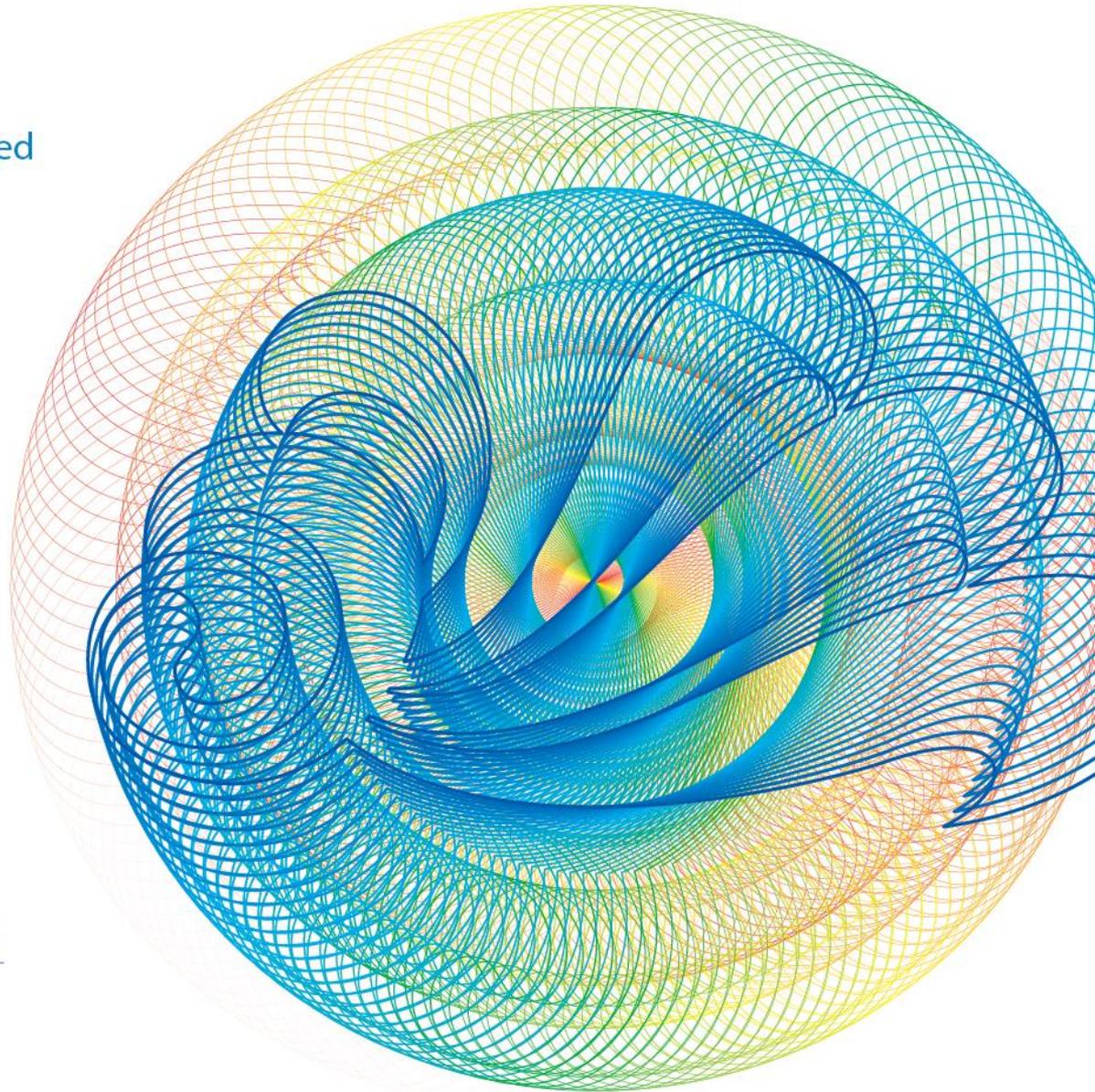




Vinda International Holdings Limited

(incorporated in the Cayman Islands with limited liability) Stock Code: 3331

Annual Results Announcement 2012



Healthy Lifestyle Starts from

VINDA

Disclaimer

Information contained in our presentation is intended solely for your personal reference and is strictly confidential. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the company and/or its business. We make no representation or warranty, express or implied, regarding, and assumes no responsibility or liability for, the fairness, accuracy, correctness or completeness of, or any errors or omissions in, any information or opinions contained herein.

In addition, the information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.

This presentation does not constitute an offer or invitation to purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.

