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)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010 DIVIDEND DECLARATION AND CLOSURE OF BOOKS

RESULTS

The Board of Directors of Vedan International (Holdings) Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 December 2010, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

		Year ended 31 December	
		2010	2009
	Note	***US$'000***	*US$'000*
Revenue	*2*	**336,107**	289,137
Cost of sales	*3*	**(278,251)**	(217,805)
Gross profit		**57,856**	71,332
Other losses – net	*4*	**(2,076)**	(2,937)
Selling and distribution expenses	*3*	**(16,393)**	(14,452)
Administrative expenses	*3*	**(24,897)**	(30,068)
Compensation to farmers	*5*	**(11,807)**	–
Operating profit		**2,683**	23,875
Finance income		**968**	747
Finance costs		**(1,696)**	(1,594)
Finance costs – net	*6*	**(728)**	(847)

		Year ended 31 December	
		2010	2009
	Note	***US$'000***	*US$'000*
Profit before income tax		**1,955**	23,028
Income tax expense	*7*	**(4,582)**	(5,234)
(Loss)/profit for the year		**(2,627)**	17,794
(Loss)/profit attributable to:			
Owners of the Company		**(1,480)**	17,983
Non-controlling interest		**(1,147)**	(189)
		(2,627)	17,794
(Losses)/earnings per share for (loss)/profit attributable to the owners of the Company during the year			
Basic (losses)/earnings per share ***(expressed in US cents)***	*8*	**(0.10)**	1.18
Diluted (losses)/earnings per share ***(expressed in US cents)***	*8*	**(0.10)**	1.18
Dividends	*9*	**3,670**	8,992

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2010	2009
	US$'000	*US$'000*
(Loss)/profit for the year	**(2,627)**	17,794
Other comprehensive income		
Currency translation differences	**1,992**	99
Total comprehensive (loss)/income for the year	**(635)**	17,893
Total comprehensive (loss)/income for the year attributable to:		
– Owners of the Company	**419**	18,087
– Non-controlling interest	**(1,054)**	(194)
Total comprehensive (loss)/income for the year	**(635)**	17,893

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2010	2009
	Note	***US$'000***	*US$'000*
ASSETS			
Non-current assets			
Land use rights		**654**	6,472
Property, plant and equipment		**174,013**	189,577
Intangible assets		**15,049**	16,178
Prepayment for property, plant and equipment		**200**	1,103
Investment in associate		**1,230**	–
Total non-current assets		**191,146**	213,330
Current assets			
Held-to-maturity financial assets		**–**	2,959
Trade receivables	*10*	**40,328**	26,937
Inventories		**83,193**	65,596
Amount due from a minority shareholder of a subsidiary		**1,308**	1,288
Prepayments and other receivables		**7,950**	7,849
Current income tax recoverable		**–**	46
Cash and cash equivalents		**34,536**	39,614
		167,315	144,289
Non-current assets held for sale		**12,415**	–
Total current assets		**179,730**	144,289
Total assets		**370,876**	357,619
EQUITY			
Equity attributable to owners of the Company			
Share capital		**15,228**	15,228
Reserves			
– Proposed final dividend		**3,670**	4,840
– Others		**245,647**	248,898
		264,545	268,966
Non-controlling interest		**1,631**	2,685
Total equity		**266,176**	271,651

	Note	As at 31 December **2010** ***US$'000***	 2009 *US$'000*
LIABILITIES			
Non-current liabilities			
Long-term bank borrowings		**15,259**	16,222
Deferred income tax liabilities		**7,513**	8,050
Long-term payable to a related party		**2,074**	4,031
Provision for long service payment		**1,179**	1,119
Total non-current liabilities		**26,025**	29,422
Current liabilities			
Trade payables	*11*	**26,030**	13,043
Accruals and other payables		**19,847**	12,428
Due to related parties		**2,280**	2,043
Short-term bank borrowings		**23,596**	23,252
Current portion of long-term bank borrowings		**4,279**	3,123
Current income tax liabilities		**2,643**	2,657
Total current liabilities		**78,675**	56,546
Total liabilities		**104,700**	85,968
Total equity and liabilities		**370,876**	357,619
Net current assets		**101,055**	87,743
Total assets less current liabilities		**292,201**	301,073

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The following interpretations and amendments/revisions to standards are mandatory for the first time for the financial year beginning 1 January 2010, but do not have significant financial impact to the Group.

