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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **VEDAN INTERNATIONAL (HOLDINGS) LIMITED**, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**VEDAN**

*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**

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A letter from the Board of Directors of Vedan International (Holdings) Limited is set out on pages 5 to 9 of this circular.

4 October 2013

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“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 circular;
“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 circular;
“Director(s)”	the director(s) 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 and its subsidiaries;

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## DEFINITIONS

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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 circular;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 circular;
“Kw”	Kilo Watt;
“Latest Practicable Date”	30 September 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“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;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau and Taiwan;

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## DEFINITIONS

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“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;
“SFO”	Securities and Futures Ordinance;
“Share(s)”	share(s) of US\$0.01 per share in the share capital of the Company;
“Shareholder(s)”	holder(s) of the Share(s) from time to time;
“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;
“Tricor”	Tricor Services Limited;
“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;

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## DEFINITIONS

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

\* *For identification purposes only*

*Unless otherwise specified in this circular, 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.*

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Yang, Tou-Hsiung (*Chairman*)

Mr. Yang, Cheng

Mr. Yang, Kun-Hsiang (*CEO*)

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

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

P.O. Box 2681 GT

George Town

Grand Cayman

British West Indies

*Principal place of business*

*in Hong Kong:*

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

4 October 2013

*To: the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION

#### INTRODUCTION

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).

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## LETTER FROM THE BOARD

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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 is a wholly-owned subsidiary of Taiwan Vedan. Taiwan Vedan is a company ultimately owned by the Yang Family. Members of the Yang Family include, among others, 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. They are either siblings or cousins among each other.

King International is a company beneficially owned by Messrs. Yang, Tou-Hsiung and Yang, Cheng and they are brothers. Concord Worldwide is a company beneficially owned by Messrs. Yang, Kun-Chou, Yang, Kun-Hsiang, Yang, Yung-Huang and Yang, Yung-Jen and they are brothers. High Capital is a company 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 and they are brothers and sisters.

Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Chou, Yang, Kun-Hsiang and Yang, Chen-Wen are executive Directors. Mr. Yang, Tou-Hsiung and Mr. Yang, Cheng are cousins of Mr. Yang, Kun-Chou, Mr. Yang, Kun-Hsiang and Mr. Yang, Chen-Wen.

In view of the aforementioned relationship, Billion Power, King International, Concord Worldwide and High Capital, being a closely allied group of Shareholders who together hold 884,563,097 shares of the Company (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

The purpose of this circular is to provide you with further information in relation to the details of the Transaction and other information in accordance with the Listing Rules.



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## LETTER FROM THE BOARD

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### EQUIPMENT PROCUREMENT AGREEMENT

Date: 15 August 2013

Parties: Key Point Success Capital Ltd. as seller  
Vietnam Vedan as 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:

<b>Date of payment</b>	<b>Amount payable</b>
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)
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)

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## **LETTER FROM THE BOARD**

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Such total consideration was determined by reference to the capacity of thermal energy efficiency and also using fuel material categories (gas and coal etc), such determination is a normal market practice. Based on the cost of approximately US\$618 per Kw and the Pulverized Coal Firing Boiler can produce approximately 72,000 Kw, therefore the total consideration of acquiring the Pulverized Coal Firing Boiler is US\$44,250,000 (equivalent to approximately HK\$342,937,500). The consideration shall be settled as to US\$41,000,000 (equivalent to approximately HK\$317,750,000) by bank borrowing and as to US\$3,250,000 (equivalent to approximately HK\$25,187,500) by internal resources.

### **INFORMATION ON THE PULVERIZED COAL FIRING BOILER**

The Pulverized Coal Firing Boiler can produce 307,120 kilograms of steam per hour with a maximum steam output rate of 114%. It is used as an electricity generator in the manufacturing facilities of Vietnam Vedan located in Vietnam. The Pulverized Coal Firing Boiler has no specified warranty period.

### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The purpose of acquiring of the Pulverized Coal Firing Boiler is used as an electricity generator in the manufacturing facilities of Vietnam Vedan located in Vietnam which will decrease in a great extent the electricity costs of Vietnam Vedan given that the price of the natural gas consumed by Vietnam Vedan in the past few years has been increased substantially. As such, 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.

### **FINANCIAL EFFECTS OF THE TRANSACTION**

It is estimated that upon completion of the Transaction, the fixed assets of the Group will be increased by US\$44,250,000 the cash position of the Group will be decreased by US\$3,250,000 and the bank loans amount of the Group will be increased by US\$41,000,000.

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## LETTER FROM THE BOARD

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### IMPLICATIONS UNDER 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.

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 of the Company (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.

### INFORMATION ON 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.

### INFORMATION ON THE SELLER

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

### ADDITIONAL INFORMATION

Your attention is drawn to the information set out in the appendices to this circular.

