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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)

(Financial Adviser to the Company)



MAJOR AND CONNECTED TRANSACTIONS EXEMPTED CONNECTED TRANSACTIONS POSSIBLE EXEMPTED CONTINUING CONNECTED TRANSACTIONS

A. SALE AND PURCHASE AGREEMENT

On 28 October 2015, the Company as purchaser and SCA Group as vendor entered into the Sale and Purchase Agreement in relation to the sale and purchase of (1) the entire issued share capital in SCA Korea; (2) the entire issued share capital in SCA Taiwan; and (3) the entire issued share capital in SCA Malaysia, for an initial consideration of HK\$2,800,000,000 which will be settled partly by cash, partly by the Company's issue of the Convertible Note and partly by the Company's issue of the Consideration Shares at Completion.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Sale and Purchase Agreement is higher than 25% but below 100%, they will constitute major transactions of the Company and are subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SCA Group is the Controlling Shareholder of the Company and a Connected Person of the Company. As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Sale and Purchase Agreement exceeds 5% and the total consideration exceeds HK\$3,000,000, the transactions will therefore constitute non-exempted connected transactions of the Company under Chapter 14A of the Listing Rules which are subject to the reporting, announcement and independent shareholders' approval requirements under Rules 14A of the Listing Rules.

B. LICENCE AGREEMENT

On 28 October 2015, as part of the transactions contemplated under the Sale and Purchase Agreement, the Licence Agreement was entered into between SCA Hygiene AB as licensor and the Company as licensee.

The Licence Agreement is conditional and becomes effective upon Completion.

As the transactions contemplated under the Licence Agreement are continuing in nature, they will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to the terms of the Licence Agreement, all the transactions will be conducted on a royalty-free and licence fee-free basis for the first nine years commencing from the Completion Date. As such, the continuing connected transactions contemplated under the Licence Agreement are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

C. PROPOSED COMMERCIAL LOAN FROM SHAREHOLDER

At or prior to Completion, the Company and AB SCA Finans (publ), a wholly-owned subsidiary of SCA and hence a Connected Person of the Company, will enter into the Commercial Loan from Shareholder Agreement, the entire proceeds from which will be used to settle part of the purchase price of the Sale Shares and will be advanced to the Company at Completion. Since the grant of the Commercial Loan from Shareholder will be conducted on normal commercial terms and will not be secured by the assets of the Group, it will constitute financial assistance from a Connected Person under Chapter 14A of the Listing Rules which is exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

GENERAL

A circular containing, among other things, details of the Sale and Purchase Agreement, the advice from an independent financial adviser, the recommendation from the Independent Board Committee and the notice convening the EGM together with the proxy form and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 November 2015 as the Company will require more than 15 business days (as defined under the Listing Rules) to prepare the relevant information to be included in the circular, in particular the financial information of the Target Companies.

Completion of the transactions contemplated under the Sale and Purchase Agreement is conditional upon the satisfaction of the conditions set out in the section headed “Conditions precedent” in this announcement, including the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM. Accordingly, the transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

REASONS FOR AND BENEFITS OF THE SALE AND PURCHASE AGREEMENT, AND LICENCE AGREEMENT

The Group is principally engaged in the manufacturing and sale of household consumable paper products and personal care products in the PRC, Hong Kong and Macau, and its principal products include toilet paper, paper handkerchiefs, facial tissue paper, paper napkins, baby diapers, incontinence products and feminine care products.

SCA Group is a leading global hygiene and forest products company which develops and produces sustainable personal care, tissue and forest products. SCA Group conducts sales in about 100 countries under many strong brands and its parent company is listed on NASDAQ OMX Stockholm.

The acquisition of the Target Companies from SCA Group will result in the transformation of the Company into a leading Pan-Asian personal hygiene company.

It has always been the Group’s intention to diversify and expand its business into the markets in Asia and to expand its products range and brands offered, with a long-term vision to become the most preferred personal hygiene products company in Asia. In September 2014, the Group acquired the Hong Kong, Macau and PRC operations of SCA Group and thereby (i) expanded the Group’s business and strengthened the Group’s position in the consumable paper product markets in Asia; and (ii) expanded the Group’s business into various key personal care product markets, such as baby care, incontinence care and feminine care. Through completing the transactions contemplated under the Sale and Purchase Agreement, the Group will further expand its business into the markets in Asia including Korea, Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, East Timor and Brunei and further strengthen its strategic relationship with SCA Group. As part of the transaction, the Group will receive ongoing cost-free support from SCA Group in the areas of technology, product development and branding. The complementary operations and geographies of the Company and SCA Group in Asia create multiple areas of potential synergy for such acquisition.

In terms of revenue synergies, it grants immediate access to a Pan-Asian distribution network for the Company’s tissue products and also integrates SCA Group’s personal care products provided by the Target Companies in Asia into the Company’s channels. This is expected to improve net sales and trading term efficiency.

In terms of cost synergies, savings on costs are expected through the transfer of local expertise, the sharing of best practice, integration of operating principles and overall financial management, as well as optimization of infrastructure of central support services, such as sales and marketing. The Company can leverage on SCA Group’s strong distribution and

logistics platform across the Territory, and improve efficiencies in overlapping regions. With enlarged scale and stronger bargaining power, lower sourcing and manufacturing costs are expected.