HKAS 17	Leases (and consequential amendment to HK(IFRIC) – Int 4, "Leases – Determination of the length of lease term in respect of Hong Kong land leases")
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKAS 39 (Amendment)	Eligible Hedge Items
HKFRS 1 (Revised)	First-Time Adoption of HKFRSs
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transaction
HKFRS 3 (Revised)	Business Combinations (and consequential amendments to HKAS 27, "Consolidated and Separate Financial Statements", HKAS 28 "Investments in Associates" and HKAS 31 "Interests in Joint Ventures")
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations (and Consequential Amendment to HKFRS 1 "First Time Adoption")
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners
HK(IFRIC) – Int 18	Transfer of Assets from Customers
HK – Int 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

The following new standard and interpretation, amendments/revision to standards and interpretation have been issued, but are not effective for the financial year beginning 1 January 2010 and have not been early adopted.

		Effective for accounting periods beginning on or after
HKAS 24 (Revised)	Related Party Disclosures	1 January 2011
HKAS 32 (Amendment)	Classification of Rights Issue	1 February 2010
Amendment to HKFRS 1	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters	1 July 2010
HKFRS 9	Financial Instruments	1 January 2013
Amendment to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement	1 January 2011
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

The Group has already commenced an assessment of the related impact of adopting the above new standard, amendments/revision to standards and interpretations to the Group. The Group is not yet in a position to state whether substantial changes to the Group's accounting policies and presentation of the financial statements will result.

In addition, the Hong Kong Institute of Certified Public Accountants also published a number of amendments for the existing standards under its annual improvement project published in May 2010. These amendments are not expected to have a significant financial impact on the results and financial position of the Group.

2 Revenue

The Group manufactures and sells fermentation-based food additives, biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG, soda, acid and beverages. Turnover recognised for the years ended 31 December 2010 and 2009 was US$336,107,000 and US$289,137,000 respectively.

3 Expenses by nature

Expenses included in cost of sales, selling and distribution expenses and administrative expenses are analysed as follows:

	2010	2009
	US$'000	*US$'000*
Changes in inventories of finished goods and work-in-progress	**(8,548)**	4,230
Raw materials and consumables used	**250,095**	175,256
Amortisation of intangible assets	**1,490**	1,457
Amortisation of land use rights	**86**	144
Auditor's remuneration	**329**	295
Depreciation on property, plant and equipment	**25,616**	28,083
Provision for impairment of property, plant and equipment	**2,055**	3,433
Operating leases expenses in respect of leasehold land	**159**	180
Employee benefit expenses	**20,759**	21,271
(Write back of)/provision for impairment of trade receivables	**(1,255)**	2,350
Other expenses	**28,755**	25,626
Total cost of sales, selling and distribution expenses and administrative expenses	**319,541**	262,325

4 Other losses – net

	2010	2009
	US$'000	*US$'000*
Net exchange loss	**(1,740)**	(3,825)
Net loss from sale of electricity	**(28)**	(278)
Loss on disposal of property, plant and equipment	**(502)**	(44)
Sale of scrap materials	**318**	231
Interest income from held-to-maturity financial assets	**61**	234
Others	**(185)**	745
	(2,076)	(2,937)

5 Compensation to farmers

On 8 October 2008, the Group received a decision from the relevant government authority that the Group had been in violation of certain environmental laws in Vietnam. The Group was required to pay approximately US$16,000 and US$7,713,000 as penalty and environmental fees respectively. All these penalty and environmental fees were recorded in the consolidated income statement in 2008. Due to this environmental matter, farmer associations in Ho Chi Minh City, Bà Ria-Vung Tàu Province and Dong Nai Province in Vietnam intended to file a court claim against the Group. On 13 August 2010, the Group agreed to provide approximately US$11,807,000 (equivalent to VND218,949,000,000) to farmer associations in Ho Chi Minh City, Bà Ria-Vung Tàu Province and Dong Nai Province in Vietnam to settle the claim. This has been recorded in the consolidated income statement for the year ended 31 December 2010. The Group paid the amount in two instalments with 50% each in August 2010 and January 2011. The Directors obtained a legal opinion and considered that there is no further significant liability to any parties in relation to this environmental matter.

