[For Immediate Release]

Vedan Announces 2004 Annual Results
Net Profit grew 10.2% to US$24,334,000

Results Highlights

	12 months ended 31 December		
	2003 (US$' 000)	**2004** (US$' 000)	Change (%)
Turnover	203,797	**224,976**	+10.4%
Gross Profit	54,619	**64,772**	+18.6%
Net Profit	22,079	**24,334**	+10.2%
Basic Earnings per Share	1.72	**1.61**	-6.4%
Final Dividend per share (US cents)	0.555	**0.453**	-18.4%
Total Dividend for the Year (US cents)	0.876	**0.959**	+9.5%
Gross Profit Margin (%)	26.8	**28.8**	
Net Profit Margin (%)	10.8	**10.8**	

(Hong Kong, March 15, 2005) Vedan International (Holdings) Limited ("Vedan International" or the "Group", SEHK: 2317), today announced its final results for the 12 months ended 31 December 2004.

During the year, Vedan International recorded turnover of US$224,976,000 (HKS1,754,812,800), a 10.4% rise compared with the previous year. Gross profit increased 18.6% to US$64,772,000 (HK$505,221,600). Net profit was recorded at US$24,334,000 (HK$189,805,200), an increase of 10.2% from last year's. Basic earnings per share were 1.61 US cents (12.6 HK cents). The Board of Directors recommends the payment of a final dividend of 0.453 US cents (3.53 HK cents). Dividend pay out ratio for the year is 60%.

Mr. Yang Tou Hsiung, Chairman of Vedan International, said, "2004 is a very challenging year for us. The global economy faced rising prices as a result of increasing oil prices. Especially in the second half of 2004, the Group's costs, including raw materials, packaging materials and transportation costs increased tremendously. In addition, as a result of the one-month suspension of the cogeneration power plant for maintenance, and the sharp drop in lysine prices in the second half of the year and increase in sales and administrative expenses, profit in the second half of the year was affected. Heeding the situation, we strove hard to reduce production cost while adhering diligently to its set directions and development plans and achieved stable growth in all the Group's operations and business. The Group's overall results and profits recorded double-digit growth when compared with 2003."

—*more*—

Mr. Yang Tou Hsiung continued, "We are optimistic about the general sentiment and market demand prospects, and we believe the surge of materials prices will only be a short-term situation. In 2005, we will strive to achieve a higher level of profitability through enhancing the productivity of our core products as new plants swing into operation and overall integration is achieved."

The Group maintained a stable financial condition this year. As at 31 December 2004, the Group had bank cash balance of US$33,192,000. Net gearing ratio was 14.4%, whilst current ratio was at 1.79.

The increase in turnover in 2004 was mainly attributable to the acquisition of the Shanghai plant and the growth of the Group's Vietnam operation. Regional sales grew as improvement was recorded in all major markets, particularly in the Group's two biggest markets, Vietnam and Japan, which reported turnover growth of 6.4% and 5.7% respectively, contributing 56.3% and 21.9% to the total turnover. The fastest growing regions include the PRC market, which recorded 36.3% increase in turnover to US$29,490,000, the ASEAN market grew by 61.1% to US$9,158,000, and the European market also recorded 67.8% growth to US$5,330,000. These impressive results testified to the Group's successful efforts in developing potential growth markets such as the PRC and the ASEAN countries, and its ability to expand into new markets such as Europe.

The Group also saw significant results in product sales. MSG, the Group's core product, grew by 11.2% to US$156,320,000, contributing 69.5% to the Group's overall sales. In addition, lysine products recorded an 18.6% increase in sales to US$32,533,000, which made up 14.4% of the Group's overall turnover. Furthermore, the turnover of starch products grew 12.9%. Since the gross profit margin of native starch was relatively low, the Group strategically reduced its sales and directed its focus on the modified starch market. As a result, while the turnover of raw starch dropped by US$3,913,000, that of modified starch soared by US$5,596,000, or 132.2% to US$9,830,000.

To further strengthen its research and development capability, the Group set up a research centre at Phuoc Thai Complex in Vietnam in 2004. Initially, the new centre will focus on the research and development of starch related products and other food product. The new center and the original research pilot plant in Vietnam, which focuses on the research of fermentation technology, will allow the group to expand fully its R&D scope and boost the development of high value added products and advanced technology.

