate described above will not exceed the cap of US\$2,500,000 (equivalent to approximately HK\$19,450,000) for each of the three financial years ending 31 December 2014. This estimate was (i) principally determined after arm's length negotiations and (ii) based on the actual service fee paid by the Group to Taiwan Vedan Group in the previous financial years.

As the annual cap represents greater than 0.1% but less than 5% of each of the applicable percentage ratios (as defined in the Listing Rules) of the Company for the purposes of Rule 14.07 of the Listing Rules, the transactions contemplated under the Technology Support Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for entering into the Technology Support Agreement

The Taiwan Vedan Group has been providing to the Group technological support services for the development of polyglutamic acid products and to the Directors' knowledge there are no companies in the market the business of which is to provide such technological support services. The Directors believe that the continuous technological support from the Taiwan Vedan Group will benefit the Group's future business developments.

2. Taiwan Sales Agreement

Nature of Transaction

Pursuant to the Taiwan Sales Agreement dated 23 December 2011 entered into between Taiwan Vedan and the Company, the Group will continue to sell certain GA, MSG and cassava starch-based industrial products ("**Products**") to the Taiwan Vedan Group for use in Taiwan during the Relevant Period.

The price of the Products payable by Taiwan Vedan and/or other member(s) of the Taiwan Vedan Group to the relevant member of the Group shall be determined in accordance with the price charged by the relevant member of the Group to other unrelated customers of the Group in respect of the relevant Products.

The price of the Products shall be paid to the relevant member of the Group by Taiwan Vedan and/or other member(s) of the Taiwan Vedan Group within 60 days from the end of the month in which the relevant Products are delivered by the Group.

Historical Figures and Pricing Basis

For the two financial years ended 31 December 2010 and the 11 months ended 30 November 2011, the total aggregate amount of sales of the Products to the Taiwan Vedan Group pursuant to the Existing Taiwan Sales Agreement amounted to approximately HK\$27,927,266, HK\$32,189,083 and HK\$9,354,983, respectively. The transaction amount for each of the three financial years ending 31 December 2011 was or is expected to be within the relevant annual caps as disclosed in the announcement of the Company dated 30 April 2009, which are US\$4,000,000 (equivalent to approximately HK\$31,120,000), US\$4,800,000 (equivalent to approximately HK\$37,344,000) and US\$4,800,000 (equivalent to approximately HK\$37,344,000) for each of the three financial years ending 31 December 2011, respectively.

The Company currently estimates that the annual total aggregate amount of sales of the Products to the Taiwan Vedan Group pursuant to the Taiwan Sales Agreement will not exceed the maximum cap of US\$3,000,000 (equivalent to approximately HK\$23,340,000) for each of the three financial years ending 31 December 2014. This estimate was based on (i) the production and marketing policy of the Group in respect of the Products; and (ii) the estimated market demand for the Products in Taiwan.

As the annual cap represents greater than 0.1% but less than 5% of each of the applicable percentage ratios (as defined in the Listing Rules) of the Company for the purposes of Rule 14.07 of the Listing Rules, the transactions contemplated under the Taiwan Sales Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for entering into the Taiwan Sales Agreement

The Group has been selling the Products to the Taiwan Vedan Group and the Directors believe that the continuous sale of the Products to the Taiwan Vedan Group will generate additional income to the Group.

3. Agency Agreement

Nature of Transaction

Pursuant to the Agency Agreement dated 23 December 2011 entered into between Taiwan Vedan and the Company, each of Taiwan Vedan and the Company has agreed to continue to appoint the Company and Taiwan Vedan respectively to act as its sole and exclusive agent to sell, distribute, supply and/or provide the Group's Product Portfolio to the Customers in the Group's Exclusive Markets or in Taiwan (as the case may be) during the Relevant Period.

Each of the Company and Taiwan Vedan shall be entitled to a commission calculated and payable at the rate of 1% of the aggregate selling price of the Group's Product Portfolio sold by the Group or the Taiwan Vedan Group (as the case may be) as agent of the Taiwan Vedan Group or the Group (as the case may be) during the Relevant Period, which is the same as the commission rate under the Existing Agency Agreement.

The basis of the commission rate was principally determined after arm's length negotiations and on normal commercial terms after taking into account factors such as the prevailing market rates for agency sales in the market. The commission shall be paid within 60 days from the end of the month in which the invoice in respect of the Group's Product Portfolio in question is issued to the Customers.

