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Vinda International Holdings Limited 維達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)

Website: <http://www.hkexnews.hk>

<http://www.vindapaper.com>

“Healthy lifestyle starts from Vinda”

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009 FINANCIAL HIGHLIGHTS

	2009	2008	Changes
Revenue (HK\$)	1,346,074,193	1,184,801,189	+13.6%
Profit attributable to shareholders (HK\$)	180,155,245	61,763,884	+191.7%
Operating margin	31.8%	18.7%	+13.1 . .
Net profit margin	13.4%	5.2%	+8.2 . .
Earnings per share (HK\$)	19.9cents	6.8c	+191.6%
Shareholders' days	93 days	90 days	
Dividend per share	36 days	32 days	
Interim dividend	3 cents	N	

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2009	2008
	Note	HK\$	HK\$
Revenue	4	1,346,074,193	1,184,801,189
Cost of sales		(918,577,460)	(963,005,719)
Gross profit		427,496,733	221,795,470
Selling and distribution expenses		(97,686,816)	(81,551,505)
Administrative expenses		(83,222,671)	(49,293,291)
Other income		1,178,243	2,281,028
Operating profit	9	247,765,489	93,231,702
Finance income		628,119	1,503,197
Finance expenses		(15,488,980)	(10,948,181)
Finance income		(14,860,861)	(9,444,984)
Profit before income tax		232,904,628	83,786,718
Income tax expense	10	(52,749,383)	(22,022,834)
Profit for the period and attributable to equity holders of the Company		180,155,245	61,763,884
Other comprehensive income			
Currency exchange differences	13	(155,126)	99,580,628
Total comprehensive income for the period and attributable to equity holders of the Company		180,000,119	161,344,512
Earnings per share for profit attributable to the equity holders of the Company			
(in HK\$ per share)			
Basic	11(a)	0.199	0.068
Diluted	11(b)	0.198	0.068
Dividends	12	41,595,118	19,884,517

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

	Unaudited	At the end of
	30 June	31 December
	2009	2008
<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
ASSETS		
Non-current assets		
Property, plant and equipment	1,853,949,836	1,852,374,329
Intangible assets	115,504,664	117,294,978
Investment properties	5,950,548	740,895
Deferred tax assets	55,397,049	47,508,724
Total non-current assets	2,030,802,097	2,017,918,926
Current assets		
Inventories	456,820,316	491,755,387
Trade receivables, other receivables and prepayments	342,018,814	264,969,661
Payables	—	884,454
Cash and cash equivalents	238,686,526	172,189,258
Total current assets	1,037,525,656	929,798,760
Total assets	3,068,327,753	2,947,717,686
EQUITY		
Capital and reserves attributable to equity holders of the Company		
Share capital	90,424,169	90,384,169
Share premium	835,986,579	834,834,579
Other reserves	947,875,896	783,867,895
Total equity	1,874,286,644	1,709,086,643

		Unaudited 30 June 2009 HK\$	Audited 31 December 2008 HK\$
LIABILITIES			
Non-current liabilities			
Bank borrowings	7	425,904,089	465,875,506
Deferred tax liabilities		31,811,623	33,127,079
Deferred tax assets		1,456,381	1,556,700
Total non-current liabilities		459,172,093	500,559,285
Current liabilities			
Trade payables	8	371,876,029	430,448,139
Contract liabilities		52,185,527	29,212,329
Bank borrowings	7	310,807,460	278,411,290
Total current liabilities		734,869,016	738,071,758
Total liabilities		1,194,041,109	1,238,631,043
Total equity and liabilities		3,068,327,753	2,947,717,686
Net current assets		302,656,640	191,727,002
Total assets less current liabilities		2,333,458,737	2,209,645,928

