

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



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)

**(1) COMPLETION OF THE ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF EACH OF SCA MALAYSIA,
SCA KOREA AND SCA TAIWAN
AND
(2) CONTINUING CONNECTED TRANSACTIONS IN RELATION
TO THE VINDA MASTER PROCUREMENT AGREEMENT AND
THE SCA MASTER PROCUREMENT AGREEMENT**

COMPLETION OF THE ACQUISITION

Reference is made to the Circular and the Announcements in relation to, among other things, the acquisition by the Company of the entire issued share capital of each of SCA Malaysia, SCA Korea and SCA Taiwan from SCA Group Holding pursuant to the Sale and Purchase Agreement.

The Board is pleased to announce that all conditions to the First Completion and the Second Completion have been fulfilled. Accordingly, the First Completion took place on 31 March 2016, and the Second Completion is expected to take place on 1 April 2016. Following completion of the Acquisition, the Target Companies will become indirect wholly-owned subsidiaries of the Company.

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE VINDA MASTER PROCUREMENT AGREEMENT AND THE SCA MASTER PROCUREMENT AGREEMENT

On 31 March 2016, the Company entered into the following agreements with SCA Group Holding:

- (1) SCA Group Holding as vendor and the Company as purchaser entered into the Vinda Master Procurement Agreement pursuant to which (i) SCA Group Holding shall sell such quantities of the SCA Products in accordance with the Vinda Purchase Orders and (ii) the Previous Vinda Master Procurement Agreement shall be terminated; and
- (2) the Company as vendor and SCA Group Holding as purchaser entered into the SCA Master Procurement Agreement pursuant to which the Company shall sell such quantities of the Vinda Products in accordance with the SCA Purchase Orders.

LISTING RULES IMPLICATIONS

SCA Group Holding is a Controlling Shareholder of the Company and therefore a Connected Person of the Company. Hence, the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and will be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) calculated based on the Vinda Annual Caps and the SCA Annual Caps are, on an aggregated basis, more than 0.1% but less than 5%, the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Unless otherwise defined herein, capitalized terms in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

Reference is made to the Circular and the Announcements in relation to, among other things, the acquisition by the Company of the entire issued share capital of each of SCA Malaysia, SCA Korea and SCA Taiwan from SCA Group Holding pursuant to the Sale and Purchase Agreement.

The Board is pleased to announce that all conditions to the First Completion and the Second Completion have been fulfilled. Accordingly, the First Completion took place on 31 March 2016, and the Second Completion is expected to take place on 1 April 2016. Following completion of the Acquisition, the Target Companies will become indirect wholly-owned subsidiaries of the Company.

The Company will make a further announcement on 5 April 2016 if the Second Completion has not taken place.

VINDA MASTER PROCUREMENT AGREEMENT

Upon the First Completion, SCA Group Holding and the Company entered into the Vinda Master Procurement Agreement. The principal terms of the Vinda Master Procurement Agreement are set out below.

Date

31 March 2016 (after trading hours)

Parties

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

Products and the total quantity

SCA Group Holding shall sell (or procure the relevant member(s) of the SCA Group to sell) such quantities of the SCA Products which the Company (or other relevant member(s) of the Group) may, from time to time, request pursuant to a Vinda Purchase Order in accordance with applicable rolling forecasts.

Term

The term of the Vinda Master Procurement Agreement shall commence on 31 March 2016 and, unless the Vinda Master Procurement Agreement is otherwise terminated or discharged in accordance with its own terms, shall continue in force for a period of three (3) years thereafter.

If SCA Group Holding (or the relevant member(s) of the SCA Group) or the Company (or the relevant member(s) of the Group) wishes to cease to supply or purchase the SCA Products (as the case may be), then the party wishing to discontinue the supply or purchase of the SCA Products may only discontinue such supply or purchase six (6) months after the date of providing the other party with a termination notice in accordance with the Vinda Master Procurement Agreement.

Pricing

The price at which the SCA Products will be sold shall be an amount equivalent to the sum of (i) the actual cost of the SCA Products, plus (ii) a margin of 10% and shall be determined at the time that the relevant purchase order for such SCA Products is placed by the Company (or any relevant member(s) of the Group), and shall be exclusive of any value added tax and business tax.

The actual cost of the SCA Products shall be determined on a quarterly basis with reference to, without limitation, the nature of the relevant SCA Products and the cost of producing such SCA Products.

Payment Terms

All payments in relation to the sale and purchase of the SCA Products pursuant to the Vinda Master Procurement Agreement shall be payable monthly in arrears and in the currency of the relevant price quotation in respect of the SCA Products.

The terms of the Vinda Master Procurement Agreement were arrived at after arm's length negotiations between the Company and SCA Group Holding. They are based on normal commercial terms or on terms no less favourable to the relevant member(s) of the Group when compared to those offered to independent third parties.