Historical Figures and Pricing Basis

For the two financial years ended 31 December 2010 and the 11 months ended 30 November 2011, the total aggregate amount of the commission received by the Group pursuant to the Existing Agency Agreement amounted to approximately HK\$801,156, HK\$1,159,572 and HK\$411,407, respectively, and no commission was payable by the Group to the Taiwan Vedan Group for the aforesaid periods. The transaction amount for each of the three financial years ending 31 December 2011 was or is expected to be within the relevant annual caps as disclosed in the announcement of the Company dated 23 December 2008, which are US\$150,000 (equivalent to approximately HK\$1,167,000) and US\$80,000 (equivalent to approximately HK\$622,400) in respect of the commission received by the Group and the Taiwan Vedan Group for each of the three financial years ending 31 December 2011, respectively.

The Company currently estimates that the annual total aggregate amount of commission to be received by each of the Group and the Taiwan Vedan Group will not exceed the maximum cap of US\$150,000 (equivalent to approximately HK\$1,167,000) and US\$80,000 (equivalent to approximately HK\$622,400) for each of the three financial years ending 31 December 2014. This estimate was based on (i) the actual commission paid by the Group and the Taiwan Vedan Group in the previous financial years; and (ii) the estimated market demand of the Group's Product Portfolio in the Group's Exclusive Markets or in Taiwan.

As each of the relevant annual cap for the commission to be received by each of the Group and the Taiwan Vedan Group represents greater than 0.1% but less than 5% of each of the applicable percentage ratios (as defined in the Listing Rules) of the Company for the purposes of Rule 14.07 of the Listing Rules, the transactions contemplated under the Agency Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for entering into the Agency Agreement

Each of Taiwan Vedan and the Company has been acting as the sole and exclusive agent of the other party to sell, distribute, supply and/or provide the Group's Product Portfolio to the Customers in the Group's Exclusive Markets or in Taiwan (as the case may be). The Directors believe that the Group will continue to benefit from the Agency Agreement as the Group will receive additional commission income from selling activities in the Group's Exclusive Markets that cannot be achieved by the Group's production capacity and the Group will also continue to benefit from the Agency Agreement in respect of additional sales to customers in Taiwan which may not be satisfied by the production capacity of, or the available products from, the Taiwan Vedan Group.

4. Raw Materials Purchase Agreement

Nature of Transaction

Pursuant to the Raw Materials Purchase Agreement dated 23 December 2011 entered into between Ordino, Xue Hua and the JV Company, the JV Company will purchase certain raw materials (including GA, steam, electricity, starch and sulfuric acid) (“**Raw Materials**”) from Xue Hua during the term of the agreement. The Raw Materials Purchase Agreement will be for a term of three years from 28 December 2011 to 27 December 2014 (with the JV Company’s right to renew for successive terms of three years each until the end of the term of the JV Company subject to compliance with the relevant requirements under the Listing Rules), subject to compliance with the relevant requirements under the Listing Rules and approval of the independent shareholders of the Company (if required) having been obtained.

The price of the Raw Materials payable by the JV Company to Xue Hua shall be determined in accordance with the relevant market price as set out below and shall be paid by cash in Renminbi:

Raw Materials	Purchase price
(a) GA	the average selling price (ex-factory price, exclusive of tax) of the comparable products charged by Xue Hua to its three largest customers (in terms of sales amount) (<i>Note 1</i>), to be deducted by packaging cost and transportation cost
(b) steam	the relevant assigned price level (<i>Note 2</i>) to be adjusted proportionately if triggered by a 10% movement of the market coal price from the then market level prevailing around the date of the Joint Venture Contract
(c) electricity	the relevant assigned price level (<i>Note 3</i>) to be adjusted proportionately if triggered by a 10% movement of the market coal price from the then market level prevailing around the date of the Joint Venture Contract

- (d) starch the relevant market price (*Note 4*) to be deducted by a fixed sum of (1) drying cost per tonne and (2) packaging cost per tonne
- (e) sulfuric acid (over 92%) the relevant market price (*Note 4*) to be deducted by a fixed sum of transportation cost per tonne

Notes:

1. If the aggregate sales amount of the three largest customers of Xue Hua constitute 60% or less of the aggregate sales volume of Xue Hua for the relevant period, the selling price charged to the fourth and (if applicable) the subsequent largest customer(s) of Xue Hua shall be included in the calculation of the average selling price to take the aggregate sales volume of such largest customers to just above 60% of the sales amount of Xue Hua.
2. Not less favourable than the market price level available from independent third parties prevailing around the date of the Raw Materials Purchase Agreement.
3. Not less favourable than the market price level available from independent third parties prevailing around the date of the Raw Materials Purchase Agreement.
4. The relevant market price refers to the lowest ex-factory price of comparable products of Xue Hua to be deducted by the corresponding packaging cost.

