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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
IN RELATION TO
THE DISPOSAL OF 100% OF THE EQUITY INTEREST IN
ORSAN VIETNAM CO., LTD.**

THE DISPOSAL

On 9 March 2015, Vietnam Vedan, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which Vietnam Vedan agreed to sell and the Purchaser agreed to purchase 100% of the equity interest in Vietnam Orsan for a consideration of VND51,191,121,074 (equivalent to approximately HK\$18,531,185.83).

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board is pleased to announce that, on 9 March 2015, Vietnam Vedan, an indirect wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser, pursuant to which Vietnam Vedan agreed to sell and the Purchaser agreed to purchase 100% of the equity interest in Vietnam Orsan for a consideration of VND51,191,121,074 (equivalent to approximately HK\$18,531,185.83).

THE AGREEMENT

Set out below is a summary of the principal terms and conditions of the Agreement:

Date:

9 March 2015

Parties involved:

The Vendor

Vedan (Vietnam) Enterprise Corporation Limited, an indirect wholly-owned subsidiary of the Company.

The Purchaser

Tan Phat Equipment Joint Stock Company, a company incorporated under the laws of Vietnam and principally engaging in the provision of equipment for automobile and motorbike manufacturers and maintenance and automobile repair workshops in Vietnam.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subject of the Disposal

Pursuant to the Agreement, Vietnam Vedan agreed to sell and the Purchaser agreed to purchase 100% of the equity interest in Vietnam Orsan.

Consideration

The Consideration shall be VND51,191,121,074 (equivalent to approximately HK\$18,531,185.83) and payable by the Purchaser to Vietnam Vedan in three instalments and by bank remittance:

- (i) the first instalment of VND1,150,000,000 (equivalent to approximately HK\$416,300.00) shall be paid by the Purchaser to Vietnam Vedan within five days from the date of signing of the Agreement and upon receipt by the Purchaser of the Undertaking Letter;
- (ii) upon Vietnam Vedan having submitted to the Department of Planning and Investment of Ho Chi Minh City documents relating to the Disposal, the Purchaser and Vietnam Orsan shall open the Secured Account with the Bank and deposit in such Secured Account a sum of VND50,041,121,074 (equivalent to approximately HK\$18,114,885.83), whereas Vietnam Orsan shall open a separate secured account with the Bank and deposit in such bank account a sum of VND39,391,295,233 (equivalent to approximately HK\$14,259,648.87). Upon Vietnam Vedan's presentation to the Bank of a certified copy of the revised investment certificate of Vietnam Orsan issued by the relevant authority in Vietnam approving the change of investors of Vietnam Orsan, the Bank shall transfer from the Secured Account the second instalment of VND48,891,000,000 (equivalent to approximately HK\$17,698,542.00) to the specified bank account of Vietnam Vedan; and
- (iii) the Bank shall transfer the third instalment of VND1,150,121,074 (equivalent to approximately HK\$416,343.83) (subject to the adjustment referred to below) from the Secured Account to the specified bank account of Vietnam Vedan within 10 days from the date of Completion.

Vietnam Vedan shall, upon receipt of the second instalment of the Consideration, engage A&C Auditing and Consulting Co., Ltd. to determine the NAV of Vietnam Orsan as at the date of receipt of the second installment of the Consideration by Vietnam Vedan. If the NAV of Vietnam Orsan as at the date of receipt of the second instalment of the Consideration by Vietnam Vedan is lower than that as at 31 December 2014, the third instalment of the Consideration shall be reduced by an amount equivalent to such difference. If the NAV of Vietnam Orsan as at the date of receipt of the second instalment of the Consideration by Vietnam Vedan is higher than that as at 31 December 2014, the Purchaser shall pay such excess to Vietnam Vedan.

The Consideration was determined by reference to the NAV of Vietnam Orsan as at 31 December 2014 and was arrived at after arm's length negotiations between Vietnam Vedan and the Purchaser. The Directors consider that the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Completion

At Completion:

- (i) Vietnam Vedan shall deliver to the Purchaser a certificate issued by the relevant authority in Vietnam approving the change of investor of Vietnam Orsan from Vietnam Vedan to the Purchaser;
- (ii) Vietnam Vedan shall transfer certain fixed assets, legal documents and financial records of Vietnam Orsan to the Purchaser;
- (iii) Vietnam Vedan and the Purchaser shall confirm the amount of the third instalment of the Consideration; and
- (iv) Vietnam Vedan and the Purchaser shall sign a confirmation acknowledging that all duties and obligations under the Agreement have been fulfilled.

