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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)**

### **VOLUNTARY ANNOUNCEMENT**

The Board is pleased to announce that on 30 September 2010, Vinda Investment (China) Limited, a wholly-owned subsidiary of the Company, entered into the Agreement with Laiwu Management Committee in relation to the manufacturing of high quality consumer tissue products in Laiwu City, Shandong Province, PRC.

Pursuant to the Agreement, Vinda Investment (China) Limited will invest a total sum of HK\$800,000,000 for the construction of a production plant in Laiwu Development Area for manufacturing high quality consumer tissue products. Laiwu Management Committee will procure the grant of industrial land in Laiwu Development Area in favour of Vinda Investment (China) Limited for constructing the said production plant. It is expected that the annual production of the plant will be approximately 100,000 tonnes.

The Group has employed a consistent strategy to geographically expand its production foothold and broaden its distribution network. By entering into the Agreement, the Group is poised to fulfill the strong demand of consumer tissue products in Northern PRC and strengthen its management in economic effectiveness and logistic costs, and therefore consolidating its leadership role in the market. Immediately upon signing of the Agreement, the Group has started to carry out preparation work such as environmental assessment.

## **THE AGREEMENT**

The Board is pleased to announce that on 30 September 2010, Vinda Investment (China) Limited, a wholly-owned subsidiary of the Company, entered into the Agreement with Laiwu Management Committee in relation to the manufacturing of high quality consumer tissue products in Laiwu City, Shandong Province, PRC.

Pursuant to the Agreement, Vinda Investment (China) Limited will invest a total sum of HK\$800,000,000 for the construction of a production plant in Laiwu Development Area for manufacturing high quality consumer tissue products. The HK\$800,000,000 will include, among other things, land premium, development costs, construction costs, machinery and equipment, and working capital. Laiwu Management Committee will procure the grant of industrial land to be identified in Laiwu Development Area in favour of Vinda Investment (China) Limited for constructing the said production plant. Once identified, Vinda Investment (China) Limited will need to go through the relevant legal and other process to obtain the land use right of the industrial land. It is expected that the annual production of the said production plant will be approximately 100,000 tonnes.

## **REASONS FOR ENTERING INTO THE AGREEMENT**

The Group has employed a consistent strategy to geographically expand its production foothold and broaden its distribution network. By entering into the Agreement, the Group is poised to fulfill the strong demand of consumer tissue products in Northern PRC and strengthen its management in economic effectiveness and logistic costs, and therefore consolidating its leadership role in the market. Immediately upon signing of the Agreement, the Group has started to carry out preparation work such as environmental assessment.

## **INFORMATION OF SHANDONG PROVINCE AND LAIWU DEVELOPMENT AREA**

Shandong Province is located on the east coast of the PRC. The total area of Shandong Province is approximately 330,000 square kilometres with a population over 94 million. The national economy of Shandong Province is among the highest of the whole nation. Its gross domestic product for 2009 amounted to approximately RMB3,380 billion, ranking the third among all China Provinces. Shandong Province has enjoyed 18 consecutive years of double-digit growth up to 2009, in which year a growth rate of 11.9% was attained.

Laiwu City is located in the central area of Shandong Province with an area of approximately 2,246 square kilometres and a population of approximately 1.25 million. Laiwu Development Area is a highly centralised development area for advanced technology industry which is approved by the government of Shandong Province and constructed by the committee of Laiwu City and the government of Laiwu City. Laiwu Development Area has a geographical advantage as it is located in the junction of Yangtze River Delta Economic Zone and Bohai Economic Rim. The area is equipped with excellent transportation network including highways and railways. It is located only half an hour to Ji Nan International Airport and two hours to Qingdao Port.

## **GENERAL**

The Company and its subsidiaries are principally engaged in the manufacturing and sale of household consumable paper products in PRC and their principal products include toilet paper, paper handkerchiefs, facial tissue paper and paper napkins. Further announcement(s) in relation to the Company's investment in Laiwu Development Area will be issued by the Company in compliance with the Listing Rules if and when necessary.

## **DEFINITIONS**

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

“Agreement”	an agreement dated 30 September 2010 made between Vinda Investment (China) Limited and Laiwu Management Committee in relation to the manufacturing of high quality consumer tissue products in Laiwu City, Shandong Province, PRC
“Board”	the board of Directors
“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)
“Directors”	directors of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	(a) party(ies) who is/are not connected person(s) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and its connected persons (as defined under the Listing Rules)
“Laiwu Development Area”	萊蕪高新技術產業開發區(for identification purpose only, in English, Laiwu Advanced Technology Industry Development Area)
“Laiwu Management Committee”	萊蕪高新技術產業開發區管委會 (for identification purpose only, in English, Management Committee of Laiwu Advanced Technology Industry Development Area), an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vinda Investment (China) Limited”	Vinda Investment (China) Limited, a limited company incorporated in Hong Kong which is wholly owned by the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 4 October 2010

*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. Leung Ping Chung Hermann, Mr. Johann Christoph Michalski 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.*