A. THE SALE AND PURCHASE AGREEMENT — MAJOR AND CONNECTED TRANSACTIONS

Date

28 October 2015 (after trading hours)

Parties

- (1) the Company as purchaser; and
- (2) SCA Group as vendor.

Assets to be acquired

The Sale Shares comprise all those issued shares of SCA Korea, SCA Taiwan and SCA Malaysia.

Upon Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company. Information on the Target Companies are set out in the paragraph headed “Information on the Target Companies” below.

Purchase price

The agreed debt and cash free value for the Sale Shares is HK\$2,800,000,000. The initial purchase price for the Sale Shares payable by the Company at Completion is the sum of HK\$2,800,000,000 less the Estimated Net Debt. The initial purchase price for the Sale Shares will be payable in the following manner (or such other manner as may be agreed between SCA Group and the Company) by the Group at Completion:

- (a) as to the sum of HK\$1,204,334,136, by allotting and issuing to SCA Group the Consideration Shares, free from any Encumbrance;
- (b) as to the sum of HK\$502,058,018, by issuing the Convertible Note to SCA Group; and
- (c) as to the sum of HK\$1,093,607,847 less the Estimated Net Debt, in cash by way of directing AB SCA Finans (publ) to pay such amount out of the proceeds of the Commercial Loan from Shareholder to SCA Group.

The initial purchase price for the Sale Shares will be adjusted such that the final purchase price will be determined by taking into account the surplus or the deficits (i) between the amount of actual net debt of the Target Companies at the Completion Date and the Estimated Net Debt; and (ii) between the amount of working capital of the Target Companies as at the Completion Date and the agreed aggregate amount of normalised working capital of the Target Companies at HK\$143,709,000. If there is any adjustment to the initial purchase price, the relevant party shall settle the same within 5 Business Days from the date when the final purchase price is determined or agreed among the parties.

The purchase price was determined after arm's length negotiations between the Company and SCA Group, after taking into account of, amongst others, the historical financial performance and future development potential of the Target Companies.

The cash portion of the purchase price will be funded by the proceeds of the Commercial Loan from Shareholders. The remaining portion of the purchase price will be satisfied in full by the issue of the Consideration Shares and the Convertible Note by the Company to SCA Group. The Consideration Shares will be issued to SCA Group at a price of HK\$15.868 per Share and the Convertible Note will be converted at an initial conversion price of HK\$15.868. The issue price of the Consideration Shares and the conversion price of the Convertible Note were determined after arm's length negotiations between the Company and SCA Group with reference to the average closing price of the Shares as quoted on the Stock Exchange on the last five trading days immediately prior to the date of the Sale and Purchase Agreement, which represents: (i) a discount of approximately 1.07% to the closing price of HK\$16.04 per Share as quoted on the Stock Exchange on the date of the Sale and Purchase Agreement, and (ii) equivalent to the average closing price of HK\$15.868 per Share as quoted on the Stock Exchange on the last five trading days immediately prior to the date of the Sale and Purchase Agreement. Particulars of the Consideration Shares and the Convertible Note are set out in the paragraphs headed "Consideration Shares" and "Convertible Note" below respectively.

Conditions precedent

Completion of the transactions contemplated under the Sale and Purchase Agreement is conditional upon the following conditions being fulfilled:

- (a) the approval by the Independent Shareholders of the Company at the EGM of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (b) all approvals, consents, authorisations and licences (so far as are necessary) in relation to the transactions contemplated under the Sale and Purchase Agreement having been obtained from the relevant governmental authorities; and
- (c) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in, the Consideration Shares (subject to the allotment and issue of the Consideration Shares) and Shares to be issued and allotted upon conversion of the Convertible Note.

If all the conditions have not been satisfied or waived by 5:00 p.m. on 31 March 2016 being the long stop date, or such other date as agreed between SCA Group and the Company in writing, the Sale and Purchase Agreement shall lapse and have no further effect (save to several clauses as provided under the Sale and Purchase Agreement).

Completion

Completion of the transactions under the Sale and Purchase Agreement will take place at the Hong Kong offices of the Company at 5:00 p.m. on the Completion Date or at such other place or time as may be agreed between SCA Group and the Company.

Consideration Shares

HK\$1,093,607,847 of the initial purchase price under the Sale and Purchase Agreement will be satisfied by the issue of the Consideration Shares by the Company to SCA Group on Completion.

The Board considers the issue price of HK\$15.868 of the Consideration Shares is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Consideration Shares represent approximately 7.60% of the issued share capital of the Company as at the date of this announcement and approximately 7.06% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares but not the Conversion Shares. The Consideration Shares shall be entitled to dividends, interim dividends or other distribution from the Completion Date.

The Consideration Shares when issued, will rank equally in all respects with the Shares in issue on the date of allotment and issuance, and free and clear of any pledges, liens, encumbrances and restrictions on transfer. The Consideration Shares will be issued under the General Mandate. Application will be made to the Stock Exchange for the listing of and permission to deal in the Consideration Shares.

