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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)

PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Sole Placing Agent

BofA Merrill Lynch

On 10 April 2012 after trading hours, Fu An entered into (i) the Placing Agreement with the Company and the Placing Agent; and (ii) the Subscription Agreement with the Company.

Pursuant to the Placing Agreement, Fu An agreed to appoint the Placing Agent as agent to the exclusion of all others and the Placing Agent agreed to act as agent for Fu An to procure, on a best effort basis and upon the terms and subject to the conditions set out in the Placing Agreement, purchasers for up to 42,000,000 Placing Shares at a price to be determined and agreed by Fu An, the Company and the Placing Agent based on a bookbuilding process. The maximum of 42,000,000 Placing Shares represents (i) approximately 4.39% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Pursuant to the Subscription Agreement, Fu An conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue the Subscription Shares at the Subscription Price upon the terms and subject to the conditions set out in the Subscription Agreement. The Subscription Price, which will be equivalent to the Placing Price, was determined after arm's length negotiation between Fu An and the Company. The maximum of 42,000,000 Subscription Shares represents (i) approximately 4.39% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Assuming all 42,000,000 Placing Shares are placed, the shareholding interest of the Concert Parties in the issued share capital of the Company will be reduced from approximately 31.68% to approximately 27.29% immediately upon completion of the Placing and will increase to approximately 30.35% immediately after the completion of the Subscription, thereby triggering a general offer obligation under Rule 26 of the Takeovers Code. The Concert Parties will apply to the Securities and Futures Commission for the grant of a waiver to the Concert Parties from the obligation to make a general offer under Rule 26 of the Takeovers Code with respect to the acquisition of the Subscription Shares.

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

As the Placing and the Subscription are subject to the satisfaction of a number of conditions and may or may not proceed to completion, Shareholders and prospective investors are advised to exercise caution when dealing in the Shares.

PLACING AGREEMENT

The Placing Agreement was made between Fu An, the Company and the Placing Agent on 10 April 2012 pursuant to which Fu An agreed to appoint the Placing Agent as agent to the exclusion of all others and the Placing Agent agreed to act as agent for Fu An to procure, on a best effort basis and upon the terms and subject to the conditions set out in the Placing Agreement, purchasers for up to 42,000,000 Placing Shares at a price to be determined and agreed by Fu An, the Company and the Placing Agent based on a bookbuilding process.

Parties

- (1) Fu An, a substantial and controlling shareholder of the Company, is owned as to 74.21% by Sentential Holdings Limited, 15.79% by Join Pride International Limited and 10.00% by Daminos Management Limited. The entire issued share capital of Sentential Holdings Limited is held by Eagle Power Assets Limited, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of CW Li Family Trust with Mr. Li Chao Wang as the settlor. The entire issued share capital of Join Pride International Limited is held by Kingdom World Assets Limited, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of YF Yu Family Trust with Ms. Yu Yi Fang as the settlor. The entire issued share capital of Daminos Management Limited is held by Profit Zone Assets Limited, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of YP Dong Family Trust with Mr. Dong Yi Ping as the settlor.

- (2) Placing Agent (as placing agent) will procure, on a best effort basis, purchasers to purchase the Placing Shares. To the best knowledge and information of the Directors, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and Connected Persons of the Company.
- (3) The Company, who entered into the Placing Agreement on certain matters relating to the Placing Shares which are placed by Fu An for the sole purpose of facilitating completion of the Subscription Agreement.

Prior to the completion of the Placing, the Concert Parties owned 303,218,235 Shares representing approximately 31.68% of the existing issued share capital of the Company. Upon completion of the Placing but before the Subscription and assuming all 42,000,000 Placing Shares are placed, the Concert Parties will own 261,281,235 Shares representing approximately 27.29% of the issued share capital of the Company.

Placees

The Placing Shares under the Placing Agreement will be placed by the Placing Agent at the Placing Price to Placees who shall be determined solely by the Placing Agent and will be independent professional, institutional and other investors.