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited			
	Attributable to equity holders			
	of the Company			
	Share capital	Share premium	Other reserves	Total
	HK\$	HK\$	HK\$	HK\$
Balance as at 1 January 2008	90,384,169	834,834,579	541,373,559	1,466,592,307
Revaluation reserve	.	.	61,763,884	61,763,884
Other reserves	.	.	99,580,628	99,580,628
Total comprehensive income for the six months ended 30 June 2008	.	.	161,344,512	161,344,512
Distributions	.	.	(19,884,517)	(19,884,517)
Balance as at 30 June 2008	90,384,169	834,834,579	682,833,554	1,608,052,302
Balance as at 1 January 2009	90,384,169	834,834,579	783,867,895	1,709,086,643
Revaluation reserve	.	.	180,155,245	180,155,245
Other reserves	.	.	(155,126)	(155,126)
Total comprehensive income for the six months ended 30 June 2009	.	.	180,000,119	180,000,119
Elimination of share premium	.	.	25,603,000	25,603,000
Share premium	40,000	1,152,000	.	1,192,000
Distributions	.	.	(41,595,118)	(41,595,118)
Balance as at 30 June 2009	90,424,169	835,986,579	947,875,896	1,874,286,644

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Cash flows from operating activities		
Operating activities	184,613,474	145,217,695
Cash flows from operating activities - net	184,613,474	145,217,695
Cash flows from investing activities		
Acquisition of subsidiaries	(66,218,995)	(90,011,983)
Acquisition of intangible assets	(5,463,289)	(51,948)
Acquisition of property, plant and equipment	—	(19,660,529)
Disposal of property, plant and equipment	473,800	
Disposal of subsidiaries	628,119	1,503,197
Cash flows used in investing activities - net	(70,580,365)	(108,221,263)
Cash flows from financing activities		
Issue of shares	(41,595,118)	(19,884,517)
Issue of convertible preferred shares	(664,605,767)	(503,114,657)
Issue of convertible preferred shares	656,691,885	431,049,144
Dividend received from subsidiaries	884,454	(24,051,048)
Issue of convertible preferred shares	1,192,000	.
Cash flows used in financing activities - net	(47,432,546)	(116,001,078)
Net increase in cash and cash equivalents		
Cash and cash equivalents at beginning of period	172,189,258	252,081,481
Effect of exchange rate changes	(103,295)	28,992,092
Cash and cash equivalents at end of period	238,686,526	202,068,927

Accounting standards HKAS 17 'Leases', effective from 1 January 2010.

Accounting standards HKAS 36 'Impairment of assets', effective from 1 January 2010.

Accounting standards HKAS 38 'Intangible assets', effective from 1 July 2009.

Accounting standards HKAS 39 'Financial instruments: recognition and measurement', effective from 1 January 2010.

Accounting standards HK(IFRIC) 9 'Revised IAS 16', effective from 1 July 2009.

Accounting standards HK(IFRIC) 16 'Hedge accounting', effective from 1 July 2009.

4 Segment information

The following table provides a breakdown of the Group's operating segments for the six months ended 30 June 2009 and 2008.

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Sales	1,277,490,347	1,114,913,764
Sales in the PRC	68,583,846	69,887,425
Total	<u>1,346,074,193</u>	<u>1,184,801,189</u>

The following table provides a breakdown of the Group's operating segments for the six months ended 30 June 2009 and 2008, including a reconciliation of the total sales to the total revenue.

	2009	2008
Total sales	1,346,074,193	1,184,801,189
Less: Inter-segment sales	(1,000,000,000)	(1,000,000,000)
Total revenue	346,074,193	184,801,189

The following table provides a breakdown of the Group's operating segments for the six months ended 30 June 2009 and 2008, including a reconciliation of the total revenue to the total profit.

Trade receivables, other receivables and prepayments:

	As at	
	30 June 2009 Unaudited HK\$	31 Dec 2008 Audited HK\$
Trade receivables	1,946,378,579	1,940,664,710
- Macau Casinos	29,026,469	29,745,492
- HK Casinos	55,397,049	47,508,724
Trade receivables	<u>2,030,802,097</u>	<u>2,017,918,926</u>

5 Trade receivables, other receivables and prepayments

	As at	
	30 June 2009 Unaudited HK\$	31 Dec 2008 Audited HK\$
Trade receivables	302,436,690	216,590,233
Other receivables	20,205,219	39,221,173
Notes receivable	340,329	2,145,811
Prepayments	19,036,576	7,012,444
	<u>342,018,814</u>	<u>264,969,661</u>

Trade receivables, other receivables and prepayments as at 30 June 2009 are as follows:

	As at	
	30 June 2009 Unaudited	31 Dec 2008 Audited
Trade receivables	284,241,972	208,402,043
Warranty receivables	15,317,658	7,346,585
Other receivables	2,877,060	841,605
	<u>302,436,690</u>	<u>216,590,233</u>