Termination of the Previous Vinda Master Procurement Agreement

The Company and SCA Group Holding agree that, with effect from 31 March 2016, the Previous Vinda Master Procurement Agreement shall terminate, and the Company and SCA Group Holding shall release each other from all further rights and obligations thereunder.

Historical Amounts

For the three (3) years ended 31 December 2013, 2014 and 2015, there were transactions similar to those contemplated under the Vinda Master Procurement Agreement to the value of approximately HK\$0, HK\$39,268,339 and HK\$151,769,200, respectively.

Vinda Annual Caps

Pursuant to the requirements under Chapter 14A of the Listing Rules, the Company proposes the following Vinda Annual Caps with respect to the Vinda Master Procurement Agreement:

Year	2016	2017	2018
Vinda Annual caps	HK\$300,000,000	HK\$300,000,000	HK\$300,000,000

The Vinda Annual Caps were determined by reference to the historical transaction amounts under the Previous Vinda Master Procurement Agreement, the expected rate of growth of the Group's sales and overall business and the agreed pricing pursuant to the Vinda Master Procurement Agreement.

SCA MASTER PROCUREMENT AGREEMENT

Upon the First Completion, SCA Group Holding and the Company entered into the SCA Master Procurement Agreement. The principal terms of the SCA Master Procurement Agreement are set out below.

Date

31 March 2016 (after trading hours)

Parties

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

Products and the total quantity

The Company shall sell (or procure the relevant member(s) of the Group to sell) such quantities of the Vinda Products which SCA Group Holding (or other relevant member(s) of the SCA Group) may, from time to time, request pursuant to a SCA Purchase Order in accordance with applicable rolling forecasts.

Term

The term of the SCA Master Procurement Agreement shall commence on 31 March 2016 and, unless the SCA Master Procurement Agreement is otherwise terminated or discharged in accordance with its own terms, shall continue in force for a period of three (3) years thereafter.

If the Company (or the relevant member(s) of the Group) or SCA Group Holding (or the relevant member(s) of the SCA Group) wishes to cease to supply or purchase the Vinda Products (as the case may be), then the party wishing to discontinue the supply or purchase of the Vinda Products may only discontinue such supply or purchase six (6) months after the date of providing the other party with a termination notice in accordance with the SCA Master Procurement Agreement.

Pricing

The price at which the Vinda Products will be sold shall be an amount equivalent to the sum of (i) the actual cost of the Vinda Products, plus (ii) a margin of 10% and shall be determined at the time that the relevant purchase order for such Vinda Products is placed by SCA Group Holding (or any relevant member(s) of the SCA Group), and shall be exclusive of any value added tax and business tax.

The actual cost of the Vinda Products shall be determined on a quarterly basis with reference to, without limitation, the nature of the relevant Vinda Products and the cost of producing such Vinda Products.

Payment Terms

All payments in relation to the sale and purchase of the Vinda Products pursuant to the SCA Master Procurement Agreement shall be payable monthly in arrears and in the currency of the relevant price quotation in respect of the Vinda Products.

The terms of the SCA Master Procurement Agreement were arrived at after arm's length negotiations between the Company and SCA Group Holding. They are based on normal commercial terms or on terms no less favourable to the relevant member(s) of the Group when compared to those offered to independent third parties.

Historical Amounts

For the three (3) years ended 31 December 2013, 2014 and 2015, there were transactions similar to those contemplated under the SCA Master Procurement Agreement to the value of approximately HK\$15,349,007, HK\$29,086,804 and HK\$24,797,151, respectively.

SCA Annual Caps

Pursuant to the requirements under Chapter 14A of the Listing Rules, the Company proposes the following SCA Annual Caps with respect to the SCA Master Procurement Agreement:

Year	2016	2017	2018
SCA Annual caps	HK\$100,000,000	HK\$100,000,000	HK\$100,000,000

The SCA Annual Caps were determined by reference to the historical transaction values of similar transactions in the past, the expected rate of growth of the Group's sales and overall business and the agreed pricing pursuant to the SCA Master Procurement Agreement.

REASONS FOR AND BENEFITS OF THE VINDA MASTER PROCUREMENT AGREEMENT AND THE SCA MASTER PROCUREMENT AGREEMENT

The Company considers that it would be beneficial for the Company to enter into the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement as the transactions contemplated thereunder have facilitated, and will continue to facilitate, the overall operations and growth of the Group's business.

As the Company has had a history of business collaboration with the SCA Group, it is also expected that the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement will further deepen the strategic partnership, establish better collaboration and ensure efficient cooperation between the Company and the SCA Group.

