

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

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

This announcement is not for release, publication or distribution, in whole or in part, in or into any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction.



Vinda International Holdings Limited
維達國際控股有限公司

ISOLA CASTLE LTD

(Incorporated in the Cayman Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3331)

JOINT ANNOUNCEMENT

**(1) PRE-CONDITIONAL 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)**

AND

(2) IRREVOCABLE UNDERTAKINGS TO ACCEPT THE OFFER

Lead Financial Adviser to the Offeror



BNP PARIBAS

Joint Financial Adviser to the Offeror



Financial Adviser to the Company



Financial Adviser to Essity



INTRODUCTION

The Offeror and the Company jointly announce that BNPP and CICC will, on behalf of the Offeror, subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, make a voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and the Offeror Concert Parties). All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

PRE-CONDITIONAL VOLUNTARY CONDITIONAL CASH OFFER

The Offer

Upon satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer will be made by BNPP and CICC, for and on behalf of the Offeror, to acquire all the Offer Shares on terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$23.50 in cash

The Offer Price of HK\$23.50 per Offer Share represents:

- (a) a premium of approximately 19.36% over the average closing price of approximately HK\$19.69 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Day; and
- (b) a premium of approximately 149.78% over the unaudited consolidated net asset value of approximately HK\$9.41 per Share, based on the unaudited consolidated net assets of the Company as at 30 June 2023 and the number of Shares in issue as at the date of this announcement.

If after the date of this announcement, 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 this announcement, the Composite Document or any other announcement in relation to the Offer 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.

Principal terms of the Offer are set out in the section headed “Pre-Conditional Voluntary Conditional Cash Offer” in this announcement.

As at the date of this announcement, the Offeror is not interested in any Shares while the Offeror Concert Parties are interested in a total of 92,538,100 Shares, representing approximately 7.69% of the issued share capital of the Company.

As at the date of this announcement, there are 1,203,285,373 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration (including the buyer’s ad valorem stamp duty) payable under the Offer with its internal resources and/or external bank financing. Assuming full acceptance of the Offer, the maximum aggregate amount payable by the Offeror will be HK\$26,128.7 million.

BNPP and CICC, being the financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

PRE-CONDITIONS TO THE OFFER

The making of the Offer by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Long Stop Date:

- (1) the merger control filing with the Anti-trust Bureau of SAMR and the Japan Fair Trade Commission or any other governmental or regulatory authorities or agencies as required by applicable law with respect to the transactions contemplated under the Offer having been completed, and the approval, which shall be without condition, or with conditions that are not materially adverse to APRIL and its subsidiaries taken as a whole, by the Anti-trust Bureau of SAMR, the Japan Fair Trade Commission and other governmental or regulatory authorities with respect to such merger control filing having been duly obtained, or the expiry of the applicable statutory waiting period under applicable law (or any extension thereof) with the relevant governmental or regulatory authorities having either raised no objection with respect to, or waived jurisdiction over, the Offer;
- (2) all consents or approvals that are required under PRC laws that without which would prohibit the Offeror from making the Offer having been obtained;
- (3) up to and including the time when the Pre-Conditions set out in (1) and (2) above are satisfied, (a) 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 (b) there is no outstanding statute, regulation, demand or order, in each case that would make the Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offer; and
- (4) the Option Letter having been issued by Essity HH to the Company.

As at the date of this announcement, the Offeror is not aware of any consents or approvals referred to under Pre-Condition (2). Pre-Conditions (1) to (3) cannot be waived. Pre-Condition (4) may be waived by the Offeror. If any of the Pre-Conditions is not satisfied or, if capable of being waived, not waived on or before the Long Stop Date, the Offer will not be made by the Offeror. The Offeror will issue a further announcement as soon as practicable: (i) after all the Pre- Conditions have been satisfied or, if capable of being waived, waived; (ii) if any of the Pre- Conditions has not been satisfied or, if capable of being waived, not waived by the Long Stop Date and the Offer will not be made; or (iii) if the Offeror extends the Long Stop Date (with the agreement of Essity GH and Mr. Li).

CONDITIONS TO THE OFFER

Upon satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer to be made by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions:

- (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.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offer if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offer.

IRREVOCABLE UNDERTAKINGS

On 14 December 2023, each of Essity GH and Mr. Li entered into an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of Essity GH and Mr. Li undertook to accept or procure the acceptance of the Offer in accordance with its terms in respect of the Essity Undertaking Shares and the Li Undertaking Shares respectively. The Essity Undertaking Shares and the Li Undertaking Shares collectively represent an aggregate of approximately 72.62% of the issued share capital of the Company as at the date of this announcement.

Essity Irrevocable Undertaking

Essity GH's obligation to accept the Offer will lapse if,

- (1) the Offer is not announced by the next Business Day after the date of execution of the Essity Irrevocable Undertaking by Essity GH or such other date as the parties may agree in writing;
- (2) the Offer lapses or is withdrawn without having become unconditional in all respects;
or
- (3) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Long Stop Date.

Save as set out above, the undertakings given in the Essity Irrevocable Undertaking are unconditional.

Li Irrevocable Undertaking

Mr. Li's obligation to accept the Offer will lapse if,

- (1) the Offer is not announced by two Business Days after the later of: (i) the date of execution of the Essity Irrevocable Undertaking; and (ii) the date of execution of the Li Irrevocable Undertaking by Mr. Li, or such other date as the parties may agree in writing;
- (2) the Offer lapses or is withdrawn without having become unconditional in all respects;
or
- (3) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Long Stop Date.

Save as set out above, the undertakings given in the Li Irrevocable Undertaking are unconditional.

Further details of the Irrevocable Undertakings are set out in the section headed "Irrevocable Undertakings" in this announcement.

OPTION TO ENTER INTO NEW LICENCE AGREEMENT

Under the terms of the Licence Agreement, Essity HH has the right to terminate certain licences granted to the Company under the Licence Agreement if the aggregate shareholding of all members of the Essity Group in the Company drops to 50% or below by giving three (3) years' notice to the Company. Essity HH has expressed its intention to exercise such termination right by serving a termination notice to the Company on or around the Closing Date if the Offer becomes unconditional in all respects and closes.