Yours faithfully,  
**Yang, Tou-Hsiung**  
*Chairman and Executive Director*

**INDEBTEDNESS****Borrowings**

At the close of business on 31 August 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had total borrowings of US\$29,538 thousand. Details of the total borrowings are summarized below:

	<b>The Group</b> <i>US\$Thousand</i>
Secured bank loans	22,985
Unsecured bank loans	<u>6,553</u>
Total borrowings	<u><u>29,538</u></u>
<b>Analysis of total borrowings</b>	
Repayable within 1 year	26,693
Repayable after 1 year, but within 2 years	<u>2,845</u>
Total borrowings	<u><u>29,538</u></u>

**Facilities**

As at 31 August 2013, the Group had total banking facilities of US\$115,724,000.

**Contingent Liabilities**

There were no material contingent liabilities as at 31 August 2013.

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Group did not have any loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorized or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding at the close of business on 31 August 2013.

Save as disclosed above, the Directors have confirmed that there have been no material changes in the indebtedness and contingent liabilities of the Group since 31 August 2013, up to and including the Latest Practicable Date.

#### **WORKING CAPITAL**

Taking into account the expected completion of the Transaction and the financial resources available to the Group, including the internally generated funds and the available banking facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

#### **MATERIAL ADVERSE CHANGE**

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position or prospect of the Group since 31 December 2012, the date to which the latest published audited financial statements of the Group were made up, save for the fall in the overall gross profit margin of the Group during the first five months in 2013 as a result of increased production costs, which was in turn due to the continued rise in the natural gas prices used by the Group's Vietnam plant and soaring prices of other major raw materials as set out in the profit warning announcement of the Company made on 21 June 2013 and reflected in the published interim financial statements of the Group for the six months ended 30 June 2013.

#### **FINANCIAL AND TRADING PROSPECTS**

The Directors consider that upon completion of the Transaction, save for the Group's fixed assets will be increased by US\$44,250,000, the cash position will be decreased by US\$3,250,000, the bank loans amount will be increased by US\$41,000,000 and the gearing ratio based on the Group's financial position as at 30 June 2013 will be increased to 24.2%, the financial and trading prospects of the Group will remain at normal operation status for the remaining financial year ending 31 December 2013.

In addition, the Directors consider that upon completion of the Transaction and the construction of the Pulverized Coal Firing Boiler, the Group will substantially reduce its energy costs and contribute to its profits for the financial year ending 31 December 2015.

**RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**DISCLOSURE OF INTERESTS****Directors' Interests in Securities**

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executive of the Company in the shares, underlying shares (within the meaning of part XV of the SFO) or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange, were as follows:

<b>Director</b>	<b>Number of Shares</b>	<b>Capacity</b>	<b>Approximate percentage of shareholding</b>
Mr. Yang, Tou-Hsiung	169,730,196	Interest of company controlled by him <i>(Notes 1 and 3)</i>	11.15
Mr. Yang, Cheng	169,730,196	Interest of company controlled by him <i>(Notes 2 and 3)</i>	11.15
Mr. Huang, Ching-Jung	200,000	Beneficial owner	0.01
Mr. Chao, Pei-Hong	500,000	Beneficial owner	0.03

*Notes:*

1. Mr. Yang, Tou-Hsiung was entitled to exercise or control the exercise of more than one-third of the voting power of King International. Mr. Yang, Tou-Hsiung was therefore deemed to have interest in the 169,730,196 Shares as held by King International.
2. Mr. Yang, Cheng was entitled to exercise or control the exercise of more than one-third of the voting power of King International. Mr. Yang, Cheng was therefore deemed to have interest in the 169,730,196 Shares as held by King International.
3. The interests that Mr. Yang, Tou-Hsiung and Mr. Yang, Cheng had in the 169,730,196 Shares were of the same block of shares.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) pursuant to section 352 of part XV of the SFO, to be entered in the register referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules to be notified to the Company and the Stock Exchange.

**Substantial shareholders**

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had an interest or short position in the Shares and/or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of part XV of the SFO or, who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group were as follows:

<b>Shareholder</b>	<b>Number of Shares</b>	<b>Capacity</b>	<b>Approximate percentage of shareholding</b>
Billion Power	460,237,609	Beneficial owner <i>(Note 1)</i>	30.22
Taiwan Vedan	460,237,609	Interest held by its controlled corporation	30.22
King International	169,730,196	Beneficial owner	11.15
Concord Worldwide	127,297,646	Beneficial owner	8.36
High Capital	127,297,646	Beneficial owner	8.36

*Note:*

1. Billion Power was a wholly-owned subsidiary of Taiwan Vedan. Taiwan Vedan was therefore deemed to be interested in these 460,237,609 Shares held by Billion Power.