Convertible Note

HK\$502,058,018 of the initial purchase price under the Sale and Purchase Agreement will be satisfied by the issue of the Convertible Note by the Company to SCA Group. The principal terms of the Convertible Note are as follows:

Issuer:	The Company
Principal amount:	HK\$502,058,018
Term:	From the date of issue of the Convertible Note until 31 December 2016
Interest:	The rate of interest on the Convertible Note shall be agreed between the Company and SCA Group prior to the issuance of the Convertible Note, on an arm's length basis as if the Convertible Note were an ordinary, non-convertible loan from SCA Group to the Company. Such interest shall be payable every 6 months.
Conversion Period:	Any time during the Term
Conversion Price:	HK\$15.868 per Share
Conversion Shares:	The outstanding principal amount of the Convertible Note is convertible into Convertible Shares based on the Conversion Price. The Conversion Shares will rank pari passu in all respect with all existing Shares in issue as at the date of conversion.

Based on the initial outstanding principal amount of the Convertible Note being HK\$502,058,018, and based on the initial Conversion Price being HK\$15.868 per Share, the Convertible Note is convertible into 31,639,653 new Conversion Shares.

Conversion Event: A Conversion Event occurs if after trading hours of any trading day in Hong Kong, the entire outstanding principal amount of the Convertible Note at that time can be converted into Conversion Shares without resulting in the percentage of issued share capital of the Company in the hands of the public shareholders being less than 25% (after taking into account the dilutive effect of the Conversion Shares).

Conversion: Upon the occurrence of a Conversion Event, the Company shall notify SCA Group in writing and SCA Group shall convert the entire outstanding principal amount of the Convertible Note held by it into Conversion Shares based on the Conversion Price applicable at the time.

For the avoidance of doubt, SCA Group shall not convert the Convertible Note into Conversion Shares if no Conversion Event has occurred.

Prepayment/early repayment: The Company shall not be entitled to prepay or early repay any portion of the Convertible Note during the term.

Redemption at maturity: Upon maturity of the Convertible Note, if the Convertible Note has not been converted into Conversion Shares, the Company shall redeem all the outstanding principal amount of the Convertible Note at par plus accrued interest on the last day of the Term.

Issuer shall have no right to redeem: During the term of the Convertible Note, the Company shall not have the right to redeem any portion of the Convertible Note at its election.

Transfer/assignment: SCA Group can freely transfer/assign the Convertible Note to its affiliates without the Company's prior consent.

The Board considers that the conversion price of the Convertible Note of HK\$15.868 is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming that the Convertible Notes are fully converted into Conversion Shares at the initial conversion price of HK\$15.868, a total of 31,639,653 Conversion Shares will be issued which represent approximately 3.17% of the issued share capital of the Company as at the date of this announcement and approximately 3.07% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares (but not the Consideration Shares).

The Conversion Shares will be issued under the General Mandate. Application will be made to the Stock Exchange for the listing of and permission to deal in the Conversion Shares.

Shareholding structure of the Company

Details of the shareholding structure of the Company (i) as at the date of this announcement, (ii) immediately after Completion and allotment and issuance of the Consideration Shares and (iii) immediately after allotment and issuance of the Consideration Shares and the Conversion Shares, assuming that there is no other change in the share capital of the Company are set out below:

Shareholders	As at the date of this announcement		Immediately after Completion and allotment and issuance of the Consideration Shares		Immediately after allotment and issuance of the Consideration Shares and the Conversion Shares	
	<i>No. of Shares</i>	<i>Approximately %</i>	<i>No of Shares</i>	<i>Approximately %</i>	<i>No of Shares</i>	<i>Approximately %</i>
SCA Group	513,200,425	51.37	589,097,459	54.80	620,737,112	56.09
Fu An International Company Limited <i>(note 1)</i>	216,341,581	21.65	216,341,581	20.13	216,341,581	19.55
Public Shareholders	<u>269,545,680</u>	<u>26.98</u>	<u>269,545,680</u>	<u>25.07</u>	<u>269,545,680</u>	<u>(note 2)</u>
Total	<u>999,087,686</u>	<u>100.00</u>	<u>1,074,984,720</u>	<u>100.00</u>	<u>1,106,624,373</u>	<u>100.00</u>

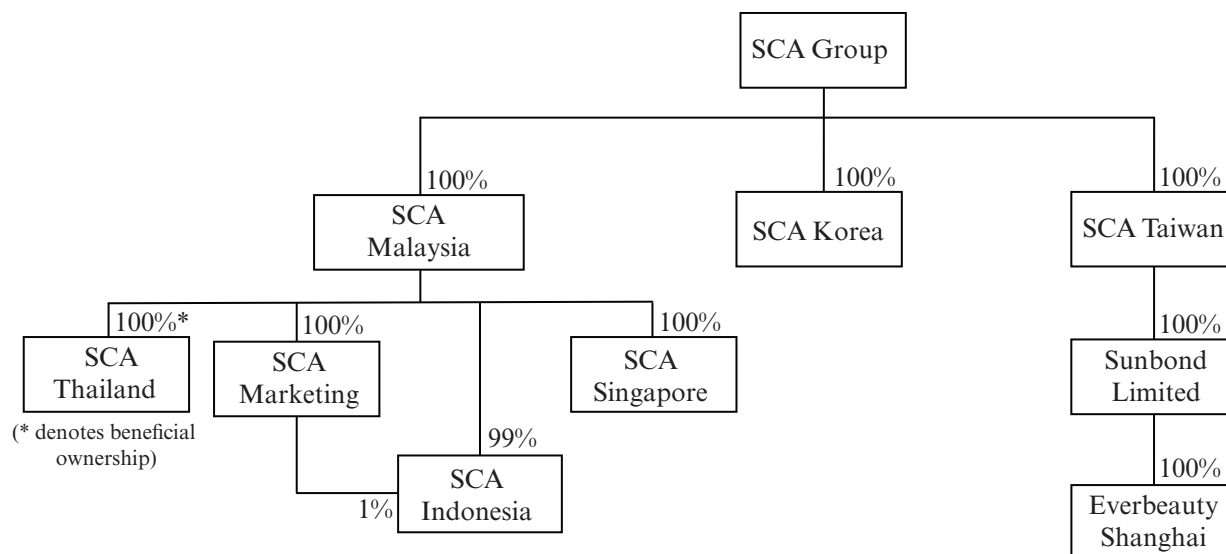
Notes:

- (1) Fu An International Company Limited is held as to 74.21% by Sentential Holdings Limited, 15.79% by Join Pride International Limited and 10.00% by Daminos Management Limited. The entire issued share capital of Sentential Holdings Limited is held by Li Chao Wang, the chairman and executive director of the Company. Under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Sentential Holdings Limited and Li Chao Wang are all deemed to be interested in the Shares held by Fu An International Company Limited.
- (2) For illustration purpose only. The Convertible Note will not be converted into Conversion Shares if after the Conversion Shares are issued, the percentage of the issued share capital of the Company in the hands of the public shareholders is less than 25%.

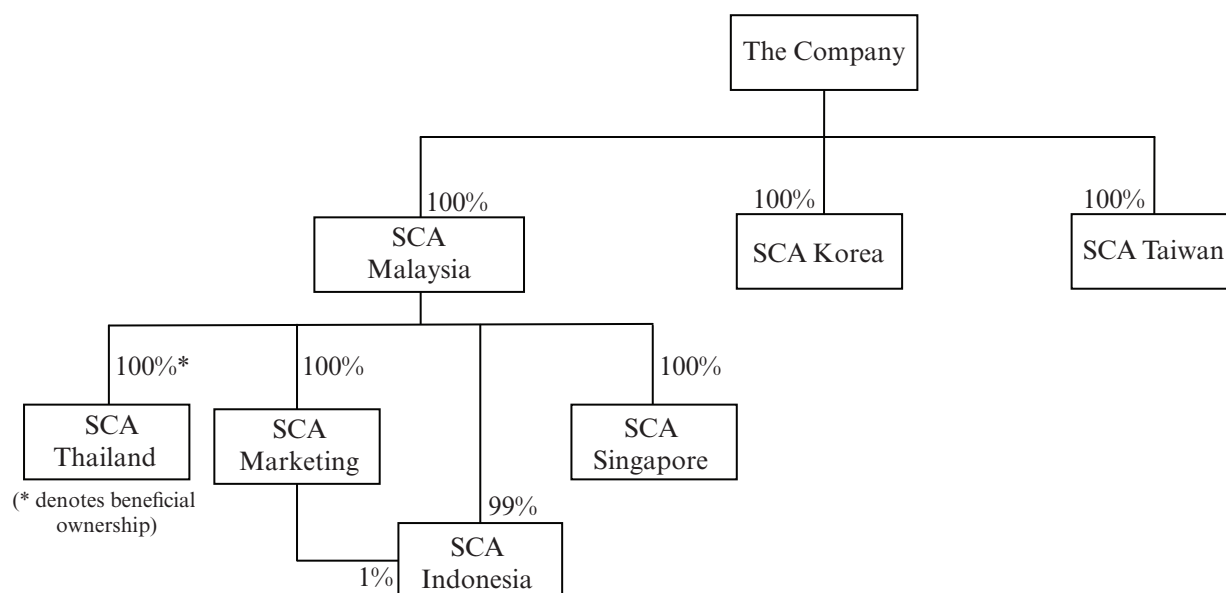
Information relating to the Target Companies

Corporate structure

The corporate structure as at the date of this announcement is as follows:



The corporate structure immediately after Completion is as follows:



SCA Malaysia and its subsidiaries

SCA Malaysia is a limited company incorporated by SCA Group under the laws of Malaysia and wholly-owned by SCA Group. SCA Malaysia is an investment holding company which owns (1) the entire equity interest of SCA Marketing; (2) the entire equity interest of SCA Singapore; (3) the entire equity interest of SCA Indonesia; and (4) the entire equity interest of SCA Thailand. SCA Marketing is a limited company incorporated under the laws of Malaysia and wholly-owned by SCA Malaysia and whose principal activity is manufacturing and sale of diapers, feminine hygiene and other related products. SCA Indonesia is a limited company incorporated under the laws of Indonesia and owned as to 99% by SCA Malaysia and 1% by SCA Marketing and whose principal activity is manufacturing and sale of baby diapers and other related products. SCA Singapore is a

limited company incorporated under the laws of Singapore and wholly-owned by SCA Malaysia and whose principal activity is manufacturing and sale of baby diapers, incontinence products and other personal care products. SCA Thailand is a limited company incorporated under the laws of Thailand and wholly-owned by SCA Malaysia.

