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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)**

### **PLACING OF EXISTING SHARES AND TOP-UP SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

**Sole Placing Agent**

**Bank of America**   
**Merrill Lynch**

On 18 May 2016 (after trading hours), the Company entered into (i) the Placing Agreement with the Placing Agent and the Vendor, and (ii) the Subscription Agreement with the Vendor. The maximum gross proceeds which the Company expects to raise through the Subscription is approximately HK\$397.5 million, which the Company expects will improve the gearing level, and enlarge public float, of the Company.

Pursuant to the Placing Agreement, the Vendor agreed to place, through the Placing Agent on a best efforts basis, the Placing Shares at the Placing Price to Placees subject to the terms and conditions of the Placing Agreement. The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market prices and recent trading volume of the Shares. The Placing Shares represents (i) approximately 2.791% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 2.715% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription.

Pursuant to the Subscription Agreement, the Vendor conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot, the Subscription Shares at the Subscription Price subject to the terms and conditions of the Subscription Agreement. The Subscription Price, which will be equal to the Placing Price, was determined after arm's length negotiation between the Vendor and the Company. The Subscription Shares represents (i) approximately 2.791% of the issued share capital of the Company as at the date of this announcement, and (ii) approximately 2.715% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription.

The Placing and Subscription would achieve the following benefits for the Company:

- (i) it would increase the amount of Shares held by public investors, which may in turn enlarge the public float of the Company and enhance the trading liquidity of the Shares;
- (ii) it would introduce new investors to the Company and hence further widen the Company's shareholder base; and
- (iii) it is expected that the Company's gearing level would be lowered by the proposed Placing and Subscription, and thereby preserving the healthiness of the financial status of the Company.

The Subscription Shares will be issued and allotted under the general mandate of the Company granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 8 April 2016 to issue and allot up to 214,996,944 Shares.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the granting and listing of, and permission to deal in, the Subscription Shares.

**Completion of the Placing and the Subscription is subject to the satisfaction of a number of conditions and therefore may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.**

## **PLACING AGREEMENT**

### **Date**

18 May 2016 (after trading hours)

### **Parties**

- (i) The Company;
- (ii) Fu An International Company Limited, as vendor and beneficial owner of 20.125% of the issued share capital of the Company; and
- (iii) Merrill Lynch Far East Limited, as placing agent.

### **Placing Shares**

The Placing Shares, representing approximately (i) 2.791% of the issued share capital of the Company as at the date of this announcement, and (ii) 2.715% of the issued share capital of the Company as enlarged by the issue and allotment of the Subscription Shares pursuant to the Subscription, will be placed by the Placing Agent on behalf of the Vendor on a best efforts basis.

### **The Placees**

The Placing Shares will be placed by the Placing Agent at the Placing Price to Placees who shall be determined solely by the Placing Agent, subject to the requirements of the Listing Rules, the Takeovers Code, and all applicable laws, rules and regulations and terms of the Placing Agreement.

The Company expects that there will not be less than six (6) Placees. The Placees and its ultimate beneficial owner(s) will be, to the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, independent, and not connected persons (as defined under the Listing Rules), of the Company. No Placee will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately following completion of the Placing. If the number of Placees shall be less than six (6), a further announcement will be made by the Company in accordance with the Listing Rules.

### **Condition and completion of the Placing**

The obligation of the Placing Agent to complete the Placing is conditional upon the Subscription Agreement having been entered into by the parties thereto. The Placing Agreement does not provide for the right of the parties to waive the above condition.

Subject to the satisfaction of the above condition, completion of the Placing will take place on the Closing Date, being on or before 23 May 2016.

