For Immediate Release

Vedan announces 2007 interim results
Net profit increases 32% to US$8 million

* * *

Enhances production efficiency to sustain growth momentum

Results Highlights:

	For the six months ended 30 June		
	2007 (US$'000)	**2006 (US$'000)**	**Change (%)**
Turnover	**146,760**	141,473	**+3.7%**
Gross Profit	**28,415**	26,588	**+6.9%**
Net Profit	**7,992**	6,051	**+32.1%**
Gross Profit Margin	**19.4%**	18.8%	**+0.6 % pt**
Net Profit Margin	**5.4%**	4.3%	**+1.1 % pt**
Basic Earnings Per Share (US cents)	**0.525**	0.400	**+31.2%**
Interim Dividend Per Share (US cents)	**0.262**	0.200	**+31.0%**

(Hong Kong, 20 September 2007) – Vedan International (Holdings) Limited ("Vedan International" or the "Group") (SEHK: 2317) today announced its interim results for the six months ended 30 June 2007.

With the Group placing priority emphasis on boosting profit before turnover, net profit leaped a substantial 32.1% to reach US$7,992,000 (around HK$62.26 million) in the period under review, while turnover grew by 3.7% to US$146,760,000 (around HK$1,143 million). Gross profit increased 6.9% to US$28,415,000 (around HK$220 million). Both gross profit margin and net profit margin improved by 19.4% and 5.4% respectively. Earnings per share were 0.525 US cents (around 4.08 HK cents). The Board of Directors recommended payment of an interim dividend of 0.262 US cents (around 2.04 HK cents)。

Mr. Yang, Tou-Hsiung, Chairman of Vedan International, said, "In the first half of 2007, although material costs had stabilized, international MSG price was still under keen competition. Nevertheless, putting priority on making profit, the Group implemented a host of measures including striving to maintain selling price of its products, control costs and enhance production efficiency, which were proven effective. They helped to boost both the turnover and profit of the Group, the former moderately and the latter rather notably."

Products

	2007 (US$'000)	% to total turnover	% change as compared with 1H 2006
MSG	95,650	65.2%	-0.7%
GA	19,216	13.1%	+20.0%
Lysine	7,472	5.1%	-18.9%
Starch-M	11,108	7.6%	+51.9%
Specialty Chemicals	6,914	4.7%	+15.7%
Others	6,400	4.3%	-3.9%
Total	**146,760**	**100%**	

By product, MSG is still the main revenue contributor of the Group. Its turnover decreased slightly by 0.7% to US$95,650,000, mainly due to a drop in average selling price of MSG affected by international situations, also because of the shifting of MSG facilities from Xiamen to Shandong The turnover of another key product GA increased by 20% to US$19,216,000, thanks to the sales growth in China, Vietnam and ASEAN countries. Lysine recorded a turnover of US$7,472,000, representing an 18.9% decrease as compared with the last corresponding period. The drop was mainly attributable to the Group's strategy of shifting lysine production facilities to manufacture GA, as lysine had low profit and its international selling price had been persistently weak.

The Group's modified starch business has had satisfactory development. Its turnover rose 51.9% to US$11,108,000 as compared with the same period last year, resulting from the Group converting all native starch into modified starch during the review period. Specialty Chemicals recorded a turnover of US$6,914,000, an increase of 15.7%.

Markets

	2007 (US$'000)	Contribution to the Group	Change compared to corresponding period of 2006
Vietnam	77,563	52.9%	+3.7%
China	24,250	16.5%	+20.0%
ASEAN	14,319	9.8%	+14.0%
Japan	22,126	15.1%	-21.3%
Other regions	8,502	5.7%	+45.8%
Total	**146,760**	**100%**	

By market, Vietnam is still the major market of the Group. Its turnover reached US$77,563,000, an increase of 3.7% as compared with the corresponding period last year. The increase was mainly driven by lysine sales. Other products such as MSG, GA and specialty chemicals recorded stable growth. During the review period, China had replaced Japan as the second largest market of the Group, with sales increased by 20% to US$24,250,000. The major growth drivers were GA and modified starch, and modified starch is expected to bring in higher contributions in the future.