Based on accounts audited under local GAAP, the consolidated audited net profit before taxation and loss after taxation of SCA Malaysia and its subsidiaries for the year ended 31 December 2013 was MYR4,160,645 and MYR3,174,344 respectively. The consolidated audited profit before and after taxation for the year ended 31 December 2014 was MYR33,902,526 and MYR23,391,431 respectively. As at 31 December 2014, the audited net asset value of SCA Malaysia and its subsidiaries was MYR151,276,319.

SCA Korea

SCA Korea is a limited company incorporated by SCA Group under the laws of Korea on 25 November 2009 and wholly-owned by SCA Group and whose principal activity is manufacturing and sale of baby diapers, incontinence products and other personal care products. Based on accounts audited under local GAAP, the audited loss before and after taxation of SCA Korea for the year ended 31 December 2013 was KRW1,918,748,470. The audited loss before and after taxation for the year ended 31 December 2014 was KRW915,151,504. As at 31 December 2014, the audited net liability value of SCA Korea was KRW4,329,564,620.

SCA Taiwan

SCA Taiwan is a limited company incorporated by SCA Group under the laws of Taiwan on 21 September 1986 and wholly-owned by SCA Group and whose principal activity is manufacturing and trading of diapers, feminine hygiene and other related products. Based on accounts audited under local GAAP, the audited profit before and after taxation of SCA Taiwan for the year ended 31 December 2013 was TWD223,417,000 and TWD158,890,000 respectively. The audited loss before and after taxation for the year ended 31 December 2014 was TWD447,409,000 and TWD486,055,000 respectively. Adjusting for the share of loss of Sunbond Limited, the unaudited net profit before and after taxation of SCA Taiwan for the year ended 31 December 2013 was TWD634,225,000 and TWD569,698,000 respectively, and the unaudited net profit before and after taxation of SCA Taiwan for the year ended 31 December 2014 was TWD168,397,000 and TWD129,751,000 respectively. As at 31 December 2014, the audited net asset value of SCA Taiwan was TWD1,073,769,000. Sunbond Limited and Everbeauty Shanghai will be disposed of by SCA Taiwan prior to Completion.

This financial information is included above in accordance with the Listing Rules. However, upon acquisition by the Group, a number of expenses will no longer be incurred on an ongoing basis by the Company. Further and more detailed financial information will be presented in a circular which is expected to be despatched to the Shareholders on or before 30 November 2015.

Implications of the Listing Rules

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Sale and Purchase Agreement is higher than 25% but below 100%, they will constitute major transactions of the Company and are subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

SCA Group is the Controlling Shareholder of the Company. As a result, SCA Group is a Connected Person of the Company. As one or more of the applicable percentage ratios in respect of the transactions under the Sale and Purchase Agreement exceeds 5% and the total consideration exceeds HK\$3,000,000, the transactions contemplated under the Sale and Purchase Agreement will therefore constitute connected transactions which are subject to the reporting, announcement and independent shareholders' approval requirements under Rules 14A of the Listing Rules.

B. LICENCE AGREEMENT — POSSIBLE EXEMPTED CONTINUING CONNECTED TRANSACTIONS

On 28 October 2015, as part of the transactions contemplated under the Sale and Purchase Agreement, the Licence Agreement was entered into and pursuant to which SCA Hygiene AB will grant to the Company a licence to use in the Territory and/or the Additional Territory (i) certain brands used by SCA Hygiene AB in relation to its personal care and tissue product business; and (ii) certain patents and technology and related intellectual property relating to the manufacture of personal care and tissue products.

The Licence Agreement is conditional and becomes effective upon Completion.

The following table summarises the Group's entitlement to certain intellectual property rights in the Territory upon the Licence Agreement becoming effective at Completion:

Brand name	Licensed Territory	Major products under the brand	Ownership of trademark	License to use the brand	License to use the relevant patents	License to use the relevant technology associated with the brand (Remarks)
Tempo	Territory	Consumer tissue products (including toilet paper, facial tissue and wet wipes)	No	Perpetual and exclusive, royalty-free	non-exclusive, licence fee free for first nine years	exclusive or non-exclusive, licence fee free for first nine years
Tork	Territory	Away from home products (tissue, object wipes, soap and product dispensers)	No	Perpetual (subject to Condition) and exclusive, royalty-free for first nine years	non-exclusive, royalty-free for first nine years	exclusive or non-exclusive, royalty-free for first nine years

Brand name	Licensed Territory	Major products under the brand	Ownership of trademark	License to use the brand	License to use the relevant patents	License to use the relevant technology associated with the brand (Remarks)
Tena	Territory	Incontinence care products	No	Perpetual (subject to Condition) and exclusive, royalty-free for first nine years	non-exclusive, royalty-free for first nine years	exclusive or non-exclusive, royalty-free for first nine years
Libresse	Territory	Feminine care products	No	Perpetual (subject to Condition) and exclusive, royalty-free for first nine years	non-exclusive, royalty-free for first nine years	exclusive or non-exclusive, royalty-free for first nine years
Libero	Territory	Baby diapers and baby care products	No	Perpetual (subject to Condition) and exclusive, royalty-free for first nine years	non-exclusive, royalty-free for first nine years	exclusive or non-exclusive, royalty-free for first nine years
Dr. P, Control Plus	Territory and Additional Territory	Incontinence care products	Yes	Not applicable	non-exclusive, licence fee free for first nine years	exclusive or non-exclusive, licence fee free for first nine years
Sealer	Territory and Additional Territory	Baby diapers products and baby care products	Yes	Not applicable	non-exclusive, licence fee free for first nine years	exclusive or non-exclusive, licence fee free for first nine years
Drypers, Drypantz, Drynights & Drysoft	Territory and Additional Territory	Baby diapers products and baby care products	Yes	Not applicable	non-exclusive, licence fee free for first nine years	exclusive or non-exclusive, licence fee free for first nine years
Prokids, EQ Dry, Hey Baby	Territory and Additional Territory	Baby diapers products and baby care products	Yes	Not applicable	non-exclusive, licence fee free for first nine years	exclusive or non-exclusive, licence fee free for first nine years