Company Representatives

Mr. Li Chao Wang

Chairman

Ms. Zhang Dong Fang, Donna

Chief Executive Officer

Mr. Tsang Zee Ho, Paul

Chief Financial Officer

I. Results Highlights

II. Financial Highlights

III. Business Review

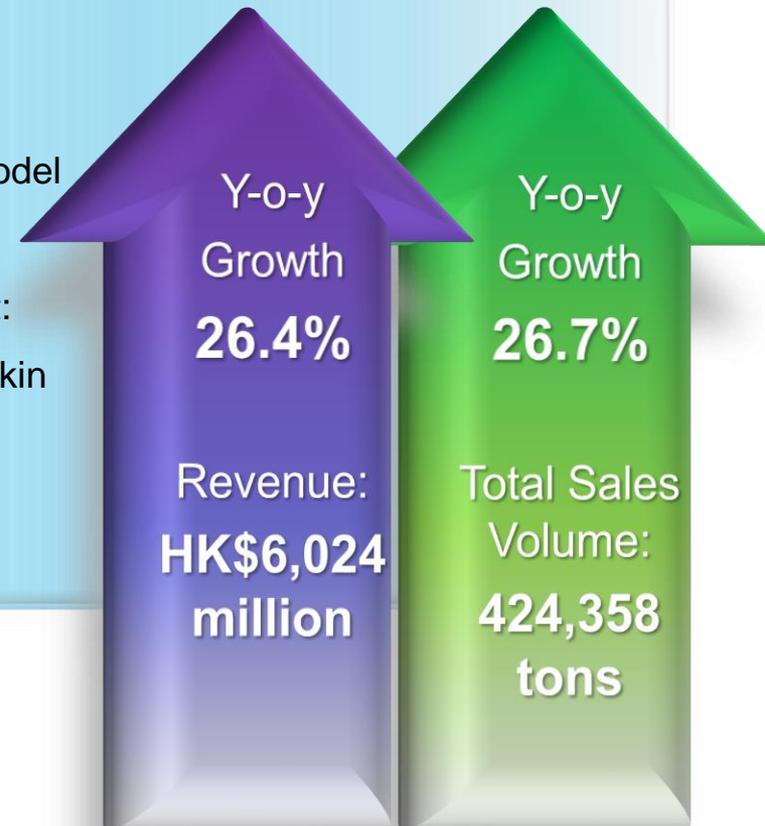
IV. Future Outlook

V. Q&A



Key Achievements

- Remarkable financial performance:
 - Revenue grew at a CAGR of 27.7% from 2007 to HK\$6,024m in 2012
 - Net profit expanded at a CAGR of 46.9% from 2007 to HK\$536.6m in 2012
- 2012 was the year for “Technology Gearing Up”:
 - Opened a new production base in Southern China
 - Innovation upgrade with new paper-making machinery model
 - Warehouse system upgrade
- Satisfactory progress in personal care business development:
 - Completed product development of feminine sanitary napkin
 - Achieved satisfactory sales performance in baby diapers
- Recognition from consumers, industry and capital market



I. Results Highlights

II. Financial Highlights

III. Business Review

IV. Future Outlook

V. Q&A



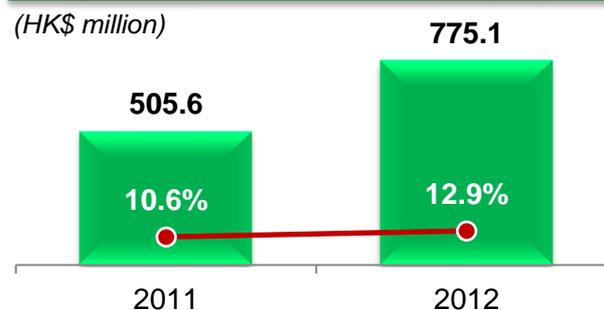
Financial Performance

<i>(HK\$ million)</i>	<i>For the year ended 31 December</i>		
	2012	2011	Change
Revenue	6,024.0	4,765.3	↑ 26.4%
Cost of sales	(4,169.1)	(3,468.8)	↑ 20.2%
Gross profit	1,854.9	1,296.5	↑ 43.1%
Operating profit	775.1	505.6	↑ 53.3%
EBITDA	959.4	663.4	↑ 44.6%
Profit before income tax	718.5	521.9	↑ 37.7%
Profit attributable to equity holders of the Company	536.6	405.7	↑ 32.3%
Basic earnings per share (HK cents)	54.6	43.3	↑ 26.1%
Dividend per share (HK cents)	15.6	12.0	↑ 30.0%