For the ASEAN market, turnover increased by 14% to US$14,319,000, with GA and lysine delivering strong performances. The turnover in Japan, which purchased mainly lysine from the Group, decreased by 21.3% to US$22,126,000. It was mainly because the Group strategically reduced the production of lysine.

Mr. Yang Kun Hsiang, **CEO of Vedan International**, said, “Overall sales in China for the first half of 2007 increased substantially. The Group’s Shanghai plant has been working hard in the past two years to develop modified starch products and its efforts have begun to bear fruits. Apart from expanding its distribution network, the Group also saw its business grew satisfactorily. The management believes the business has huge potential with demand for processed food rising among the consumers in China.”

“To ensure it has stable supply of raw materials, apart from expanding the cultivation trial of tropical sugar beet in Vietnam, the Group will also continue to look for other highly efficient yet low cost carbohydrate sources in the South East Asia region. We believe the results of these moves will be reflected more and more obviously in our production cost and profitability in the near future.”

Prospects

Looking ahead, in the China market, with corn price expected to stand high, enterprises subject to more stringent environmental protection requirements and the Chinese government having abolished export tax rebates on 1 July, the industry is going through transformation and consolidation. The Group will actively look for and evaluate possible strategic alliances to expand business in China. It will also strive to increase profits by expanding its manufacturing plant in Vietnam as to fully realize its competitive strengths. Furthermore, growth of the higher value modified starch business is expected to accelerate. These developments will enable the Group to raise profitability in the future.

Construction of the Ha Tinh starch factory has started in the third quarter this year and is expected to commence production by the end of this year. The plant will initially produce 100 tonnes of native starch per day and its production capacity will be gradually increased next year. It is set to become another important starch production base of the Group in the future. In addition, Shandong Vedan Snowflake has commenced the installation of production facilities, which were acquired from Xiamen Mao Tai factory. The plant will have an additional annual production capacity of 24,000 tonnes and is expected to begin production this November.

On developing new raw material sources, the Group will expand the scope of the tropical sugar beet cultivation trial, and also extend cultivation and purchase of cassava in and from the border areas of Cambodia. In addition, it will continue to evaluate progress of cassava cultivation in Laos and Cambodia, aiming at securing stable supply of cassava as raw material.

Mr. Yang, Tou-Hsiung, concluded, "We expected our businesses to sustain growth momentum in the second half of the year. The management will actively and carefully implement the Group's plans to increase profitability. We will continue to review our long-term operational direction and develop a development blueprint that can help us stay competitive and create higher value for shareholders."

- End -

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 the PRC, its products are sold to food distributors, international trading companies and the food, paper, textile and chemical products producers in Vietnam, the 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.ng@sprg.com.hk
Shirley Lo	(852) 2864 4847	shirley.lo@sprg.com.hk
Ming Chan	(852) 2864 4892	ming.chan@sprg.com.hk

Fax: 2804 2789 / 2527 1196

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE SIX MONTHS ENDED 30 JUNE 2007

	Unaudited For the six months ended 30 June 2007	
	2007 US$'000	2006 US$'000
Turnover	**146,760**	141,473
Cost of sales	**118,345**	(114,885)
Gross profit	**28,415**	26,588
Other gains - net	**1,382**	691
Selling and distribution expenses	**(7,176)**	(7,330)
Administration expenses	**(10,281)**	(9,248)
Operating profit	**12,340**	10,701
Finance costs	**(2,475)**	(2,815)
Profit before taxation	**9,865**	7,886
Taxation	**(2,338)**	(1,791)
Attributable to Equity holders	**7,992**	6,051
Interim dividend	**3,996**	3,026
Basic earnings per share (US cents)	**0.525**	0.40