Save as disclosed above, so far as is known to the Directors or chief executives of the Company, no other person (not being a Director or chief executives of the Company) who had any interests or short positions in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange, under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or held any option in respect of such capital.



The following table shows the posts of the Directors or proposed Directors held in the above companies respectively as at the Latest Practicable Date:

<b>Name of Director</b>	<b>Posts</b>
Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang and Yang, Chen-Wen	Directors of Billion Power
Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang, Yang, Chen-Wen and Yang, Kun-Chou	Directors of Taiwan Vedan
Messrs. Yang, Tou-Hsiung and Yang, Cheng	Directors of King International
Messrs. Yang, Kun-Hsiang and Yang, Kun-Chou	Director of Concord Worldwide
Mr. Yang, Chen-Wen	Director of High Capital

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company, there was no other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **DIRECTORS' SERVICE CONTRACTS**

Save and except as set out below, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which will not expire or is not determinable by the employer within a year without payment of compensation (other than statutory compensation).

Each of Mr. Yang, Tou-Hsiung, Mr. Yang, Cheng, Mr. Yang, Kun-Hsiang and Mr. Yang, Chen-Wen has entered into a service agreement with the Company for an initial period of three years. Such service agreements may continue thereafter unless terminated by not less than three months' notice in writing served by either party following the expiration of the end of the initial term at any time thereafter.

**LITIGATION**

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claim of material importance pending or threatened against any member of the Group.

**DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, five Directors of the Company, namely, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang, Yang, Chen-Wen and Yang, Kun-Chou, were also directors of the Group's controlling shareholder, Taiwan Vedan. In addition, Messrs. Yang, Tou-Hsiung, Yang, Cheng, Yang, Kun-Hsiang, Yang, Chen-Wen and Yang, Kun-Chou indirectly held approximately 19.77 per cent., 9.89 per cent., 6.18 per cent., 8.24 per cent. and 6.18 per cent. interest in Taiwan Vedan respectively and they were therefore considered as having an interest in Taiwan Vedan under Rule 8.10 of the Listing Rules.

The Taiwan Vedan Group is principally engaged in, inter alia, the production of food additive products, including MSG products, and beverages in Taiwan, which may compete with the Group's business operations in respect of the product portfolio of the Group.

Since Messrs. Yang, Tou-Hsiung and Yang, Cheng are both responsible only for the overall strategic planning and the business development of the Taiwan Vedan Group and the Group, the daily operations of the Group are managed by Messrs. Yang, Kun-Hsiang and Yang, Chen-Wen together with an independent management team. In Taiwan Vedan, Mr. Yang, Kun-Chou is mainly responsible for the sales of the products of the Company and products of other companies which the Company acts as an agent within Taiwan. In the Group, he provides guidance and assistance for selling the Group's products in Vietnam and in the PRC. Taiwan Vedan and the Group are operated by separate sales teams which are independent of each other, while market segmentation shall comply with the details of the territorial delineation agreement signed by the Group and Taiwan Vedan. The Directors are of the view that the management and the operational functions of the Group are independent of and separate from those of other members of the Taiwan Vedan Group.

For safeguarding the interests of the Group, the independent non-executive Directors and the audit committee of the Company would on a regular basis review the business and operational results of the Group to ensure, inter alia, that the Group's business operations in respect of the product portfolio of the Group is and continues to be run on the basis that it is independent of, and at arm's length from, that of Taiwan Vedan.

**DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF SIGNIFICANCE**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 December 2012 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Save and except for the service contracts referred to in the paragraph headed "Directors' Service Contracts" in this Appendix, as at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

**MATERIAL CONTRACTS**

Save and except for the Equipment Procurement Agreement, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this circular.

**GENERAL**

The secretary of the Company is Ms. Wong Wai-Yee, Ella. Ms. Wong has been appointed as the Company Secretary of the Company from 1 April 2012. Ms. Wong is currently a senior manager of the corporate services division of Tricor. Prior to joining Tricor, Ms. Wong worked for Ernst & Young and Tengis Limited in Hong Kong. Ms. Wong is a chartered secretary and an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Ms. Wong has over 10 years of experience in corporate secretarial practice.

The transfer office of the Company is that of the Company's branch share registrar, namely, Tricor Tengis Limited, and is situate at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.

The English text of this circular shall prevail over its Chinese text.

**DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection during normal business hours on any weekdays (public holidays excepted) at the principal place of business of the Company in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong from the date of this circular up to and including 21 October 2013:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the years ended 31 December 2011 and 31 December 2012 and the interim report of the Company for the six months ended 30 June 2013;
- (c) the service contracts referred to in the paragraph headed "Directors' Service Contracts" in this Appendix; and
- (d) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix.