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LETTER FROM THE BOARD

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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)**

*Executive directors:*

Mr. Li Chao Wang (*Chairman*)  
Ms. Yu Yi Fang (*Vice Chairman*)  
Ms. Li Jielin (*Chief Executive Officer*)  
Mr. Dong Yi Ping (*Chief Technology Officer*)

*Non-executive directors:*

Mr. Jan Christer Johansson (*Vice Chairman*)  
Mr. Carl Magnus Groth  
Mr. Carl Fredrik Stenson Rystedt  
Mr. Johann Christoph Michalski

*Independent non-executive directors:*

Mr. Tsui King Fai  
Mr. Wong Kwai Huen, Albert  
Mr. Law Hong Ping, Lawrence  
Dr. Cao Zhenlei

*Alternate Directors:*

Mr. Gert Mikael Schmidt  
(alternate to Mr. Johansson and Mr. Groth)  
Mr. Dominique Michel Jean Deschamps  
(alternate to Mr. Rystedt)

*Registered office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

Penthouse, East Ocean Centre  
98 Granville Road  
Tsim Sha Tsui East  
Kowloon  
Hong Kong

8 March 2024

*To the Shareholders:*

Dear Sir or Madam,

**VOLUNTARY CONDITIONAL CASH OFFER BY  
BNP PARIBAS SECURITIES (ASIA) LIMITED AND  
CHINA INTERNATIONAL CAPITAL CORPORATION  
HONG KONG SECURITIES LIMITED FOR AND ON BEHALF OF  
THE OFFEROR FOR ALL THE ISSUED SHARES OF  
VINDA INTERNATIONAL HOLDINGS LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND  
THE OFFEROR CONCERT PARTIES)**

**INTRODUCTION**

We refer to (i) the Rule 3.7 Announcement; (ii) the Joint Announcement; (iii) the joint announcements dated 18 December 2023, 5 February 2024, 15 February 2024 and 4 March 2024 issued by the Offeror and the Company in relation to, among other things, the status of

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satisfaction of the Pre-Conditions; (iv) the joint announcement dated 5 January 2024 issued by the Offeror and the Company in relation to, among other things, the delay in despatch of the Composite Document; and (v) the announcement dated 12 January 2024 in relation to, among other things, the appointment of the Independent Financial Adviser.

As stated in the Joint Announcement, the making of the Offer was subject to the satisfaction or waiver (where applicable) of the Pre-Conditions. On 4 March 2024, the Offeror and the Company jointly announced that all Pre-Conditions had been satisfied.

The purpose of the Composite Document (of which this letter forms part) is to provide you with, among other things: (i) further information relating to the Company, the Offeror and the Offer (including the expected timetable and terms of the Offer); (ii) the letter from BNPP and CICC containing, among other things, details of the Offer; (iii) the letter from the Independent Board Committee to the Independent Shareholders containing its recommendation in respect of the Offer; and (iv) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in relation to the Offer.

Terms used in this letter shall have the same meaning as those defined in the Composite Document unless the context otherwise requires.

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

The Independent Board Committee, comprising all the independent non-executive Directors, being Mr. Tsui King Fai, Mr. Wong Kwai Huen, Albert, Mr. Law Hong Ping, Lawrence and Dr. Cao Zhenlei, has been established in accordance with Rules 2.1 and 2.8 of the Takeovers Code to advise and give a recommendation to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Pursuant to Rule 2.8 of the Takeovers Code, the Independent Board Committee is required to comprise all the non-executive Directors who have no direct or indirect interest in the Offer other than as holders of the Shares. Mr. Johann Christoph Michalski, Mr. Jan Christer Johansson, Mr. Carl Magnus Groth and Mr. Carl Fredrik Stenson Rystedt, being the non-executive Directors, are either appointed by Essity or ex-employees of Essity and therefore are not part of the Independent Board Committee.

The Company has appointed, with the approval of the Independent Board Committee, Somerley as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer.

