Vinda International Holdings Limited

維 達 國 際 控 股 有 限 公 司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 3331)

Website: http://www.hkexnews.com.hk
http://www.vindapaper.com/en/Investors/02.asp

"Healthy lifestyle starts from Vinda"

FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2007

FINANCIAL HIGHLIGHTS

	2007	2006
	HK$'000	*HK$'000*
Revenue	**1,777,721**	1,358,172
Profit attributable to equity holders of the Company	**78,357**	106,814
Gross profit margin	**20.6%**	25.1%
Net profit margin	**4.4%**	7.9%
Earnings per share	**10.3 cent**	16.8 cent
Calculated based on the weighted average number of shares of	**762,335**	637,448
Dividend per share	**2.2 cent**	59 cent
Stock turnover	**107 days**	102 days
Debtors turnover	**37 days**	36 days

CONSOLIDATED INCOME STATEMENT

		For the year ended 31 December	
		2007	2006
	Note	***HK$'000***	*HK$'000*
Revenue	*2*	**1,777,721**	1,358,172
Cost of sales	*3*	**(1,411,775)**	(1,018,007)
Gross profit		**365,946**	340,165
Selling and marketing costs	*3*	**(175,162)**	(130,277)
Administrative expenses	*3*	**(78,647)**	(62,029)
Other income/(loss)		**10,854**	11,182
Operating profit		**122,991**	159,041
Finance income		**22,703**	1,484
Finance costs		**(50,795)**	(46,830)
Finance costs – net	*4*	**(28,092)**	(45,346)
Profit before income tax		**94,899**	113,695
Income tax expense	*5*	**(16,542)**	(6,881)
Profit for the year and attributable to equity holders of the Company		**78,357**	106,814
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in HK$ per share)			
– basic	*6*	**10.3 cents**	16.8 cents
– diluted	*6*	**10.3 cents**	16.8 cents
Dividend	*7*	**25,000**	20,000

CONSOLIDATED BALANCE SHEET

		As at 31 December	
		2007	2006
	Note	***HK$'000***	*HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**1,391,200**	985,396
Leasehold land and land use rights		**95,396**	83,745
Intangible assets		**2,966**	2,912
Deferred income tax assets		**31,593**	23,243
		1,521,155	1,095,296
Current assets			
Inventories		**501,295**	330,181
Trade receivables	*8*	**192,163**	149,861
Other receivables and prepayments		**53,334**	54,956
Due from related parties		**4,273**	–
Pledged bank deposits		**6,707**	43,113
Derivative financial instruments		**132**	341
Cash and cash equivalents		**252,081**	61,557
		1,009,985	640,009
Total assets		**2,531,140**	1,735,305
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		**90,384**	4,251
Share premium		**834,835**	69,260
Other reserves		**541,373**	389,585
Total equity		**1,466,592**	463,096

CONSOLIDATED BALANCE SHEET (continued)

		As at 31 December	
		2007	2006
	Note	***HK$'000***	*HK$'000*
LIABILITIES			
Non-current liabilities			
Borrowings		**308,639**	192,413
Deferred government grants		**28,224**	27,166
Deferred income tax liabilities		**870**	788
		337,733	220,367
Current liabilities			
Trade payables	*9*	**146,938**	141,364
Other payables and accrued expenses		**200,639**	141,139
Due to related parties		**–**	187
Dividends payable		**–**	6,103
Borrowings		**345,535**	735,350
Current income tax liabilities		**33,703**	27,699
		726,815	1,051,842
Total liabilities		**1,064,548**	1,272,209
TOTAL EQUITY AND LIABILITIES		**2,531,140**	1,735,305
NET CURRENT ASSETS / (LIABILITIES)		**283,170**	(411,833)
TOTAL ASSETS LESS CURRENT LIABILITIES		**1,804,325**	683,463

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company			
	Share capital	**Share premium**	**Other reserves**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2006	4,168	69,343	267,503	341,014
Income recognised directly in equity				
– currency translation differences	–	–	15,268	15,268
Profit for the year	–	–	106,814	106,814
Total recognised income for 2006	–	–	122,082	122,082
Issue of ordinary shares	83	19,917	–	20,000
Dividend	–	(20,000)	–	(20,000)
Balance at 31 December 2006	4,251	69,260	389,585	463,096
Balance at 1 January 2007	4,251	69,260	389,585	463,096
Income recognised directly in equity				
– currency translation differences	–	–	73,431	73,431
Profit for the year	–	–	78,357	78,357
Total recognised income for 2007	–	–	151,788	151,788
Issue of ordinary shares	26,622	850,086	–	876,708
Conversion of share premium to increase capital	59,511	(59,511)	–	–
Dividend	–	(25,000)	–	(25,000)
Balance at 31 December 2007	90,384	834,835	541,373	1,466,592

CONSOLIDATED CASH FLOW STATEMENT

	For the year ended 31 December 2007 *HK$'000*	2006 *HK$'000*
Cash flows from operating activities		
Cash generated from operations	**10,117**	50,786
Interest paid	**(59,374)**	(47,552)
Income tax paid	**(20,433)**	(27,881)
Net cash used in operating activities	**(69,690)**	(24,647)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(348,021)**	(278,810)
Proceeds from disposal of property, plant and equipment	**133**	13,542
Payment for leasehold land and land use rights	**(8,760)**	(10,941)
Purchase of intangible assets	**(255)**	(51)
Interest received	**9,929**	1,484
Net cash used in investing activities	**(346,974)**	(274,776)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares, net	**881,416**	20,000
Interest received on IPO subscription deposits	**12,774**	–
Proceeds from government grants	**–**	18,150
Proceeds from borrowings	**1,585,423**	1,967,294
Repayments of borrowings	**(1,915,663)**	(1,668,160)
Decrease/(increase) in pledged bank deposits	**36,406**	(18,224)
Decrease in amounts due to related parties	**(187)**	(1,530)
Dividends paid to the Company's equity holders	**(31,103)**	(20,397)
Net cash generated from financing activities	**569,066**	297,133
Net increase/(decrease) in cash and cash equivalents	**152,402**	(2,290)
Effect of foreign exchange rate changes	**38,122**	15,268
Cash and cash equivalents, beginning of the year	**61,557**	48,579
Cash and cash equivalents, end of the year	**252,081**	61,557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(a) *Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group.*

The following standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods that the Group has not early adopted:

- HKAS 1 (Revised), "Presentation of Financial Statements" (effective from 1 January 2009);
- HKAS 23 (Amendment), "Borrowing costs" (effective for annual periods beginning on or after 1 January 2009);
- HKAS 27 (Revised) "Consolidated and Separate Financial Statements" (effective from annual period beginning on or after 1 July 2009);
- HKFRS 3 (Revised) "Business Combination" (effective for business combinations with acquisition date on or after the beginning of the first annual reporting period beginning on or after 1 July 2009); and
- HKFRS 8, "Operating segments" (effective for annual periods beginning on or after 1 January 2009).

(b) *Interpretation to existing standards that are not yet effective and not relevant for the Group's operations.*

The following interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 March 2007 or later periods but are not relevant for the Group's operations:

- HKAS 32 and HKAS 1 Amendments "Puttable Financial Instruments and Obligations Arising on Liquidation" (effective from 1 January 2009);
- HKFRS 2 Amendment "Share-based Payment Vesting Conditions and Cancellations" (effective from 1 January 2009);
- HK(IFRIC)-Int 11, "HKFRS 2 – Group and Treasury Share Transactions" (effective for annual periods beginning on or after 1 March 2007);
- HK(IFRIC)-Int 12, "Service concession arrangements" (effective for annual periods beginning on or after 1 January 2008);
- HK(IFRIC)-Int 13, "Customer loyalty programmes" (effective for annual periods beginning on or after 1 July 2008); and
- HK(IFRIC)-Int 14, "HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction" (effective for annual periods beginning on or after 1 January 2008).

(c) *Standards, amendments and interpretations effective in 2007 but have no significant impact to the Group's operations.*

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2007 but have no significant impact to the Group's operations:

- HKFRS 7, "Financial instruments: Disclosures", and the complementary amendment to HKAS 1, "Presentation of financial statements – Capital disclosures", introduces new disclosures relating to financial instruments and does not have any impact on the classification and valuation of the Group's consolidated financial instruments, or the disclosures relating to taxation and trade and other payables, but require additional disclosure in relation to the Group's financial instruments;

- HK(IFRIC)-Int 8, "Scope of HKFRS 2", requires consideration of transactions involving the issuance of equity instruments, where the identifiable consideration received is less than the fair value of the equity instruments issued in order to establish whether or not they fall within the scope of HKFRS 2. This interpretation does not have any impact on the Group's consolidated financial statements; and

- HK(IFRIC)-Int 10, "Interim financial reporting and impairment", prohibits the impairment losses recognised in an interim period on goodwill and investments in equity instruments and in financial assets carried at cost to be reversed at a subsequent balance sheet date. This interpretation does not have any impact on the Group's consolidated financial statements.