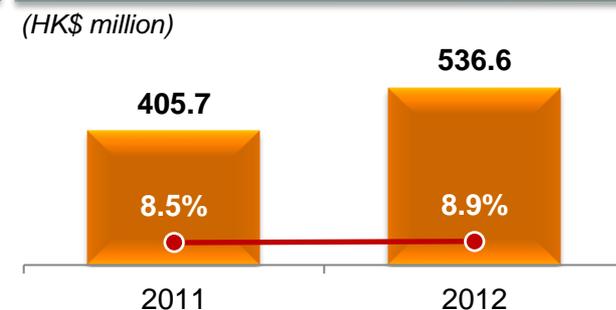
Gross Profit and Margin



Operating Profit and Margin



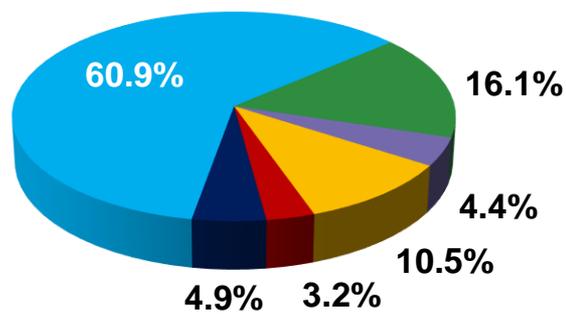
Net Profit and Margin



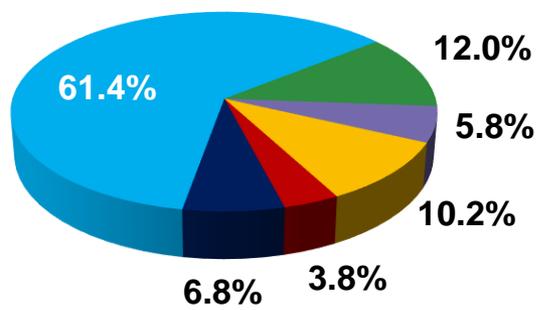
Strong Growth Across All Products

(HK\$ million)	For the year ended 31 December		
	2012	2011	Change
Toilet roll	3,670.7	2,926.5	↑ 25.4%
Softpack	971.0	571.0	↑ 70.1%
Box tissue	266.4	277.9	↓ 4.1%
Hanky	633.5	485.1	↑ 30.6%
Paper napkin	194.9	182.2	↑ 7.0%
Others	287.5	322.6	↓ 10.9%

Product Mix % of Sales



2012



2011

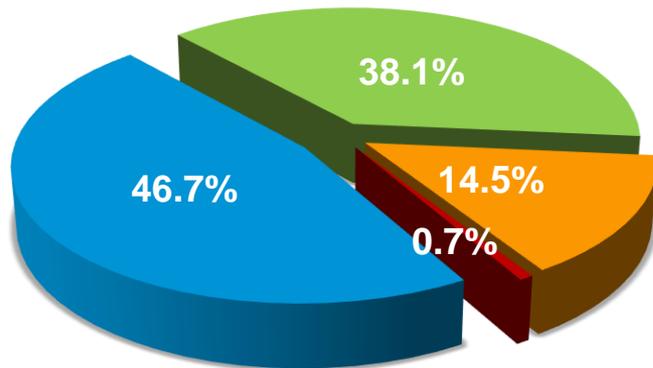


- Revenue of the key growth driver, Softpack, surged 70.1% yoy.
- ASP was approx. HK\$14,200 per ton.

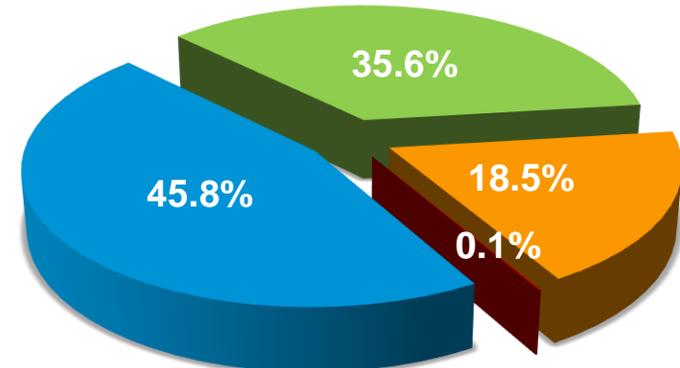
Diversification of Distribution Channels

Revenue by Distribution Channels

2012



2011



- Traditional channels (i.e. Distributors)
- Modern channels (i.e. Hypermarkets, Supermarkets)
- B2B (i.e. Corporate clients)
- E-commerce

- Modern channel enjoyed robust growth boosted by accelerating urbanization.
- Established long-term relationship with large online B2C corporation.

Cost of Sales Overview

As a % of sales (HK\$ million)	For the year ended 31 December		
	2012	2011	Change
Pulp	40.9%	46.2%	↓ 5.3 p.pt
Packaging	9.7%	9.3%	↑ 0.4 p.pt
Chemicals	1.1%	1.0%	↑ 0.1 p.pt
Water & electricity	8.2%	8.0%	↑ 0.1 p.pt
Labour	4.0%	3.4%	↑ 0.6 p.pt
Depreciation	2.9%	2.9%	–
Others	2.4%	2.0%	↑ 0.4 p.pt
TOTAL COGS	69.2%	72.8%	↓ 3.6 p.pt

- Sourced approx. 40,000 tons of jumbo rolls from external parties in 2012 which inflated the COGS.

As a % of COS

Pulp
59.1%

Chemicals
1.6%

Labour cost
5.8%

Others
3.5%



Packaging 14.0% Water & electricity 11.8% Depreciation 4.2%

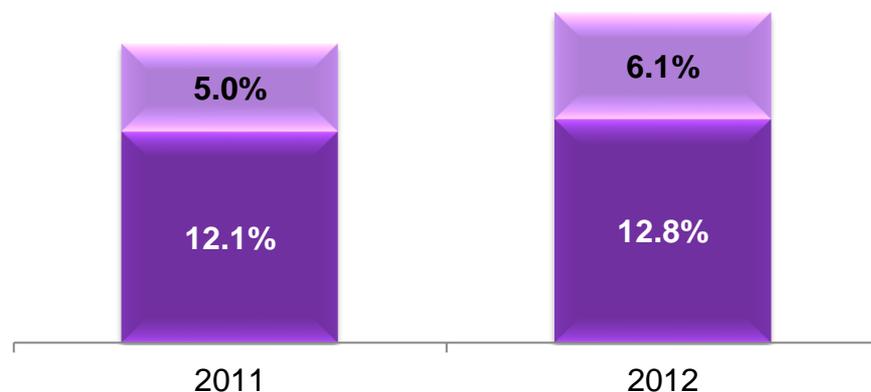
Gross Margin Overview

	<i>For the year ended 31 December</i>		
	2012	2011	Change
Toilet roll	29.8%	26.8%	 3.0 p.pt
Softpack	32.5%	26.4%	 6.1 p.pt
Box tissue	32.9%	29.5%	 3.4 p.pt
Hanky	33.3%	30.5%	 2.8 p.pt
Paper napkin	28.6%	23.4%	 5.2 p.pt
Others	31.8%	27.1%	 4.7 p.pt
OVERALL	30.8%	27.2%	 3.6 p.pt

- Gross profit margin expanded 3.6 percentage points amidst fierce competition, mainly due to:
 - Lower pulp price in 2012 as compared to 2011 as a consequence of weakening demand for wood pulp in Europe and the United States. Smart-buy tactics meant the Group increases the procurement volume when prices hit a relatively low level.
 - Strong brand power assured customer loyalty, so that ASP leveled yoy.

Operating Expenditure

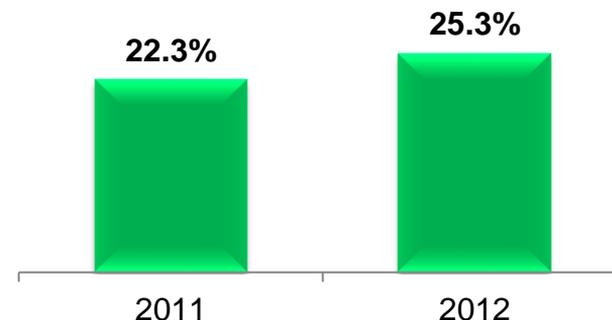
Operating Expenditure as % of Sales



✦ Administrative expenses ✦ Selling & marketing expenses

- Administrative expenses as a % of sales was 6.1%, which included
 - Had granted 16,771,000 share options in May, respective cost of grant amounted to HK\$45.8m in 2012.
 - Rental fee of Sanjiang Plant was HK\$13m.
 - Excluding these, administrative expense as a % of sales for the year was 5.1%.
- Selling and marketing expenses as a % of sales was 12.8%:
 - Selling expense: more promotion in 2H to gain market share
 - Marketing expense: up by 0.4 p.p. due to new launch of “Ultra Strong” series.
 - Logistics cost: up by 0.1 p.p. due to re-allocation of stocks.
 - HR expenses: up by 0.2 p.p. due to increased numbers of employees.

Effective Tax Rate



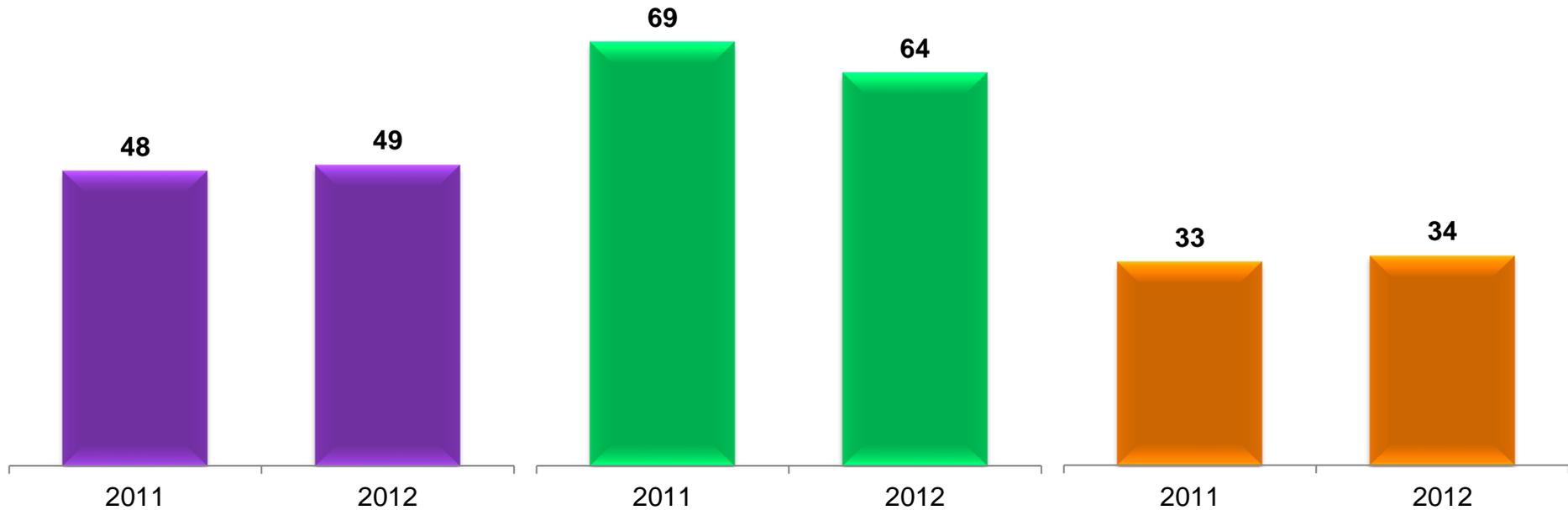
- Effective tax rate was 25.3%:
 - Certain financial expenses and share option cost are only partly tax-deductible.

Working Capital Management

Receivable Turnover Days

Payable Turnover Days

Finished Goods Turnover Days



- Maintained good working capital management. As a result, receivable turnover days, payable turnover days and finished goods turnover days all stood at a healthy level.

Key Leverage Indicators

<i>(HK\$ million)</i>	2012 As at 31 Dec	2012 As at 30 Jun
Short-term debt	1,218.9	1,171.7
Long-term debt	850.3	994.2
Total debt	2,069.2	2,165.9
Cash and cash equivalents	753.6	1,335.8
Net gearing ratio* (%)	31.8	21.5
EBIT/interest (times)	12.8	12.3

- Solid financial resources for capital expansion and potential investment plans.
 - Successfully concluded a syndicated loan of HK\$1 billion in Mar 2013.
 - Raised approx. HK\$470 million of net proceeds via placing 42,000,000 of shares in Apr 2012.
 - As at 31 December 2012, unutilized credit facilities amounted to approximately HK\$4.38 billion.
- Adopted a prudent and consistent financing policy.
 - Net gearing ratio was 31.8%.
 - Nearly 90% of total borrowings were denominated in HKD and USD.

*Calculation of net gearing ratio: Total borrowings less bank balances and cash and restricted deposits / total shareholders' equity

