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**INTERNATIONAL**

**VEDAN INTERNATIONAL (HOLDINGS) LIMITED**

**味丹國際（控股）有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock code: 02317)**

## **DISCLOSEABLE TRANSACTION**

The Board announces that on 21 November 2012, Veyu, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement dated as of 19 November 2012 with the Purchaser. Pursuant to the terms of the Sale and Purchase Agreement, Veyu has agreed to sell and the Purchaser has agreed to purchase, the Facilities at a total consideration of VND60 billion (equivalent to approximately HK\$22,380,000).

Since one or more of the applicable percentage ratios in respect of the Disposal is/are greater than 5% while all such ratios are less than 25% for the purposes of Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements as set out in Rule 14.34 to Rule 14.37 of the Listing Rules.

## **INTRODUCTION**

The Board announces that on 21 November 2012, Veyu, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement dated as of 19 November 2012 with the Purchaser. Pursuant to the terms of the Sale and Purchase Agreement, Veyu has agreed to sell and the Purchaser has agreed to purchase, the Facilities at a total consideration of VND60 billion (equivalent to approximately HK\$22,380,000).

## SALE AND PURCHASE AGREEMENT

Date : Dated as of 19 November 2012 (entered into on 21 November 2012)

Parties : (a) Veyu as the vendor  
(b) the Purchaser as the purchaser

Assets to be disposed of:

The tapioca production processing factory and constructions of Veyu located in Gia Lai province, Vietnam.

Consideration and payment terms:

The total amount of consideration payable by the Purchaser to Veyu under the Sale and Purchase Agreement is VND60 billion (equivalent to approximately HK\$22,380,000) being the consideration for the Facilities, is payable in cash in the following manner:-

### **Date of payment**

### **Amount payable**

Within 7 days of the signing of the Sale and Purchase Agreement (i.e. 26 November 2012)

VND18 billion (equivalent to approximately HK\$6,714,000), representing 30% of the total amount of consideration, and any VAT payable by Veyu

Within 7 days of the date when Veyu obtains the approval from the relevant provincial government authority in Gia Lai province, Vietnam of the Disposal

VND30 billion (equivalent to approximately HK\$11,190,000) , representing 50% of the total amount of consideration, and any VAT payable by Veyu

**Date of payment****Amount payable**

Within 7 days of the date on which the transfer of the Facilities is completed pursuant to the terms of the Sale and Purchase Agreement

VND12 billion (equivalent to approximately HK\$4,476,000), representing 20% of the total amount of consideration, and any VAT payable by Veyu

The amount of consideration was determined by reference to the residual value and market price of the Facilities.

**REASONS FOR AND BENEFITS OF THE DISPOSAL**

As the number of tapioca producers located in the surrounding area of the Facilities has increased, the cost of raw materials has become higher and the production cost of Veyu's operation has increased substantially. In view of the aforesaid, the Directors believe that the Disposal will enable the Group to allocate its resources in developing other more profitable business operations. The Directors are also of the view that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and its shareholders as a whole.

**REGULATORY ASPECTS**

Since one or more of the applicable percentage ratios in respect of the Disposal is/are greater than 5% while all such ratios are less than 25% for the purposes of Rule 14.07 of the Listing Rules, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements as set out in Rule 14.34 to Rule 14.37 of the Listing Rules.

**GENERAL**

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

The principal business activity of the Purchaser is agricultural product processing.

The Company confirms that, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons of the Company.

The book value of the Facilities as at 30 October 2012 is US\$1,952,000 (equivalent to approximately HK\$15,128,000).

The net losses (both before and after taxation and extraordinary items) attributable to the Facilities for the financial year ended 31 December 2011 was US\$120,000 (equivalent to approximately HK\$930,000) and the net profits (both before and after taxation and extraordinary items) attributable to the Facilities for the financial year ended 31 December 2010 was US\$99,000 (equivalent to approximately HK\$767,250).

As a result of the Disposal, there will be a gain of VND19,300,000,000 (equivalent to approximately HK\$7,198,900) expected to accrue to the Company. Such gain is calculated by reference to the amount of consideration of the Disposal and the book value of the Facilities as of 30 October 2012. The Company intends to use the sale proceeds from the Disposal as general working capital.

## **TERMS USED IN THIS ANNOUNCEMENT**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:–

“Board”	the board of Directors
“Company”	Vedan International (Holdings) Limited (stock code: 2317), 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
“connected person(s)”	shall have the same meaning ascribed to the Listing Rules

“Directors”	the directors of the Company
“Disposal”	the disposal of the Facilities by Veyu to the Purchaser under the Sale and Purchase Agreement
“Facilities”	the tapioca production processing factory and construction work of Veyu located in Gia Lai province, Vietnam
“Group”	the Company together with its subsidiaries
“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
“Purchaser”	Quang Ngai Agricultural Products and Foodstuff Stock Company, a company incorporated under the laws of Vietnam
“Sale and Purchase Agreement”	an agreement dated as of 19 November 2012 entered into between Veyu as vendor and the Purchaser as purchaser in relation to the sale and purchase of the Facilities on 21 November 2012
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	the value added tax of Vietnam
“Veyu”	Veyu Enterprise Co., Ltd., a company incorporated under the laws of Vietnam and is a wholly-owned subsidiary of the Company

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“US\$”	the United States dollars, the lawful currency of the United States of America
“VND”	Vietnam Dong, the lawful currency of Vietnam
“%”	per cent.

*Unless otherwise specified in this announcement, amounts denominated in Vietnam Dong and the United States dollars have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of HK\$0.000373 = VND1.00 and HK\$7.75 = US\$1.00 respectively. This exchange rate is for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted at the above rate or any other rates.*

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

Hong Kong, 21 November 2012

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  
Mr. YANG, Kun-Chou

*Non-executive Directors:–*

Mr. HUANG, Ching-Jung  
Mr. CHOU, Szu-Cheng

*Independent non-executive Directors:–*

Mr. CHAO, Pei-Hong  
Mr. KO, Jim-Chen  
Mr. CHEN, Joen-Ray