LISTING RULES IMPLICATIONS

SCA Group Holding is a Controlling Shareholder of the Company and therefore a Connected Person of the Company. Hence, the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules, and will be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) calculated based on the Vinda Annual Caps and the SCA Annual Caps are, on an aggregated basis, more than 0.1% but less than 5%, the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement are subject to the reporting, announcement and annual review requirements, but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In the event that (i) the aggregate amount of the price payable by the Group for any financial year during the term of the Vinda Master Procurement Agreement and/or the SCA Master Procurement Agreement exceeds the Vinda Annual Caps or the SCA Annual Caps for the relevant year (as the case may be), or (ii) the Vinda Master Procurement Agreement or the SCA Master Procurement Agreement is renewed or there is any material change to its terms, the Company will comply with the relevant Listing Rules provisions under Chapter 14A of the Listing Rules.

The Directors (including the independent non-executive Directors) consider that the terms of the Vinda Master Procurement Agreement, the SCA Master Procurement Agreement and the transactions contemplated thereunder (including the Vinda Annual Caps and the SCA Annual Caps) are on normal commercial terms or better and fair and reasonable, and are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and its Shareholders as a whole.

None of the Directors has a material interest in the transactions contemplated under the Vinda Master Procurement Agreement or the SCA Master Procurement Agreement, and hence no Director is required to abstain from voting on the relevant board resolutions approving such agreements and the transactions contemplated thereunder. However, Mr. Johann Christoph Michalski, Mr. Jan Christer Johansson, Mr. Carl Magnus Groth and Mr. Ulf Olof Lennart Soderstrom, who are former employees or current employees of SCA, elected to abstain from voting on the relevant board resolutions approving the transactions contemplated under the Vinda Master Procurement Agreement and the SCA Master Procurement Agreement.

INFORMATION ABOUT THE GROUP

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.

INFORMATION ABOUT SCA GROUP HOLDING

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

DEFINITIONS

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

- “Announcements” means the announcements of the Company dated 29 October 2015, 27 December 2015 and 13 January 2016 in relation to, among other things, the Sale and Purchase Agreement and the transactions (including the Acquisition) contemplated thereunder
- “Circular” means the circular of the Company dated 28 December 2015 in relation to the Acquisition
- “Previous Vinda Master Procurement Agreement” means the master procurement agreement dated 28 November 2014 (as supplemented by a supplemental agreement dated 28 November 2014) entered into between SCA Group Holding and the Company pursuant to which the Company (or other relevant member(s) of the Group) may purchase from the SCA Group (excluding 台灣愛生雅股份有限公司 (in English, for identification purpose only, SCA Taiwan Limited), (i) personal care products as required by the Company for the personal care business of the Group; and (ii) partially finished goods as required by the consumable tissue paper products of the Group in the PRC, Hong Kong and Macau

- “SCA Annual Caps” means the annual maximum monetary value of the Vinda Products to be sold by the Company (or the relevant member(s) of the Group) to SCA Group Holding (or the relevant member(s) of the SCA Group) under the SCA Master Procurement Agreement
- “SCA Master Procurement Agreement” means the master procurement agreement dated 31 March 2016 entered into between the Company and SCA Group Holding governing the sale of the Vinda Products by the Company (or the relevant member(s) of the Group) to SCA Group Holding (or the relevant member(s) of the SCA Group)
- “SCA Products” means the personal care products and raw materials as required by the Company for the personal care business of the Group that SCA Group Holding has agreed to sell (or procure the relevant member(s) of the SCA Group to sell) to the Group in Hong Kong, the PRC, Macau, Korea, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, Laos, East Timor, Brunei, Taiwan and in other jurisdictions (as applicable) on the principal terms as set out in the Vinda Master Procurement Agreement
- “SCA Purchase Order” means a purchase order given by SCA Group Holding to the Company each month for the purchase of the estimated quantities of Vinda Products required by it and/or the relevant member(s) of the SCA Group (in line with the applicable rolling forecast at the time) for the next three (3) months pursuant to the SCA Master Procurement Agreement
- “Vinda Annual Caps” means the annual maximum monetary value of the SCA Products to be sold by SCA Group Holding (or the relevant member(s) of the SCA Group) to the Company (or the relevant member(s) of the Group) under the Vinda Master Procurement Agreement
- “Vinda Master Procurement Agreement” means the master procurement agreement dated 31 March 2016 entered into between SCA Group Holding and the Company governing the sale of the SCA Products by SCA Group Holding (or the relevant member(s) of the SCA Group) to the Company (or the relevant member(s) of the Group)
- “Vinda Products” means the personal care products and raw materials as required by SCA Group Holding for the personal care business of the SCA Group that the Company has agreed to sell (or procure the relevant member(s) of the Group to sell) to the SCA Group on the principal terms as set out in the SCA Master Procurement Agreement

“Vinda Purchase Order”

means a purchase order given by the Company to SCA Group Holding each month for the purchase of the estimated quantities of SCA Products required by it and/or the relevant member(s) of the Group (in line with the applicable rolling forecast at the time) for the next three (3) months pursuant to the Vinda Master Procurement Agreement

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

Hong Kong, 1 April 2016

As at the date of this announcement, the Board 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*)