Given the significance of the licences granted to the Company under the Licence Agreement, Essity HH has agreed to offer and grant the Option to the Company under the Option Letter, which offer and grant are conditional upon the prior issuance of the Termination Notice in accordance with the terms of the Licence Agreement and are subject to the terms of the Option Letter.

The Option, if offered and granted to the Company, shall be exercisable by the Company, at its sole discretion, from the date falling twelve (12) months after the date of the Termination Notice until the earlier of: (i) the date falling thirty-six (36) months after the date of the Termination Notice; and (ii) 31 December 2027 (both exclusive).

A summary of the proposed terms of the Option and the New Licence Agreement is set out in the section headed “Option to Enter into New Licence Agreement” in this announcement.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF THE COMPANY

The Offeror intends to avail itself of exercising the 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.

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, whether by reason of the level of acceptances of the Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code or otherwise, the Offeror will use its commercially reasonable endeavours to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

GENERAL

Financial Advisers, Independent Board Committee and Independent Financial Adviser

The Offeror has appointed BNPP and CICC as its financial advisers in respect of the Offer. The Company has appointed HSBC as its financial adviser in respect of the Offer. Essity has appointed BofA Securities as its financial adviser in respect of the Offer.

An Independent Board Committee, comprising all the independent non-executive Directors, namely 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.

An independent financial adviser will be appointed, with the approval of the Independent Board Committee, to advise the Independent Board Committee and the Independent Shareholders in respect of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company into the Composite Document. The Composite Document containing, among other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the relevant form of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this announcement or such later date as the Executive may approve.

As the making of the Offer by the Offeror is subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for consent to extend the deadline for the despatch of the Composite Document to within seven days of the satisfaction or waiver (as applicable) of the Pre-Conditions.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

WARNING

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offer is subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer may or may not be made. Further, 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. Accordingly, the issue of this announcement does not imply that the Offer will be made or will be completed.

Shareholders are reminded to read the Composite Document, including the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer, before deciding whether or not to accept the Offer.

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.

INTRODUCTION

The Offeror and the Company jointly announce that BNPP and CICC will, on behalf of the Offeror, subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, make a voluntary conditional cash offer to acquire all the issued Shares (other than those already owned by the Offeror and the Offeror Concert Parties). All references to the Offer in this announcement are references to the possible Offer which will be made if and only if the Pre-Conditions are satisfied or, if capable of being waived, waived.

PRE-CONDITIONAL VOLUNTARY CONDITIONAL CASH OFFER

The Offer

Upon satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer will be made by BNPP and CICC, for and on behalf of the Offeror, to acquire all the Offer Shares on terms to be set out in the Composite Document in compliance with the Takeovers Code on the following basis:

For each Offer ShareHK\$23.50 in cash

The Offer Price of HK\$23.50 per Offer Share represents:

- (a) a premium of approximately 19.36% over the average closing price of approximately HK\$19.69 per Share based on the daily closing prices as quoted on the Stock Exchange over the 30 trading days up to and including the Last Trading Day; and
- (b) a premium of approximately 149.78% over the unaudited consolidated net asset value of approximately HK\$9.41 per Share, based on the unaudited consolidated net assets of the Company as at 30 June 2023 and the number of Shares in issue as at the date of this announcement.

The Offer Price is higher than the highest price paid by the Offeror or the Offeror Concert Parties in relation to any purchase of Shares during the period within the three months before the Offer Period.

If after the date of this announcement, 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 this announcement, the Composite Document or any other announcement in relation to the Offer 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.

As at the date of this announcement, the Company does not have outstanding dividends which have been declared but not yet paid. The Company has not come to conclusion on its dividend and has no intention to declare any dividend before the close of the Offer.

The Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature 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, the record date of which is on or after the Closing Date. Any dividends or other distributions the record date of which is before the Closing Date will be paid by the Company to the Shareholders who are qualified for such dividends or distributions.

As at the date of this announcement, the Offeror is not interested in any Shares while the Offeror Concert Parties are interested in a total of 92,538,100 Shares, representing approximately 7.69% of the issued share capital of the Company.

As at the date of this announcement, there are 1,203,285,373 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Comparison of value

The Offer Price of HK\$23.50 per Share represents:

- (a) a premium of approximately 13.53% over the closing price as quoted on the Stock Exchange on the Last Trading Day of HK\$20.70 per Share;
- (b) a premium of approximately 16.50% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) trading days up to and including the Last Trading Day of HK\$20.17 per Share;
- (c) a premium of approximately 17.39% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the ten (10) trading days up to and including the Last Trading Day of HK\$20.02 per Share;

- (d) a premium of approximately 19.36% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day of HK\$19.69 per Share;
- (e) a premium of approximately 22.12% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day of HK\$19.24 per Share;
- (f) a premium of approximately 135.64% over the audited consolidated net asset value of approximately HK\$9.97 per Share, based on the audited consolidated net assets of the Company as at 31 December 2022 and the number of Shares in issue as at the date of this announcement; and
- (g) a premium of approximately 149.78% over the unaudited consolidated net asset value of approximately HK\$9.41 per Share, based on the unaudited consolidated net assets of the Company as at 30 June 2023 based on the number of Shares in issue as at the date of this announcement.

Highest and lowest Share prices

During the six-month period preceding the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$20.75 on 12 December 2023 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$15.30 on 1 August 2023.

Value of the Offer

There are 1,203,285,373 Shares in issue as at the date of this announcement. On the basis of the Offer Price of HK\$23.50 per Share and 1,203,285,373 Shares in issue as at the date of this announcement, the entire issued share capital of the Company would be valued at approximately HK\$28,277.2 million.

Assuming no new Shares are issued after the date of this announcement, based on the Offer Price of HK\$23.50 per Share and 1,110,747,273 Offer Shares, the maximum consideration for the Offer would be approximately HK\$26,102.6 million. As at the date of this announcement, the Company has no outstanding dividend or other distribution that has been declared or made but not yet paid. The Company has not come to conclusion on its dividend and has no intention to declare any dividend before the close of the Offer.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration (including and the buyer's ad valorem stamp duty) payable under the Offer with its internal resources and/or external bank financing. Assuming full acceptance of the Offer, the maximum aggregate amount payable by the Offeror will be approximately HK\$26,128.7 million.

BNPP and CICC, being the financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptance of the Offer.

