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VEDAN

INTERNATIONAL

VEDAN INTERNATIONAL (HOLDINGS) LIMITED

味丹國際(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2317)

**COMPLETION OF THE ACQUISITION OF MSG BUSINESS,
LAND AND PROPERTY AND ANCILLARY FACILITIES
FROM SHANGHAI VEDAN FOODS**

The Board is pleased to announce that the land use right certificate for the Land is expected to be issued to Shanghai Vedan Enterprise within the next two weeks. As the PRC legal advisers to the Company confirming that there will be no legal obstacle for Shanghai Vedan Enterprise to obtain the relevant land use right certificate and the fact that Shanghai Vedan Foods has been moved out from the Property, the Directors consider that all the conditions precedent to completion of the Immovable Assets Acquisition Agreement are satisfied. A final payment of approximately RMB37.7 million (equivalent to approximately HK\$35.9 million) will be made to Shanghai Vedan Foods, following which the acquisition of the MSG Business, the Land and Property and the Ancillary Facilities shall have been completed in full.

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the same meanings as defined in the announcement of Vedan International (Holdings) Limited (the "Company") dated 31 December 2004 and the Company's shareholders' circular dated 25 May 2004.

The board (the "Board") of directors (the "Directors") of the Company is pleased to announce that the Company entered into a grant contract of state-owned land use right (Hu Song Fang Di (2005) grant contract No. 66) (the "Grant Contract") on 23 March 2005 with The Building and Land Administration Bureau of Songjiang District, Shanghai and obtained a receipt of the application documents (No. 200525718029) (the "Receipt") on 5 July 2005 issued by The Building and Land Trade Center of Songjiang District, Shanghai in respect of the Land. According to a legal opinion letter issued by the Company's PRC legal advisers, following the entering into the Grant Contract and obtaining the Receipt, there will be no legal obstacle for Shanghai Vedan Enterprise to obtain the land use right certificate for the Land. The Directors anticipate that such land use right certificate will be issued to Shanghai Vedan Enterprise within the next two weeks.

In light of the legal opinion mentioned above and the fact that Shanghai Vedan Foods has been moved out from the Property, the Directors consider that all the conditions precedent to completion of the Immovable Assets Acquisition Agreement are satisfied. On this basis, the Directors will make a final payment of approximately RMB37.7 million (equivalent to approximately HK\$35.9 million) to Shanghai Vedan Foods before the end of this week. This payment is less than the original balance of approximately RMB42.60 million (equivalent to approximately HK\$40.6 million) because of the final adjustments in the area of the Land made by the government authorities, which has no material impact on the business operations of Shanghai Vedan Enterprise.

After making the final payment under the Immovable Assets Acquisition Agreement, the acquisition of the MSG Business, the Land and Property and the Ancillary Facilities shall have been completed in full.

The Company and its subsidiaries are principally engaged in the business of production and sale of fermentation-based food additives and biochemical products and cassava starch-based industrial products including modified starch, glucose syrup, MSG products, caustic soda, hydrochloric acid, lysine, amino acids and drinking water.

As at the date of this announcement, Mr. YANG, Tou-Hsiung, Mr. YANG, Cheng, Mr. YANG, Kun-Hsiang, Mr. YANG, Chen-Wen and Mr. WANG, Joel J. are the executive Directors, Mr. HUANG, Ching-Jung and Mr. LAM, Tuan are the non-executive Directors and Mr. CHAO, Pei-Hong, Ms. CHUANG, Shu-Fen and Mr. KO, Jim-Chen are the independent non-executive Directors.

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

27 July 2005, Hong Kong