(d) *Standards, amendments and interpretations effective in 2007 but not relevant for the Group's operations*

The following standards, amendments and interpretations to published standards are mandatory for accounting periods beginning on or after 1 January 2007 but they are not relevant to the Group's operations:

- HK(IFRIC)-Int 7, "Applying the restatement approach under HKAS 29, Financial reporting in hyper-inflationary economies"; and

- HK(IFRIC)-Int 9, "Re-assessment of embedded derivatives".

2 Segment information

The Group is principally engaged in the manufacture and sales of household consumable paper. Revenue is analysed as follows:

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Sales of goods	**1,683,533**	1,288,335
Sales of semi-finished goods and other materials	**94,188**	69,837
Total revenue	**1,777,721**	1,358,172

The Group is principally engaged in a single business segment. More than 90% of the Group's turnover and operating profit is earned within the People's Republic of China (the "PRC") and all major operating assets of the Group are located in the PRC. Therefore, no business segment or geographical segment is presented.

3 Expenses by nature

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Staff costs	**114,789**	91,187
Depreciation of property, plant and equipment	**65,504**	57,140
Provision for impairment of inventories	**134**	844
Amortisation of intangible assets	**254**	213
Amortisation of leasehold land and land use rights	**2,562**	2,904
Transportation expenses	**79,066**	56,048
Travel and office expenses	**8,538**	6,752
Auditor's remuneration	**2,519**	3,404
Material costs	**1,138,957**	847,280
(Write-back of provision)/provision for impairment of receivables	**(717)**	1,009
Utilities	**98,674**	59,479
Real estate tax, stamp duty and other taxes	**4,070**	3,188
Advertising costs	**15,480**	7,589
Promotion fee	**54,047**	36,746
Operating lease rental	**2,957**	1,767
Bank charges	**6,326**	4,139
Other expenses	**72,424**	30,624
Total cost of sales, selling and marketing costs and administrative expenses	**1,665,584**	1,210,313

4 Financial costs – net

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Interest expense		
– bank borrowings	**(60,812)**	(47,791)
– borrowings due to related parties	**–**	(146)
	(60,812)	(47,937)
Less: Amounts capitalised in property, plant and equipment	**1,646**	–
	(59,166)	(47,937)
Net foreign exchange transaction gain	**8,371**	1,107
Finance costs	**(50,795)**	(46,830)
Finance income		
– interest income on bank deposits	**9,929**	1,484
– interest income on IPO subscription deposits	**12,774**	–
	22,703	1,484
Net finance costs	**(28,092)**	(45,346)

5 Taxation

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries or regions in which the Group operates.

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Current income tax		
– Hong Kong profits tax	**9,417**	10,790
– PRC enterprise income tax	**14,366**	10,625
– Overseas profits tax	**93**	273
Deferred income tax	**(7,334)**	(14,807)
	16,542	6,881

6 Earnings per share

(a) *Basic*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Profit attributable to equity holders of the Company (HK$)	**78,357**	106,814
Weighted average number of ordinary shares in issue	**762,335**	637,448
Basic earnings per share (HK$ per share)	**10.3 cents**	16.8 cents

(b) *Diluted*

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all diluted potential ordinary shares.

During the years ended 31 December 2007 and 2006, there were no potential dilutive ordinary shares outstanding.

7 Dividend

	For the year ended 31 December	
	2007	2006
	HK$'000	*HK$'000*
Interim, declared, of HK$0.59 (2006: HK$0.48) per ordinary share	**25,000**	20,000

At a meeting held on 26 March 2007, the Board proposed an interim dividend in respect of the year ended 31 December 2006 of HK$25,000,000, representing HK$0.59 per ordinary share. Such interim dividend was paid during the year ended 31 December 2007.

At a meeting held on 18 April 2008, the Board proposed a final dividend in respect of the year ended 31 December 2007 of HK$19,884,517, representing HK2.2 cents per ordinary share. This proposed dividend is not reflected as a dividend payable in these consolidated financial statements, but will be reflected as an appropriation of retained earnings during the year ending 31 December 2008.

8 Trade receivables

Customers are generally granted with credit terms ranging from 30 to 90 days.