No licence fee shall be payable in respect of the licence for Dr. P, Sealer, Drypers, Prokids, EQ Dry, Hey Baby, Control Plus and Tempo during the first nine years from the Completion Date, and subject to a licence fee thereafter should the Company decide to continue such licence and the Company and SCA Hygiene AB agree to the amount of the licence fee payable by the Company. If the Company and SCA Hygiene AB fail to reach an agreement on the amount of the said licence fee, such licence shall continue to be valid and effective subject to conditions. The Licence Agreement shall supersede the existing (i) First Intellectual Property and Technology Licence Agreement and (ii) Second Intellectual Property and Technology Licence Agreement upon Completion of the Sale and Purchase Agreement, since the Licence Agreement has been extended to also cover the territories (HK, Macau and PRC) and brands as previously covered by the said two existing agreements.

Remarks: Under the Licence Agreement, the Company shall be granted the licence to use the technology know-how and product designs (a) on an exclusive basis to the extent SCA Hygiene AB has the right to grant the licence on an exclusive basis or (b) on a non-exclusive basis to the extent SCA Hygiene AB only has the right to grant the licence on a non-exclusive basis, in respect of TORK, TENA, Libresse, Libero, Dr. P, Sealer, Drypers, (including DRYPANTZ, DRYNIGHTS, DRYSOFT), Prokids, EQ Dry, Hey Baby, Control Plus and Tempo's branded products.

Implication under the Listing Rules

SCA Hygiene AB is a wholly-owned subsidiary of SCA Group, which is the Controlling Shareholder and a Connected Person of the Company. In the circumstances, SCA Hygiene AB is also a Connected Person of the Company and any transaction between SCA Hygiene AB and the Group will constitute a connected transaction of the Company.

Pursuant to Rule 14A.60 of the Listing Rules, if a listed issuer enters into an agreement for a fixed period with fixed terms for a continuing transaction, and the transaction subsequently becomes a continuing connected transaction, the listed issuer must, as soon as practicable after becoming aware of this fact, comply with the annual review and disclosure requirements including publishing an announcement and annual reporting if the listed issuer's group continues to conduct the transaction under the agreement; and when the agreement is renewed or its terms are varied, comply with all connected transaction requirements.

As the transactions contemplated under the Licence Agreement are continuing in nature, they will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to the terms of the Licence Agreement, all the transactions will be conducted on a royalty-free and licence fee-free basis for the first nine years commencing from the completion date of the Licence Agreement. As such, the continuing connected transactions contemplated under the Licence Agreement are fully exempted from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, pursuant to Rule 14A.52 of the Listing Rules, should the term of an agreement for continuing connected transaction exceeds three years, the Company must appoint an independent financial adviser to explain why the agreement requires a longer period and to confirm that it is normal business practice for such duration. The Company, accordingly, will appoint an independent financial adviser to advise the Directors on the length of term of the Licence Agreement. A letter from such independent financial adviser explaining the reasons for the length of the Licence Agreement shall be included in the circular which is expected to be despatched on or before 30 November 2015 as the Company will require more than 15 business days (as defined under the Listing Rules) to prepare the relevant information to be included in the circular, in particular the financial information of the Target Companies.

PROPOSED COMMERCIAL LOAN FROM SHAREHOLDER AND POSSIBLE EXEMPTED CONTINUING CONNECTED TRANSACTIONS

At or prior to completion, the Company and AB SCA Finans (publ), a wholly-owned subsidiary of SCA and hence a Connected Person of the Company, will enter into the Commercial Loan from Shareholder Agreement, the entire proceeds from which will be used

to settle part of the purchase price of the Sale Shares and will be advanced to the Company at Completion. The parties agree that the terms of the Commercial Loan from Shareholder will be on arm's length basis. The purpose of the Commercial Loan from Shareholder is to finance the purchase price of the Sale Shares.

Implication under the Listing Rules

Upon the signing of the Commercial Loan from Shareholder Agreement, the grant of the Commercial Loan from Shareholder shall constitute financial assistance from a Connected Person under Chapter 14A of the Listing Rules. As the Commercial Loan from Shareholder to be provided are for the benefit of the Company and on normal commercial terms, where no security over the assets of the Company will be granted in respect of the Commercial Loan from Shareholder, the financial assistance is exempted from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

None of the Directors has a material interest in the connected transactions contemplated under the Sale and Purchase Agreement and the Licence Agreement and hence no Director is required to abstain from voting on such board resolutions in accordance with the Listing Rule. Based on the above, the Directors, including the independent non-executive Directors but excluding Mr. Johann Christoph Michalski, Mr. Jan Christer Johansson, Mr. Carl Magnus Groth and Mr. Ulf Olof Lennart Soderstrom, who had elected to abstain from voting, consider the terms of the Sale and Purchase Agreement and the Licence Agreement are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

EGM

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transaction contemplated thereunder.

