

**VINDA INTERNATIONAL HOLDINGS LTD:  
THIS COMPANY COULD, WELL, GO CAP IN HAND,  
LOOKING FOR MORE MONEY, VERY SOON**

It seems to be the fad, these days: When a company, doing business in the People's Republic of China (PRC), comes to the Hongkong Special Administrative Region (HKSAR) of the PRC, pitching an Initial Public Offering (IPO) on The Stock Exchange of Hongkong Ltd, its Turnovers and Bottom Lines have just exploded to record levels over the previous 3 Financial Years.

In the case of Vinda International Holdings Ltd, a manufacturer of paper products, all of which are sold in the PRC, for the 36 months, ended December 31, 2006, its Turnovers had risen by about 87.08 percent, from the 2004-figure of about \$HK725.97 million to the 2006-figure of about \$HK1.36 billion, while its Net Profit Attributable to Shareholders had risen from the 2004, Financial Year's figure of about \$HK45.17 million to the 2006-Year's figure of about \$HK106.81 million.

**TARGET** () is not questioning the accuracy of the above statistics, but merely remarking how propitious it has been for the gains to come just when the Company determines to tap the money market of the HKSAR.

For a company of this ilk to be able to achieve such a 36-month, growth record is remarkable, however, one has to ponder whether or not there can be a repeat performance in the coming 36 months.

**TARGET** doubts it.

**The Flotation**

Vinda International Holdings went public on the Main Board of The Stock Exchange of Hongkong Ltd on June 26, 2007, when it unleashed its Global Offering Prospectus, Offering 300.57 million, 10-cent Shares at the price of between \$HK3.18 per Share and \$HK3.68 per Share.

After counting the applications for Shares of this Company, the price was set at the high-water mark of \$HK3.68 per Share; the Company netted about \$HK709.90 million.

Management stated, at Page 177 of the Prospectus, that it wanted to raise money for the following purposes:

1. About \$HK144.70 million in order to construct new manufacturing facilities;
2. About \$HK254.30 million in order to acquire new, paper-making machines;
3. About \$HK127.40 million in order to acquire processing machines and related facilities;
4. About \$HK137.50 million in order to retire some bank debt; and,
5. About \$HK46.00 million to be used as Working Capital.

The business of Vinda International Holdings is manufacturing facial tissue paper products, toilet paper, paper handkerchiefs, and paper napkins.

However, sales of toilet paper bring in the most money, followed by sales of paper handkerchiefs.

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