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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)

PROFIT WARNING

This announcement is made by Vedan International (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on its preliminary review of the Group’s unaudited consolidated management accounts for the ten months ended 31 October 2021 (the “**Management Accounts**”), it is expected that the Group will record a decrease of approximately 40% to 50% in the consolidated net profit for the ten months ended 31 October 2021 as compared to that for the ten months ended 31 October 2020.

The Board believes that the expected decrease of approximately 40% to 50% in the consolidated net profit of the Group for the ten months ended 31 October 2021 as compared to that for the corresponding period in last year was mainly affected by the following factors:

Due to the onslaught of the COVID-19 pandemic, the subsidiaries of the Company were severely affected in the supply of raw materials, the production utilization rate, sales volume, import and export operations as well as logistics and transportations, which resulted in the decrease in revenue and the sharp increase in expenses, and therefore, resulting in lower profits. In addition, the prices of the production raw materials and production energy used by the subsidiaries of the Company significantly increased in the second half of 2021, resulting in a sharp increase in production costs and a decrease in profits, and as a result of which, the average gross profit margin for the ten months ended 31 October 2021 declined as compared to that for the ten months ended on 31 October 2020.

The information contained in this announcement is only based on the Board's preliminary assessment of the Management Accounts, and has not been reviewed by the Company's auditor. The annual results of the Group for the year ended 31 December 2021 is expected to be published in March 2022. Shareholders and potential investors of the Company are advised to read the annual results announcement of the Company carefully upon its publication.

Despite the foregoing, the Board considers that the overall financial position of the Group remains steady and healthy, and the Board is actively considering specific plans to increase sales and reduce production costs. Therefore, the Board remains cautiously optimistic about the long-term prospects of the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 November 2021

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. HUANG, Chung-Fong