It is expected that the Placees (the number of which is more than six) and their ultimate beneficial owners (i) will be independent of and not acting in concert (as defined under the Takeovers Code) with any of Fu An and parties acting in concert with it, or any of Fu An's or the Company's or its subsidiaries' directors, chief executive or substantial shareholders (as defined in the Listing Rules), or any of their respective associates (as defined in the Listing Rules); and (ii) will not become Connected Persons of the Company after completion of the Placing.

Placing Price

The Placing Price will be determined and agreed by Fu An, the Company and the Placing Agent based on a bookbuilding process. A further announcement will be made by the Company upon determination of the final Placing Price.

Placing Shares

The maximum Placing Shares of 42,000,000 Shares represents (i) approximately 4.39% of the existing issued share capital of the Company as at the date of this announcement and (ii) approximately 4.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription.

Rights to the Placing Shares

The Placing Shares will be sold free from all liens, charges and encumbrances, and together with all rights attaching to them as at the Closing Date, including the right to receive all dividends declared, made or paid on or after the Closing Date.

Condition and completion of the Placing

The obligation of the Placing Agent to proceed to complete the Placing is conditional upon the Subscription Agreement having been entered into by the parties thereto. The Placing Agreement has not provided for the right of the parties to waive the above condition. Completion of the Placing will take place on the Closing Date.

Lock-up undertakings

Fu An has undertaken to the Placing Agent that (except for (a) the sale of the Placing Shares pursuant to the Placing Agreement; (b) the pledge of up to a certain number of Shares by Fu An as security for various credit facilities; and (c) the pledge of up to 19,012,000 additional Shares in aggregate by Fu An (if and only to the extent that such Shares have been transferred to Fu An from Mr. Li Chao Wang, Ms. Yu Yi Fang and/or Mr. Dong Yi Ping on or after the date of the Placing Agreement) as security for additional borrowed money; and (d) the possible sale of a certain number of Shares by Fu An to SCA Hygiene Holding AB), for a period of 90 days from the Closing Date, Fu An will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein beneficially owned or held by Fu An or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

The Company has undertaken to the Placing Agent, and Fu An has undertaken to the Placing Agent to procure, that for a period of 90 days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (a) the terms of any employee share option scheme of the Company; or (b) any subscription warrants; or (c) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, without first having obtained the written consent of the Placing Agent.

SUBSCRIPTION AGREEMENT

The Subscription Agreement was made between Fu An and the Company on 10 April 2012 pursuant to which Fu An conditionally agreed to subscribe for and the Company conditionally agreed to allot and issue the Subscription Shares at the Subscription Price upon the terms and subject to the conditions set out in the Subscription Agreement.

Parties

- (1) Fu An (as subscriber).
- (2) The Company (as issuer).

Price of the Subscription Shares

The Subscription Price, which will be equivalent to the Placing Price, was determined after arm's length negotiation between Fu An and the Company.

Subscription Shares

The maximum Subscription Shares of 42,000,000 Shares, which will be subscribed by Fu An, represents (i) approximately 4.39% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 4.20% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares pursuant to the Subscription, and have an aggregate nominal value of HK\$4,200,000. The maximum Subscription Shares of 42,000,000 Shares have a market value of approximately HK\$517 million based on the closing price of the Shares as at the date of this announcement. The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Conditions of the Subscription

Completion of the Subscription is conditional upon the fulfillment of the following:

- (A) a waiver granted by the Securities and Futures Commission to the Concert Parties waiving their obligation to observe Rule 26.1 of the Takeovers Code in relation to the Placing and the Subscription;
- (B) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares); and
- (C) completion of the Placing having occurred pursuant to the terms of the Placing Agreement.

There is no provision in the Subscription Agreement allowing the parties thereto to waive any of the above conditions.

Completion of the Subscription

Completion of the Subscription shall take place on the second Business Day after the date upon which the last of the above conditions to be satisfied shall have been so satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Subscription Agreement (or such other time and/or date as Fu An and the Company may agree in writing).

