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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)**

**CLARIFICATION OF NEWS**  
**AND**  
**RESUMPTION OF TRADING**

**CLARIFICATION**

The board of directors (the “**Board**”) of Vinda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to clarify certain information about the Group as reported in a press article published on Apple Daily in Hong Kong on 4 June 2013 (the “**Article**”).

1. The Board and the management of the Company believe in the communication with the securities and investment industry to provide more transparency to the market in considering the valuation of the Group. To this end, the management has recently met with a number of analysts and provided them with the information mentioned below.
2. The baseline growth of the Group’s business turnover has always been a subject of discretionary assessment by the analysts in the securities and investment industry. The management, since a few years ago, has indicated to the market a five-year plan up to 2015 of targeting growth of the Company’s business turnover by around 25% as a compounded annualised growth rate target (which has been covered by press and media reports before) for such five-year period overall. Such growth rate is not an estimate by the management for any particular year. The management has informed the analysts of the Group’s investment in its production capacity, namely, the Company’s plan to increase the Group’s production capacity by upgrading the existing facilities and speeding up the construction of the new production facilities as mentioned in the Company’s 2012 and 2011 annual reports, and the estimation that there could be some fluctuations in the average selling price of the Group’s product portfolio in view of the current market conditions. The management believed that such information would allow analysts to assess, in their own professional capacity, the prospects of growth about the Group. In addition, the management has also shared with the analysts the research conclusion from an independent market research institution about the first quarter 2013 market situation to which the management has access, i.e., the growth in the household paper market was weaker than that in the corresponding period in 2012. The management leaves it to the

analysts to consider whether any of their analysts' reports on the Company would need to be adjusted in the light of such information. The management did not provide any specific percentages in respect the Group's growth rate to the analysts.

3. 2013 has seen so far consumption of household paper growth in mainland China to lag behind those of prior years. As a member of the household paper industry, the Group has not been exempt from being affected by the slow-down, but its brand strength has helped to mitigate some but not all of the impact of the slow-down. Without commenting on the particular percentage, the Company would consider the current year growth to be weaker than that of the immediately preceding year.
4. The gross margin is calculated by having the difference between the sales turnover and the cost of sales, divided by the total sales in dollar value, and presented as a percentage. Gross margin is hence affected by both the selling price and the unit cost of sales. While the Group reported a gross margin of over 30% for the financial year ended 31 December 2012, there is no absolute assurance that the same margin will be achieved in later years. In the current business climate, selling price has been experiencing downward pressure due to the slow-down in household paper consumption. On the other hand, cost of sales would be affected by the current volatility of woodpulp prices when woodpulp constitutes a high proportion of the costs of sales in the Company's product portfolio. Woodpulp traded prices have seen certain rebound in the last few months to May 2013 and hence it would be hard to foresee such cost ingredient to come down in time to favorably affect the gross margin of the Company for the financial year ending 31 December 2013.
5. As stated in the Company's 2012 annual report, the target annual production capacity of the Group for 2015 is one million tonnes. The Company has no current intention to reduce the Group's target annual production capacity.

The Board wishes to further clarify that the Company did not provide any inside information to the analysts or to any other person at all and there is no inside information of the Company which the Company has not disclosed.

## **RESUMPTION OF TRADING**

Trading in the shares of the Company on the Stock Exchange was halted with effect from 1:00 p.m. on 4 June 2013 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 6 June 2013.

By order of the board  
**Vinda International Holdings Limited**  
**ZHANG Dong Fang**  
*Executive Director and Chief Executive Officer*

Hong Kong, 5 June 2013

*As at the date of this announcement, the Board comprises executive directors, namely Mr. LI Chao Wang, Ms. YU Yi Fang, Ms. ZHANG Dong Fang and Mr. DONG Yi Ping; non-executive directors, namely Mr. Johann Christoph MICHALSKI, Mr. Ulf Olof Lennart SODERSTROM and Mr. CHIU Bun (alternate director to Mr. MICHALSKI and Mr. SODERSTROM) and independent non-executive directors, namely Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai.*