The Company will appoint an independent financial adviser to advise (i) the Independent Board Committee and the Independent Shareholders as to the fairness and the reasonableness of the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the reasons for the length of the Licence Agreement which exceed three years.

A circular containing, among other things, details of the Sale and Purchase Agreement, the advice from an independent financial adviser, the recommendation from the Independent Board Committee and the notice convening the EGM together with the proxy form and other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 30 November 2015 as the Company will require more than 15 business days (as defined under the Listing Rules) to prepare the relevant information to be included in the circular, in particular the financial information of the Target Companies.

Completion of the transactions contemplated under the Sale and Purchase Agreement is conditional upon the satisfaction of the conditions set out in the section headed "Conditions precedent" in this announcement, including the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder by the Independent Shareholders at the EGM. Accordingly, the transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

- “Additional Territory” means the territories where the products concerned are being commercialised as at the date of the Licence Agreement other than the Territory
- “Board” means the board of directors of the Company
- “Brunei” means the Nation of Brunei, the Abode of Peace
- “Business Day” means a day (other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are open for business in Sweden, the Netherlands, Hong Kong, Malaysia, Korea and Taiwan
- “Cambodia” means the Kingdom of Cambodia
- “Commercial Loan from Shareholder” means the commercial loan from shareholder with an aggregate principal amount not exceeding HK\$1,093,607,847 to be provided by AB SCA Finans (publ) as lender to the Group as borrower and/or obligor upon Completion, the proceeds of which will be used to partially settle the purchase price under the Sale and Purchase Agreement on Completion
- “Commercial Loan from Shareholder Agreement” means the loan agreement to be entered into between AB SCA Finans (publ) as lender and the Group as borrower and/or obligor on or prior to the Completion Date in relation to Commercial Loan from Shareholder in the agreed form
- “Company” means 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 of Hong Kong Limited (stock code: 3331)
- “Completion” means completion of the sale and purchase of the entire issued share capital of SCA Korea, SCA Malaysia and SCA Taiwan pursuant to Sale and Purchase Agreement
- “Completion Date” means the date on which the transactions contemplated under the Sale and Purchase Agreement are completed, which shall be the first calendar month end date falling on or after the fifth (5th) Business Day after the date on which the conditions of the Sale and Purchase Agreement are satisfied or waived or such other date as SCA Group and the Company may agree in writing, provided that if such calendar month end date is not a Business Day, the Completion Date shall be the first Business Day which immediately follows such calendar month end date

“Condition”	means the condition that if SCA Group’s shareholdings in the Company drops below 50% after the first 6 years, then SCA Group has the right to give a 3 years’ notice to terminate the licence
“Connected Person”	shall have the meaning given to it in the Listing Rules
“Consideration Shares”	means 75,897,034 fully paid-up new Shares at the notional price of HK\$15.868 per Share
“Controlling Shareholder(s)”	shall have the meaning given to it in the Listing Rules
“Conversion Event”	means the event upon the occurrence of which the Convertible Note will be converted into Convertible Shares as described in the paragraph titled “Conversion Event” under the section headed “Convertible Note” of this announcement
“Conversion Shares”	means the new Shares to be allotted and issued by the Company upon conversion of the Convertible Note
“Convertible Note”	means the convertible note as constituted by the Convertible Note Instrument to be issued by the the Company and to be subscribed by SCA Group upon Completion, on the principal terms and conditions as set out in the Sale and Purchase Agreement
“Convertible Note Instrument”	means the instrument which constitutes the Convertible Note to be executed by SCA Group as a deed poll upon Completion, in a form to be agreed between SCA Group and the Company
“Directors”	means directors of the Company
“East Timor”	means the Democratic Republic of Timor-Leste
“EGM”	means extraordinary general meeting of the Company
“Estimated Net Debt”	means the estimated net debt of the Target Companies at the Completion Date
“Everbeauty Shanghai”	means Everbeauty Industry (Shanghai) Limited (全日美實業(上海)有限公司), a company incorporated under the laws of the PRC and a wholly-owned subsidiary of Sunbond Limited
“First Intellectual Property and Technology Licence Agreement”	means the intellectual property and technology licence agreement dated 17 July 2014 entered into between SCA Hygiene AB as licensor and SCA Hong Kong Tissue Limited as licensee (including any subsequent amendments thereto)
“GAAP”	means generally accepted accounting principles