I. Results Highlights

II. Financial Highlights

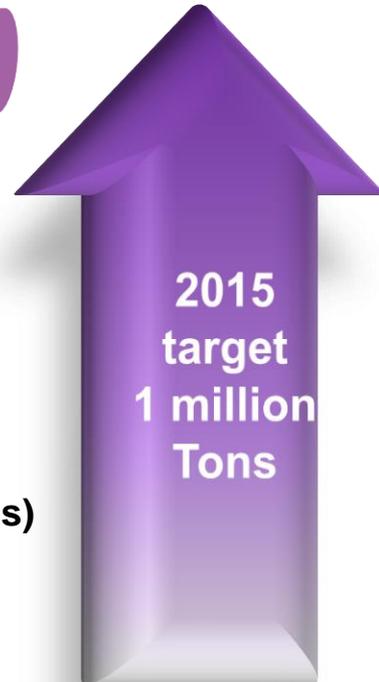
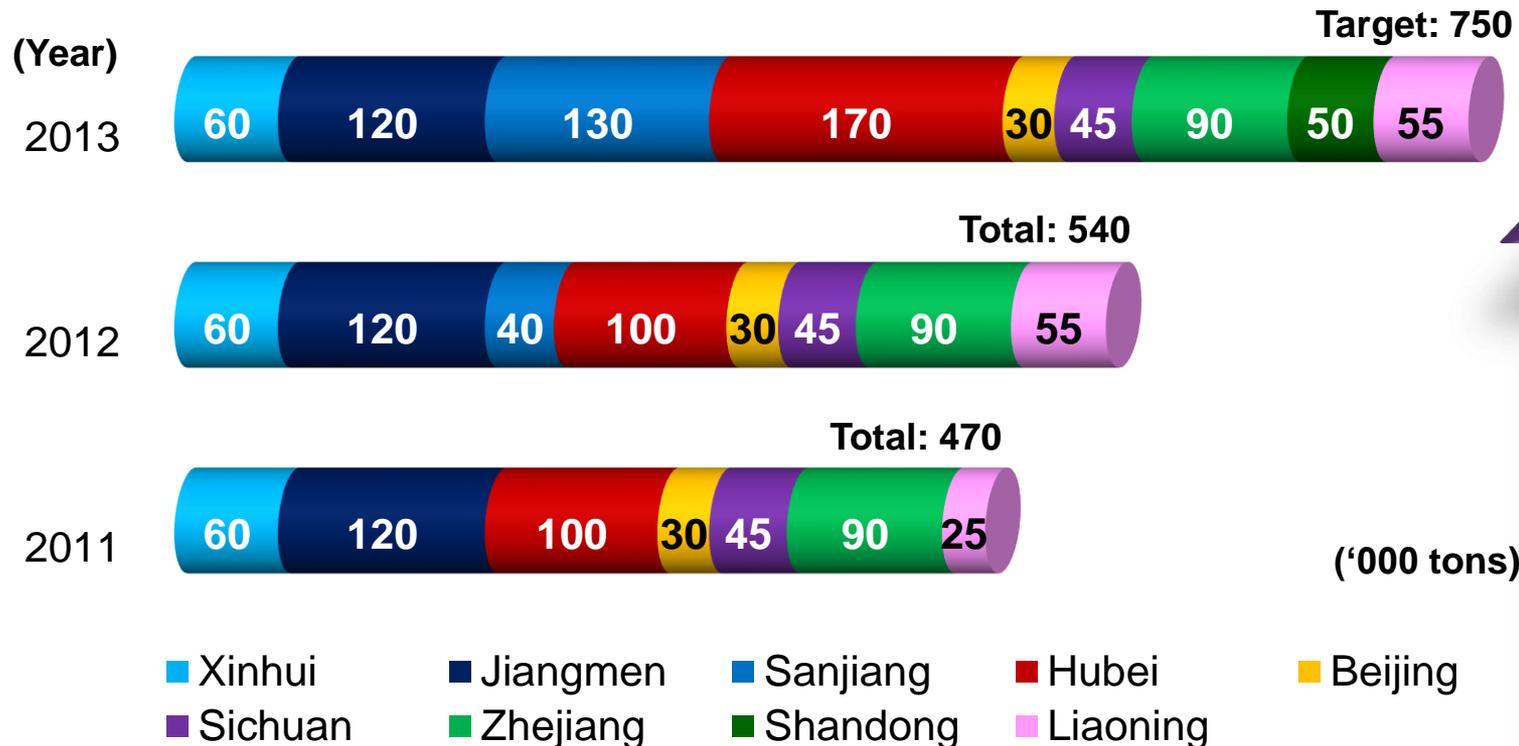
III. Business Review

IV. Future Outlook

V. Q&A



Annual Designed Production Capacity



- Sourced approx. 40,000 tons of jumbo roll from external parties in 2012.
- Annual designed production capacity:
 - Reached 540,000 tons as of 31 Dec 2012
 - Reached 620,000 tons as of 31 Jan 2013
 - Expected to reach 750,000 tons by end of 2013

FY2013 Geographical Coverage

★ Manufacturing Bases

Northern China
Beijing
30,000 tons

Northeast China
Liaoning (Anshan)
55,000 tons

Western China
Sichuan (Deyang)
45,000 tons

Eastern China
Shandong (Laiwu),
Zhejiang (Longyou)
140,000 tons

Central China
Hubei (Xiaogan)
170,000 tons

Eastern China
Zhejiang (Hangzhou)
OEM site for sanitary
napkin

Central China
Hubei (Xiaogan)
Baby diaper
production plant

Southern China
Guangdong
(Sanjiang, Jiangmen, Xinhui)
310,000 tons

- Proactively enhancing production capability and logistic facilities:
 - Installed numerous Crescent Form Model paper-making machineries from Italy to enhance product innovation; whilst further upgrading product quality, enhancing efficiency and reducing energy consumption
 - Introduced a fully automated warehousing system in the Sanjiang Plant in Southern China as a testing pilot, and later in other production bases countrywide

Sales & Marketing Strategy

Strategies

- Adhere to brand-driven sales.
- Solidified leading position of toilet roll; whilst promoting softpack as a market share driver.
- Step up effort in promotion of wet wipes.
- Expand POS and tightened control of sales channels.

Achievement

- Gained 2 percentage points of market share* as compared to 2011.
- “Ultra Strong” series successfully enhanced brand awareness, loyalty and drove sales.
- Established our own production plant for wet wipes.
- “Ice-age 4” animation licensing attracted young family cluster.
- 182 sales offices (31 December 2011: 155) and 1,374 distributors (31 December 2011: 1,174).