### **Placing Price**

HK\$13.25 per Share (exclusive of Hong Kong stamp duty, brokerage fees, Stock Exchange trading fees and SFC transaction levy). The Placing Price represents:

- (i) a discount of about 8.0% to the closing price of HK\$14.40 per Share as quoted on the Stock Exchange on 18 May 2016, being the date of this announcement;
- (ii) a discount of about 9.9% to the average closing price of about HK\$14.70 per Share as quoted on the Stock Exchange from 12 May 2016 to 18 May 2016, both dates inclusive, being the last five (5) trading days immediately prior to the issuance of this announcement; and
- (iii) a discount of about 9.4% to the average closing price of about HK\$14.63 per Share as quoted on the Stock Exchange from 5 May 2016 to 18 May 2016, both dates inclusive, being the last ten (10) trading days immediately prior to the issuance of this announcement.

The Placing Price was determined after arm's length negotiations between the Company, the Vendor and the Placing Agent with reference to the prevailing market prices and recent trading volume of the Shares.

The Directors consider that the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interest of the Company and the Shareholders as a whole.

The net proceeds from the Placing (assuming that the Placing Shares are fully placed) is estimated to be approximately HK\$390.4 million. The Placing Price, net of placing commission and other expenses of the Placing is approximately HK\$13.01 per Share.

### **Rights to the Placing Shares**

The Placing Shares will be sold free from all liens, charges and encumbrances, and together with all rights attaching to them as at the Closing Date, including the right to receive all dividends declared, made or paid on or after the Closing Date.

### **Undertakings**

#### *Vendor undertakings to the Placing Agent*

Pursuant to the Placing Agreement, the Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing Agreement and the issue and allotment of the Subscription Shares pursuant to the Subscription Agreement), for a period of ninety (90) days from the Closing Date, it will not, and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will:

- (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase or otherwise transfer or dispose of (either conditionally or unconditionally) any Shares or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or
- (ii) enter into any swap or similar arrangement that transfers, in whole or in part, the economic risk of ownership of Shares;

whether such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise; or

- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

unless with the prior written consent of the Placing Agent.

*The Company and the Vendor's undertakings to the Placing Agent*

Pursuant to the Placing Agreement, the Company has undertaken to the Placing Agent, and the Vendor has undertaken to the Placing Agent to procure, that for a period of ninety (90) days from the Closing Date, the Company will not, except for the Subscription Shares and save pursuant to (a) the terms of any employee share option scheme of the Company, or (b) any subscription warrants, or (c) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association, or (d) the issue and allotment of 55,000,000 Shares to Fu An Trading (Hong Kong) Limited or its nominee in relation to the acquisition of the entire equity interests of 江門朝富紙業有限公司 (for identification purpose only, in English, Jiangmen Dynasty Fortune Paper Limited) as disclosed in the circular of the Company dated 28 December 2015, or (e) the Shares to be issued and allotted by the Company upon the conversion of the convertible note in the principal amount of HK\$502,058,018 issued to SCA Group Holding BV in relation to the acquisition of the entire issued share capital of SCA Hygiene Korea Co. Ltd., SCA Hygiene Malaysia Sdn. Bhd. and SCA Taiwan Ltd. as disclosed in the circular of the Company dated 28 December 2015:

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) for any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or interest in Shares; or
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above,

without first having obtained the written consent of the Placing Agent.

**SUBSCRIPTION AGREEMENT**

**Date**

18 May 2016 (after trading hours)

**Parties**

- (i) The Company, as issuer; and
- (ii) The Vendor, as subscriber.

## **Subscription Price**

The Subscription Price is HK\$13.25 per Subscription Share, which is equal to the Placing Price. The Subscription Shares have an aggregate nominal value of HK\$3,000,000 and an aggregate market value of approximately HK\$432,000,000 based on the closing price of the Shares as at the date of this announcement.

The Subscription Price was determined after arm's length negotiation between the Vendor and the Company. A comparison of the Subscription Price with the prevailing market prices of the Shares is set out in the paragraph headed "Placing Agreement – Placing Price" above.