Somerley is of the opinion that the terms of the Offer are fair and reasonable insofar as the Independent Shareholders are concerned, and accordingly, it recommends the Independent Board Committee to advise the Independent Shareholders to accept the Offer. The Independent Board Committee, having been so advised, considers that the terms of the Offer are fair and reasonable insofar as the Independent Shareholders are concerned, and accordingly, recommends the Independent Shareholders to accept the Offer.

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The full texts of the “Letter from the Independent Board Committee” addressed to the Independent Shareholders and the “Letter from the Independent Financial Adviser” addressed to the Independent Board Committee are set out in the Composite Document. You are advised to read both letters and the additional information contained in the appendices to the Composite Document carefully before taking any action in respect of the Offer.

### THE OFFER

As set out in the “Letter from BNPP and CICC” on pages 9 to 28 of the Composite Document, BNPP and CICC, for and on behalf of the Offeror, are making the Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

**For each Offer Share . . . . . HK\$23.50 in cash**

If after the date of the Composite Document, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by the gross amount of the dividend, distribution and/or return of capital paid or made by the Company in respect of each Offer Share to such Shareholders who accept or have accepted the Offer, and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, the Composite Document or any other announcement in relation to the Offer Price will be deemed to be a reference to the Offer Price as so reduced by the amount of such dividend, distribution and/or return of capital declared, made or paid per Offer Share. Any such reduction will only apply to those Offer Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital.

Further details of the terms of the Offer can be found in the “Letter from BNPP and CICC”, “Appendix I – Further Terms and Procedures for Acceptance of the Offer” to the Composite Document and the accompanying Form of Acceptance.

The Board confirms that, as at the Latest Practicable Date, the Company did not have outstanding dividends which have been declared but not yet paid and the Board did not intend to announce, recommend, declare and/or pay any dividend, distribution or other return of capital before the Closing Date or the lapse of the Offer (as the case may be).

### CONDITIONS TO THE OFFER

The Offer is conditional upon the satisfaction or, if capable of being waived, waiver of the following Conditions:



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- (a) valid acceptances of the Offer having been 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 rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights in the Company;
- (b) 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 of the Shares 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; and
- (c) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (ii) there is no outstanding statute, regulation, demand or order, in each case which would make the Offer void, unenforceable or illegal or prohibit implementation of the Offer or which would impose any material conditions, limitations or obligations with respect to the Offer.

The Offeror reserves the right to waive, in whole or in part, the Conditions set out in (b) and (c) above. The Condition set out in (a) above cannot be waived.

The Offer is subject to and conditional upon the Offer becoming or being declared unconditional in all respects.

As at the Latest Practicable Date, none of the Conditions had been satisfied.

Further details of the Offer including, among others, the expected timetable, the Conditions, terms and procedures of acceptance of the Offer, are set out in the “Letter from BNPP and CICC” and “Appendix I – Further Terms and Procedures for Acceptance of the Offer” to the Composite Document and the accompanying Form of Acceptance.

**Warning: Shareholders of, and/or potential investors in, the Company should note that, completion of the Offer is subject to the Conditions being satisfied or, if capable of being waived, waived and therefore the Offer may or may not become unconditional and may or may not be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. If Shareholders and potential investors are in any doubt about their position, they should consult their professional advisers.**

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### **IRREVOCABLE UNDERTAKINGS**

Your attention is drawn to the section headed “Irrevocable Undertakings” in the “Letter from BNPP and CICC” in the Composite Document which sets out the details of the Essity Irrevocable Undertaking and the Li Irrevocable Undertaking given by Essity and Mr. Li, respectively, on 14 December 2023 in favour of the Offeror to accept, or procure the acceptance of, the Offer in respect of the Essity Undertaking Shares and the Li Undertaking Shares.