6 Finance costs – net

	2010	2009
	US$'000	*US$'000*
Finance income – interest income on short-term bank deposits	**(968)**	(747)
Interest expense on bank borrowings	**1,420**	1,235
Amortisation of discount on long-term payable to a related party	**276**	359
Finance costs	**1,696**	1,594
Finance costs – net	**728**	847

There is no interest expense on bank borrowings capitalised under property, plant and equipment for current year. Interest expense on bank borrowings for last year was stated after deducting interest of US$472,000 capitalised under properties, plant and equipment.

7 Income tax expense

Taxation on profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

The amount of income tax charged to the consolidated income statement represents:

	2010	2009
	US$'000	*US$'000*
Enterprise income tax ("EIT")	**5,119**	6,681
Deferred income tax	**(537)**	(1,447)
	4,582	5,234

8 (Losses)/earnings per share

(a) Basic

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	2010	2009
	US$'000	*US$'000*
(Loss)/profit attributable to owners of the Company	**(1,480)**	17,983
Weighted average number of ordinary shares in issue *(thousands)*	**1,522,742**	1,522,742
Basic (losses)/earnings per share *(US cents per share)*	**(0.10)**	1.18

(b) Diluted

Diluted (losses)/earnings per share is same as basic (losses)/earnings per share as there is no dilutive instruments for the years ended 31 December 2010 and 2009.

9 Dividends

The dividends paid in 2010 and 2009 were US$4,840,000 (0.317 US cents per ordinary share) and US$4,152,000 (0.273 US cents per ordinary share), respectively. The directors recommend the payment of a final dividend of 0.240 US cents per ordinary share, totalling US$3,670,000 (2009: US$4,840,000). Such dividend is to be approved by the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend payable.

	2010	2009
	US$'000	*US$'000*
2010 interim dividend, paid of nil (2009: 0.273 US cents) per ordinary share, paid	**–**	4,152
2010 final dividend, proposed of 0.240 US cents (2009: 0.317 US cents) per ordinary share	**3,670**	4,840
	3,670	8,992

10 Trade receivables

The fair values of trade receivables are as follows:

	Group	
	2010	2009
	US$'000	*US$'000*
Trade receivables from third parties	**41,600**	29,447
Trade receivables from a related party	**250**	267
Less: provision for impairment of trade receivables	**(1,522)**	(2,777)
	40,328	26,937

The credit terms of trade receivables range from cash on delivery to 120 days and the ageing analysis of the trade receivables is as follows:

	Group	
	2010	2009
	US$'000	*US$'000*
Current	**27,666**	17,252
31 – 90 days	**8,906**	7,171
91 – 180 days	**2,959**	2,860
181 – 365 days	**809**	752
Over 365 days	**1,510**	1,679
	41,850	29,714

11 Trade payables

As at 31 December 2010, the ageing analysis of trade payables is as follows:

	2010	2009
	US$'000	*US$'000*
Current	**22,754**	12,448
31 – 90 days	**3,224**	353
91 – 180 days	**35**	60
181 – 365 days	**17**	182
	26,030	13,043

12 Segment information

The chief operating decision-maker has been identified as the Board of Directors collectively. The Directors review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions. These reports include segment revenue, segment assets and capital expenditures.

The chief operating decision-makers consider the business from a geographical aspect. In presenting information on the basis of operating segments, segment revenue is based on the geographical presence of customers. Segment assets and capital expenditures are based on the geographical location of the assets.

Since the Group is mainly engaged in manufacturing and selling of MSG products in which the gross profit would not differentiate much in geographical location, the chief operating decision makers mainly assess the performance based on revenue derived by each geographical segment. Accordingly, the segment performance is restricted to revenue information.

In 2010 and 2009, the revenue from the Group's largest customer amounted to less than 10 per cent of the Group's total revenue.

(i) Segment revenue

	2010	2009
	US$'000	*US$'000*
Vietnam	**170,003**	150,562
The PRC	**51,790**	54,697
Japan	**66,429**	56,370
Taiwan	**5,781**	6,363
ASEAN countries (other than Vietnam)	**25,975**	14,211
Other regions	**16,129**	6,934
	336,107	289,137

(ii) Capital expenditures

	2010	2009
	US$'000	*US$'000*
Vietnam	**16,794**	37,279
The PRC	**1,641**	287
	18,435	37,566

Capital expenditures are allocated based on where the assets are located.

Capital expenditures comprise additions of land use rights, property, plant and equipment and intangible assets, including additions resulting from acquisitions through business combinations.