6 Share capital and share premium

	Number of authorised shares	Number of issued and fully paid shares	Ordinary shares HK\$	Unaudited Amount Share premium HK\$	Total HK\$
Opening balance at 1 January 2008 and 1 January 2009	80,000,000,000	903,841,686	90,384,169	834,834,579	925,218,748
By c... I ⁿ ... (a)	.	400,000	40,000	1,152,000	1,192,000
At 30 June 2009	80,000,000,000	904,241,686	90,424,169	835,986,579	926,410,748

(a) E Iⁿ... a₂... c Iⁿ :

A a₁... b... B a₂ a S a₂... Iⁿ... a₂... a₂...

7 Borrowings

	As at	
	30 June 2009	31 December 2008
	<i>Unaudited</i> HK\$	<i>Audited</i> HK\$
Notes receivable	425,904,089	465,875,506
Current	310,807,460	278,411,290
	<u>736,711,549</u>	<u>744,286,796</u>
Management has approved the above as at the date of approval:		
		Unaudited HK\$
Six months ended 30 June 2008		
Operating activities		654,175,010
Net income		431,049,144
Realised foreign exchange		(503,114,657)
Exchange		31,018,637
		<u>613,128,134</u>
		<u>613,128,134</u>
Six months ended 30 June 2009		
Operating activities		744,286,796
Net income		656,691,885
Realised foreign exchange		(664,605,767)
Exchange		338,635
		<u>736,711,549</u>
		<u>736,711,549</u>
Interest expense, net of interest income		
		30 June 2009 HK\$ 15,184,416 (30 June 2008: HK\$ 28,119,402).

8 Trade payables, other payables and accrued expenses

	As at	
	30 June 2009	31 Dec 2008
	Unaudited HK\$	Audited HK\$
Trade payables	153,650,868	209,144,385
Other payables	12,629,649	704,697
Accrued expenses	131,971,599	167,054,254
	73,623,913	53,544,803
	<u>371,876,029</u>	<u>430,448,139</u>

As at 30 June 2009, the trade payables are denominated in the following currencies:

	As at	
	30 June 2009	31 Dec 2008
	Unaudited HK\$	Audited HK\$
Trade payables	156,239,842	182,380,806
Other payables	5,663,117	15,496,792
Accrued expenses	432,905	2,683,468
	3,752,818	7,436,675
	81,656	99,357
	110,179	1,751,984
	<u>166,280,517</u>	<u>209,849,082</u>

9 Operating profit

The following table shows the operating profit for the six months ended 30 June 2009 and 2008:

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Gain on disposal of subsidiaries (a)	(575,754)	.
Allowance for doubtful debts	(1,329,221)	(540,981)
Gain on disposal of property, plant and equipment	—	(521,627)
Finance costs	(195,373)	(1,950,868)
Reversal of allowance for doubtful debts	416,751	789,213
Reversal of allowance for doubtful debts/(allowance for doubtful debts)	439,467	(188,180)
Depreciation and amortisation	54,894,869	45,739,164
Allowance for doubtful debts	254,536	150,463
Allowance for doubtful debts	1,843,747	1,487,747
Loss on disposal of property, plant and equipment	915,610	.

(a) In 2009, the disposal of subsidiaries (Hubei) generated a net gain of RMB 18,382,621 (equivalent to HK\$15,167,534) and a net gain of RMB 507,470 (equivalent to HK\$ 575,754) on disposal of property, plant and equipment (PRC) subsidiaries in the six months ended 30 June 2009.

10 Income taxes

The PRC income tax rate is 25% (2008: 25%) for the six months ended 30 June 2009 and 2008. The PRC income tax rate is 16.5% (2008: 16.5%) for the six months ended 30 June 2009 and 2008. The Hong Kong income tax rate is 16.5% (2008: 16.5%) for the six months ended 30 June 2009 and 2008. The income tax expense for the six months ended 30 June 2009 and 2008 is as follows:

	Unaudited	
	Six months ended 30 June	
	2009	2008
	HK\$	HK\$
Current income tax	6,737,240	2,552,966
PRC income tax	53,973,012	20,291,119
Deferred income tax	(7,960,869)	(821,251)
	52,749,383	22,022,834

14 Subsequent event

On 6 July 2009, the Group's subsidiary, Vanpa (BVI) Limited ("Vanpa") entered into a purchase agreement with the Laoban (BVI) Limited ("Laoban") and Vanpa (BVI) Limited ("Vanpa") to acquire 45% of the equity interest of the Laoban (BVI) Limited ("Laoban") for a total consideration of RMB 243,654,000. The acquisition is accounted for as an acquisition of a subsidiary under the cost method.