### **OPTION TO ENTER INTO NEW LICENCE AGREEMENT**

Your attention is drawn to the section headed “Option to enter into New Licence Agreement” in the “Letter from BNPP and CICC” in the Composite Document which sets out the details of the Option Letter which was issued by Essity HH to the Company on 15 December 2023 in relation to, among others, the Option to enter into the New Licence Agreement.

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

As set out in the section headed “Compulsory Acquisition and Withdrawal of Listing of the Company” in the “Letter from BNPP and CICC” in the Composite Document, the Board understands that the Offeror intends to privatise the Company by exercising its right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four months after the date of the Composite Document, it has acquired not less than 90% of the Offer Shares. On completion of the compulsory acquisition (if applicable), the Company 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. As soon as reasonably practicable after such application for the withdrawal of the listing of the Shares from the Stock Exchange has been made, the Company will provide the Shareholders with a notice of the proposed withdrawal of the listing by way of an announcement pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Offer reaches the prescribed level under the Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, 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.

In the event the Offeror does not effect the compulsory acquisition of the remaining Offer Shares not acquired by the Offeror under the Offer, by reason of the level of acceptances of the Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code, the directors of the Offeror and the new directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

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If the Offeror does not effect compulsory acquisition and, as at the close of the Offer, less than 25% of the Shares are held by the public or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares. It should be noted that, upon completion of the Offer, there may be insufficient public float and therefore trading in the Shares may be suspended until a prescribed level of public float is attained.

### **EFFECT OF ACCEPTING THE OFFER**

Your attention is drawn to the section headed “Effect of accepting the Offer” in the “Letter from BNPP and CICC” in the Composite Document for the effect of accepting the Offer.

### **INFORMATION ON THE GROUP**

The Company is an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on the Main Board (stock code: 3331). The Group is principally engaged in the manufacturing and sale of tissue and personal care products in the PRC, Hong Kong, Macau, Chinese Taiwan, Korea, Malaysia and other Southeast Asian countries including, among others, Singapore, Thailand and Indonesia, and its principal products include toilet paper, hankies, softpack, box tissues, wet wipes, paper napkins, baby diapers, incontinence products and feminine care products.

Financial and general information of the Group are set out in “Appendix II – Financial Information of the Group” and “Appendix III – General Information of the Group” to the Composite Document.

### **INFORMATION ON THE OFFEROR**

Your attention is drawn to the section headed “Information on the Offeror” in the “Letter from BNPP and CICC” and “Appendix IV – General Information of the Offeror” in the Composite Document for information on the Offeror.

### **INTENTION OF THE OFFEROR REGARDING THE GROUP**

Your attention is drawn to the section headed “Intention of the Offeror in relation to the Group” in the “Letter from BNPP and CICC” in the Composite Document for information on the intention of the Offeror regarding the Group. The Board notes the intention of the Offeror and welcomes in particular that the Offeror has no plans to make any major changes to the current business operations of the Group, including the introduction of any major changes in the continued employment of the employees of the Group as a result of the Offer.



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### ADDITIONAL INFORMATION

You are advised to read the “Letter from BNPP and CICC” and “Appendix I – Further Terms of the Offer and Procedures for Acceptance of the Offer” in the Composite Document and the accompanying Form of Acceptance for further information relating to the Offer, information on taxation and the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the appendices to the Composite Document.

### RECOMMENDATIONS

Your attention is drawn to (a) the “Letter from the Independent Board Committee” to the Independent Shareholders containing its recommendations with respect of the Offer; and (b) the “Letter from the Independent Financial Adviser” containing its advice to the Independent Board Committee in relation to the Offer and the principal factors and reasons considered by the Independent Financial Adviser in arriving at its recommendations. You are advised to read both letters and the remainder of the Composite Document carefully before taking any action in respect of the Offer.

In considering what action to take in connection with the Offer, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,  
By order of the Board of  
**Vinda International Holdings Limited**

**Li Chao Wang**  
*Chairman*

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A handwritten signature in black ink, consisting of several horizontal strokes and a few loops, positioned above the printed name.

**Li Chao Wang**  
*Chairman*