

# Press release

Stockholm September 9, 2013



## SCA to make an offer for Vinda

**SCA has decided to make a public cash offer for the Chinese tissue company Vinda. The offer is conditional upon SCA achieving an ownership share in Vinda in excess of 50%. SCA is currently the second largest shareholder in Vinda, which is listed on the Hong Kong Exchange.**

The offer will be Hong Kong Dollar (HKD) 11.00 per share, corresponding to a premium of approximately 34.5%, based on the average closing price over the past 30 trading days. The offer corresponds to a market capitalization of approximately SEK 9.4bn for all shares in Vinda.

SCA became a part owner in the tissue manufacturer Vinda in 2007 and currently has a 21.7% holding in the company with two representatives on its Board of Directors.

Vinda is the third largest tissue company in China, which represents the world's second largest tissue market. In 2012, Vinda's sales rose 26% and amounted to approximately SEK 5bn. The company's operating margin was 12.9%.

"Vinda is a strong player in the Chinese tissue market and has demonstrated healthy growth and profitability. As a majority shareholder, we would see the potential to further strengthen the company to ensure its future competitiveness," says Jan Johansson, President and CEO of SCA.

The complete prospectus for the offer is expected to be presented not later than September 30, which is the date on which the acceptance period will also commence. The transaction is expected to be finalized in the fourth quarter of this year and SCA will thereafter consolidate Vinda in its accounts.

Provided that the offer for Vinda will be accepted, SCAs pro forma sales for the full year 2012 would have increased from SEK 85bn to approximately SEK 90bn. Pro forma operating profit, excluding items affecting comparability, for the full year 2012 would have increased from SEK 8.6bn to approximately SEK 9.2bn.

The intention is that Vinda will remain listed on the Hong Kong Exchange.

For more details read the Joint Announcement which follows below.

**NB:** This information is such that SCA must disclose in accordance with the Securities Markets Act. The information was submitted for publication on September 9, 2013, at 00.00 CET.

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**SCA is a leading global hygiene and forest products company.** The Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the leading global brands TENA and Tork, and regional brands, such as Lotus, Libresse, Tempo and Libero. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management. The Group has about 36,000 employees and sales in 2012 amounted to SEK 85bn (EUR 9.8bn). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm. For more information, visit [www.sca.com](http://www.sca.com).

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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Vinda nor shall there be any sale, purchase or subscription for securities of Vinda in any jurisdiction in which such offer, solicitation or sale would be unlawful absent the filing of a registration statement or the availability of an applicable exemption from registration or other waiver. This announcement is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.*



**SCA Group Holding BV**

*(Incorporated in the Netherlands with limited liability)*



**Vinda International Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 3331)**

## **JOINT ANNOUNCEMENT**

**(1) VOLUNTARY CONDITIONAL CASH OFFER  
BY J.P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED  
FOR AND ON BEHALF OF SCA GROUP HOLDING BV  
TO ACQUIRE ALL OF THE OUTSTANDING SHARES  
IN THE ISSUED CAPITAL OF  
VINDA INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE SHARES ALREADY OWNED  
OR AGREED TO BE ACQUIRED BY  
SCA GROUP HOLDING BV AND PARTIES ACTING  
IN CONCERT WITH IT) AND  
TO CANCEL ALL THE OUTSTANDING SHARE OPTIONS OF  
VINDA INTERNATIONAL HOLDINGS LIMITED  
AND  
(2) RESUMPTION OF TRADING IN THE SHARES OF  
VINDA INTERNATIONAL HOLDINGS LIMITED**

**Sole Financial Adviser to SCA Group Holding BV**

**J.P.Morgan**

## INTRODUCTION

The Offeror and Vinda are pleased to jointly announce that J.P. Morgan will, for and on behalf of the Offeror, make a voluntary conditional cash offer (i) to acquire all of the outstanding Shares in the issued share capital of Vinda (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it); and (ii) to cancel all the outstanding Options.

## THE OFFERS

### The Share Offer

J.P. Morgan will, for and on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the outstanding Shares in the issued share capital of Vinda (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) on the following terms:

For each Offer Share . . . . . HK\$11.00 in cash

The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

The Share Offer Price of HK\$11.00 per Offer Share represents a premium of approximately 38.36% over the closing price of HK\$7.95 per Offer Share as quoted on the Stock Exchange on the Last Trading Date.

### The Option Offer

J.P. Morgan will, for and on behalf of the Offeror, make appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Options (whether vested or not) in exchange for cash on the following terms:

*(A) In respect of Options with an exercise price of HK\$2.98:*

For cancellation of each such Option . . . . . HK\$8.02 in cash

*(B) In respect of Options with an exercise price of HK\$5.42:*

For cancellation of each such Option . . . . . HK\$5.58 in cash

*(C) In respect of Options with an exercise price of HK\$8.648:*

For cancellation of each such Option . . . . . HK\$2.352 in cash

*(D) In respect of Options with an exercise price of HK\$10.34:*

For cancellation of each such Option . . . . . HK\$0.66 in cash

In respect of Options with an exercise price of HK\$14.06, as the exercise price for the underlying Shares is above the Share Offer Price, J.P. Morgan will, for and on behalf of the Offeror, make a nominal cash offer for the cancellation of such Options on the following terms:

For cancellation of each such Option . . . . . HK\$0.0001 in cash

**VALUE OF THE OFFERS**

On the assumption that no outstanding Options are exercised prior to the Closing Date and the Share Offer and the Option Offer are accepted in full, after taking into account the 216,431,897 Shares already held by the Offeror (and the parties acting in concert with it), representing approximately 21.68% of the issued share capital of Vinda, the Offers are valued at HK\$8,647,492,611 in aggregate. On the assumption that all the outstanding Options are exercised in full prior to the Closing Date and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Options), after taking into account the 216,431,897 Shares already held by the Offeror (and the parties acting in concert with it), the Offers are valued at HK\$8,894,190,679 in aggregate on a fully-diluted basis.

**CONDITIONS TO THE SHARE OFFER**

The Share Offer is conditional on the satisfaction of the following conditions:

- (i) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights in Vinda on a fully-diluted basis as at the Closing Date;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of the Offeror or any party acting in concert with it;
- (iii) the representations and warranties given by each of the Committed Parties in the Irrevocable Undertakings remaining true and accurate and not misleading on each of (a) the date of execution of the Irrevocable Undertakings, (b) the Despatch Date, (c) the date on which each of the Committed Parties respectively delivers the duly executed form of acceptance and transfer for his/her/its Shares or Options (as the case may be) in accordance with the section headed “Irrevocable Undertakings” of this announcement and (d) the Unconditional Date;

- (iv) (a) all Consents as are necessary for the consummation of the transactions contemplated in the Irrevocable Undertakings and the Offers and in connection with, including, without limitation, any change in the direct or indirect shareholder(s) or ultimate controlling shareholder(s) of any member of the Vinda Group that has been granted the Consents to carry out its operations having been obtained and remaining in full force and effect without material variation from any Relevant Authority(ies) and all conditions (if any) to such Consents having been fulfilled, (b) each member of the Vinda Group possessing or having obtained all Consents from the Relevant Authority(ies) that are necessary to carry on its business and (c) all mandatory Consents from third parties having been obtained for the acquisition of the Offer Shares and/or Options under the Offers;
- (v) no event having occurred which would make the Offers or the acquisition of any of the Offer Shares and/or the Options under the Offers void, unenforceable or illegal or prohibit the implementation of the Offers or the transactions contemplated under the Irrevocable Undertakings;
- (vi) no Relevant Authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Offer Shares and/or Options under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers or the transactions contemplated under the Irrevocable Undertakings (other than such items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers and the transactions contemplated under the Irrevocable Undertakings);
- (vii) since the date of the last audited consolidated financial statements of Vinda, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Vinda Group as a whole, whether or not arising in the ordinary course of business;
- (viii) save for payment of the interim dividend declared by the Vinda Board on 28 August 2013, no dividend or other distribution (whether in cash or in kind) during the Offer Period having been declared, made or paid by Vinda to the Shareholders; and
- (ix) there having been no frustrating action taken by Vinda or any member of the Vinda Group since the date of this announcement, unless with the consent of the Offeror.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions either generally or in respect of any particular matter save that Conditions (i), (v) and (vi) cannot be waived. If any of the Conditions is not satisfied or (where applicable) waived on or before 31 December 2013, the Share Offer will lapse. As at the date of this announcement, based on the information currently available to the Offeror and Vinda, the Offeror and Vinda understand that no Consent is required for the consummation of the Offers and the Irrevocable Undertakings.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions (other than Condition (i)) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

### **CONDITION TO THE OPTION OFFER**

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

**WARNING: Shareholders, Optionholders and/or potential investors of Vinda should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to, and conditional upon, the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of Vinda should therefore exercise caution when dealing in the securities of Vinda (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

### **IRREVOCABLE UNDERTAKINGS**

On 6 September 2013, the Committed Parties executed the Irrevocable Undertakings in favour of the Offeror, pursuant to which (i) Fu An has irrevocably undertaken to the Offeror to accept, or procure the acceptance of, the Share Offer in respect of the Relevant Shares (representing approximately 2.10% of the issued share capital of Vinda as at the date of this announcement) and (ii) Ms. Zhang has irrevocably undertaken to the Offeror to accept the Option Offer in respect of the Relevant Options, in each case as soon as possible and in any event within the period during which the Offers are open for acceptance.

Accordingly, pursuant to the Share Offer, the Offeror will acquire from Fu An 20,964,654 Offer Shares for a total consideration of HK\$230,611,194 based on the Share Offer Price of HK\$11.00 per Offer Share. Pursuant to the Option Offer, the Offeror will acquire from Ms. Zhang 3,936,000 Options for cancellation for a total consideration of HK\$18,941,472 based on the “see-through” price as detailed in the section headed “The Offers — The Option Offer”.

### **INTENTIONS OF THE OFFEROR IN RELATION TO THE VINDA GROUP**

Following completion of the Offers, the Offeror will review the businesses of the Vinda Group to consider and determine what changes, if any, would be necessary, appropriate or desirable, long term and short term, in order to best organise and optimise the businesses and operations of the Vinda Group and to integrate the same within the SCA Group.

The Offeror intends that the Vinda Group will continue to operate its business in substantially its current state. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Vinda Group’s businesses and operations to better integrate, generate maximum synergy and achieve enhanced economies of scale with the other operations of the SCA Group.



## **LISTING STATUS OF VINDA**

The Offeror intends to maintain the listing status of Vinda on the Stock Exchange. However, if the Offeror acquires the requisite percentage of the Offer Shares to enable it to compulsorily acquire all the issued Shares as detailed in the section headed “Compulsory Acquisition and Withdrawal of Listing” of this announcement, it may (but is not obliged to) compulsorily acquire those Shares not acquired by the Offeror under the Share Offer. Accordingly, assuming the Share Offer becomes or is declared unconditional in all respects but the Offeror does not effect the compulsory acquisition, each of the Offeror and Vinda will undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that such number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. Any future transactions between the Vinda Group and the SCA Group will be carried out on an arm’s length basis and in compliance with the Listing Rules.

**If, upon the close of the Offers, less than the minimum prescribed percentage applicable to Vinda, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend trading in the Shares.**

## **COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

To the extent applicable, if the Offeror, within four months of the posting of the Composite Document, acquires not less than 90% of the issued Shares not being held by it at the time of the posting of the Composite Document, the Offeror may (but is not obliged to) compulsorily acquire those Shares not acquired by the Offeror under the Share Offer in accordance with section 88 of the Cayman Islands Companies Law. As at the date of this announcement, the Offeror has not decided whether or not to exercise any right of compulsory acquisition in respect of Vinda. Pursuant to Schedule I to the Takeovers Code, the Offeror will include in the Composite Document a statement whether or not it intends to avail itself of any powers of compulsory acquisition in respect of Vinda. If the Offeror decides to exercise such right and completes the compulsory acquisition, Vinda will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. The Offeror will comply with Rule 15.6 of the Takeovers Code which requires that the Offers may not remain open for more than four (4) months from the posting of the Composite Document, unless the Offeror has by that time become entitled to exercise the right of compulsory acquisition.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Offeror seeks to acquire or privatise Vinda by means of the Share Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Cayman Islands Companies Law, acceptance of the Share Offer and purchases made by the Offeror and the parties acting in concert with it during the four months after posting of the Composite Document total 90% or more of the disinterested Shares (as defined in the Takeovers Code).

**WARNING: If the level of acceptances of the Share Offer reaches the prescribed level under the Cayman Islands Companies Law required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, and if the Offeror exercises its right of compulsory acquisition in respect of Vinda, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

#### **FINANCIAL RESOURCES AVAILABLE TO THE OFFEROR**

The Offeror intends to finance the consideration payable by the Offeror under the Offers from the internal resources of the SCA Group.

For the purpose of making the Offers, the SCA Group has undertaken to maintain in its bank accounts an amount equivalent to not less than HK\$400 million. In addition, J.P. Morgan Securities plc has granted SCA a credit facility in the amount of US\$1,100 million (equivalent to approximately HK\$8,558 million), which may be used by the Offeror to finance the Offers, if necessary.

J.P. Morgan, as the sole financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

#### **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

An Independent Board Committee of Vinda, which comprises Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai (each being an independent non-executive Director) has been established by the Vinda Board to make a recommendation to the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and as to its acceptance and to the Optionholders as to its views on the Option Offer. By reason of their respective position and/or involvement within the SCA Group, Mr. Johann Christoph MICHALSKI (also President of SCA Global Hygiene Category), Mr. Ulf Olof Lennart SODERSTROM (also President of SCA Asia Pacific) and Mr. CHIU Bun (also the general counsel of SCA Asia Pacific) are associates of the Offeror. Accordingly, they are considered to have an interest in the Offers and will not act as a member of the Independent Board Committee.

An Independent Financial Adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers. An announcement will be made by Vinda as soon as possible after an Independent Financial Adviser has been appointed.

#### **RESUMPTION OF TRADING**

At the request of Vinda, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 September 2013 pending the release of this announcement. An application has been made by Vinda to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 September 2013.



*Notice to US holders of Offer Shares:*

*The Share Offer will be made for the securities of a Cayman Islands company and is subject to Hong Kong disclosure requirements, which are different from those of the United States. In addition, US holders of Offer Shares should be aware that this announcement has been prepared in accordance with Hong Kong format and style, which differ from those of the United States. The Share Offer will be extended into the United States pursuant to the US tender offer rules or an available exemption therefrom or otherwise in accordance with the requirements of the SFO. Accordingly, the Share Offer will comply with the relevant Hong Kong disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments, which are different from those applicable under US tender offer procedures and laws.*

*The receipt of cash pursuant to the Share Offer by a US holder of Offer Shares may be a taxable transaction for US federal income tax purposes and under applicable state and local, as well as foreign and other tax laws. Each US holder of Offer Shares is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of acceptance of the Share Offer.*

*It may be difficult for US holders of Offer Shares to enforce their rights and claims arising out of the US federal securities laws, since Vinda is located in a country other than the United States, and some or all of its officers and directors may be residents of a country other than the United States. In addition, most of the assets of the SCA Group and the Vinda Group are located outside the United States. US holders of Offer Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult for US holders of Offer Shares to effect service of process within the United States upon Vinda or its officers or directors, or to enforce against them a judgment of a US court.*

*In accordance with normal Hong Kong practice and pursuant to Rule 14e-5(b) of the US Exchange Act, the Offeror or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Offer Shares outside of the United States, other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at <http://www.sfc.hk/>.*

## **INTRODUCTION**

The Offeror and Vinda are pleased to jointly announce that J.P. Morgan will, for and on behalf of the Offeror, make a voluntary conditional cash offer (i) to acquire all of the outstanding Shares in the issued share capital of Vinda (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it); and (ii) to cancel all the outstanding Options.

As at the date of this announcement, there are 998,282,686 Shares in issue. The Offeror does not hold any Shares. SCA Hygiene Holding AB, a direct wholly-owned subsidiary of the Offeror, holds 216,431,897 Shares, representing approximately 21.68% of the issued share capital of Vinda.

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

	<i>Number of Shares</i>	<i>Approximately shareholder %</i>
Fu An International Company limited	237,306,235	23.77
The Offeror and parties acting in concert with it	216,431,897	21.68
YU Yi Fang	9,088,000	0.91
DONG Yi Ping	9,038,000	0.91
LI Chao Wang	936,000	0.09
HUI Chin Tong, Godfrey	100,000	0.01
Public Shareholders	<u>525,382,554</u>	<u>52.63</u>
<b>Total</b>	<b><u>998,282,686</u></b>	<b><u>100.00</u></b>

As at the date of this announcement, there are outstanding Options in respect of 26,712,000 Shares. The Offeror and the parties acting in concert with it do not hold any Options. The respective exercise prices of the outstanding Options and the respective periods during which they are exercisable are as follows:

<b>Exercise price (HK\$ per Share)</b>	<b>Number of outstanding Options</b>	<b>Exercisable period</b>
2.98	2,651,000	24 February 2009 to 23 February 2019
5.42	3,000,000	15 April 2010 to 14 April 2020
8.648	3,501,000	15 April 2011 to 14 April 2021
10.34	1,359,000	2 May 2013 to 1 May 2023
14.06	16,201,000	2 May 2012 to 1 May 2022

Save as disclosed in this section headed “Introduction” of this announcement, Vinda has no other outstanding Shares, options, warrants, derivatives or other securities that are convertible or exchangeable into Shares or other types of equity interest in Vinda.

## THE OFFERS

### The Share Offer

J.P. Morgan will, for and on behalf of the Offeror, make a voluntary conditional cash offer to acquire all of the outstanding Shares in the issued share capital of Vinda (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) on the following terms:

#### *Consideration of the Share Offer*

For each Offer Share . . . . . HK\$11.00 in cash

The Share Offer will be extended to all Independent Shareholders in accordance with the Takeovers Code. The Offer Shares to be acquired under the Share Offer shall be fully paid and shall be acquired free from all Encumbrances and together with all rights attaching to them as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the Closing Date.

#### *Comparisons of value*

The Share Offer Price of HK\$11.00 per Offer Share represents:

- (i) a premium of approximately 38.36% over the closing price of HK\$7.95 per Share as quoted on the Stock Exchange on 30 August 2013, being the Last Trading Date;
- (ii) a premium of approximately 33.20% over the average closing price of approximately HK\$8.26 per Share for the last 5 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (iii) a premium of approximately 33.06% over the average closing price of approximately HK\$8.27 per Share for the last 10 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (iv) a premium of approximately 31.45% over the average closing price of approximately HK\$8.37 per Share for the last 20 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date;
- (v) a premium of approximately 34.54% over the average closing price of approximately HK\$8.18 per Share for the last 30 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date; and
- (vi) a premium of approximately 34.24% over the average closing price of approximately HK\$8.19 per Share for the last 60 consecutive trading days as quoted on the Stock Exchange immediately prior to and including the Last Trading Date.

#### *Highest and lowest Share prices*

During the six-month period preceding the Last Trading Date and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$11.10 on 6 March 2013 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$7.46 on 19 July 2013.

## The Option Offer

J.P. Morgan will, for and on behalf of the Offeror, make appropriate offers to the Optionholders in accordance with Rule 13 of the Takeovers Code to cancel all the outstanding Options (whether vested or not) in exchange for cash on the following terms:

*(A) In respect of Options with an exercise price of HK\$2.98:*

For cancellation of each such Option . . . . . HK\$8.02 in cash

*(B) In respect of Options with an exercise price of HK\$5.42:*

For cancellation of each such Option . . . . . HK\$5.58 in cash

*(C) In respect of Options with an exercise price of HK\$8.648:*

For cancellation of each such Option . . . . . HK\$2.352 in cash

*(D) In respect of Options with an exercise price of HK\$10.34:*

For cancellation of each such Option . . . . . HK\$0.66 in cash

In respect of Options with an exercise price of HK\$14.06, as the exercise price for the underlying Shares is above the Share Offer Price, J.P. Morgan will, for and on behalf of the Offeror, make a nominal cash offer for the cancellation of such Options on the following terms:

For cancellation of each such Option . . . . . HK\$0.0001 in cash

Following acceptance of the Option Offer, the relevant Options together with all rights attaching thereto will be entirely cancelled and renounced.

## Holdings of Shares and Options by the Offeror and the parties acting in concert with it

As at the date of this announcement, the Offeror does not hold any Shares. SCA Hygiene Holding AB, a direct wholly-owned subsidiary of the Offeror, holds 216,431,897 Shares, representing approximately 21.68% of the issued share capital of Vinda.

J.P. Morgan, being the sole financial adviser to the Offeror, together with entities controlling, controlled by or under the same control as J.P. Morgan (other than members of the J.P. Morgan Group with exempt principal trader and/or exempt fund manager status) (collectively the “**J.P. Morgan Group**”) are presumed to be parties acting in concert with the Offeror. As at the date of this announcement, J.P. Morgan Group does not hold any Shares.

Save as disclosed in this section headed “Holdings of Shares and Options by the Offeror and the parties acting in concert with it” and the section headed “Irrevocable Undertakings” of this announcement, the Offeror and the parties acting in concert with it do not hold, control or have direction over any other Shares nor have, control or have direction over any other interests in the issued share capital or voting rights of Vinda.

As at the date of this announcement, the Offeror and the parties acting in concert with it do not hold any Options nor have, control or have direction over any outstanding options, derivatives, warrants or securities which are convertible into or exchangeable for securities of Vinda.

## **Dealings in securities in Vinda**

The Offeror and the parties acting in concert with it (other than the J.P. Morgan Group) have not dealt in the Shares, convertible securities, warrants, options or derivatives of Vinda during the six-month period immediately prior to the date of this announcement.

Any dealings in the Shares, convertible securities, warrants, options or derivatives of Vinda during the six-month period immediately prior to the date of this announcement by the J.P. Morgan Group will be disclosed in the Composite Document in accordance with the Takeovers Code.

## **Settlement of consideration**

Provided that the Offers have become, or have been declared, unconditional in all respects, settlement of the consideration in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the later of the date of receipt of duly completed and valid acceptances in respect of the Offers and the Unconditional Date.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder or an Optionholder (as the case may be) who accepts the Share Offer or the Option Offer (as the case may be) will be rounded up to the nearest cent.

## **VALUE OF THE OFFERS**

As at the date of this announcement, there are 998,282,686 Shares in issue. On the basis of the Share Offer Price of HK\$11.00 per Offer Share and assuming that no outstanding Options are exercised prior to the Closing Date, the entire issued share capital of Vinda is valued at HK\$10,981,109,546. After taking into account the 216,431,897 Shares already held by the Offeror (and the parties acting in concert with it) and assuming that the Share Offer is accepted in full, the Share Offer is valued at HK\$8,600,358,679 based on the Share Offer Price and 781,850,789 Offer Shares.

As at the date of this announcement, there are a total of 26,712,000 Options outstanding entitling the Optionholders to subscribe for, pursuant to the Share Option Scheme, an aggregate of:

- (i) 2,651,000 Shares at an exercise price of HK\$2.98 per Share;
- (ii) 3,000,000 Shares at an exercise price of HK\$5.42 per Share;
- (iii) 3,501,000 Shares at an exercise price of HK\$8.648 per Share;
- (iv) 1,359,000 Shares at an exercise price of HK\$10.34 per Share; and
- (v) 16,201,000 Shares at an exercise price of HK\$14.06 per Share.

Assuming none of the outstanding Options are exercised prior to the Closing Date, the total amount required to satisfy the cancellation of all the outstanding Options is HK\$47,133,932.

Based on the above and assuming that no outstanding Options are exercised prior to the Closing Date, the Offers are valued at approximately HK\$8,647,492,611 in aggregate.



In the event all the outstanding Options are exercised in full by the Optionholders prior to the Closing Date and the Share Offer is accepted in full (including all Shares issued and allotted as a result of the exercise of the Options), Vinda will have to issue 26,712,000 new Shares, representing approximately 2.61% of the enlarged issued share capital of Vinda. After taking into account the 216,431,897 Shares already held by the Offeror (and the parties acting in concert with it) and assuming all the outstanding Options are exercised in full by the Optionholders prior to the Closing Date and the Share Offer is accepted in full, the maximum value of the Share Offer is valued at approximately HK\$8,894,190,679. In that case, no amount will be payable by the Offeror under the Option Offer.

## **CONFIRMATION OF FINANCIAL RESOURCES**

The Offeror intends to finance the consideration payable by the Offeror under the Offers from the internal resources of the SCA Group.

For the purpose of making the Offers, the SCA Group has undertaken to maintain in its bank accounts an amount equivalent to not less than HK\$400 million. In addition, J.P. Morgan Securities plc has granted SCA a credit facility in the amount of US\$1,100 million (equivalent to approximately HK\$8,558 million), which may be used by the Offeror to finance the Offers, if necessary.

J.P. Morgan, as the sole financial adviser to the Offeror in respect of the Offers, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offers.

## **CONDITIONS TO THE SHARE OFFER**

The Share Offer is conditional on the satisfaction of the following conditions:

- (i) valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of such number of Offer Shares which, together with Shares already owned or agreed to be acquired before or during the Offers, would result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights in Vinda on a fully-diluted basis as at the Closing Date;
- (ii) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading in the Shares as a result of the Offers and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn, other than as a result of either of the Offers or anything done or caused by or on behalf of the Offeror or any party acting in concert with it;
- (iii) the representations and warranties given by each of the Committed Parties contained in the Irrevocable Undertakings remaining true and accurate and not misleading on each of (a) the date of execution of the Irrevocable Undertakings, (b) the Despatch Date, (c) the date on which each of the Committed Parties respectively delivers the duly executed form of acceptance and transfer for his/her/its Shares or Options (as the case may be) in accordance with the section headed “Irrevocable Undertakings” of this announcement and (d) the Unconditional Date;

- (iv) (a) all Consents as are necessary for the consummation of the transactions contemplated in the Irrevocable Undertakings and the Offers and in connection with, including, without limitation, any change in the direct or indirect shareholder(s) or ultimate controlling shareholder(s) of any member of the Vinda Group that has been granted the Consents to carry out its operations having been obtained and remaining in full force and effect without material variation from any Relevant Authority(ies) and all conditions (if any) to such Consents having been fulfilled, (b) each member of the Vinda Group possessing or having obtained all Consents from the Relevant Authority(ies) that are necessary to carry on its business and (c) all mandatory Consents from third parties having been obtained for the acquisition of the Offer Shares and/or Options under the Offers;
- (v) no event having occurred which would make the Offers or the acquisition of any of the Offer Shares and/or the Options under the Offers void, unenforceable or illegal or prohibit the implementation of the Offers or the transactions contemplated under the Irrevocable Undertakings;
- (vi) no Relevant Authority(ies) in any jurisdiction having taken or instigated any action, proceeding, suit, investigation or enquiry, or enacted or made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Offers or the acquisition of any of the Offer Shares and/or Options under the Offers void, unenforceable or illegal or prohibit the implementation of, or which would impose any material conditions, limitations or obligations with respect to, the Offers or the transactions contemplated under the Irrevocable Undertakings (other than such items or events as would not have a material adverse effect on the legal ability of the Offeror to proceed with or consummate the Offers and the transactions contemplated under the Irrevocable Undertakings);
- (vii) since the date of the last audited consolidated financial statements of Vinda, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business, prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Vinda Group as a whole, whether or not arising in the ordinary course of business;
- (viii) save for payment of the interim dividend declared by the Vinda Board on 28 August 2013, no dividend or other distribution (whether in cash or in kind) during the Offer Period having been declared, made or paid by Vinda to the Shareholders; and
- (ix) there having been no frustrating action taken by Vinda or any member of the Vinda Group since the date of this announcement, unless with the consent of the Offeror.

The Offeror reserves the right to waive, in whole or in part, all or any of the Conditions either generally or in respect of any particular matter save that Conditions (i), (v) and (vi) cannot be waived. If any of the Conditions is not satisfied or (where applicable) waived on or before 31 December 2013, the Share Offer will lapse. As at the date of this announcement, based on the information currently available to the Offeror and Vinda, the Offeror and Vinda understand that no Consent is required for the consummation of the Offers and the Irrevocable Undertakings.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror should not invoke any of the Conditions (other than Condition (i)) so as to cause the Offers to lapse unless the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Offers.

## **CONDITION TO THE OPTION OFFER**

The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

**WARNING: Shareholders, Optionholders and/or potential investors of Vinda should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to, and conditional upon, the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of Vinda should therefore exercise caution when dealing in the securities of Vinda (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## **IRREVOCABLE UNDERTAKINGS**

### **Undertakings to accept the Offers**

On 6 September 2013:

- (i) Fu An and the Chairman executed an Irrevocable Undertaking in favour of the Offeror, pursuant to which Fu An has irrevocably undertaken to the Offeror to accept, or procure the acceptance of, the Share Offer in respect of the Relevant Shares as soon as possible and in any event within the period during which the Offers are open for acceptance; and
- (ii) Ms. Zhang executed an Irrevocable Undertaking in favour of the Offeror, pursuant to which Ms. Zhang has irrevocably undertaken to the Offeror to accept the Option Offer in respect of the Relevant Options as soon as possible and in any event within the period during which the Offers are open for acceptance.

Prior to the closing, lapsing or withdrawal of the Share Offer, each of Fu An and the Chairman has undertaken not to, among other things, (i) sell or transfer (or cause the same to be done) or otherwise dispose of (or permit any such action to occur in respect of) any interest in any of the Relevant Shares (other than to the Offeror), (ii) accept, or give any undertaking (whether conditional or unconditional) to accept, or otherwise agree to accept, any offer, or approve any offer made or proposed to be implemented by way of a contractual offer, scheme of arrangement or otherwise in respect of securities in Vinda by any person other than the Offeror or (iii) take any action or enter into any agreement or arrangement (including, in the case of Fu An, through its representation on the Vinda Board (and whether or not legally binding or subject to any condition or which is to take effect after the Share Offer closes or lapses)), or permit any agreement or arrangement to be entered into or authorise or incur any obligation or give any indication of intent (or permit such circumstances to occur) which, (x) in relation to the Relevant Shares, would or might restrict or impede the acceptance of the Share Offer or (y) would otherwise be prejudicial to the successful outcome of the Share Offer.

## **No withdrawal**

Each of the Committed Parties has irrevocably undertaken that he/she/it will not withdraw any acceptance of the Share Offer in respect of the Relevant Shares or the Option Offer in respect of the Relevant Options (as the case may be).

## **Termination**

The Irrevocable Undertakings will be terminated and the obligations of each of the Committed Parties under the Irrevocable Undertakings shall lapse and terminate if (i) the Share Offer lapses or is withdrawn or (ii) the Share Offer has not become or been declared unconditional in all respects by 6.00 p.m. on 31 December 2013, whichever is earlier.

## **INFORMATION OF THE OFFEROR**

The Offeror is an investment holding company incorporated in the Netherlands with limited liability and is a direct wholly-owned subsidiary of SCA.

SCA is one of the leading global hygiene and forest products companies incorporated in Sweden with limited liability. The SCA Group develops and produces sustainable personal care, tissue and forest products. Sales are conducted in about 100 countries under many strong brands, including the global brands TENA and Tork, and regional brands, such as Tempo, Dr. P, Sealer, Libero and Libresse. As Europe's largest private forest owner, SCA places considerable emphasis on sustainable forest management.

The SCA Group has about 36,000 employees and sales in 2012 amounted to approximately SEK 85 billion (equivalent to approximately EUR 9.8 billion). SCA was founded in 1929, has its headquarters in Stockholm, Sweden, and is listed on NASDAQ OMX Stockholm.

## **INFORMATION OF THE VINDA GROUP**

Vinda is an investment holding company incorporated in the Cayman Islands with limited liability, whose Shares have been listed on the Main Board of the Stock Exchange since 10 July 2007.

Founded in 1985, the Vinda Group is a leading manufacturer and brand seller of household paper products in the PRC and Hong Kong. The Vinda Group attains strong brand recognition with its tissue brand "Vinda" and offers a great variety of household paper products including toilet paper, hanky, softpack, box tissue, paper napkin, wet wipe, kitchen towel. The Vinda Group has also developed into personal care business segment by owning the baby diaper brand "Babifit", as well as the sanitary napkin brand "VIA", through V-Care Holdings Limited, an associate held as to 41% by the Vinda Group.

For the year ended 31 December 2012, the Vinda Group had about 8,000 employees and the audited revenue amounted to approximately HK\$6,024 million.

Upon the Offers having become or been declared unconditional in all respects, Vinda will become a subsidiary of SCA and the financial results and financial position of the Vinda Group will be consolidated in the financial statements of SCA.

## **REASONS FOR THE OFFERS AND THE EXPECTED BENEFITS**

SCA believes that Vinda is well positioned for growth within the tissue market in the PRC, and the Vinda Group could be developed even further with the backing of SCA. SCA has been a minority shareholder of Vinda since 2007 and would like to take a more active role in the development of Vinda if it becomes the majority shareholder. Through a larger shareholding, SCA would have a more significant influence on the future direction of Vinda, which in turn encourage profitable value creation in a number of areas, including manufacturing, branding, “go to market” approach and category expansion into other markets. Becoming a majority shareholder is also an important step that will allow SCA to explore potential opportunities to create value in Vinda by sharing or entering into licensing arrangements with Vinda in relation to the intellectual property rights of SCA (such as brands and technical know-how). In particular, with a leading global position in the “Away from Home” tissue markets, which are relatively under-developed in the PRC, SCA would like to support the value creation and to increase its investments in Vinda as a part of its own portfolio of businesses worldwide.

SCA also has operations in a number of other Asian countries, and believes that the supply of additional products manufactured by Vinda through SCA’s existing distribution channels represents a potential opportunity.

The Offeror further believes that the Share Offer provides an opportunity for the Independent Shareholders to realise some or all of their Shares in return for immediate cash. The Share Offer represents a 38.36% premium over the Last Trading Date and 34.54% over the average closing price of approximately HK\$8.18 per Share for the last 30 consecutive trading days. Given the recent trading levels, the Offeror believes that the Share Offer represents an attractive premium to the prices at which the market has valued Vinda.

## **INTENTIONS OF THE OFFEROR IN RELATION TO THE VINDA GROUP**

Following completion of the Offers, the Offeror will review the businesses of the Vinda Group to consider and determine what changes, if any, would be necessary, appropriate or desirable, long term and short term, in order to best organise and optimise the businesses and operations of the Vinda Group and to integrate the same within the SCA Group.

The Offeror intends that the Vinda Group will continue to operate its business in substantially its current state. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Vinda Group’s businesses and operations to better integrate, generate maximum synergy and achieve enhanced economies of scale with the other operations of the SCA Group.

## **LISTING STATUS OF VINDA**

The Offeror intends to maintain the listing status of Vinda on the Stock Exchange. However, if the Offeror acquires the requisite percentage of the Offer Shares to enable it to compulsorily acquire all the issued Shares as detailed in the section headed “Compulsory Acquisition and Withdrawal of Listing” of this announcement, it may (but is not obliged to) compulsorily acquire those Shares not acquired by the Offeror under the Share Offer. Accordingly, assuming the Share Offer becomes or is declared unconditional in all respects but the Offeror does not effect the compulsory acquisition, each of the Offeror and Vinda will undertake to the Stock Exchange to take appropriate steps following the close of the Offers to ensure that such



number of Shares as may be required by the Stock Exchange are held by the public within the prescribed time frame. Any future transactions between the Vinda Group and the SCA Group will be carried out on an arm's length basis and in compliance with the Listing Rules.

**If, upon the close of the Offers, less than the minimum prescribed percentage applicable to Vinda, being 25%, of the issued Shares are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange may exercise its discretion to suspend trading in the Shares.**

## **COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING**

To the extent applicable, if the Offeror, within four months of the posting of the Composite Document, acquires not less than 90% of the issued Shares not being held by it at the time of the posting of the Composite Document, the Offeror may (but is not obliged to) compulsorily acquire those Shares not acquired by the Offeror under the Share Offer in accordance with section 88 of the Cayman Islands Companies Law. As at the date of this announcement, the Offeror has not decided whether or not to exercise any right of compulsory acquisition in respect of Vinda. Pursuant to Schedule I to the Takeovers Code, the Offeror will include in the Composite Document a statement whether or not it intends to avail itself of any powers of compulsory acquisition in respect of Vinda. If the Offeror decides to exercise such right and completes the compulsory acquisition, Vinda will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules. The Offeror will comply with Rule 15.6 of the Takeovers Code which requires that the Offers may not remain open for more than four (4) months from the posting of the Composite Document, unless the Offeror has by that time become entitled to exercise the right of compulsory acquisition.

Pursuant to Rule 2.11 of the Takeovers Code, except with the consent of the Executive, where the Offeror seeks to acquire or privatise Vinda by means of the Share Offer and the use of compulsory acquisition rights, such rights may only be exercised if, in addition to satisfying any requirement imposed by the Cayman Islands Companies Law, acceptance of the Share Offer and purchases made by the Offeror and the parties acting in concert with it during the four months after posting of the Composite Document total 90% or more of the disinterested Shares (as defined in the Takeovers Code).

**WARNING: If the level of acceptances of the Share Offer reaches the prescribed level under the Cayman Islands Companies Law required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, and if the Offeror exercises its right of compulsory acquisition in respect of Vinda, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.**

## **FURTHER TERMS OF THE OFFERS**

In addition to the Conditions set out in this announcement, the Share Offer is made on the basis that acceptance of the Share Offer by any person will constitute a warranty by such person or persons to the Offeror that the Offer Shares acquired under the Share Offer are sold by such person or persons free from all Encumbrances and together with all rights attaching thereto as at the Closing Date or subsequently becoming attached to them, including the right to receive in full all dividends (whether final or interim) and other distributions, if any, declared, made or paid on or after the Closing Date.

The Offers will be made in compliance with the Takeovers Code which is administered by the Executive.

Sellers' ad valorem stamp duty arising in connection with acceptance of the Share Offer will be payable by each Accepting Shareholder at the rate of HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable by the Offeror for such person's Offer Shares and will be deducted from the cash amount due to such Accepting Shareholder. The Offeror will pay the buyer's ad valorem stamp duty in relation to the Share Offer on its own behalf.

No stamp duty is payable in connection with the Option Offer.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Vinda Board comprises ten Directors, four of whom (namely Mr. LI Chao Wang, Ms. YU Yi Fang, Ms. ZHANG Dong Fang and Mr. DONG Yi Ping) are executive Directors, two of whom (namely Mr. Johann Christoph MICHALSKI and Mr. Ulf Olof Lennart SODERSTROM, with Mr. CHIU Bun being the alternate director to each of them) are non-executive Directors and the remaining four of whom (namely Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai) are independent non-executive Directors.

An Independent Board Committee of Vinda, which comprises Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai (each being an independent non-executive Director) has been established by the Vinda Board to make a recommendation to the Independent Shareholders as to whether the Share Offer is, or is not, fair and reasonable and as to its acceptance and to the Optionholders as to its views on the Option Offer. By reason of their respective position and/or involvement within the SCA Group, Mr. Johann Christoph MICHALSKI (also President of SCA Global Hygiene Category), Mr. Ulf Olof Lennart SODERSTROM (also President of SCA Asia Pacific) and Mr. CHIU Bun (also the general counsel of SCA Asia Pacific) are associates of the Offeror. Accordingly, they are considered to have an interest in the Offers and will not act as a member of the Independent Board Committee.

An Independent Financial Adviser will be appointed (with the approval of the Independent Board Committee) to advise the Independent Board Committee in connection with the Offers. An announcement will be made by Vinda as soon as possible after an Independent Financial Adviser has been appointed.

## **GENERAL MATTERS RELATING TO THE OFFERS**

### **Availability of the Offers**

The Offeror intends to make the Share Offer and Option Offer available to all Independent Shareholders and Optionholders, respectively, including those who are not resident in Hong Kong. The making and the implementation of the Share Offer and Option Offer to Independent Shareholders and Optionholders who are not resident in Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such Independent Shareholders and Optionholders are located. Such Independent Shareholders and Optionholders should inform themselves about and observe any applicable requirements and restrictions in their own jurisdictions. Independent Shareholders and Optionholders who have registered addresses outside Hong Kong and wish to accept the Offers should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant

jurisdiction in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes payable by such Accepting Shareholders and Optionholders in such jurisdiction).

In the event that the receipt of the Composite Document by overseas Shareholders or Optionholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such overseas Shareholders or Optionholders. The Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Any arrangements for overseas Shareholders or Optionholders to collect the Composite Document will be set out in a further announcement.

### **Composite Document**

It is the intention of the Offeror and Vinda to combine the Offer Document with the Response Document in the Composite Document. The Composite Document containing, among other things, details of the Offers (including the expected timetable in relation to the Offers), a letter from the Independent Board Committee and a letter from the Independent Financial Adviser in relation to the Offers, together with the relevant forms of acceptance and transfer, will be despatched to the Independent Shareholders and the Optionholders as soon as practicable and in compliance with the requirements of the Takeovers Code.

### **Further agreements or arrangements**

As at the date of this announcement:

- (i) save as disclosed in the section headed "Irrevocable Undertakings" of this announcement, the Offeror and the parties acting in concert with it have not received any other irrevocable commitment to accept or reject the Offers;
- (ii) save as disclosed in the sections headed "Introduction" and "Holdings of Shares and Options by the Offeror and the parties acting in concert with it" of this announcement, the Offeror and the parties acting in concert with it do not hold any Shares, convertible securities, warrants or options in Vinda;
- (iii) save as disclosed in the section headed "Dealings in securities in Vinda" of this announcement, the Offeror and the parties acting in concert with it have not acquired any voting rights in or otherwise dealt for value in the Shares or rights over the Shares during the 6-month period immediately prior to the date of this announcement;
- (iv) there is no outstanding derivative in respect of the securities in Vinda which has been entered into by the Offeror or any party acting in concert with it;
- (v) save for the Options granted under the Share Option Scheme, there is no outstanding options, warrants, derivatives or securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares;

- (vi) save as disclosed in the section headed “Irrevocable Undertakings” of this announcement, there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or Vinda and which might be material to the Offers;
- (vii) save as disclosed in the sections headed “Conditions to the Share Offer” and “Irrevocable Undertakings” of this announcement, there is no agreement or arrangement to which the Offeror is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a condition to the Offers; and
- (viii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in Vinda which the Offeror or any party acting in concert with it have borrowed or lent.

### **Close of the Offers**

The latest time on which the Offeror can declare the Share Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the Composite Document (or such later date to which the Executive may consent).

If all the Conditions are satisfied (or, if permissible, waived), Shareholders and Optionholders will be notified as soon as possible by way of an announcement in accordance with the Takeovers Code and the Listing Rules.

### **DEALINGS DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, associates of Vinda and the Offeror (including persons who own or control 5% or more of any class of relevant securities issued by Vinda or the Offeror) are hereby reminded to disclose their dealings in the securities of Vinda pursuant to the Takeovers Code.

For this purpose, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

#### ***“Responsibilities of stockbrokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

The Offeror, its nominees or brokers or associates may from time to time make certain purchases of, or arrangements to purchase, Shares other than pursuant to the Share Offer, before or during the period in which the Share Offer remains open for acceptance in compliance with the Takeovers Code. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be reported to the SFC and will be available on the website of the SFC at <http://www.sfc.hk/>.

## SUSPENSION AND RESUMPTION OF TRADING

At the request of Vinda, trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 2 September 2013 pending the release of this announcement. An application has been made by Vinda to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 9 September 2013.