Source: Nielson



Vinda International Holdings Limited



Personal Care Business – Baby Care

- Brand: “Babifit”.
- Target: mid-to-high end segments.
- 3 advanced production lines in Hubei.
- 54 SKUs available for sales.
- Seasoned and dedicated sales & marketing team.
- Achieved satisfactory sales performance of RMB54 million in 2012.



Personal Care Business – Feminine Care

- Brand: “VIA”.
- Target: mid-to-high end segments.
- 15 SKUs available for sales.
- An in-house dedicated marketing team is being set up.
- Commenced business by outsourcing production initially.
- Soft-launched in Jan 2013.



Improved Operational Efficiency & Green Management



- Established “Vinda Environmental Conservation Scholarship” with the Chinese University of Hong Kong.

- Remain committed to the central government’s carbon reduction policy and collaborated only with raw wood pulp suppliers certified by major international forest certification systems.

- Effectively cut emissions of sulfur dioxide with advanced filters, and improved water recycle rate from 80% last year to over 90%.

- Obtained 20 new utility model patents and 5 innovation patent

I. Results Highlights

II. Financial Highlights

III. Business Review

IV. Future Outlook

V. Q&A



Outlook of Operating Environment

Challenges

Global economies remain uncertain while China facing a slowdown in consumer spending.

Macro-economic Environment

Opportunities

China's domestic demand is to grow rapidly in the long run along accelerating urbanization supported by the Central Government.

Keen competition arising from more market players and peers' aggressive production capacity expansion plans.

Industry Environment

- Consumers prefer strong brand name with high product quality.
- Enterprises with high efficiency are to stand out from competition.
- Industry attaches high importance to environmental protection.

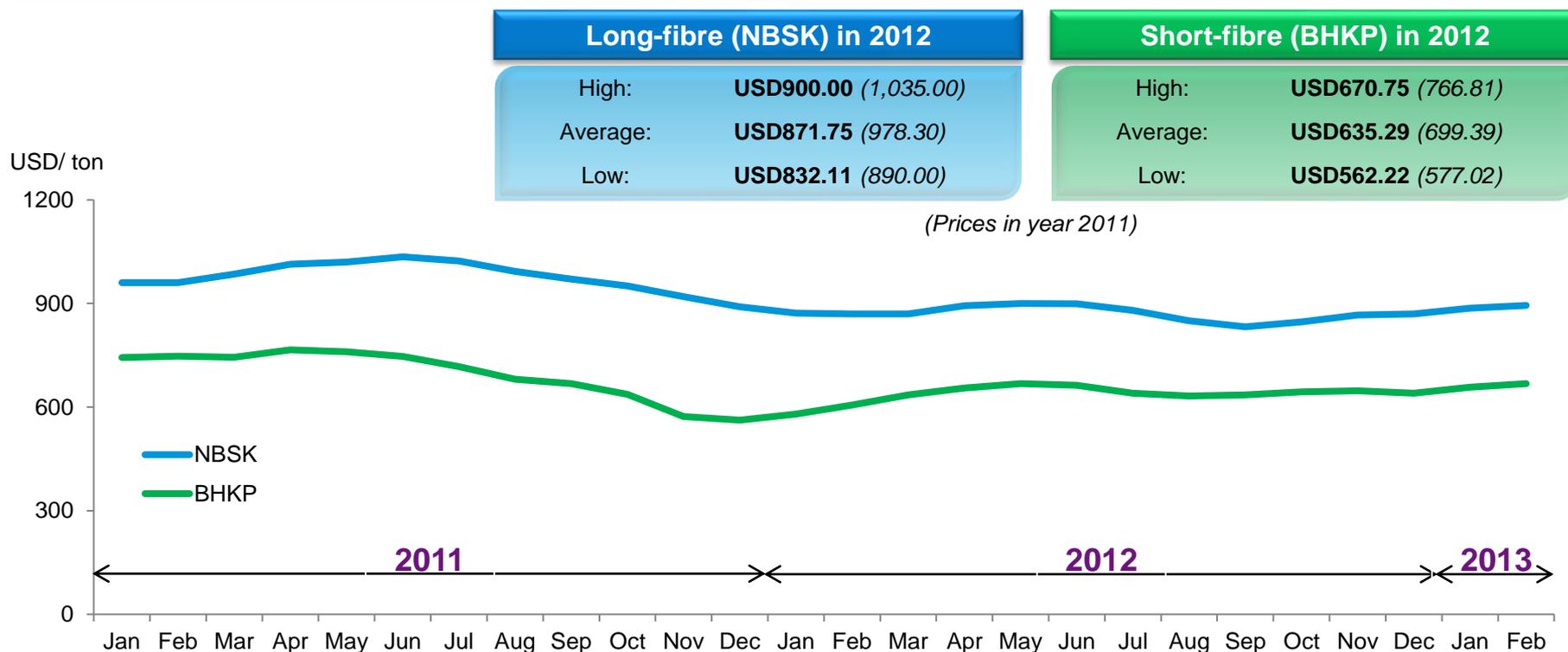
Pulp price is expected to be volatile before stabilizing in the later of 2013.