Vanpa is a wholly owned subsidiary of the Company. The acquisition is accounted for as an acquisition of a subsidiary under the cost method. The acquisition is accounted for as an acquisition of a subsidiary under the cost method.

MANAGEMENT DISCUSSION AND ANALYSIS

The Board of Directors of the Company ("Board") is pleased to announce the financial results of the Group for the period ended 30 June 2009 (the "Period").

The Group's revenue for the period ended 30 June 2009 was HK\$1,346,074,193 (2008: HK\$1,184,801,189), an increase of 13.6%. The Group's profit for the period ended 30 June 2009 was HK\$180,155,245 (2008: HK\$61,763,884), an increase of 191.7%. The Group's profit margin for the period ended 30 June 2009 was 13.4% (2008: 5.2%). The Group's operating profit for the period ended 30 June 2009 was HK\$199,000,000 (2008: HK\$68,000,000), an increase of 191.6%. The Group's operating profit margin for the period ended 30 June 2009 was 14.8% (2008: 5.7%).

For the period ended 30 June 2009, the Group's revenue was HK\$1,346,074,193 (2008: HK\$1,184,801,189), an increase of 13.6%. The Group's profit for the period ended 30 June 2009 was HK\$180,155,245 (2008: HK\$61,763,884), an increase of 191.7%. The Group's profit margin for the period ended 30 June 2009 was 13.4% (2008: 5.2%). The Group's operating profit for the period ended 30 June 2009 was HK\$199,000,000 (2008: HK\$68,000,000), an increase of 191.6%. The Group's operating profit margin for the period ended 30 June 2009 was 14.8% (2008: 5.7%).

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 G₁ a I^m a a b c ca ab
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BUSINESS STRATEGY

G ab a a a a b I^m
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 a c I^m I^m a I^m a b
 P a a I^m a b I^m a
 c a c a b b I^m a W T
 T a S O H C R₁ c a c a B₁a a
 I^m a a W a I^m a b a
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FOREIGN EXCHANGE RISKS

The Group's operations are primarily conducted in RMB, US dollars and HK dollars. Assets and liabilities are denominated in RMB, US dollars and HK dollars. The Group is exposed to foreign exchange risks arising from the operations in the PRC, Hong Kong and the US. As at 30 June 2009, the Group's assets are denominated in RMB, US dollars and HK dollars. The Group's liabilities are denominated in RMB, US dollars and HK dollars.

INTERIM DIVIDEND

The Board has recommended a final dividend of HK\$ 0.03 (2008: HK\$ 0.03) per share in respect of the interim dividend for the year ended 30 June 2009. The final dividend is payable on 15 October 2009 to the members of the Company as at the close of business on 30 September 2009.

CLOSE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 15 October 2009 to 19 October 2009 (both dates inclusive), during which period no transfer of shares will be registered. The Company's books will be closed from 15 October 2009 to 19 October 2009 (both dates inclusive) for the purpose of determining the members of the Company entitled to attend and vote at the general meeting of the Company to be held on 20 October 2009 at the Hong Kong Convention and Exhibition Centre, 177, Des Voeux Road East, Hong Kong. The Company's books will be closed from 15 October 2009 to 19 October 2009 (both dates inclusive) for the purpose of determining the members of the Company entitled to attend and vote at the general meeting of the Company to be held on 20 October 2009 at the Hong Kong Convention and Exhibition Centre, 177, Des Voeux Road East, Hong Kong.

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

During the year ended 30 June 2009, the Company has not purchased, sold or redeemed any of its listed securities.

FUTURE PROSPECTS

With the implementation of the new regulatory measures, the Company's business operations are expected to be more stable and sustainable. The Company is committed to providing high quality products and services to its customers. The Company is also committed to providing a safe and healthy environment for its employees and the community. The Company is also committed to providing a safe and healthy environment for its employees and the community. The Company is also committed to providing a safe and healthy environment for its employees and the community.