PRE-CONDITIONS TO THE OFFER

The making of the Offer by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Pre-Conditions on or prior to the Long Stop Date:

- (1) the merger control filing with the Anti-trust Bureau of SAMR and the Japan Fair Trade Commission or any other governmental or regulatory authorities or agencies as required by applicable law with respect to the transactions contemplated under the Offer having been completed, and the approval, which shall be without condition, or with conditions that are not materially adverse to APRIL and its subsidiaries taken as a whole, by the Anti-trust Bureau of SAMR, the Japan Fair Trade Commission and other governmental or regulatory authorities with respect to such merger control filing having been duly obtained, or the expiry of the applicable statutory waiting period under applicable law (or any extension thereof) with the relevant governmental or regulatory authorities having either raised no objection with respect to, or waived jurisdiction over, the Offer;
- (2) all consents or approvals that are required under PRC laws that without which would prohibit the Offeror from making the Offer having been obtained;
- (3) up to and including the time when the Pre-Conditions set out in (1) and (2) above are satisfied, (a) 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 (b) there is no outstanding statute, regulation, demand or order, in each case that would make the Offer void, unenforceable or illegal or prohibit the implementation of or which would impose any material conditions, limitations or obligations with respect to the Offer; and
- (4) the Option Letter having been issued by Essity HH to the Company.

As at the date of this announcement, the Offeror is not aware of any consents or approvals referred to under Pre-Condition (2). Pre-Conditions (1) to (3) cannot be waived. Pre-Condition (4) may be waived by the Offeror. If any of the Pre-Conditions is not satisfied or, if capable of being waived, not waived on or before the Long Stop Date, the Offer will not be made by the Offeror. The Offeror will issue a further announcement as soon as practicable: (i) after all the Pre-Conditions have been satisfied or, if capable of being waived, waived; (ii) if any of the Pre-Conditions has not been satisfied or, if capable of being waived, not waived by the Long Stop Date and the Offer will not be made; or (iii) if the Offeror extends the Long Stop Date (with the agreement of Essity GH and Mr. Li).

CONDITIONS TO THE OFFER

Upon satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer to be made by the Offeror is subject to the satisfaction or, if capable of being waived, waiver of the following Conditions:

- (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.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Offer if the circumstances which give rise to the right to invoke any such Condition(s) are of material significance to the Offeror in the context of the Offer.

As at the date of this announcement, the Offeror and the Company are not aware of any circumstances which may result in the Condition set out in (c) above not being satisfied.

IRREVOCABLE UNDERTAKINGS

On 14 December 2023, each of Essity GH and Mr. Li entered into an Irrevocable Undertaking in favour of the Offeror, pursuant to which each of Essity GH and Mr. Li undertook to accept or procure the acceptance of the Offer in accordance with its terms in respect of the Essity Undertaking Shares and the Li Undertaking Shares respectively. The Essity Undertaking Shares and the Li Undertaking Shares collectively represent approximately an aggregate of 72.62% of the issued share capital of the Company as at the date of this announcement.

Essity Irrevocable Undertaking

Pursuant to the Essity Irrevocable Undertaking, Essity GH has irrevocably undertaken to the Offeror to accept or procure the acceptance of the Offer in accordance with its terms in respect of an aggregate of 620,737,112 Shares (representing approximately 51.59% of the issued share capital of the Company as at the date of this announcement) (“**Essity Undertaking Shares**”) as soon as possible after the date of despatch of the Composite Document, and in any event no later than the seventh Business Day after the despatch of the Composite Document.

No withdrawal

Notwithstanding that the provisions of the Takeovers Code or any terms of the Offer confer rights of withdrawal, Essity GH will and will procure that any acceptance in respect of any of the Essity Undertaking Shares are not withdrawn.

Termination

Essity GH's obligation to accept the Offer will lapse if,

- (1) the Offer is not announced by the next Business Day after the date of execution of the Essity Irrevocable Undertaking by Essity GH or such other date as the parties may agree in writing;
- (2) the Offer lapses or is withdrawn without having become unconditional in all respects; or
- (3) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Long Stop Date.

Save as set out above, the undertakings given in the Essity Irrevocable Undertaking are unconditional.

Other undertakings

Essity GH also undertook to the Offeror that they will:

- (a) except pursuant to the Offer, not sell, transfer, charge, pledge, encumber, grant any option or right over or otherwise dispose of, or permit the same regarding all or any of the Essity Undertaking Shares or any interest in the Essity Undertaking Shares, or accept any other offer in respect of all or any of the Essity Undertaking Shares (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect;
- (b) exercise (or, where relevant, procure the exercise of) all voting rights attaching to the Shares to enable the Offer to be unconditional and refrain from, and oppose the taking of, any action which might result in any condition of the Offer not being satisfied;
- (c) not acquire or subscribe for any Shares other than an interest in Shares deriving from Shares which they may become the registered holder or beneficial owner, or which they may become so interested; and
- (d) not enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally, to do any of the acts prohibited by the terms of the Essity Irrevocable Undertaking which would or might restrict or impede the Offer becoming unconditional or their ability to comply with the undertaking.

Li Irrevocable Undertaking

Pursuant to the Li Irrevocable Undertaking, Mr. Li has irrevocably undertaken to the Offeror to accept or procure the acceptance of the Offer in accordance with its terms in respect of an aggregate of 253,141,581 Shares (representing approximately 21.04% of the issued share capital of the Company as at the date of this announcement) (“**Li Undertaking Shares**”) as soon as possible after the date of despatch of the Composite Document, and in any event no later than the seventh Business Day after the despatch of the Composite Document.

No withdrawal

Notwithstanding that the provisions of the Takeovers Code or any terms of the Offer confer rights of withdrawal, Mr. Li will and will procure that any acceptances in respect of any of the Li Undertaking Shares are not withdrawn.

Termination

Mr. Li’s obligation to accept the Offer will lapse if,

- (1) the Offer is not announced by two Business Days after the later of: (i) date of execution of the Essity Irrevocable Undertaking; and (ii) date of execution of the Li Irrevocable Undertaking by Mr. Li, or such other date as the parties may agree in writing;
- (2) the Offer lapses or is withdrawn without having become unconditional in all respects; or
- (3) the Pre-Conditions are not satisfied, or if capable of being waived, not waived on or prior to the Long Stop Date.

Save as set out above, the undertakings given in the Li Irrevocable Undertaking are unconditional.