Historical Figures and Pricing Basis

For the two financial years ended 31 December 2010 and the 11 months ended 30 November 2011, the total aggregate amount of the Raw Materials purchased by the JV Company from Xue Hua pursuant to the Existing Raw Materials Purchase Agreement amounted to approximately HK\$15,964,978, HK\$22,737,765 and HK\$15,357,525, respectively. The transaction amount for each of the three financial years ending 31 December 2011 was or is expected to be within the relevant annual caps as disclosed in the announcement and circular of the Company dated 23 December 2008 and 13 January 2009, respectively, which is RMB200,000,000 (equivalent to approximately HK\$246,000,000) for each of the two financial years ended 31 December 2010 and RMB200,000,000 (equivalent to approximately HK\$246,000,000) for the 11.9 months ended 27 December 2011.

The Company currently estimates that the annual total aggregate amount of the Raw Materials to be purchased by the JV Company from Xue Hua pursuant to the Raw Materials Purchase Agreement will not exceed the maximum cap of RMB15,000,000 (equivalent to approximately HK\$18,450,000) for each of the three financial years ending 27 December 2014. This estimate was based on (i) the actual production volume of Xue Hua in November of 2011; (ii) the anticipated production capacity of the JV Company; and (iii) the estimated amount of Raw Materials which may be required by the JV Company for producing GA and MSG in the forthcoming three financial years.

As the annual cap represents greater than 0.1% but less than 5% of each of the applicable percentage ratios (as defined in the Listing Rules) of the Company for the purposes of Rule 14.07 of the Listing Rules, the transactions contemplated under the Raw Materials Purchase Agreement are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Reasons for entering into the Raw Materials Purchase Agreement

The Directors are of the view that the entering into of the Raw Materials Purchase Agreement will continue to allow the Group to establish a channel source in the PRC for the supply of Raw Materials to be used by the Group in the PRC. Further, Xue Hua is a company which produces the Raw Materials and is strategically located in Jining of the Shandong Province of the PRC where there is abundant natural resources and cost-competitive utility resources for the production of the Raw Materials. The entering into of the Raw Materials Purchase Agreement will provide stable supply of the Raw Materials and cost benefits to the Group for its businesses.

All of the executive Directors, namely Mr. YANG, Tou-Hsiung, Mr. YANG, Cheng, Mr. YANG, Kun-Hsiang and Mr. YANG, Chen-Wen, are members of the Yang Family which ultimately owns Taiwan Vedan and have a material interest in the transactions contemplated under each of the Taiwan Agreements. The executive Directors have abstained from voting on the relevant board resolution(s) of the Company approving the Taiwan Agreements. The non-executive Directors and the independent non-executive Directors consider that the entering into of the Taiwan Agreements is in the ordinary course of business of the Group and the terms and conditions of such agreements are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

All the Directors (including the independent non-executive Directors) consider that the entering into of the Raw Materials Purchase Agreement is in the ordinary course of business of the Group and the terms and conditions of such agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT TAIWAN VEDAN

Taiwan Vedan is a company incorporated under the laws of Taiwan and its principal business is the production of food additive products, including MSG products, and beverages in Taiwan. It is one of the controlling shareholders of the Company holding indirectly approximately 30.22% of the entire issued share capital of the Company as at the date of this announcement and is therefore a connected person of the Company.

INFORMATION ABOUT XUE HUA

Xue Hua is a company established in the PRC and its principal business is the production of GA, starch and fertilizer in the PRC. It is a substantial shareholder of the JV Company holding 30% of the equity interest in the JV Company as at the date of this announcement and is therefore a connected person of the Company.

INFORMATION ABOUT THE GROUP

The current principal activities of the Group are the manufacturing and sale of fermentation-based amino acids, food additive products and cassava starch based products in Asia.