If completion of the Subscription is extended beyond 14 days after the date of the Placing Agreement, the Subscription will constitute a connected transaction under the Listing Rules which will require the approval of independent Shareholders of the Company and steps will be taken by the Company to ensure compliance with the Listing Rules and further announcement(s) will be made by the Company accordingly.

If completion of the Subscription does not occur within 14 days after the date of the Subscription Agreement, or such later date as may be agreed between the Company and Fu An, the obligations and liabilities of Fu An and the Company under the Subscription Agreement shall be null and void.

Mandate to allot and issue new Shares

The Subscription Shares will be allotted and issued under the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting held on 18 May 2011. Under such general mandate, the Company is allowed to allot and issue Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company. As at the date of this announcement, the Company has not issued any Shares pursuant to such general mandate. Accordingly, the allotment and issue of the Subscription Shares is not subject to any approval by the Shareholders.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Subscription Shares.

EFFECTS ON SHAREHOLDING STRUCTURE

Assuming all of the 42,000,000 Placing Shares are placed and not taking into account of any possible disposal of shares by Fu An, the shareholding structures of the Company before and after completion of the Placing and the Subscription is summarised as follows:

	As at the date of this announcement	%	After Placing but before Subscription	%	After Placing and Subscription	%
Fu An (<i>Note 1</i>)	284,206,235	29.70	242,206,235	25.31	284,206,235	28.44
Li Chao Wang's personal interests (<i>Note 2</i>)	936,000	0.10	936,000	0.10	936,000	0.09
Yu Yi Fang's personal interests (<i>Note 3</i>)	9,038,000	0.94	9,038,000	0.94	9,038,000	0.91
Dong Yi Ping's personal interests (<i>Note 4</i>)	<u>9,038,000</u>	<u>0.94</u>	<u>9,038,000</u>	<u>0.94</u>	<u>9,038,000</u>	<u>0.91</u>
Concert Parties (<i>Note 5</i>)	303,218,235	31.68	261,218,235	27.29	303,218,235	30.35
Others and public shareholders	654,016,451	68.32	654,016,451	68.32	654,016,451	65.45
Places	<u>0</u>	<u>0</u>	<u>42,000,000</u>	<u>4.39</u>	<u>42,000,000</u>	<u>4.20</u>
Total issued share capital	<u>957,234,686</u>	<u>100.00</u>	<u>957,234,686</u>	<u>100.00</u>	<u>999,234,686</u>	<u>100.00</u>

Notes:

1. Fu An is owned as to 74.21% by Sentential Holdings Limited, 15.79% by Join Pride International Limited and 10.00% by Daminos Management Limited. The entire issued share capital of Sentential Holdings Limited is held by Eagle Power Assets Limited, whose entire issued share capital is held by HSBC

International Trustee Limited in its capacity as trustee of CW Li Family Trust with Mr. Li Chao Wang as the settlor. The entire issued share capital of Join Pride International Limited is held by Kingdom World Assets Limited, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of YF Yu Family Trust with Ms. Yu Yi Fang as the settlor. The entire issued share capital of Daminos Management Limited is held by Profit Zone Assets Limited, whose entire issued share capital is held by HSBC International Trustee Limited in its capacity as trustee of YP Dong Family Trust with Mr. Dong Yi Ping as the settlor.

2. On 2 April 2012, Mr. Li Chao Wang, an executive Director, exercised the share options granted to him under the share option scheme adopted by the Company on 19 June 2007.
3. On 2 April 2012, Ms. Yu Yi Fang, an executive Director, exercised the share options granted to her under the share option scheme adopted by the Company on 19 June 2007.
4. On 2 April 2012, Mr. Dong Yi Ping, an executive Director, exercised the share options granted to him under the share option scheme adopted by the Company on 19 June 2007.
5. Mr. Li Chao Wang, Ms. Yu Yi Fang and Mr. Dong Yi Ping are parties acting in concert with Fu An.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WAIVER

As there will be changes in the aggregate percentage shareholdings in respect of the Concert Parties from 31.68% to 27.29% after completion of the Placing and from 27.29% to 30.35% after completion of the Subscription (in each case, assuming all of the 42,000,000 Placing Shares are placed) there will be an increase in the voting rights of the Concert Parties to 30% or more of the voting rights of the Company and the Concert Parties would be obliged to make a general offer for all the other issued Shares under Rule 26.1(b) of the Takeovers Code.

