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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)

MAJOR TRANSACTION

The Board announces that on 15 August 2013, Vietnam Vedan entered into the Equipment Procurement Agreement with the Seller, pursuant to which the Seller agreed to sell and Vietnam Vedan agreed to purchase the Pulverized Coal Firing Boiler at a consideration of US\$44,250,000 (equivalent to approximately HK\$342,937,500).

Since one or more of the applicable percentage ratios in respect of the Transaction is/are greater than 25% while all such ratios are below 100% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements as set out in Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Transaction which is different from the other Shareholders, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving the Transaction. Billion Power, King International, Concord Worldwide and High Capital, a closely allied group of Shareholders who together hold 884,563,097 Shares (representing approximately 58.09% of the Company's issued Shares) as at the date hereof, has given its written approval for the Transaction. The written approval has been given in lieu of holding a general meeting to approve the Transaction pursuant to Rule 14.44 of the Listing Rules.

A circular containing, amongst other things, details of the Equipment Procurement Agreement and other information as required under the Listing Rules will be dispatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

INTRODUCTION

The Board announces that on 15 August 2013, Vietnam Vedan entered into the Equipment Procurement Agreement with the Seller, pursuant to which the Seller agreed to sell and Vietnam Vedan agreed to purchase the Pulverized Coal Firing Boiler at a consideration of US\$44,250,000 (equivalent to approximately HK\$342,937,500).

EQUIPMENT PROCUREMENT AGREEMENT

Date : 15 August 2013

Parties : (a) the Seller as the seller
(b) Vietnam Vedan as the buyer

Equipment to be purchased : The Pulverized Coal Firing Boiler

CONSIDERATION AND PAYMENT TERMS

The total consideration is US\$44,250,000 (equivalent to approximately HK\$342,937,500), which shall be paid in the manner as follows:

| Date of payment | Amount payable |
|---|---|
| Within one month from the date of the Equipment Procurement Agreement | US\$6,637,500 (equivalent to approximately HK\$51,440,625) (being a deposit equivalent to 15% of the total consideration) |

Date of payment**Amount payable**

After the arrival of each batch of products to any harbor in Vietnam confirmed by both the Seller and Vietnam Vedan and within 30 days from the shipping notice

Installments totaling US\$33,187,500 (equivalent to approximately HK\$257,203,125) in accordance with the Seller's delivery loading plan, packing list and the commercial invoice issued by the Seller for each batch of products (representing a total of 75% of the total consideration)

After the Seller completes delivery of all equipment and materials and within 20 working days from presentation of official letter showing quality inspection and acceptance of all equipment and materials in accordance with the quality inspection standard as set out in the Equipment Procurement Agreement

US\$4,425,000 (equivalent to approximately HK\$34,293,750) (being the 10% remaining balance of the total consideration)

Such total consideration was determined by reference to the capacity of thermal energy efficiency and also using fuel material categories (gas and coal, etc.).

REASONS FOR AND BENEFITS OF THE TRANSACTION

The purpose of acquiring of the Pulverized Coal Firing Boiler is for use in the manufacturing facilities of Vietnam Vedan located in Vietnam and the Directors believe that such acquisition is in furtherance of the Group's business development in its ordinary course of business. The terms of the Equipment Procurement Agreement were arrived at after arm's length negotiations between the Seller and Vietnam Vedan and on normal commercial terms.

Taking into account of the above reasons, the Directors consider that the terms of the Equipment Procurement Agreement are fair and reasonable and the entering into of the Equipment Procurement Agreement is in the best interests of the Company and the Shareholders as a whole.

REGULATORY ASPECTS

Since one or more of the applicable percentage ratios in respect of the Transaction is/are greater than 25% while all such ratios are below 100% for the purposes of Rule 14.07 of the Listing Rules, the Transaction constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements as set out in Chapter 14 of the Listing Rules.

As no Shareholder has a material interest in the Transaction which is different from the other Shareholders, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for approving Transaction. Billion Power, King International, Concord Worldwide and High Capital, a closely allied group of Shareholders who together hold 884,563,097 Shares (representing approximately 58.09% of the Company's issued Shares) as at the date hereof, has given its written approval for the Transaction. The written approval has been given in lieu of holding a general meeting to approve the Transaction pursuant to Rule 14.44 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiry, the Seller and its ultimate beneficial owner(s) are independent third parties and are not connected persons of the Company.

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 activities of the Seller are to provide and trade equipments and machinery related to firing boiler.

A circular containing, amongst other things, details of the Equipment Procurement Agreement and other information as required under the Listing Rules will be dispatched to the Shareholders as soon as practicable in compliance with the Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

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

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| “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 (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 |
| “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 |
| “Directors” | the directors of the Company |
| “Equipment Procurement Agreement” | an agreement entered into between the Seller as the seller and Vietnam Vedan as the buyer in relation to the sale and purchase of the Pulverized Coal Firing Boiler on 15 August 2013 |
| “Group” | the Company together with its subsidiaries |

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|---------------------------------|---|
| “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 |
| “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 |
| “Pulverized Coal Firing Boiler” | the pulverized coal firing boiler of 307,120 kilograms/hour (maximum steam output rate shall be 114%) and packaged equipment(s), together with certain related auxiliary elements |
| “Seller” | Key Point Success Capital Ltd., a company incorporated under the laws of the British Virgin Islands |
| “Share(s)” | share(s) of US\$0.01 per share in the share capital of the Company |

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| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “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 |
| “Transaction” | the sale and purchase of the Pulverized Coal Firing Boiler under the Equipment Procurement Agreement |
| “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 |
| “Vietnam Vedan” | Vedan (Vietnam) Enterprise Corporation Limited, a company incorporated under the laws of Vietnam and is an indirect wholly-owned subsidiary of the Company |
| “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 |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong Special Administrative Region |

“US\$” the United States dollar, the lawful currency of the United States of America

“%” per cent.

* *For identification purpose only*

Unless otherwise specified in this announcement, amounts denominated in US\$ have been converted, for the purpose of illustration only, into Hong Kong dollars at the rate of US\$1.00 = HK\$7.75. 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 and Chief Executive Officer

Hong Kong, 15 August 2013

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
Mr. HSIEH, Lung-Fa