Mr. Yang Kun Hsiang, CEO of Vedan International said, "Looking ahead, the primary mission of the Group for 2005 will be to secure stable supply of low cost raw materials and enhance the production capabilities for its major products. For the purpose of securing stable raw material supplies, the Group will press on with the construction of starch factory, strengthening its proactive control of sugar source, and developing new sources of carbohydrates."

—*more*—

Mr. Yang Kun Hsiang said, "As for expanding our production capabilities for major products, we believe the demand for MSG and starch products will continue to grow. This is especially true for MSG products, which are persistently in strong demand, exhausting the full production capability of the Group, and leading to the several upward adjustments in their prices. To meet the increasing market demand, the Group expanded its MSG production capabilities in the Phuoc Thai Complex in Vietnam in 2004, and results are expected to be seen in 2005. At the same time, starch also faces tremendous increase in market demand. Thus, the Group is planning to set up two more factories to raise the production capacity of starch. The move will not only boost our production efficiency and economies of scale, but will also allow us to more proactively control and assure a stable supply of sugar source. We believe these strategies will enhance the Group's overall operation and profits in 2005."

Regarding new product development, construction of the factory for producing the Group's new product, PGA (Poly Glutamic Acid), was deferred due to the tight supply of steel in the international market. The factory is expected to be completed for trial production and sales to start before the end of this year. **Mr. Yang Kun Hsiang** said, "We are confident about the potential of the product, and we believe that it will bring better results to the Group before long."

Another new product of the Group, high value-added seasonings, will commence production in 2005 and is expected to start generating higher profit for the Group soon. In a bid to continue enhancing its production technology and efficiency, and create more high value added products, in addition to its own R&D efforts, Vedan International, has also started negotiation with several top international biochemical companies regarding development of new technologies for producing new materials and products.

Expanding the PRC market remains as the core mission of the Group for 2005. Carrying on its expansion plans in 2004, in addition to continuing to develop the Shanghai plant and Xiamen plant, the Group will seek to, through merger and acquisition or forming strategic alliances, accelerate its sourcing of raw materials and the integration and operations of its PRC business. Integration and expansion of strategic alliances will ensure the robust growth of the Group's business throughout the PRC. Furthermore, the Group also plans to produce high value added products in the Shanghai plant in 2005, aiming to generate better results and profits.

Mr. Yang Tou Hsiung concluded, "Although some market uncertainties still exist, but leveraging Vedan International's solid foundation and innovation, we will be able to secure better results and higher profits this year to reward our shareholders."

— *ends* —

About Vedan International (Holdings) Limited

Vedan International is a leading producer of fermentation-based amino acids, food additive products and cassava starch-based industrial products in Asia. With production facilities in Vietnam and Xiamen, its products are sold to food distributors, international trading companies and the food, paper, textile and chemical products producers in Vietnam, other ASEAN countries, the PRC, Japan and Taiwan. Most of its products are marketed under the **VEDAN** brand name. For details, please refer to www.vedaninternational.com.

For more information:

Strategic Financial Relations Limited

Veron Ng	(852) 2864 4831	veron@strategic.com.hk
Shelley Yeung	(852) 2864 4806	shelley@strategic.com.hk
Charmian Tsui	(852) 2864 4857	charmian@strategic.com.hk

Fax: 2804 2789 / 2527 1196

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE TWELVE MONTHS ENDED 31 DECEMBER 2004

	Audited Twelve months ended 31st December	
	2003	**2004**
	(US$' 000)	**(US$' 000)**
Turnover	203,797	224,976
Cost of sales	(149,178)	(160,204)
Gross Profit	54,619	64,772
Other revenues	1,099	394
Selling and distribution expenses	(13,766)	(16,575)
Administration expenses	(11,821)	(17,223)
Net other operating income	239	431
Operating profit	30,370	31,799
Finance costs	(4,176)	(1,912)
Profit before taxation	26,194	29,887
Taxation	(4,115)	(5,553)
Profit attributable to shareholders	22,079	24,334
Dividends		
– Paid	10,958	16,100
– Proposed	8,395	6,895
Basic earnings per share (US cents)	1.72	1.61
Diluted earnings per share (US cents)	1.64	1.58