Other undertakings

Mr. Li has also undertaken to the Offeror that he will:

- (a) except pursuant to the Offer, not sell, transfer, charge, pledge, encumber, grant any option or right over or otherwise dispose of, or permit the same regarding all or any of the Li Undertaking Shares or any interest in the Li Undertaking Shares, or accept any other offer in respect of all or any of the Li Undertaking Shares (whether conditionally or unconditionally) or enter into any transaction having a similar economic effect;
- (b) exercise (or, where relevant, procure the exercise of) all voting rights attaching to the Shares in such manner as to enable the Offer to be unconditional and refrain from, and oppose the taking of, any action which might result in any condition of the Offer not being satisfied;
- (c) not acquire or subscribe for any Shares other than an interest in Shares deriving from Shares which he may become the registered holder or beneficial owner, or which he may become so interested; and
- (d) not enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally, to do any of the acts prohibited by the terms of the Li Irrevocable Undertaking which would or might restrict or impede the Offer becoming unconditional or his ability to comply with the undertaking.

OPTION TO ENTER INTO NEW LICENCE AGREEMENT

Under the terms of the Licence Agreement, Essity HH has the right to terminate certain licences granted to the Company under the Licence Agreement if the aggregate shareholding of all members of the Essity Group in the Company drops to 50% or below by giving three (3) years' notice to the Company. Essity HH has expressed its intention to exercise such termination right by serving a termination notice to the Company on or around the Closing Date if the Offer becomes unconditional in all respects and closes.

Given the significance of the licences granted to the Company under the Licence Agreement, Essity HH has agreed to offer and grant the Option to the Company under the Option Letter, which offer and grant are conditional upon the prior issuance of the Termination Notice in accordance with the terms of the Licence Agreement and are subject to the terms of the

Option Letter. The Option will be granted unilaterally by Essity HH to the Company and neither the Company nor the Offeror were involved in the determination or negotiation of any of the terms set out in the Option Letter.

The Option, if offered and granted to the Company, shall be exercisable by the Company, at its sole discretion, from the date falling twelve (12) months after the date of the Termination Notice until the earlier of: (i) the date falling thirty-six (36) months after the date of the Termination Notice; and (ii) 31 December 2027 (both exclusive).

Should the Company wish to exercise the Option, it shall notify Essity HH during the exercise period. Within thirty (30) days after the delivery of such notice by the Company, the Company shall execute and deliver the New Licence Agreement to Essity HH. Within fourteen (14) days after Essity HH's receipt of the New Licence Agreement duly executed by the Company, Essity HH shall execute and deliver the New Licence Agreement to the Company. The New Licence Agreement, if entered into, will be entered into in the ordinary course of business of each of Essity HH and the Company. The terms of the New Licence Agreement is an extension of the current licenses available to the Company substantially in line with the current arrangements under the Licence Agreement, while making certain necessary amendments to the Licence Agreement to reflect the new arms' length relationship between Essity Group and the Company upon the Company ceasing to be a member of the Essity Group.

Principal terms of the New Licence Agreement

The following table summarises the Group's entitlement to the intellectual property rights under the licence granted by Essity HH pursuant to the New Licence Agreement if the Company exercises the Option.

| Brand name | Licensed Territory | Major products under the brand | Company's ownership of trademark | Licence to use the brand | Licence to use the relevant patents and technology associated with the brand |
|--|---------------------------|--|---|---|---|
| Tempo | Tempo Territories | Consumer tissue products (including toilet paper, facial tissue and wet wipes) and hankies | No | Perpetual, exclusive, royalties equal to 1.5% of the net sales of Tempo products of the Group | Non-exclusive |
| Tork | Global Territories | Away from home products (tissue, object wipes, soap and product dispensers) | No | Global Term, exclusive, annual royalties equal to 3% of the net sales of Tork products of the Group | Non-exclusive |
| Tena | Global Territories | Incontinence care products | No | Global Term, exclusive, annual royalties equal to 3% of the net sales of Tena products of the Group | Non-exclusive |
| Libresse | Global Territories | Feminine care products | No | Global Term, exclusive, annual royalties equal to 3% of the net sales of Libresse products of the Group | Non-exclusive |
| Libero | Global Territories | Baby diapers products and baby care products | No | Global Term, exclusive, annual royalties equal to 3% of the net sales of Libero products of the Group | Non-exclusive |
| Control Plus, Dr. P | Non-Global Territories | Incontinence care products | Yes | Not applicable | Non-exclusive, royalty-free |
| Drypers, DRYPANTZ, DRYNIGHTS, DRYSOFT, EQ Dry, Hey Baby, PROKIDS, Sealer | Non-Global Territories | Baby diapers products and baby care products | Yes | Not applicable | Non-exclusive, royalty-free |

Under the New Licence Agreement, the Company shall pay the relevant royalties for the licence to use the Global Brands and the Tempo brand, respectively, from the third anniversary of the date of the Termination Notice.

The patent and technology licence for the Global Brands and the Non-Global Brands shall discontinue upon the licence to use the Global Brands discontinues. The patent and technology licence for the Tempo brand shall discontinue upon the licence to use the Tempo brand discontinues. Essity HH is the sole owner of, or has the right to sub-license, the patents and technology used under the licences granted under the New Licence Agreement. The licence associated with the patents and technology in respect of the Non-Global Brands under the New Licence Agreement shall be in respect of any patents and technology in respect of the Non-Global Brands which Essity HH has already provided or made available to the Company as at the date of the Termination Notice.

Upon the execution of the New Licence Agreement, the Licence Agreement will terminate.

COMPULSORY ACQUISITION AND WITHDRAWAL OF LISTING OF THE COMPANY

The Offeror intends to avail itself of exercising the 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.

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, whether by reason of the level of acceptances of the Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code or otherwise, the Offeror will use its commercially reasonable endeavours to ensure, or procure the Company to take such steps as are necessary to ensure, that the Company will have an adequate public float so as to comply with the applicable requirements under the Listing Rules.

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.

