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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)**

## **LAPSE OF LAND USE RIGHTS TRANSFER AGREEMENT**

Reference is made to the announcement of Vinda International Holdings Limited (the “**Company**”) dated 25 February 2011 (the “**Announcement**”). Capitalised terms used in this announcement shall have their respective meanings as in the Announcement unless otherwise defined.

### **Lapse of Land Use Rights Transfer Agreement**

As disclosed in the Announcement, on 24 February 2011, Vinda Paper (Guangdong), a wholly-owned subsidiary of the Company, entered into the Land Use Rights Transfer Agreement with Fu An, pursuant to which, Vinda Paper (Guangdong) has agreed to sell and Fu An has agreed to purchase the land use rights in the Land for a sum of RMB28,500,000.

It was agreed under the Land Use Rights Transfer Agreement that if all the conditions precedent had not been satisfied by 24 August 2011 (i.e., within six months after the date of the Land Use Rights Transfer Agreement) (the “**Long Stop Date**”), completion would not take place. Since the execution of the Land Use Rights Transfer Agreement, Vinda Paper (Guangdong) and Fu An have been cooperating with each other to satisfy the conditions precedent, including liaising with the Land Resource Bureau for the execution of a state owned land use rights transfer agreement in relation to the Land, which is one of the conditions precedent under the Land Use Rights Transfer Agreement. In or about mid-August 2011, the Land Resource Bureau indicated to Vinda Paper (Guangdong) and Fu An that it would buy back the Land from Vinda Paper (Guangdong) at a consideration of RMB28,500,000. Under these circumstances, Vinda Paper (Guangdong) and Fu An entered into further discussions and mutually agreed not to extend the Long Stop Date. The Land Use Rights Transfer Agreement therefore lapsed on 24 August 2011.

As at 24 August 2011, Fu An had already paid, as deposit, the sum of RMB28,500,000 to Vinda Paper (Guangdong) pursuant to the terms and conditions of the Land Use Rights Transfer Agreement. In view of the lapse of the Land Use Rights Transfer Agreement, Vinda Paper (Guangdong) is currently arranging for the full refund to Fu An, which is expected to complete within the next 7 days.

## **Buy Back Agreement**

On 29 August 2011, Vinda Paper (Guangdong) entered into an agreement (the “**Buy Back Agreement**”) with the Land Resource Bureau for the disposal of the Land at a consideration of RMB28,500,000. It is expected that completion of the Buy Back Agreement will take place by the end of 2011. In view of the entering into of the Buy Back Agreement, the Board considers that the lapse of the Land Use Rights Transfer Agreement will not have any material adverse effect on the operation and financial position of the Group and will not have any impact on the long term development of the Group.

By order of the board  
**Vinda International Holdings Limited**  
**LI Chao Wang**  
*Chairman*

Hong Kong, 30 August 2011

*As at the date of this announcement, the executive Directors are Mr. Li Chao Wang, Ms. Yu Yi Fang, Ms. Zhang Dong Fang and Mr. Dong Yi Ping; the non-executive Directors are Mr. Johann Christoph Michalski, Mr. Ulf Olof Lennart Soderstrom and Mr. Chiu Bun (alternate to Mr. Michalski and Mr. Soderstrom); and the independent non-executive Directors are Dr. Cao Zhen Lei, Mr. Kam Robert, Mr. Hui Chin Tong Godfrey and Mr. Tsui King Fai.*