“General Mandate”	means the general mandate granted by the Shareholders to the Directors at the annual general meeting of the Company held on 26 May 2015 which entitles the Directors to allot, issue and deal with not exceeding 20% of the issued share capital of the Company as at the date of the annual general meeting, i.e., 199,680,537 shares
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	means an independent committee of the Board comprising all independent non-executive Directors
“Independent Shareholders”	means the Shareholders except for SCA Group
“Independent Third Party(ies)”	means third party(ies) independent of the Company and the Connected Persons of the Company and is not a Connected Person of the Company
“Indonesia”	means the Republic of Indonesia
“Korea”	means the Republic of Korea
“KRW”	means South Korean Won, the lawful currency of Korea
“Laos”	means the Lao People’s Democratic Republic
“Licence Agreement”	means the intellectual property and technology licence agreement entered into between (i) SCA Hygiene AB on the one hand; and (ii) the Company on the other hand, pursuant to which (among other things) SCA Hygiene AB shall grant to the Company the right to use certain brands, patents and technology specified in the agreement for the purpose of manufacturing, distributing and selling personal care and tissue products in the Territory, upon and subject to the terms and conditions set out therein
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	means the Macau Special Administrative Region of the PRC
“Myanmar”	means the Republic of the Union of Myanmar
“Malaysia Accounts”	means the consolidated audited balance sheet of SCA Malaysia made up as at 31 December 2014 and the consolidated audited profit and loss account of SCA Malaysia for the financial year ended on 31 December 2014, and all notes, reports, statements and other documents annexed to those accounts in accordance with the laws of Malaysia

”MYR”	means Malaysian Ringgit, the lawful currency of Malaysia
“Netherlands”	means the Kingdom of the Netherlands
“Philippines”	means the Republic of Philippines
“PRC”	means the People’s Republic of China
“Sale and Purchase Agreement”	means the sale and purchase agreement dated 28 October 2015 made between SCA Group as vendor and the Company as purchaser in respect of the sale and purchase of Sale Shares
“Sale Shares”	means the entire issued share(s) of SCA Korea, SCA Malaysia and SCA Taiwan
“SCA”	means Svenska Cellulosa Aktiebolaget, a company incorporated under the laws of Sweden, a Connected Person of the Company
“SCA Group”	means SCA Group Holding BV, a company incorporated under the laws of the Netherlands, the Controlling Shareholder and a Connected Person of the Company
“SCA Hygiene AB”	means SCA Hygiene Products AB, a company incorporated under the laws of Sweden and a wholly-owned subsidiary of SCA Group and a Connected Person of the Company
“SCA Indonesia”	means PT SCA Hygiene Indonesia, a company incorporated under the laws of Indonesia and an indirect wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Korea”	means SCA Hygiene Korea Co. Ltd., a company incorporated under the laws of Korea and a direct wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Malaysia”	means SCA Hygiene Malaysia Sdn Bhd, a company incorporated under the laws of Malaysia and a direct wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Marketing”	means SCA Hygiene Marketing (M) Sdn Bhd., a company incorporated under the laws of Malaysia and an indirect wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Singapore”	means SCA Hygiene Singapore Pte Ltd., a company incorporated under the laws of Singapore and an indirect wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Taiwan”	means SCA (Taiwan) Ltd., a company incorporated under the laws of the Republic of China (Taiwan) and a direct wholly-owned subsidiary of SCA Group immediately prior to Completion
“SCA Thailand”	means SCA Hygiene (Thailand) Limited, a company incorporated under the laws of Thailand and an indirect wholly-owned subsidiary of SCA Group immediately prior to Completion

“Second Intellectual Property and Technology Licence Agreement”	means the intellectual property and technology licence agreement dated 17 July 2014 which was executed between SCA Hygiene AB as licensor and 維達紙業(中國)有限公司 (in English, for identification purpose only, Vinda Paper (China) Company Limited) as licensee (including any subsequent amendments thereto)
“Shareholders”	means holders of shares of the Company
“Shares”	means ordinary shares of the Company
“Singapore”	means the Republic of Singapore
“subsidiary”	shall have the meaning given to it in the Listing Rules
“Sunbond Limited”	means Sunbond Limited, a company incorporated under the laws of Hong Kong and a wholly-owned subsidiary of SCA Taiwan
“Taiwan”	means the Republic of China (Taiwan)
“Term”	means the term of the Convertible Note, i.e. until 31 December 2016
“TWD”	means New Taiwan dollars, the lawful currency of Taiwan
“Target Companies”	means SCA Malaysia, SCA Marketing, SCA Indonesia, SCA Singapore, SCA Thailand, SCA Korea, SCA Taiwan
“Territory”	means PRC, Hong Kong, Macau, Korea, Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, Laos, East Timor and Brunei
“Thailand”	means the Kingdom of Thailand
“Vietnam”	means the Socialist Republic of Vietnam
“%”	means per cent.

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

Hong Kong, 29 October 2015

As at the date of this announcement, the Board of the Company comprises:

Executive Directors:

Mr. LI Chao Wang

Ms. YU Yi Fang

Mr. Johann Christoph MICHALSKI

Mr. DONG Yi Ping

Ms. LI Jielin

Non-executive Directors:

Mr. Jan Christer JOHANSSON

Mr. Carl Magnus GROTH

Mr. Ulf Olof Lennart SODERSTROM

Independent Non-executive Directors:

Mr. KAM Robert

Mr. TSUI King Fai

Mr. WONG Kwai Huen, Albert

Mr. CHIA Yen On

Alternate Directors:

Mr. CHIU Bun (alternate to Mr. MICHALSKI and Mr. SODERSTROM)

Mr. Gert Mikael SCHMIDT (alternate to Mr. JOHANSSON and Mr. GROTH)