Ageing analyses of trade receivables of the Group as at 31 December 2007 and 2006 are as below:

	As at 31 December	
	2007	2006
	HK$'000	*HK$'000*
Within 3 months	**183,276**	142,674
4 months to 6 months	**8,792**	6,649
7 months to 12 months	**95**	538
	192,163	149,861

9 Trade payables

The credit period granted by the creditors generally ranged from 30 to 90 days. Ageing analyses of trade payables as at 31 December 2007 and 2006 are as follows:

	As at 31 December	
	2007	2006
	HK$'000	*HK$'000*
Within 3 months	**127,862**	137,138
4 months to 6 months	**16,136**	2,145
7 months to 12 months	**113**	211
1 year to 2 years	**1,193**	192
2 years to 3 years	**63**	38
Over 3 years	**1,571**	1,640
	146,938	141,364

OVERALL PERFORMANCE

During the reporting period, the revenue grew by of 30.9% over the last year. The noted decrease in net profit was mainly due to the unexpectedly large price surge of raw material, a common problem faced by all companies in the industry. In response to the rising costs, the management had implemented a number of measures to control the operating expenses and costs and raised the prices of certain products during the year. We expect these measures to bear results in the upcoming year.

BUSINESS REVIEW

During the review period, the Group continued to improve product mix and enhanced the sales mix of products with higher gross profit margins including hard-envelop facial tissue, soft-envelop facial tissue, paper napkins, handkerchief tissue as well as other multi functional papers such as kitchen paper towels. In 2007, the sales of the aforementioned products accounted for 34.20% of the Group's total sales (2006: 31.96%). The sales of toilet rolls accounted for 60.59% of the Group's total sales (2006: 61.54%).

Despite the tight market supply of some wood pulp, the output of the Group's major products remained a growth with steady quality. We were able to maintain sufficient product supply to meet the market demand. However, the constantly increased price of wood pulp caused the production cost to rise. Although the Group effectively controlled other costs and fees, as well as raised the prices of some products in a proper and gradual fashion during the second half of 2007. Since the impact of selling price increase is not instantaneous, the Group's profit margins was nevertheless affected. The Group's gross profit margin suffered a drop to 20.6% (2006: 25.1%).

Following the constant improvement of the living standards for urban and rural residents, and the production and development of small paper manufacturing plants being gradually ceased and limited due to the State's policy on environmental protection, the market demand for medium to high-end quality tissue paper products has been increasing constantly. Based on the situation and government policies, the Group continued to increase our output capability to satisfy the constantly increasing market demand. During 2007, the second construction phase of the Group's Beijing production base was in operation as of January and April 2007; the second construction phase of the production base in Jiangmen was in operation as of August 2007; and the second construction phase of the production base in Sichuan was in operation as of October 2007. All these produtction facilities provided an additional 70,000 tons of output capability. The Group's output capability has increased to 240,000 tons.

In addition, the Group will build a new production base in Longyou, Zhejiang. The first construction phase is expected to be in operation in stages by October and December 2008 with 40,000 tons of output capability in total. Meanwhile the third phase of 40,000 tons capability in Jiangmen, Guangdong, will begin production in stages by December 2008 and May 2009. By doing so, the Group will have an additional annual output capability of 80,000 tons. By then, the production base in Zhejiang will directly supply products to "four provinces and one city" in the eastern China, namely the Group's markets in Jiangxi, Zhejiang, Jiangsu, Anhui and Shanghai.

The sources of funding in the coming year for the said capital expenditure are expected from internal resources (inclusive of proceeds from the Company's Initial Public Offering ("IPO") in July 2007) and bank borrowings.

BUSINESS STRATEGY

Based on the existing sales model, the Group will keep expanding its sales network, optimizing the Group's sales team, enhancing its sales and service level. Facing a rapidly growing domestic market, the Group will not only release new products, stabilize and improve the product's quality, but will also devote more efforts in strategic planning such as new production base in Longyou Zhejiang. Since this will substantially reduce the Group's transportation cost and other relevant fees with regard to distributing products to the above mentioned markets, the competitiveness of the Group's products in those markets will be enhanced. With the Olympic Games to be held in China, the Group will fully implement its sports-oriented sales strategy to further increase the market value of the "Vinda" brand.

HUMAN RESOURCE & MANAGEMENT

As at 31 December 2007, the Group had a total of 4,246 full-time employees. To ensure the attractiveness of employees' compensation package, the employees' salary and remuneration will be decided following a thorough consideration of staff's experience and qualifications as well as taking into account of the market situation. Year end bonus and reward money will be dependent on the Group's results and the staff's actual performance.