Application for waiver under Rule 26 to make a general offer will be made by the Concert Parties to the Securities and Futures Commission.

USE OF PROCEEDS FROM THE SUBSCRIPTION

The Company intends to apply the net proceeds from the Subscription for funding the Group's expected production capacity expansion plans and for working capital purposes. For further information regarding the Group's expansion plans, please refer to the section headed "Management discussion and analysis" of the Company's announcement dated 27 March 2012. A further announcement will be made by the Company on the gross proceeds and net proceeds from the Subscription upon determination of the final Placing Price.

Apart from fees and commissions payable to, and the reimbursement of costs and expenses of, the Placing Agent, the Stock Exchange trading fee, the Securities and Futures Commission transaction levy and the relevant professional expenses, there are no other material expenses payable by the Company. Other than the intended use stated above, there is no other specific usage for the net proceeds.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any equity fund raising activity in the past twelve-month period immediately preceding the date of this announcement.

REASONS FOR THE PLACING AND THE SUBSCRIPTION

The proposed Placing and Subscription would achieve the following benefits for the Company:

- (A) it would increase the amount of Shares held by public investors which may in turn enhance the trading liquidity of the stocks of the Company;
- (B) it would introduce new investors to the Company and hence further optimise and diversify the Company's shareholding base;
- (C) it would capture the current share price for the Company to raise new proceeds for funding the Group's expected production capacities expansion plans and for working capital purposes; and
- (D) it is expected that the Company's gearing level would be lowered by the proposed Placing and Subscription and thereby preserving the healthiness of the financial status of the Company.

The Directors, taking into account the above benefits to the Company, considered that the proposed Placing and Subscription is beneficial to the Company and in the best interest of the Shareholders.

COMPANY'S PRINCIPAL ACTIVITIES

The Group is principally engaged in the manufacturing and sale of household consumable paper products in the People's Republic of China and its principal products include toilet paper, paper handkerchiefs, facial tissue paper and paper napkins.

DEFINITIONS

In this announcement, unless the context otherwise requires the following terms shall have the following meanings:

- “Business Day” any day (excluding a Saturday or Sunday or public holiday in Hong Kong) on which banks are generally open for business in Hong Kong
- “Closing Date” two Business Days after the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 11 April 2012 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 11 April 2012, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as Fu An and the Placing Agent may agree in writing
- “Company” Vinda International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 3331)
- “Concert Parties” Fu An together with Mr. Li Chao Wang, Ms. Yu Yi Fang and Mr. Dong Yi Ping
- “Connected Person(s)” has the same meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Fu An”	Fu An International Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a substantial shareholder of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of The People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any professional institutional and other investors whom the Placing Agent has procured to purchase any of the Placing Shares
“Placing”	the placing of the Placing Shares by Fu An pursuant to the Placing Agreement
“Placing Agent”	Merrill Lynch Far East Limited
“Placing Agreement”	the placing agreement dated 10 April 2012 made between the Company, Fu An and the Placing Agent for the placing of the Placing Shares at the Placing Price
“Placing Price”	a price to be determined and agreed by Fu An, the Company and the Placing Agent based on a bookbuilding process
“Placing Shares”	up to 42,000,000 Shares to be placed by Fu An pursuant to the Placing Agreement
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription by Fu An for the Subscription Shares pursuant to the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 10 April 2012 made between Fu An and the Company for the subscription of the Subscription Shares at the Subscription Price
“Subscription Price”	an amount equivalent to the Placing Price to be determined and agreed by Fu An, the Company and the Placing Agent
“Subscription Shares”	up to 42,000,000 Shares (but not exceeding the number of Placing Shares placed by the Placing Agent under the Placing Agreement) to be issued to Fu An by the Company under the Subscription Agreement
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

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

Hong Kong, 10 April 2012

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 director 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.

Pursuant to Rule 9.3 of the Takeovers Code, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.