## **Number of Subscription Shares to be subscribed**

The Subscription Shares, representing approximately (i) 2.791% of the issued share capital of the Company as at the date of this announcement, and (ii) 2.715% of the issued share capital of the Company as enlarged by the subscription of the Subscription Shares, will be issued and allotted by the Company to the Vendor.

## **Ranking**

The Subscription Shares, when issued and allotted and fully paid by the Company, will rank *pari passu* in all respects with the other Shares in issue or to be issued by the Company on or prior to the date of completion of the Subscription, including the rights to all dividends and other distributions declared, made or paid at any time after the respective date of allotment.

## **General mandate to issue and allot new Shares**

The Subscription Shares will be issued and allotted under the general mandate of the Company granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 8 April 2016 to issue and allot up to 214,996,944 Shares. As at the date of this announcement, the Company has not agreed to issue, and has not issued, any Shares pursuant to such general mandate. The issue and allotment of the Subscription Shares is not subject to any further approval by the Shareholders. The remaining number of Shares which the Company may issue and allot pursuant to such general mandate is 214,996,944 Shares.

## **Conditions of the Subscription**

Completion of the Subscription is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definite share certificate(s) representing the Subscription Shares); and
- (ii) completion of the Placing pursuant to the terms of the Placing Agreement.

The Subscription Agreement has not provided for the right of the parties to waive the above conditions.

## **Completion of Subscription**

Completion of the Subscription will take place on the second Business Day after the date upon which the last of the conditions of the Subscription Agreement have been so satisfied, provided that it shall take place on a date no later than a date falling fourteen (14) days after the date of the Subscription Agreement (or such other time and/or date as the Vendor and the Company may agree in writing).

If completion of the Subscription is extended beyond fourteen (14) days after the date of the Placing Agreement, the Subscription will constitute a connected transaction under the Listing Rules which will require, among other things, the approval of the independent Shareholders of the Company before the Subscription can proceed. Accordingly, steps will be taken by the Company to ensure compliance with the Listing Rules, and further announcement(s) will be made by the Company.

In the event that the conditions to the Subscription Agreement are not fulfilled by 1 June 2016, or such later date as may be agreed between the Company and the Vendor, the obligations and liabilities of the Vendor and the Company under the Subscription Agreement shall be null and void, and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise.



## APPLICATION FOR LISTING

The Company will apply to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Subscription Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) after completion of Placing but before Subscription, and (ii) after completion of Placing and Subscription (assuming no other Shares are issued between the date of this announcement and the completion of the Placing and Subscription) are as follows:

Shareholders	As at the date of this announcement		After completion of the Placing but before completion of the Subscription		After completion of both the Placing and Subscription	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
SCA Group Holding BV (Note 1)	589,097,459	54.801	589,097,459	54.801	589,097,459	53.313
Vendor (Note 2)	216,341,581	20.125	186,341,581	17.334	216,341,581	19.579
Yu Yi Fang's personal interests	50,000	0.005	50,000	0.005	50,000	0.005
Placees (public shareholders)	0	0	30,000,000	2.791	30,000,000	2.715
Other public shareholders	<u>269,495,680</u>	<u>25.070</u>	<u>269,495,680</u>	<u>25.070</u>	<u>269,495,680</u>	<u>24.389</u>
<b>Total issued share capital of the Company (Note 3)</b>	<b><u>1,074,984,720</u></b>	<b><u>100.000</u></b>	<b><u>1,074,984,720</u></b>	<b><u>100.000</u></b>	<b><u>1,104,984,720</u></b>	<b><u>100.000</u></b>

### Notes:

- (1) SCA Group Holding BV is wholly-owned by Svenska Cellulosa Aktiebolaget, a company whose shares are traded on the Stockholm, London and New York (as American depositary receipts) stock exchanges. Under the SFO, Svenska Cellulosa Aktiebolaget is deemed to be interested in the Shares held by SCA Group Holding BV.
- (2) The Vendor is owned 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 Mr. Li Chao Wang, the chairman and executive director of the Company. Under the SFO, Sentential Holdings Limited and Mr. Li Chao Wang are deemed to be interested in the Shares held by the Vendor.
- (3) The percentages may not add up to 100% due to rounding.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not conducted any fund raising activities in the past twelve (12) months prior to the date of this announcement.

