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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)

ANNOUNCEMENT

The Board is pleased to announce that on 27 August 2010, the Company, Cathay Capital Holdings II and Dynasty Fortune Fund, as subscribers, entered into the Indicative Term Sheet with the Management Shareholders in relation to the Subscribers' proposed subscription for such number of new shares of the Target Company representing approximately 77.78% of the entire issued share capital in the Target Company (as enlarged by the Proposed Subscription). Upon completion of the Proposed Subscription, the Target Company will be owned as to 38.89% by the Company, 16.67% by Cathay Capital Holdings II, 22.22% by Dynasty Fortune Fund and the remaining 22.22% by the Management Shareholders.

It is expected that as soon as practicable after the execution of the Indicative Term Sheet, the Target Company will carry out the Restructuring, upon completion of which a company will be established in the PRC. This company will be the operating subsidiary of the Target Group and will be engaged in the production and distribution of sanitary napkins and disposable diapers in the PRC by taking over the existing business operations currently controlled by the Management Shareholders, which has a track record of over 15 years and produces and distributes its own branded products.

The maximum subscription price payable by the Company, which will be subject to adjustment based on the performance of the Target Group, is HK\$70,000,000.

The Proposed Subscription may or may not proceed and the details of the terms of the Proposed Subscription will be further discussed and agreed between the parties to the Indicative Term Sheet. In the event that a definitive and binding subscription and shareholders' agreement materialises, the transaction contemplated thereunder may constitute a notifiable and connected transaction for the Company under the Listing Rules and further announcements will be made by the Company in accordance with the Listing Rules.

As the Proposed Subscription may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

INDICATIVE TERM SHEET

The Board is pleased to announce that on 27 August 2010, the Company, Cathay Capital Holdings II and Dynasty Fortune Fund, as subscribers, entered into the Indicative Term Sheet with the Management Shareholders in relation to the Subscribers' proposed subscription for such number of new shares of the Target Company representing approximately 77.78% of the entire issued share capital in the Target Company (as enlarged by the Proposed Subscription). Upon completion of the Proposed Subscription, the Target Company will be owned as to 38.89% by the Company, 16.67% by Cathay Capital Holdings II, 22.22% by Dynasty Fortune Fund and the remaining 22.22% by the Management Shareholders.

Parties

1. The Company.
2. Cathay Capital Holdings II, a private equity fund and a limited partnership, and an Independent Third Party.
3. Dynasty Fortune Fund, a private equity fund and a limited partnership. As the general partner of Dynasty Fortune Fund is owned as to 50% by a company which in turn is owned as to 73.68% by Mr. Li Chao Wang, the chairman and executive director of the Company, Dynasty Fortune Fund is a connected person of the Company.
4. The Management Shareholders, Independent Third Parties

Subscription price

The aggregate maximum amount of subscription price payable by the Subscribers is HK\$140,000,000 and the maximum amount payable by each Subscriber is expected to be as follows:

1. the Company, HK\$70,000,000;
2. Cathay Capital Holdings II, HK\$30,000,000; and
3. Dynasty Fortune Fund, HK\$40,000,000.

The subscription price will be subject to adjustment based on the performance of the Target Group.

OPTION TO PURCHASE FURTHER SHARES

Dynasty Fortune Fund has undertaken to the Company that upon execution of a definitive and binding subscription and shareholders' agreement in respect of the Proposed Subscription, Dynasty Fortune Fund will irrevocably and unconditionally grant to the Company an option to purchase from Dynasty Fortune Fund shares of the Target Company such that the Company's shareholdings in the Target Company will increase to over 50% of the entire issued share capital of the Target Company. The exercise period for the option will be within 2 years from the date of completion of the Proposed Subscription and the exercise of the option will be at the sole discretion of the Company. The amount of consideration payable by the Company to Dynasty Fortune Fund will be calculated based on a pre-determined formula to be agreed between the Company and Dynasty Fortune Fund.

INFORMATION OF THE TARGET GROUP AND THE RESTRUCTURING

The Target Company is an investment holding company. It is expected that as soon as practicable after the execution of the Indicative Term Sheet, the Target Company will carry out the Restructuring, upon completion of which a company will be established in the PRC. This company will be the operating subsidiary of the Target Group and will be engaged in the production and distribution of sanitary napkin and disposable diapers in the PRC by taking over the existing business operations currently controlled by the Management Shareholders, which has a track record of over 15 years and produces and distributes its own branded products.

GENERAL

The Proposed Subscription may or may not proceed and the details of the terms of the Proposed Subscription and the option to be granted by Dynasty Fortune Fund to the Company will be further discussed and agreed between the parties to the Indicative Term Sheet. In the event that a definitive and binding subscription and shareholders' agreement materialises, the transaction contemplated thereunder may constitute a notifiable and connected transaction for the Company under the Listing Rules and further announcements will be made by the Company in accordance with the Listing Rules.

As the Proposed Subscription may or may not proceed, shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

“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)
“Indicative Term Sheet”	a non-legally binding indicative term sheet dated 27 August 2010 made between the Subscribers and the Management Shareholders in relation to the Proposed Subscription
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Management Shareholders”	the existing shareholders of the Target Company
“PRC”	the People’s Republic of China
“Proposed Subscription”	the proposed subscription by the Subscribers of such number of new shares of the Target Company representing approximately 77.78% of the entire equity interest of the Target Company (as enlarged by the Proposed Subscription)
“Restructuring”	the corporate restructuring to be carried out by the Target Company, the plan of which will be agreed upon by the parties to the Indicative Term Sheet
“Subscribers”	the Company, Cathay Capital Holdings II and Dynasty Fortune Fund
“Target Company”	a company incorporated under the laws of the British Virgin Islands on 2 July 2009
“Target Group”	the Target Company and its subsidiaries
“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, 27 August 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.