LISTING RULES REQUIREMENTS

As at the date of this announcement, Taiwan Vedan is one of the controlling shareholders of the Company holding indirectly approximately 30.22% of the entire issued share capital of the Company, and Xue Hua is a substantial shareholder of the JV Company holding 30% of the equity interest in the JV Company, the transactions contemplated under each of the Taiwan Agreements and the Raw Materials Purchase Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the transactions contemplated under each of the Taiwan Agreements and the Raw Materials Purchase Agreement is/are, on an annual basis, greater than 0.1% while all such ratios are below 5% for the purposes of Rule 14.07 of the Listing Rules, such transactions are subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules, the annual review requirements set out in Rules 14A.37 to 14A.40, the requirements set out in Rules 14A.35(1) and 14A.35(2) and are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Agency Agreement”	the agreement in respect of the sale, distribution, supply and/or provision of the Group’s Product Portfolio to the Customers in the Group’s Exclusive Markets or in Taiwan dated 23 December 2011;
“ASEAN”	the Association of South East Asian Nations, a multi-national organisation established to promote economic co-operation and development amongst member countries, such member countries are, for the purpose herein, Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore and Thailand;
“associate(s) ”	has the meaning ascribed thereto under the Listing Rules;

“Billion Power”	Billion Power Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of Taiwan Vedan, which holds 460,237,609 Shares as at the date of this announcement;
“Board”	the board of Directors;
“Company”	Vedan International (Holdings) Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange;
“Concord Worldwide”	Concord Worldwide Holdings Ltd., a company incorporated in the British Virgin Islands and beneficially owned by Messrs. Yang, Kun-Chou, Yang, Kun-Hsiang, Yang, Yung-Huang and Yang, Yung-Jen as to 26.7 per cent., 26.7 per cent., 26.7 per cent., and 19.9 per cent., respectively, all of whom together with Concord Worldwide Holdings Ltd., are members of the Yang Family. It directly holds 127,297,646 Shares as at the date of this announcement;
“connected person”	has the meaning ascribed thereto under the Listing Rules;
“Customers”	any purchaser or potential purchaser of any of the Group’s Product Portfolio in the Group’s Exclusive Markets or Taiwan (as the case may be);
“Director(s)”	the director(s) of the Company;
“Existing Agency Agreement”	the agreement in respect of the sale, distribution, supply and/or provision of the Group’s Product Portfolio to the Customers in the Group’s Exclusive Markets or in Taiwan dated 23 December 2008;

“Existing Raw Materials Purchase Agreement”	the agreement in respect of the supply of certain raw materials by Xue Hua to the JV Company entered into between Ordino, Xue Hua and the JV Company on 23 December 2008 entered into between Xue Hua and the JV Company;
“Existing Taiwan Agreements”	the Existing Technology Support Agreement, the Existing Taiwan Sales Agreement and the Existing Agency Agreement;
“Existing Taiwan Sales Agreement”	the agreement in respect of the sales of certain GA, MSG and cassava starch-based industrial products by the Group to the Taiwan Vedan Group dated 23 December 2008 as supplemented by a supplemental agreement dated 29 April 2009 entered into between Taiwan Vedan and the Company;
“Existing Technology Support Agreement”	the agreement in respect of the provision of certain technological support services by the Taiwan Vedan Group to the Group dated 24 December 2009;
“GA”	acronym as “glutamic acid”, which is a non-essential amino acid occurring widely in plant and animal tissue and is used by the body to build proteins. MSG is a form of glutamic acid that is used as a food flavour enhancing product;
“Group”	the Company and its subsidiaries;
“Group’s Exclusive Markets”	Vietnam, ASEAN countries and the PRC;
“Group’s Product Portfolio”	the products that are produced or proposed to be produced by the Group from time to time;