**WARNING: Shareholders, Optionholders and/or potential investors of Vinda should note that the Share Offer is subject to the satisfaction or waiver (where applicable) of the Conditions, and the Option Offer is subject to, and conditional upon, the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional. Shareholders, Optionholders and/or potential investors of Vinda should therefore exercise caution when dealing in the securities of Vinda (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult their licensed securities dealers or registered institutions in securities, bank managers, solicitors, professional accountants or other professional advisers.**

## DEFINITIONS

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

“Accepting Shareholders”	the Independent Shareholders who accept the Share Offer
“acting in concert”	has the meaning given to it in the Takeovers Code
“associate”	has the meaning given to it in the Takeovers Code
“Business Day”	a day (other than Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for the transaction of business
“Cayman Islands Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Chairman”	Mr. LI Chao Wang, the chairman of Vinda and an executive Director
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Share Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive
“Committed Parties”	Fu An, the Chairman and Ms. Zhang



“Composite Document”	the Offer Document and the Response Document to be issued jointly by the Offeror and Vinda in relation to the Offers and in accordance with the Takeovers Code
“Conditions”	the conditions to the Share Offer, as set out in the section headed “Conditions to the Share Offer” of this announcement
“Consents”	any consent, approval, authorisation, qualification, waiver, permit, grant, franchise, concession, agreement, licence, exemption or order of, registration, certificate, declaration or permission from, or filing with, or report or notice to, any Relevant Authority(ies) or third parties, including those required under or in relation to any concession rights or licences granted by the Relevant Authority(ies) or third parties to the Vinda Group to carry out its operations, whether under applicable laws or regulations, any agreement or arrangement with such Relevant Authority(ies) or third parties, or otherwise
“Despatch Date”	the date of despatch of the Composite Document
“Directors”	directors of Vinda
“Encumbrances”	mortgage, charge, pledge, lien, option, restriction, purchase right, right of first refusal, right of pre-emption, voting trust or agreement, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect
“EUR”	Euros, the lawful currency adopted by 17 of the 28 member states of the European Union
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Fu An”	Fu An International Company Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a substantial shareholder of Vinda
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Vinda Board, comprising all the independent non-executive Directors, namely Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai, established for the purpose of making a recommendation to the Independent Shareholders and the Optionholders in relation to the Offers
“Independent Financial Adviser”	the independent financial adviser to be appointed by Vinda for the purpose of advising the Independent Board Committee in relation to the Offers

“Independent Shareholders”	Shareholders other than the Offeror and the parties acting in concert with it
“Irrevocable Undertakings”	the irrevocable undertakings dated 6 September 2013 given by the Committed Parties in favour of the Offeror
“J.P. Morgan”	J.P. Morgan Securities (Asia Pacific) Limited, a registered institution under the SFO licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) regulated activities, which is the sole financial adviser to the Offeror in respect of the Offers
“Last Trading Date”	30 August 2013, being the last full trading day prior to the suspension of trading in the Shares on the Stock Exchange preceding the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Ms. Zhang”	Ms. ZHANG Dong Fang, the Chief Executive Officer of Vinda and an executive Director
“Offer Document”	the document required to be issued by, or on behalf of, the Offeror to all the Independent Shareholders and Optionholders in accordance with the Takeovers Code, containing, among other things, details of the Offers and the terms and conditions of the Offers
“Offer Period”	has the meaning given to it in the Takeovers Code
“Offer Share(s)”	issued Share(s) other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it
“Offeror”	SCA Group Holding BV, a company incorporated in the Netherlands with limited liability and a direct wholly-owned subsidiary of SCA
“Offers”	the Share Offer and the Option Offer
“Option Offer”	the offer proposed to be made by the Offeror in compliance with Rule 13 of the Takeovers Code to cancel all the outstanding Options in accordance with the terms and conditions set out in this announcement
“Optionholders”	the holders of the Options
“Options”	the 26,712,000 outstanding share options granted by Vinda pursuant to the Share Option Scheme, whether vested or not
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Relevant Authorities”	any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution in any jurisdiction that has the authority to grant permit, license or approval or accept registration or filing in relation to the Offers or otherwise
“Relevant Options”	3,000,000 Options at an exercise price of HK\$5.42 and 936,000 Options at an exercise price of HK\$8.648 held by Ms. Zhang
“Relevant Shares”	the 20,964,654 Offer Shares held by Fu An as at the date of the Irrevocable Undertakings, representing approximately 2.10% of the issued share capital of Vinda as at the date of this announcement
“Response Document”	the document required to be issued by Vinda to all the Independent Shareholders and Optionholders in accordance with the Takeovers Code containing, among other things, a letter from the Vinda Board, a letter from the Independent Board Committee and a letter from the Independent Financial Adviser in relation to the Offers
“SCA”	Svenska Cellulosa Aktiebolaget SCA (publ), a company incorporated in Sweden with limited liability and the ultimate holding company of the Offeror, the issued shares of which are listed on NASDAQ OMX Stockholm
“SCA Group”	SCA and its subsidiaries
“SEK”	Swedish kronor, the lawful currency of Sweden
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of Vinda
“Share Offer”	the voluntary conditional cash offer to be made by J.P. Morgan for and on behalf of the Offeror to acquire all of the outstanding Shares in the issued share capital of Vinda (other than those Shares already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) in accordance with the terms and conditions set out in this announcement
“Share Offer Price”	the price at which the Share Offer will be made, being HK\$11.00 per Offer Share
“Share Option Scheme”	means the share option scheme adopted by Vinda on 19 June 2007, as amended from time to time
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning given to it in the Listing Rules

“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases published by the SFC
“Unconditional Date”	the date on which the Offers become or are declared unconditional in all respects
“United States” or “US”	United States of America
“US\$”	United States dollars, the lawful currency of the United States
“US Exchange Act”	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
“Vinda”	Vinda International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3331)
“Vinda Board”	the board of Directors
“Vinda Group”	Vinda and its subsidiaries
“%”	per cent

*For the purpose of illustration only, (i) the amounts denominated in US\$ have been translated into HK\$ at the exchange rate of US\$1 to HK\$7.78 and (ii) the amounts denominated in SEK have been translated into EUR at the exchange rate of SEK1 to EUR0.1153. Such translations should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*

By order of the board of directors of  
**SCA Group Holding BV**  
**Jan Torsten FRIMAN**  
*Director*

By order of the board of directors of  
**Vinda International Holdings Limited**  
**Zhang Dong Fang**  
*Director*

Hong Kong, 9 September 2013

*As at the date of this announcement, the Vinda Board comprises executive Directors, namely Mr. LI Chao Wang, Ms. YU Yi Fang, Ms. ZHANG Dong Fang and Mr. DONG Yi Ping; non-executive Directors, namely Mr. Johann Christoph MICHALSKI, Mr. Ulf Olof Lennart SODERSTROM and Mr. CHIU Bun (alternate director to Mr. MICHALSKI and Mr. SODERSTROM) and independent non-executive Directors, namely Dr. CAO Zhen Lei, Mr. KAM Robert, Mr. HUI Chin Tong, Godfrey and Mr. TSUI King Fai.*

*As at the date of this announcement, the board of directors of the Offeror comprises of Jan Torsten FRIMAN, Jan Lennart PERSSON, Iman DAMSTÉ, William Andrew VERMIE, Mukundkumar Ambalal AMIN and Duncan John PARSONS.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Offeror and the parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Offeror and the parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than the information relating to the Vinda Group), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Vinda Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*