(iii) Total assets

	2010	2009
	US$'000	*US$'000*
Vietnam	**300,089**	286,144
The PRC	**67,905**	67,121
Hong Kong	**2,032**	3,344
Taiwan	**785**	946
Singapore	**65**	64
	370,876	357,619

Total assets are allocated based on where the assets are located.

1. BUSINESS OVERVIEW

Looking back at 2010, the “La Niña” phenomenon, which caused extreme climate changes and more frequent natural disasters, had seriously affected the agricultural industry and food and feeds production around the world. At the same time, the world population has continued growing and fast developing new economies with enlarging middle-class populations also have rising food demands. Food and feeds supply though growing has not been able to keep up with the growth in demand. In addition, a fast growing economy, India will follow the foot step of China and turn into a major food importer from an agricultural exporter. And, Brazil, a major agricultural producer, is expected to export less corn and soybeans, which is also a result of rapid economic growth. Furthermore, more grains and feeds are used as bio-fuels and for advanced processing. The United States and Brazil, for instance, have energy policies to use large quantities of corn and sugarcane as bio-fuels. In China, in order to maintain basic supply of grains and feeds, it restricts the use of corn to produce biomass ethanol. Other ASEAN countries such as Thailand and Vietnam are pursuing biomass energy production plans, which will inevitably keep the prices of sugar sources including cassava, starch and molasses on high levels. And if oil prices continue to rise, biomass energy production will become even more attractive. Other factors that will push up food prices include increasing farming costs, like that of seeds, fertilizers, labor and land, depreciation of the U.S. dollar, global inflation and speculation in the commodity market.

At the aforementioned factors, the costs of major raw materials of the Group inevitably increased during the period under review. The price of cassava doubled and that of molasses surged by 20%, and the increased costs squeezed the Group’s gross profit margin. That explains why revenue for the period under review amounted to US$336,107,000, up by US$46,970,000 (a 16.2% year-on-year increase), but gross profit dropped by US$13,476,000 to US$57,856,000 (down by 18.9%), and gross profit margin also dropped from 24.7% to 17.2%.

After repeated efforts, an agreement was signed in August 2010 with the Association of Farmers and Fishermen regarding compensations to the farmers affected by the environmental incident in September 2008. The US$11,807,000 compensation was paid in August 2010 and January 2011. With reference to accounting principles, the amount was recognized as expenses in 2010. As a result, the Group incurred a net deficit of US$2,627,000 instead of a net profit of US$9,180,000, and net profit margin dropped from 6.2% to -0.8%.

Even though Vietnam managed an economic growth rate of 6.78% in 2010, it was a victim of global inflation and recorded an inflation rate of 11.75%. The Vietnam Dong has continued to depreciate. The country was able to keep the depreciation at within 5.5% in 2010, but after the Lunar New Year in 2011, it announced a marked 9.3% depreciation of Vietnam Dong. Having spotted the unavoidable trend, the Group has done as all that is possible to minimize foreign exchange losses.

During the year, due to depreciation of the Vietnam Dong, revenue growth from the Group's major market Vietnam was 12.9%, slightly lower than the overall rate of revenue growth at 16.2%. However, with revenue from Vietnam grew by US$19,411,000, about 41.3% of the total increased revenue, this shows that the Group continues to enjoy strong growth momentum in Vietnam.

Japan is the second largest market of the Group. With a good understanding of the Japanese market and long-standing operations and close cooperation with local customers, the Group has maintained stable growth in the market. The Group does not rule out the possibility of more in-depth and diversified cooperation with Japan in the future.

In 2010, China achieved strong economic performance with GDP at 10.3%, increased by 1.1% as compared to 2009. However, competition of China's food industry has intensified. The MSG industry is going through consolidation and is defragmenting, which has affected growth in revenue and profit of the Group from MSG. During the year, revenue from China decreased mainly due to decline in sales of beverages. However, revenue from modified starch grew. To assimilate to the evolution of MSG industry and the strong demand of consumer goods in China, the Group has adjusted its operations and business model in the country. The change in strategy commanded the Group to sell idle land in Shanghai and the decision was duly announced on 30 September 2010 in accordance with rules of the Hong Kong Stock Exchange.

As for business in ASEAN countries and EU markets, they recorded commendable growth, their revenues grew by 82.8% (US$11,764,000) and 248.1% (US$6,497,000) respectively, indicating that business in those markets have been recovering gradually to levels before the environmental incident.