Upon Completion, the Group will not hold any equity interest in Vietnam Orsan and Vietnam Orsan will cease to be a subsidiary of the Company.

FINANCIAL EFFECT OF THE DISPOSAL

Prior to the Disposal, Vietnam Orsan had made dividend payments to Vietnam Vedan in the aggregate amount of approximately US\$800,000.00 (equivalent to approximately HK\$6,200,000.00). The Group is expected to record an unaudited loss of approximately US\$100,000.00 (equivalent to approximately HK\$775,000.00), representing the difference between the Consideration and the carrying value of Vietnam Orsan.

It is expected that the net proceeds generated by the Disposal will be used as general working capital of the Group. The Directors are of the view that the Disposal will not have any material adverse impact on the business operations and financial position of the Group.

INFORMATION OF VIETNAM ORSAN

Vietnam Orsan is a company incorporated under the laws of Vietnam and is principally engaged in the packaging and sales of MSG in Vietnam.

Set out below is a summary of the audited financial information of Vietnam Orsan for the two years ended 31 December 2013 and 31 December 2014 respectively:

	For the year ended	
	31 December	
	2013	2014
Profit before taxation	VND3,981,616,457 (equivalent to approximately HK\$1,441,345.16)	VND(4,917,463,200) (equivalent to approximately HK\$(1,780,121.68))
Profit after taxation	VND2,900,936,957 (equivalent to approximately HK\$1,050,139.18)	VND(5,272,585,385) (equivalent to approximately HK\$(1,908,675.91))

As at 31 December 2014, the audited NAV of Vietnam Orsan was VND40,681,748,286 (equivalent to approximately HK\$14,726,792.88).

REASONS FOR AND BENEFITS OF THE DISPOSAL

The 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.

The Directors are of the view that the disposal of Vietnam Orsan pursuant to the Agreement will allow the Group to save costs and expenses, thereby be in a position to consolidate its resources on its current business operations and development in Vietnam.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the agreement in relation to the Disposal dated 9 March 2015 and entered into between Vietnam Vedan as vendor and the Purchaser as purchaser;
“Bank”	Joint Stock Commercial Bank for Foreign Trade of Vietnam;
“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 (stock code: 02317);
“Completion”	completion of the transactions contemplated under the Agreement;

“connected person(s)”	has the meaning ascribed to it in the Listing Rules;
“Consideration”	the consideration payable by the Purchaser to Vietnam Vedan in relation to the Disposal;
“Director(s)”	the director(s) of the Company;
“Disposal”	the proposed disposal of 100% of the equity interest in Vietnam Orsan by Vietnam Vedan to the Purchaser pursuant to the terms and conditions of the Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“MSG”	acronym as “monosodium glutamate”, which is a white odourless crystalline compound that is a salt of glutamic acid and used as a food flavour enhancing product;
“NAV”	net asset value;
“PRC”	People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;

“Purchaser”	Tan Phat Equipment Joint Stock Company, a company incorporated under the laws of Vietnam;
“Secured Account”	the bank account to be opened and maintained by the Purchaser with the Bank;
“Share(s)”	share(s) of US\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Undertaking Letter”	the undertaking letter by the Bank in favour of the Purchaser, pursuant to which the Bank undertakes to pay to the Purchaser an amount of VND1,150,000,000, being the amount of the first instalment of the Consideration, in the event that Vietnam Vedan does not proceed with completion of the Disposal in accordance with the Agreement;
“US\$”	United States dollars, the lawful currency of the United States of America;
“Vietnam Orsan”	Orsan Vietnam Co., Ltd., a company incorporated under the laws of Vietnam and an indirect wholly-owned subsidiary of the Company prior to Completion;

“Vietnam Vedan”	Vedan (Vietnam) Enterprise Corporation Limited, a company incorporated under the laws of Vietnam and an indirect wholly-owned subsidiary of the Company;
“VND”	Vietnamese dong, the lawful currency of Vietnam; and
“%”	per cent.

The exchange rates of VND1.00 = HK\$0.000362 and US\$1.00 = HK\$7.75 have been used in this announcement for illustration purposes only and do not constitute a representation that any amount have been, could have been or may be exchanged.

By Order of the Board of
Vedan International (Holdings) Limited
YANG, Kun-Hsiang
Executive Director and Chief Executive Officer

Hong Kong, 10 March 2015

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