DEALINGS AND INTERESTS IN THE COMPANY'S SECURITIES

Save as disclosed below, neither the Offeror nor the Offeror Concert Parties had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months preceding the commencement of the Offer Period and up to the date of this announcement.

| Name | Date of transactions | Nature of dealing | No. of Shares involved | Transaction price per Share (HK\$) |
|---------------------------|-------------------------|-------------------------|------------------------|------------------------------------|
| Pacific Eagle Fund L.L.C. | 4/8/2023 to 31/8/2023 | Purchase | 22,423,000 | 15.68-18.28 |
| | 4/9/2023 to 21/9/2023 | Purchase | 37,388,100 | 16.56-18.70 |
| | 25/9/2023 | Sale ⁽¹⁾ | 59,811,100 | 16.14 |
| Beaumont ⁽²⁾ | 25/9/2023 | Purchase ⁽¹⁾ | 59,811,100 | 16.14 |
| | 26/9/2023 to 29/9/2023 | Purchase | 11,198,000 | 15.98-18.92 |
| | 3/10/2023 to 31/10/2023 | Purchase | 21,002,000 | 18.20-19.40 |
| | 1/11/2023 to 8/11/2023 | Purchase | 727,000 | 18.72-19.32 |
| | 17/11/2023 | Sale | 200,000 | 19.20-19.58 |

Notes:

- (1) On 25 September 2023, Pacific Eagle Fund L.L.C., transferred a total of 59,811,100 Shares at the price of HK\$16.14 per Share to Beaumont via an off-market transaction. Pacific Eagle Fund L.L.C. is an Offeror Concert Party.
- (2) Belinda Tanoto is the sole shareholder of Beaumont. By virtue of Part XV of the SFO, Belinda Tanoto is deemed to be interested in the 92,538,100 Shares held by Beaumont. Belinda Tanoto is the daughter of Sukanto Tanoto. Sukanto Tanoto is a director of APRIL. Please refer to the section headed “Information on the Offeror” for more details.
- (3) BNPP and CICC are joint financial advisers to the Offeror in respect of the Offer. Accordingly, BNPP and CICC and members of their respective groups which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by members of the BNPP group or the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code).

Any dealings in the Shares during the six months preceding the commencement of the Offer Period and since the commencement of the Offer Period to the latest practicable date prior to the despatch of the Composite Document by the BNPP group or the CICC group (excluding dealings in Shares by group members who are exempt principal traders or exempt fund managers or dealings in the Shares by group members for the account of non-discretionary investment clients of the BNPP group or the CICC group) will be disclosed in the Composite Document and pursuant to Rule 22 of the Takeovers Code.

Other arrangements or agreements

The Offeror confirms that as at the date of this announcement:

- (a) save for the 92,538,100 Shares held by Beaumont and as disclosed in the section headed “Irrevocable Undertakings”, none of the Offeror and the Offeror Concert Parties owns, controls or has direction over any voting rights or rights over Shares or otherwise holds convertible securities, warrants or options of the Company;
- (b) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror or any of the Offeror Concert Parties;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Company and which might be material to the Offer;

- (d) none of the Offeror and the Offeror Concert Parties have borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (e) save as disclosed in the section headed “Irrevocable Undertakings”, none of the Offeror and the Offeror Concert Parties has received any irrevocable commitment(s) to accept or reject the Offer;
- (f) there is no agreement or arrangement to which the Offeror or the Offeror Concert Parties is a party which relates to circumstances in which it may or may not invoke or seek to invoke a Pre-Condition or Condition;
- (g) the Offer does not involve or otherwise relate to a sale (directly or indirectly) by a vendor of Shares; and
- (h) there is no understanding, arrangement, agreement or a special deal between (1) any Shareholder; and (2)(a) the Offeror and any of the Offeror Concert Parties; or (2)(b) the Company, its subsidiaries or associated companies.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the issued share capital of the Company comprises 1,203,285,373 Shares. The Company does not have any outstanding options, warrants, derivatives or convertible rights affecting the Shares.

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) following completion of the Offer (assuming only Essity GH and Mr. Li tender their acceptances in respect of all the Shares respectively held by or deemed to be interested by them to the Offeror).

| | As at the date of this announcement ⁽⁴⁾ | | Following completion of the Offer (assuming only Essity GH and Mr. Li tender their acceptances in respect of all the Shares respectively held by or deemed to be interested by them to the Offeror) ⁽⁴⁾ | |
|--|--|---|--|---|
| | Number of Shares | Number of Shares as a percentage of total number of Shares in issue (%) | Number of Shares | Number of Shares as a percentage of total number of Shares in issue (%) |
| (A) Offeror and the Offeror Concert Parties⁽⁴⁾ | | | | |
| Offeror | – | – | 873,878,693 | 72.624 |
| Beaumont ⁽¹⁾ | 92,538,100 | 7.690 | 92,538,100 | 7.690 |
| (A) Sub-total | 92,538,100 | 7.690 | 966,416,793 | 80.315 |
| (B) Essity GH⁽²⁾ | 620,737,112 | 51.587 | – | – |
| (C) Directors | | | | |
| Mr. Li ⁽³⁾ | 253,141,581 | 21.038 | – | – |
| Yu Yi Fang | 650,000 | 0.054 | 650,000 | 0.054 |
| Li Jielin | 414,000 | 0.034 | 414,000 | 0.034 |
| Johann Christoph Michalski | 59,000 | 0.005 | 59,000 | 0.005 |
| (C) Sub-total | 254,264,581 | 21.131 | 1,123,000 | 0.093 |
| (D) Public Shareholders | 235,745,580 | 19.592 | 235,745,580 | 19.592 |
| Total | 1,203,285,373 | 100 | 1,203,285,373 | 100 |

Notes:

- (1) Belinda Tanoto is the sole shareholder of Beaumont. By virtue of Part XV of the SFO, Belinda Tanoto is deemed to be interested in the 92,538,100 Shares held by Beaumont. Belinda Tanoto is the daughter of Sukanto Tanoto. Sukanto Tanoto is a director of APRIL. Please refer to the section headed “Information on the Offeror” for more details.
- (2) Essity GH is wholly-owned by Essity. By virtue of Part XV of the SFO, Essity is deemed to be interested in the 620,737,112 Shares held by Essity GH.
- (3)
 - (a) By virtue of Part XV of the SFO, Mr. Li is deemed to be interested in the 251,841,581 Shares that Sentential Holdings Limited has interests, of which 251,341,581 Shares are held by its controlled corporation, namely Fu An International Company Limited and 500,000 Shares are held by itself. Fu An International Company Limited is held as to 74.21% by Sentential Holdings Limited, 15.79% by Join Pride International Limited and 10.00% by Daminos Management Limited. The entire issued share capital of each of Sentential Holdings Limited, Join Pride International Limited and Daminos Management Limited is held by Li Chao Wang, Yu Yi Fang and Dong Yi Ping, respectively.
 - (b) Li Song Foundation Company Limited directly holds 1,000,000 Shares and it is held as to 50.00% by Li Chao Wang. By virtue of Part XV of the SFO, Mr. Li is also deemed to be interested in 1,000,000 Shares held by Li Song Foundation Company Limited.
- (4) BNPP and CICC are joint financial advisers to the Offeror in respect of the Offer. Accordingly, BNPP and CICC and members of their respective groups which hold Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code (except in respect of Shares held by members of the BNPP group or the CICC group which are exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code).