Revenue from MSG grew by 6.4% only because of depreciation of Vietnam Dong and that some MSG was converted into GA. The revenue from GA however grew by 160.6%, and a strong market saw revenue from modified starch surged 131.6%. Specialty chemicals (i.e. hydrochloric acid, soda) and fertilizers also brought in increased revenue, by 10.4% and 20.7% respectively.

The Group expects steady growth for MSG product demand in 2011. Depreciation of the Vietnam Dong will benefit exports of our Vietnam plant, but increase cost of some imported raw materials. Rising prices of electricity, oil, natural gas and so forth in Vietnam since the beginning of 2011, and high inflation rate in the country, will also increase operational pressure. However, such developments are not exclusive to Vietnam. As the prices of energy and agricultural raw materials climb globally, apart from adjusting sales prices, the Group will implement various solutions to overcome the challenges from high costs. For example, it will actively diversify procurement of sugar sources to ensure long-term stable raw-material supply, improve production procedures and efficiency, seek to cut down energy consumption, and strengthen its brand channels.

2. FINANCIAL REVIEW

(1) Liquidity and financial resources

During the year, the Group's cash and bank deposits amounted to US$34,536,000, down by 12.8%, or US$5,078,000 when compared with 2009. Its short-term bank borrowings were US$27,875,000, an increase of US$1,500,000; long-term loans were US$15,259,000, a decrease of US$963,000. These bank borrowings were 97.7% (US$42,146,000) in US dollars, with the remaining 2.3% (equivalent to US$988,000) being New Taiwan dollar bank borrowings. The ratio of short-term to long-term borrowings was 64.6% versus 35.4%.

Accounts receivable were US$40,328,000, an increase of US$13,391,000, and 66% were receivables within 30 days. Inventories amounted to US$83,193,000, up by US$17,597,000 or 26.8% reflecting the increased prices of raw material.

The gearing ratio (total loan to shareholder equity ratio) was 16.2%, higher than 15.6% in 2009. Net gearing ratio (total loan less cash and deposits to shareholder equity ratio) was 3.2%. As for current ratio, it went down to 2.28 from 2.50 last year as a result of increase in accounts payable and decrease in cash on hand.

(2) Capital expenditure

During the year, the Group's total capital expenditure was about US$18,435,000, a decrease of US$19,131,000 compared to US$37,566,000 in 2009.

(3) Exchange Rate

Impacted by the financial crisis, the Vietnam Dong depreciated about 10% and 5.5% respectively in 2009 and 2010. During the year, the central bank devaluated the official exchange rate of Vietnam Dong twice. The first time was on February 2, 2010 from 17,941 Vietnam Dong against 1 U.S. dollar to 18,544 Vietnam Dong against 1 U.S. dollar; and the second time on August 18, 2010 to 18,932 Vietnam Dong against 1 U.S. dollar. The daily fluctuation range of the exchange rate among banks in the country was maintained at 3%. However, the black market exchange rate of Vietnam Dong was 10% higher than the official rate. To close the gap between the official exchange rate of Vietnam Dong and the real market level, the State Bank of Vietnam announced a 9.3% depreciation of the Vietnam Dong on February 11, 2011, meaning the official exchange rate Vietnam Dong against the US dollar is 20,693 to 1, and the daily interbank fluctuation range narrowed down to 1%. During the period under review, heeding the obvious Vietnam Dong depreciation trend, the Group had taken all measures possible to minimize foreign exchange losses.

(4) Dividends

With compensation expenses incurred, the Board decided not to distribute dividends in the first half of the year. However, to maintain the Group's dividend policy since listing, the Board has decided to distribute a final dividend of US cents 0.240 per share for the year.

ENVIRONMENTAL INCIDENT AT THE VIETNAM PLANT

Farmers and fishermen who demanded compensation were scattered and numerous, thus relevant authorities had required industry associations in relevant provinces to represent the claimants in negotiating with the Company. After more than a year's hard work, an agreement was finally signed in September 2010 with representatives of the affected in Dong Nai Province, Ba Ria Vung Tau Province and Ho Chi Minh City. Vedan Vietnam agreed to pay the total compensation of US$11,807,000 to farmers and fishermen in the three regions and the representative associations are responsible for calculation and distribution the compensation payments.

As commanded in the agreement, Vedan Vietnam already remitted the due total amount into designated accounts of the associations in August 2010 and January 2011. The total amount of the compensation was recognized as expenditure for the year 2010.