LIQUIDITY, FINANCIAL RESOURCES AND BANK LOANS

The Group's financial position remained healthy. As at 31 December 2007, the Group's bank and cash balances amounted to approximately HK$258,788,000, including pledged bank deposits HK$6,707,535 (31 December 2006: HK$43,112,857), and short-term and long-term loans in aggregate amounted to approximately HK$654,174,000 (31 December 2006: HK$927,763,000). During the period, the Group's capital expenditure on the purchases and construction of new production facilities amounted to approximately HK$348,021,000.

The annual interest rates of bank loans ranged from approximately 5.20% to 8.42%. As at 31 December 2007, certain property, plant and equipment with carry amount of HK$334,325,743 (31 December 2006：HK$382,696,270) were pledged to secure for bank loans. As at 31 December 2007, the gross gearing ratio was approximately 44.61% (as at 31 December 2006: 200.34%), which was calculated on the basis of the amount of total borrowings as a percentage of the total shareholders' equity. The net gearing ratio, which was calculated on the basis of the amount of total borrowings less bank balances and cash as a percentage of the total shareholders' equity, was approximately 27.4 % (as at 31 December 2006: 187%). These ratios were very substantially improved by the proceeds from new shares issued in connection with the global offering (gross proceeds: approximately HK$813,777,000) and the exercise of over allotment option (gross proceeds: approximately HK$165,913,000), both completed in July 2007.

USE OF THE PROCEEDS FROM INITIAL PUBLIC OFFERING ("IPO")

In July 2007, the company issued 266,220,006 ordinary shares of HK$0.1 par value pursuant to the IPO at an Offer Price of HK$3.68, raising net proceeds of approximately HK$881,416,333 (after deducting underwriting fees and expenses incurred by the Company in connection with the Global Offering). The proceeds were used up to 31 December 2007 in the following manner:

	Per Prospectus	**Amount Utilised**	**Balance as at 31 December 2007**
	HK$ million	*HK$ million*	*HK$ million*
To construct new manufacturing facilities	144.7	85.7	59.0
To acquire paper making machine	254.3	182.6	71.7
To acquire processing machines and related facilities	127.4	84.0	43.4
To repay short-term loans	297.6	289.1	8.5
To meet working capital needs	46.0	57.0	(11.0)
	870.0	698.4	171.6

The remaining portion of the net proceeds was placed with banks in Hong Kong and mainland as short-term deposits.

FOREIGN EXCHANGE RISK

The Group focuses on operating our business inside the PRC. The denomination and settlement of the majority of our businesses is denominated in Renminbi ("RMB"), while the majority of major imported raw materials are paid in United States dollar ("US$"). The Group's entities utilise long-term contracts to manage foreign exchange risks generated from future business deals and the recognition of assets and liabilities. Foreign exchange risks would come from future business deals and the confirmation of assets and liabilities that denominated in a currency not used by our entities as the functional currency. As at 31 December 2007, the Group did not issue any tools of sizable amount or entered into any contracts for the purpose of foreign exchange hedging.

FUTURE PROSPECT

In its "World Economic Situation and Prospects 2008" released on 9 January 2008, the United Nations anticipated that in 2008 China's economy will grow by 10% and China's economy will remain a steady and fast development. This will bring unlimited opportunities and great challenges to the Group.

The prices of both energy and supplementary materials are still on an upward trend. Thus, the cost of the Group is under a certain degree of pressure. However, through integrating product mix and pricing structure, increasing the "added value" of products as well as increasing the product price in a proper fashion, profit margins would rise again gradually. Moreover, the Group will properly ease the pressure due to cost increase by perfecting the product mix through the continuous launch of new products, constantly improving internal control system, implementing effective cost control measures, expanding the sales and marketing network, and strengthening marketing and publicity, etc. To do so, the Group will closely monitor the market, firmly utilize the company strategy, and do our best in the following work:

1. Based on the goal of cost control, strengthening the co-ordination between production and sales, fully utilizing the Group's integrated efficiency and the coordinating effect, perfecting the benchmark of production techniques and enhancing operating efficiency.

2. Fully utilize the advantage of centralized management and unified operation. With regard to purchasing and sales, we will continue to strengthen market research, increase market responsiveness, fully utilize the advantage of the centralized purchase of raw and supplementary materials, and foster professional management. Based on confirmed sales orders, we will devise a more scientific purchasing plan, control inventory reasonably and strive to lower the purchasing and inventory costs.