Details of holdings, borrowings or lendings of, and dealings in, the Shares, convertible securities, warrants, options or derivatives of the Company held by or entered into by other members of the BNPP group or the CICC group (except in respect of Shares held by exempt principal traders or exempt fund managers or Shares held on behalf of non-discretionary investment clients of the BNPP group or the CICC group) will be obtained as soon as possible after the date of this announcement in accordance with Note 1 to Rule 3.5 of the Takeovers Code. A further announcement will be made by the Company if the holdings, borrowings, lendings, or dealings of the other members of the BNPP group or the CICC group are significant and in any event, such information will be disclosed in the Composite Document. The statements in this announcement as to holdings, borrowings or lendings of, or dealings in, the Shares or any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company by Offeror Concert Parties are subject to the holdings, borrowings, lendings, or dealings (if any) of members of the BNPP group or the CICC group. Exempt principal traders and exempt fund managers which are connected for the sole reason that they are under the same control as BNPP or CICC are not presumed to be acting in concert with the Offeror.

- (5) All percentages in the above table are approximations. This table is prepared on the assumption that no new Shares will be issued after the date of this announcement.

INFORMATION ON THE OFFEROR

As at the date of this announcement, the Offeror and the Offeror Concert Parties are interested in a total of 92,538,100 Shares, representing approximately 7.69% of the issued share capital of the Company.

The Offeror is a company incorporated in the Cayman Islands and is indirectly wholly-owned by APRIL. The Offeror is a special purpose vehicle for the purpose of acquiring Shares under the Offer and it does not hold any investment other than cash to fund the Offer. The APRIL group is one of the largest, most technologically advanced and efficient makers of pulp and paper products in the world and it currently employs approximately 9,000 people directly. APRIL is wholly-owned by Fiduco Trust Management PTC, which is a trustee of a discretionary trust established by Sukanto Tanoto as settlor and whose beneficiaries are the immediate family members of Sukanto Tanoto.

INFORMATION ON THE GROUP

The Company is a 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, hanky, softpack, box tissues, wet wipes, paper napkins, baby diapers, incontinence products and feminine care products.

REASONS FOR AND BENEFITS OF THE OFFER

The Offer presents an opportunity for Shareholders to monetise their investment for cash at an attractive premium over the prevailing price of the Shares. The Offer Price of HK\$23.50 per Share represents a premium of approximately 19.36% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Day or a premium of approximately 22.12% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Day. The Offer is also a unique opportunity for Shareholders to monetise their holdings in a low liquidity stock with the average daily trading volume of Shares for the 24-month period up to and including the Last Trading Day for approximately 1.57 million Shares per day, representing only approximately 0.13% of the total number of issued Shares as at the Last Trading Day. The low trading liquidity of

the Shares could make it difficult for Shareholders to execute substantial on-market disposals without adversely affecting the price of the Shares and also make it difficult for Shareholders to dispose of a large number of Shares when any event that has an adverse impact on the price of the Shares occurs.

The Offer therefore provides an opportunity for Shareholders to realise their investment in the Company at a premium (see the section headed “Comparison of value” above) without suffering any discount due to low trading liquidity and redeploy the proceeds from accepting the Offer into other investment opportunities.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Save as disclosed above and the proposed changes to the composition of the Board as set out below, the Offeror has no plans to make any major changes to the current business operations of the Group, including any redeployment of the fixed assets of the Company, or to introduce any major changes in the management or the continued employment of the employees of the Group as a result of the Offer.

Proposed changes to the composition of the Board

As at the date of this announcement, the Board comprises 12 Directors in total, with four executive Directors, four non-executive Directors and four independent non-executive Directors. The Offeror intends to nominate new Directors to the Board with effect from the earliest time permitted under the Takeovers Code and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

As at the date of this announcement, the Offeror has not decided on the candidates to be nominated. Further announcement(s) will be made by the Company regarding changes in the Board composition as and when appropriate.

OTHER TERMS OF THE OFFER

Effect of accepting the Offer

By accepting the Offer, the Shareholders will sell their Shares to the Offeror free from all encumbrances and together with all rights accruing or attaching to them. Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Stamp duty

The seller's ad valorem stamp duty (rounded up to the nearest HK\$1.00) arising in connection with acceptance of the Offer amounting to 0.1% of the amount payable in respect of relevant acceptances by the Shareholders, or (if higher) the market value of the Shares as determined by the Collector of Stamp Revenue under the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), will be deducted from the cash amount payable to the Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of accepting Shareholders and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer.

Settlement

Settlement of the consideration for the Offer Shares will be made in cash as soon as possible but in any event no later than seven (7) Business Days of (a) the date on which the duly completed acceptances of the Offer are received or (b) the Unconditional Date, whichever is later.

No fractions of a cent will be payable and the amount of cash consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Close of the Offer

The latest time on which the Offeror can declare the 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). As each of Essity GH and Mr. Li has irrevocably undertaken to accept the Offer in respect of an aggregate of 873,878,693 Shares, representing an aggregate of approximately 72.62% of the issued share capital of the Company as at the date of this announcement, it is expected the Offer will become unconditional as to acceptances on or before the seventh Business Day after the despatch of the Composite Document and in any event before 4:00 p.m. on the seventh Business Day after the despatch of the Composite Document.

If all the Conditions are satisfied or, if capable of being waived, waived, Shareholders will be notified by way of an announcement in accordance with the Takeovers Code and the Listing Rules as soon as practicable thereafter.