OUTLOOK

Stepping into 2011, the world is facing high raw materials and energy costs. China is not the only market feeling high inflationary pressure. Vietnam's inflation rate was as high as 11.75% in 2010, especially after the 9.3% depreciation of the Vietnam Dong announced by the Vietnamese government after the Lunar New Year, which added pressure on hike of import costs and wages. At the same time, the cost of electricity and gasoline also surged, which made the rise in production cost at the Vietnam plant unavoidably. To counter rising costs and maintain profit levels, the Group has embarked on measures on four major fronts, namely production, procurement, operation and administration.

Generally speaking, facing soaring raw material and energy costs in 2011, controlling costs and maintaining profitability will be the most important tasks of the Group. The long term strategy of the Group is to integrate the resources it has in Mainland China and Vietnam, and hence ensure it has a strong growth engine in the future.

EMPLOYEE COMPENSATION AND TRAINING

As at 31 December 2010, the Group had a total of 3,840 employees, 3,270 of whom were employed by subsidiaries in Vietnam, 552 by subsidiaries in China and 18 by the Taiwan Branch.

The Group's employees are remunerated in accordance with prevailing industry practices, and with reference to the financial performance of the Group and performance of individual employees. Other fringe benefits such as accommodations, meals, insurance, medical coverage and provident fund are provided to employees to ensure staff loyalty and the Group's competitiveness. To enhance the quality of human resources, bolster the professional skills and management abilities of employees and build localised workforces, the Group provides job rotation and internal and external training courses on professional skills, languages, and other self-improvement programs.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the year, there was no purchase, sale or redemption by the Company or any of its subsidiaries of the Company's listed shares.

STATEMENT OF CORPORATE GOVERNANCE POLICY

The Directors is strongly committed to enhancing corporate governance. The Directors aims to continually review and enhance corporate governance practices of the Group.

Throughout the year, the Company was in compliance with the applicable code provisions of the Code of Best Practice as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on the Stock Exchange.

The Company has adopted the Model Code set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors of the Company. In the opinion of the Board, the Company has complied with the code and upon specific enquiry of all the directors is not aware of any non-compliance with the Model Code throughout the fiscal year ended 31 December 2010.

The Company has received, from each of the independent non-executive directors, a confirmation of his independence pursuant to Rules 3.13 of the Listing Rules. The Company considers all the independent non-executive directors are independent.

In compliance with Rule 3.21 of the Listing Rules the Company has established an audit committee to review the financial reporting procedures and internal control and provides guidance thereto. The audit committee of the Company comprises three independent non-executive directors. The annual results have been reviewed by the Audit Committee.

REVIEW OF ANNUAL RESULTS

The annual results have been reviewed by the Audit Committee.

The figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2010 have been agreed by the Group's auditor, PricerwaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricerwaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricerwaterhouseCoopers on the preliminary announcement.

FINAL DIVIDENDS

The Board of Directors recommend the payment of final dividend of 0.240 US cents (2009: 0.317 US cents), subject to the approval of the 2010 final dividends by the shareholders at the Annual General Meeting on 24 May 2011. It is expected that these dividends will be paid on 17 June 2011 to shareholders registered on the record date, being 3 June 2011.

The Register of Shareholders will be closed from 31 May 2011 to 3 June 2011, both days inclusive during which period no transfer of shares will be effected. To rank for the final dividend, all transfers forms accompanied by the relevant share certificates must be lodged with the Company's Share Registrars, Tricor Tengis Limited, 26/F, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on 30 May 2011.

PUBLISHMENT OF RESULTS ON THE STOCK EXCHANGE'S WEBSITE

The Company's annual report containing all the information required by paragraphs 45(1) to 45(3) of Appendix 16 of the Listing Rules will be published on the Stock Exchange's website at "www.hkex.com.hk" and the Company's website at "www.vedaninternational.com" in due course.

OUR APPRECIATION

Finally, we would like to express our gratitude to the shareholders, business partners and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

By Order of the Board
YANG, KUN-HSIANG
Executive Director and CEO

Hong Kong, 22 March 2011

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

Executive Directors:–
YANG, Tou-Hsiung
YANG, Cheng
YANG, Kun-Hsiang
YANG, Chen-Wen

Non-executive Directors:–
HUANG, Ching-Jung
CHOU, Szu-Cheng

Independent non-executive Directors:–
CHAO, Pei-Hong
KO, Jim-Chen
CHEN, Joen-Ray