Wood Pulp Price Trend

Scalable players are able to take advantages in terms of economies of scale and procurement etc.

Strategies in Response to Wood Pulp Prices

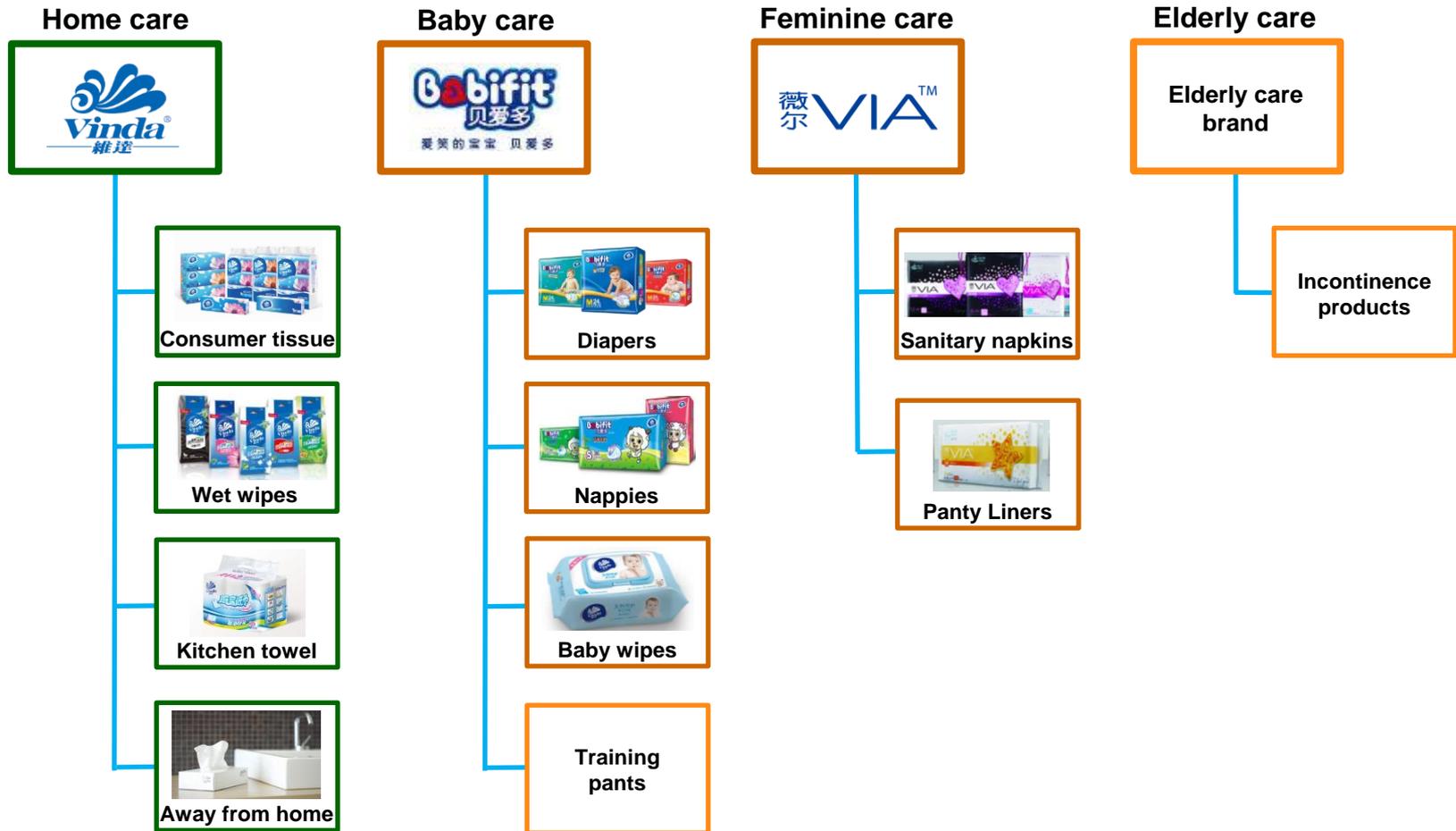
- Explored various sources of wood pulp supply, thereby increasing procurement flexibility while ensuring quality.
- Strengthen relationship with major suppliers.
- Lock in procurement cost by piling up more inventory when the price was at a lower level.



Source: Bloomberg

To Become Consumers' First Choice

Being disposable hygiene provider
Diversification into 4 brands covering 4 different care-segments



Q&A