Overseas Shareholders

To the extent practicable and permissible under applicable laws and regulations, the Offeror intends to make the Offer available to all Independent Shareholders, including those who are not resident in Hong Kong. The making and the implementation of the Offer to persons with a registered address outside or otherwise not residing in Hong Kong may be subject to the laws of the relevant overseas jurisdictions in which such they are resident. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice.

It is the sole responsibility of the overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or compliance with other necessary formalities and the payment of any transfer or other taxes due by such overseas Shareholders in respect of such jurisdictions). Any acceptance by any overseas Shareholders will be deemed to constitute a representation and warranty from such Shareholder to the Offeror that the local laws and requirements have been complied with.

If the receipt of the Composite Document by overseas Shareholders 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, may not be despatched to such overseas Shareholders. In those circumstances, 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. In granting any such waiver, the Executive will be concerned to see that all material information in the Composite Document is made available to such overseas Shareholders. If any such waiver is granted by the Executive, the Offeror and the Company reserve the right to make alternative arrangements in respect of the Shareholders who are citizens, residents or nationals of a jurisdiction other than Hong Kong in relation to the Offer. The affected overseas Shareholders may still decide to accept the Offer.

Taxation advice

Shareholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Offeror Concert Parties, the Company, BNPP, CICC, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, employees, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

GENERAL

Financial Advisers, Independent Board Committee and Independent Financial Adviser

The Offeror has appointed BNPP and CICC as its financial advisers in respect of the Offer. The Company has appointed HSBC as its financial adviser in respect of the Offer. Essity has appointed BofA Securities as its financial adviser in respect of the Offer.

An Independent Board Committee, comprising all the independent non-executive Directors, namely 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. Mr. Johann Christoph Michalski, Mr. Jan Christer Johansson, Mr. Carl Magnus Groth and Mr. Carl Fredrik Stenson Rystedt, the non-executive Directors, are either appointed by Essity or ex-employees of Essity and therefore would not be part 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 and the Independent Shareholders in respect of the Offer. A further announcement will be made by the Company as soon as possible after the appointment of the independent financial adviser.

Despatch of the Composite Document

It is the intention of the Offeror and the Company to combine the offer document with the offeree board circular from the Company into the Composite Document. The Composite Document containing, among other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, together with the relevant form of acceptance and transfer, is required to be despatched to the Shareholders within 21 days of the date of this announcement or such later date as the Executive may approve.

As the making of the Offer by the Offeror is subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, pursuant to Note 2 to Rule 8.2 of the Takeovers Code, the Offeror will make an application to the Executive for consent to extend the deadline for the despatch of the Composite Document to within seven days of the satisfaction or waiver (as applicable) of the Pre-Conditions.

Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

Disclosure of dealings in the Share

In accordance with Rule 3.8 of the Takeovers Code, the associates of the Company and the Offeror (as defined under the Takeovers Code, including persons owning or controlling 5% or more of any class of relevant securities issued by the Company) are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, 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 of an offeror or the offeree company and other persons under Rule 22 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. 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 \$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.”

WARNING

Shareholders of, and/or potential investors in, the Company should note that, as the making of the Offer is subject to the satisfaction or waiver (as applicable) of the Pre-Conditions, the Offer may or may not be made. Further, 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. Accordingly, the issue of this announcement does not imply that the Offer will be made or will be completed.

Shareholders are reminded to read the Composite Document, including the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer, before deciding whether or not to accept the Offer.

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.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the meanings set out below in this announcement:

| | |
|-------------------------------------|---|
| “Additional Non-Global Territories” | in respect of baby diapers products and baby care products, South Africa, Mauritius and the Maldives; and in respect of incontinence care products, the Maldives |
| “APRIL” | Asia Pacific Resources International Limited, a company incorporated in Bermuda with limited liability and the parent company of the Offeror. APRIL is wholly-owned by Fiduco Trust Management PTC, which is a trustee of a discretionary trust established by Sukanto Tanoto as settlor and whose beneficiaries are the immediate family members of Sukanto Tanoto |
| “Beaumont” | Beaumont Capital Fund Ltd, a company incorporated in the Cayman Islands with limited liability and an Offeror Concert Party |
| “BNPP” | BNP Paribas Securities (Asia) Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the lead financial adviser to the Offeror in respect of the Offer |
| “Board” | the board of Directors |
| “BofA Securities” | Merrill Lynch (Asia Pacific) Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to Essity in respect of the Offer |

| | |
|----------------------|---|
| “Business Day(s)” | a day on which the Stock Exchange is open for transaction of business |
| “CICC” | China International Capital Corporation Hong Kong Securities Limited, a licensed corporation under the SFO, licensed to carry out Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO and a joint financial adviser to the Offeror in respect of the Offer |
| “Closing Date” | the date to be stated in the Composite Document as the first closing date of the Offer or (if so extended) any subsequent closing date as and may be announced by the Offeror and approved by the Executive |
| “Companies Act” | the Companies Act (2023 Revision) of the Cayman Islands, as amended from time to time |
| “Company” | Vinda International Holdings Limited (stock code: 3331), a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board |
| “Composite Document” | the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer |
| “Conditions” | the conditions to the Offer, as set out in the section headed “Conditions to the Offer” in this announcement |
| “Director(s)” | the director(s) of the Company from time to time |
| “Essity” | Essity Aktiebolag (publ), a company whose shares are quoted and traded on NASDAQ Stockholm |

| | |
|----------------------------------|--|
| “Essity GH” | Essity Group Holding BV, a company established under the laws of the Netherlands, which is a subsidiary of Essity and a substantial shareholder of the Company |
| “Essity Group” | Essity and its subsidiaries, excluding the Group |
| “Essity HH” | Essity Hygiene and Health AB, a company established under the laws of Sweden and a subsidiary of Essity |
| “Essity Irrevocable Undertaking” | the irrevocable undertaking dated 14 December 2023 given by Essity GH in favour of the Offeror |
| “Essity Undertaking Shares” | has the meaning set out in the section headed “Essity Irrevocable Undertaking” |
| “Executive” | the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director |
| “Global Brands” | Tork, Tena, Libresse and Libero |
| “Global Term” | initial term of fifteen (15) years with automatic extension for successive fifteen (15)-year periods unless terminated by the Company or Essity HH by at least one year’s written notice prior to the expiration of the initial or extended term |
| “Global Territories” | PRC, Hong Kong, Macau, South Korea, Chinese Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, Laos, East Timor and Brunei |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