## **USE OF PROCEEDS FROM THE SUBSCRIPTION AND REASONS FOR THE PLACING AND SUBSCRIPTION**

Assuming that the Placing Shares are placed to the Placees in full, and an equal number of Subscription Shares is subscribed for under the Subscription, the maximum gross proceeds to the Company from the Subscription will be approximately HK\$397.5 million, and the maximum net proceeds to the Company from the Subscription will be approximately HK\$390.4 million. On such basis, the net subscription price to the Company per Subscription Share is approximately HK\$13.01. The Company intends to use the net proceeds from the Subscription as general working capital for the Group and to reduce the indebtedness of the Group.

The Placing and Subscription would achieve the following benefits for the Company:

- (i) it would increase the amount of Shares held by public investors, which may in turn enlarge the public float of the Company and enhance the trading liquidity of the Shares;
- (ii) it would introduce new investors to the Company and hence further widen the Company's shareholder base; and
- (iii) it is expected that the Company's gearing level would be lowered by the proposed Placing and Subscription, and thereby preserving the healthiness of the financial status of the Company.

The Directors, taking into account the above benefits to the Company, considered that the Placing and the Subscription (including the Placing Price and the Subscription Price) are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

## **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 People's Republic of China, Hong Kong, the Macau Special Administrative Region of the People's Republic of China, Korea, Malaysia, Taiwan and other Southeast Asian countries including, among others, Singapore, Thailand, Indonesia, and its principal products include toilet paper, paper handkerchiefs, facial tissue paper, paper napkins, baby diapers, incontinence products and feminine care products.

**Completion of the Placing and the Subscription is subject to the satisfaction of a number of conditions and therefore may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities.**

## **DEFINITIONS**

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday or Sunday or public holiday) on which banks are generally open for business in Hong Kong
“Closing Date”	two (2) Business Days after the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 19 May 2016 or, (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 19 May 2016, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing
“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”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placees”	investors whom the Placing Agent has procured to purchase any of the Placing Shares pursuant to the terms and conditions of the Placing Agreement
“Placing”	the placing of the Placing Shares by the Placing Agent on a best efforts basis, at the Placing Price pursuant to the terms and conditions of the Placing Agreement

“Placing Agent”	Merrill Lynch Far East Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 18 May 2016 entered into between the Company, the Vendor and the Placing Agent in relation to the Placing
“Placing Price”	HK\$13.25 per Placing Share
“Placing Shares”	30,000,000 Shares to be placed by the Placing Agent on behalf of the Vendor pursuant to the Placing Agreement
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares at the Subscription Price by the Vendor pursuant to the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 18 May 2016 entered into by the Vendor and the Company in relation to the Subscription
“Subscription Price”	an amount equal to the Placing Price to be determined and agreed by the Vendor, the Company and the Placing Agent
“Subscription Shares”	30,000,000 new Shares (which shall not exceed the number of Placing Shares placed by the Placing Agent under the Placing Agreement) to be issued to the Vendor by the Company pursuant to the Subscription Agreement
“Takeovers Code”	the Code on Takeovers and Mergers

“United States”	the United States of America
“Vendor”	Fu An International Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a substantial shareholder of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 18 May 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. CHIA Yen On  
Mr. KAM Robert  
Mr. TSUI King Fai  
Mr. WONG Kwai Huen, Albert

*Alternate Directors:*

Mr. Carl Fredrik Stenson RYSTEDT (*alternate to Mr. SODERSTROM*)  
Mr. Gert Mikael SCHMIDT (*alternate to Mr. JOHANSSON and Mr. GROTH*)