



[For immediate release]

**VEDAN INTERNATIONAL FORMS JOINT VENTURE WITH
SHANGDONG SNOWFLAKE BIOCHEMISTRY**

TO BUILD GA PRODUCTION PLANT

(Hong Kong, 8 July 2004) – **Vedan International (Holdings) Limited** (“Vedan International” / the “Group”) (SEHK: 2317) announced today it has signed a Letter of Intent with Shangdong Snowflake Biochemistry Co., Inc. (“Shangdong Snowflake Biochemistry”) to form a joint venture company to build and run a new Glutamic Acid (GA) production plant of annual production capacity of 30,000 tonnes in the Jining High & New Tech. Industries Development Zone in Shangdong province. Vedan International will hold 60% interests of the company, while Shangdong Snowflake Biochemistry will hold the remaining 40%.

The registered capital of the company is estimated at **US\$6 million**, while the total investment cost is **US\$12 million**.

Established in 1982, Shangdong Snowflake Biochemistry is the largest GA manufacturer in Shangdong province. It is an integrated bio-chemical and fermentation-based products manufacturer with a wide product portfolio led by its primary product GA. Besides producing up to 100,000 tonnes of GA annually, it also runs co-generation power plants and production facilities that produce starch-based products, organic compound fertilizers and sulphuric acids.

Mr. Yang Kun Hsiang, CEO of Vedan International, said, “GA is one of the main ingredients of MSG. The collaboration with Shangdong Snowflake Biochemistry signifies our commitment to sourcing raw materials within the country. Shangdong province is rich in both agricultural and industrial resources. It has good infrastructure including well-developed transportation systems and abundant raw materials and power supply, as well as a good investment environment. In addition, Shangdong Snowflake Biochemistry, which possesses years of experience in fermentation, fully understands the local conditions of raw material supplies. Since 2002, Shangdong Snowflake Biochemistry has been a reliable supplier of GA to Xiamen Vedan. The management hence has full confidence in its operations and believes it is an ideal strategic partner of the Group.”

If this plan can be realized, Vedan International shall have its first large-scale fermentation facility in the PRC, which will enable the Group to enjoy stable supply of raw materials at stable prices, complementing the effective implementation of the Group's business development strategies for the PRC.

Mr. Yang said, "While we are extending our markets in Vietnam and other ASEAN countries, we will also through forging strategic alliances, and merger and acquisition continue to penetrate in the PRC market and ensure steady raw materials supply. I am confident that the PRC market will become another major growth driver for the Group in the future."

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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. Leveraging its 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.

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