| | |
|-------------------------------|---|
| “HSBC” | The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and the financial adviser to the Company in respect of the Offer |
| “Independent Board Committee” | the independent committee of the Board, 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, to give a recommendation to the Independent Shareholders on whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer |
| “Independent Shareholders” | Shareholders other than the Offeror and the Offeror Concert Parties |
| “Irrevocable Undertakings” | Essity Irrevocable Undertaking and Li Irrevocable Undertaking |
| “Last Trading Day” | 14 December 2023, being the last full trading day of the Shares on the Stock Exchange prior to this announcement |
| “Licence Agreement” | the intellectual property and technology licence agreement dated 28 October 2015 between Essity HH and the Company, details of which are set out in the announcements of the Company dated 29 October 2015, 27 December 2015 and 1 April 2016 and the circular of the Company dated 28 December 2015 |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |

| | |
|------------------------------|---|
| “Li Irrevocable Undertaking” | the irrevocable undertaking dated 14 December 2023 given by Mr. Li in favour of the Offeror |
| “Li Undertaking Shares” | has the meaning set out in the section headed “Li Irrevocable Undertaking” |
| “Long Stop Date” | the date falling 9 months from the date of this announcement |
| “Macau” | the Macau Special Administrative Region of the People’s Republic of China |
| “Main Board” | the Main Board of the Stock Exchange |
| “Mr. Li” | Li Chao Wang, the Chairman and a substantial shareholder of the Company |
| “New Licence Agreement” | the intellectual property and technology licence agreement which may be entered into between the Company and Essity HH in the form set out in the Option Letter |
| “Non-Global Brands” | Control Plus, Dr. P, Drypers, DRYPANTZ, DRYNIGHTS, DRYSOFT, EQ Dry, Hey Baby, PROKIDS and Sealer |
| “Non-Global Territories” | PRC, Hong Kong, Macau, South Korea, Chinese Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, Laos, East Timor, Brunei and the Additional Non-Global Territories |
| “Offer” | the pre-conditional voluntary conditional cash offer to be made by BNPP and CICC for and on behalf of the Offeror to acquire the Offer Shares in compliance with the Takeovers Code |

| | |
|---------------------------|--|
| “Offer Period” | has the meaning ascribed to it under the Takeovers Code which commenced on 20 November 2023 (being the date of the Rule 3.7 Announcement) and ends on the date on which the Offer closes, lapses or withdrawn. For the avoidance of doubt, the Offer will not be made until and unless the Pre-Conditions are satisfied or waived (where applicable) |
| “Offer Price” | the price at which the Offer will be made, being HK\$23.50 per Offer Share |
| “Offer Share(s)” | Share(s) not already owned by the Offeror and the Offeror Concert Parties as at the date of this announcement |
| “Offeror” | Isola Castle Ltd, a company incorporated in the Cayman Islands which is indirectly wholly-owned by APRIL |
| “Offeror Concert Parties” | any parties acting, or presumed to be acting, in concert with the Offeror under the definition of “acting in concert” under the Takeovers Code |
| “Option” | the option to enter into the New Licence Agreement in (and only in) the form set out in the Option Letter offered and granted by Essity HH to the Company under and subject to the terms of the Option Letter |
| “Option Letter” | the option letter to be issued by Essity HH to the Company, pursuant to which Essity HH will grant the Option to the Company |
| “PRC” | the People’s Republic of China and, for the purpose of this announcement, excluding Hong Kong, Macau and Chinese Taiwan |
| “Pre-Conditions” | the pre-conditions to the making of the Offer as set out under the section headed “Pre-Conditions to the Offer” in this announcement |

| | |
|-------------------------|---|
| “Relevant Authorities” | any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution |
| “Rule 3.7 Announcement” | the announcement of the Company dated 20 November 2023 made pursuant to Rule 3.7 of the Takeovers Code in relation to, among others, a possible sale of Essity’s shareholding interest in the Company |
| “SAMR” | State Administration for Market Regulation of the PRC |
| “SFC” | the Securities and Futures Commission of Hong Kong |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Shareholder(s)” | the registered holder(s) of Share(s) |
| “Share(s)” | the ordinary share(s) of HK\$0.10 each in the issued share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers |
| “Tempo Territories” | PRC, Hong Kong, Macau, South Korea, Chinese Taiwan, Malaysia, Singapore, Thailand, Philippines, Indonesia, Vietnam, Cambodia, Myanmar, Laos, East Timor, Brunei and Japan |
| “Termination Notice” | the notice of termination of the licence granted in respect of the Global Brands under the Licence Agreement that may be served by Essity HH on the Company on or around the Closing Date |
| “Unconditional Date” | the date on which the Offer becomes or is declared unconditional in all respects |

“%”

per cent.

By order of the board of directors of

ISOLA CASTLE LTD

Lee Chong

Director

By order of the Board of

VINDA INTERNATIONAL HOLDINGS LIMITED

Li Chao Wang

Chairman

Hong Kong, China, 15 December 2023

As at the date of this announcement, the Board comprises Mr. Li Chao Wang (chairman), Ms. Yu Yi Fang, Ms. Li Jielin and Mr. Dong Yi Ping as executive Directors; Mr. Jan Christer Johansson, Mr. Carl Magnus Groth, Mr. Carl Fredrik Stenson Rystedt and Mr. Johann Christoph Michalski as non-executive Directors; Mr. Tsui King Fai, Mr. Wong Kwai Huen, Albert, Mr. Law Hong Ping, Lawrence and Dr. Cao Zhenlei as independent non-executive Directors; and Mr. Gert Mikael Schmidt (alternate to Mr. Johansson and Mr. Groth) and Mr. Dominique Michel Jean Deschamps (alternate to Mr. Rystedt) as alternate Directors.

The 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, the terms of the Offer, Essity and the Irrevocable Undertakings) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the directors of each of the Offeror and APRIL) 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 in this announcement misleading.

As at the date of this announcement, the board of the Offeror comprises Mr. Lee Chong and Mr. George Thomas Dantas.

As at the date of this announcement, the board of APRIL comprises Mr. Sukanto Tanoto, Mr. Wang Bo, Mr. Bey Soo Khiang and Mr. Joseph Oetomo (also known as Oe Siang Kie).

The directors of the Offeror and APRIL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (including information relating to Essity but excluding information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Directors) 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 in this announcement misleading.