3. Continue to focus on the strategy of talents, strengthen staff training and management, enhance work skills and the overall quality of all employees, and strengthen the cultivation of talents for internal crucial positions.

4. Continue to improve and perfect the product and sales structures; increase the ratio of high-profit products.

In 2008, the Group will fully utilize the advantage of integration, strive to innovate, continue to enhance our ability in sustainable development and consolidate our core competitiveness. We will focus on increasing our market share in the southwest and eastern China. We will expand our market in a planned and strategic manner through our favorably established sales and marketing channels, quality products and the strong sales network. The Group believes that the momentum for business growth remains strong and will continue in the future.

FINAL DIVIDEND

The Board has resolved to propose to shareholders the distribution of a final dividend for the year ended 31 December 2007 at HK2.2 cent totaling HK$19,884,517, subject to approval by shareholders at the annual general meeting (the "AGM") on 27 May 2008. If so approved by shareholders, it is expected that the final dividend will be paid on or about 27 June 2008 to shareholders whose names appear on the register of member of the Company on 23 May 2008.

CLOSE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 23 May 2008 to 27 May 2008 (both days inclusive), during which period no transfer of shares will be registered. In order to establish entitlement to the final dividend to be approved at the "AGM" (and payable on or about 27 June 2008), all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 pm on 22 May 2008 for registration of transfer.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Since the listing of the Company's shares on the Stock Exchange on 10 July 2007, no listed share has been redeemed. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed shares during the year under review.

CORPORATE GOVERNANCE

The Company is committed to maintain a high standard of corporate governance practices by emphasizing a quality board of directors, sound internal control, transparency and accountability to all of the shareholders of the Company. The Company has complied with the Code on Corporate Governance Practices except for deviations from provision A.2.1 of the Code provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. LI Chao Wang is currently both the Chairman of the Board and the Chief Executive Officer. The Board believes that the posts of Chairman and Chief Executive Officer being performed by the same person would provide the Group with strong and consistent leadership in the development and execution of long-term business strategies and development plans. The Board believes that there is adequate balance between the power and duty.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code for dealing in securities of the Company by the directors of the Company.

The Company has made specific enquiry of all its directors regarding any non-compliance with the Model Code. All the directors of the Company confirmed that they have complied with the required standard set out in the Model Code since the Listing Date.

AUDIT COMMITTEE

The Company has established an audit committee comprising two independent non-executive directors, namely Mr. Kam Robert and Mr. Hui Chin Tong Godfrey and a non-executive director Mr. Mak Kin Kwong. The chairman of the audit committee is Mr. Kam Robert.

The Audit Committee reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the audited financial statements for the year ended 31 December 2007.

REMUNERATION COMMITTEE

The Company's remuneration committee has three members comprising two independent non-executive directors, namely Dr. Cao Zhen Lei and Mr. Tsui King Fai, and a non-executive director Mr. Leung Ping Chung Hermann. The chairman of the remuneration committee is Dr. Cao Zhen Lei. The principle duty of the remuneration committee is to regularly monitor the remuneration of all the directors and senior management to ensure that levels of their remuneration and compensation are appropriate.

NOMINATION COMMITTEE

The Company's nomination committee has three members comprising two independent non-executive directors, namely Mr. Hui Chin Tong Godfrey and Mr. Tsui King Fai, and an executive director Mr. Li Chao Wang. The chairman of the nomination committee is Mr. Hui Chin Tong Godfrey. The principle duty of the nomination committee is to consider and recommend to the Board suitably qualified persons to become the directors and is responsible for reviewing the structure, size and composition of the Board on a regular basis.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the websites of (http://www.vindapaper.com/en/Investors/02.asp) and the Stock Exchange (www.hkexnews.hk). The 2007 annual report of the Company will be dispatched to the shareholders and available on the same websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I extend my gratitude to all our staff for their hard work and dedication.

By Order of the Board
Vinda International Holdings Limited
Li Chao Wang
Chairman

Hong Kong, 18 April 2008

As at the date of this announcement, the executive Directors are Mr. Li Chao Wang, Ms. Yu Yi Fang and Mr. Dong Yi Ping; the non-executive Directors are Mr. Leung Ping Chung Hermann, Mr. Mak Kin Kwong, Mr. Rijk Hendrik Jan Schipper and Mr. Chiu Bun; and the independent non-executive Directors are Dr. Cao Zhen Lei, Mr. Kam Robert, Mr. Hui Chin Tong Godfrey and Mr. Tsui King Fai.