“High Capital”	High Capital Investments Limited, a company incorporated in the British Virgin Islands and beneficially owned by Messrs. Yang, Chen-Wen, Yang, Tung, Yang, Wen-Hu, Ms. Yang, Wen-Yin, Ms. Yang, Shu-Hui and Ms. Yang, Shu-Mei as to 26.33 per cent., 26.33 per cent., 26.33 per cent., 7 per cent., 7 per cent., and 7 per cent., respectively, all of whom, together with High Capital Investments Limited, are members of the Yang Family. It directly holds 127,297,646 Shares as at the date of this announcement;
“HK\$”	Hong Kong dollars, the lawful currency for the time being of the Hong Kong Special Administrative Region of the PRC;
“Joint Venture Contract”	the contract entered into between Ordino and Xue Hua in relation to the establishment of the JV Company in the PRC on 22 December 2005;
“JV Company”	山東味丹雪花實業有限公司 (Shandong Vedan Snowflake Enterprise Co., Ltd.), a PRC joint venture company established by Ordino and Xue Hua pursuant to the Joint Venture Contract , and the equity interests in which are held as to 70% by Ordino and 30% by Xue Hua;
“King International”	King International Limited, a company incorporated in the British Virgin Islands and beneficially owned by Messrs. Yang, Tou-Hsiung and Yang, Cheng, as to 65 per cent. and 35 per cent., respectively, all of whom, together with King International Limited, are members of the Yang Family. It directly holds 169,730,196 Shares as at the date of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange;
“MSG”	acronym as “monosodium glutamate”, which is a white odorless crystalline compound that is a salt of GA; it is used as a food flavour enhancing product;
“Ordino”	Ordino Investments Pte Ltd, a company incorporated under the laws of Singapore and a wholly-owned subsidiary of the Company;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Raw Materials Purchase Agreement”	the agreement in respect of the renewal of the Existing Raw Materials Purchase Agreement dated 23 December 2011;
“Relevant Period”	the period from 1 January 2012 to 31 December 2014;
“RMB” and “Renminbi”	Renminbi, the lawful currency of the PRC;
“Share(s)”	share(s) of US\$0.01 per share in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Taiwan Agreements”	the Technology Support Agreement, the Taiwan Sales Agreement and the Agency Agreement;

“Taiwan Sales Agreement”	the agreement in respect of the sales of certain GA, MSG and cassava starch-based industrial products by the Group to the Taiwan Vedan Group dated 23 December 2011;
“Taiwan Vedan”	味丹企業股份有限公司 (Vedan Enterprise Corporation*) (formerly known as 味丹工業股份有限公司 (Vedan Industrial Corporation*) and 味正食品工業股份有限公司 (Ve Cheng Food Industry Corporation*)), a company incorporated in Taiwan and ultimately owned by the Yang Family;
“Taiwan Vedan Group”	Taiwan Vedan and its subsidiaries (other than members of the Group);
“Technology Support Agreement”	the agreement in respect of the provision of certain technological support services by the Taiwan Vedan Group to the Group dated 23 December 2011;
“Tung Hai”	東海醱酵工業股份有限公司 (Tung Hai Fermentation Industrial Co., Ltd.*), a company incorporated in Taiwan and ultimately owned by the Yang Family;
“US dollars” or “US\$”	the lawful currency of the United States of America;
“Vietnam Vedan”	Vedan (Vietnam) Enterprise Corporation Limited, a company incorporated under the laws of Vietnam and an indirect wholly-owned subsidiary of the Company;
“Xiamen Mao Tai”	茂泰食品(廈門)有限公司 (Mao Tai Foods (Xiamen) Co., Ltd.), a wholly foreign-owned enterprise established in the PRC and an indirect wholly-owned subsidiary of the Company;

“Xue Hua”

山東雪花生物化工股份有限公司 (Shandong Xue Hua Bio-chemical Co., Ltd.); and

“Yang Family”

Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Yung-Huang, Yang, Kun-Hsiang, Yang, Kun-Chou, Yang, Yung-Jen, Yang, Chen-Wen, Yang, Wen-Hu, Yang, Tung, Ms. Yang, Wen-Yin, Ms. Yang, Shu-Hui and Ms. Yang, Shu-Mei and their respective associates, King International, Concord Worldwide, High Capital, Taiwan Vedan, Tung Hai and Billion Power.

By Order of the Board of
Vedan International (Holdings) Limited
Yang, Kun-Hsiang
Executive Director

Hong Kong, 23 December 2011

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

Executive Directors:–

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

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

For the purpose of this announcement, conversion of US\$ into HK\$ or vice versa has been calculated by using an exchange rate of US\$1 to HK\$7.78, and conversion of RMB into HK\$ or vice versa has been calculated by using an exchange rate of RMB1 to HK\$1.23.

* *For identification purpose only*