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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)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

RENEWED MASTER SUPPLY AGREEMENT

On 3 December 2013, the Company and SCA China entered into the Renewed Master Supply Agreement for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 (both dates inclusive).

Pursuant to the Renewed Master Supply Agreement, the Group will sell the Group's household consumable paper products, such as toilet rolls, table napkins, tissue towels and face tissues to the SCA Group at prices to be determined on an arm's length basis and comparable to the prevailing market rates or at rates similar to those offered by the Group to Independent Third Parties.

The Directors consider that the Renewed Master Supply Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of the business of the Company, and have been negotiated on an arm's length basis between the parties on normal commercial terms. The Directors believe that the terms of the Renewed Master Supply Agreement (including the annual caps) are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

SCA China is a wholly-owned subsidiary of SCA, which is a substantial shareholder of the Company. As a result, SCA China is a Connected Person of the Company. As the transactions under the Renewed Master Supply Agreement are of a continuing nature, they will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) calculated with reference to the aggregated annual caps in respect of the Renewed Master Supply Agreement and other agreements between the Group and the SCA Group on an annual basis is less than 5%, the continuing connected transactions under the Renewed Master Supply Agreement are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of the independent shareholders' approval under Rule 14A.34 of the Listing Rules.

Details of the continuing connected transactions under the Renewed Master Supply Agreement will be disclosed in the Company's next published annual report in compliance with the requirements under the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company in relation to the Original Master Supply Agreement entered into between the Company and SCA China dated 15 December 2010 in respect of the supply of the Company's household consumable paper products to SCA China. The Original Master Supply Agreement will expire on 31 December 2013.

Considering that the business transactions between the Company and SCA China will continue, on 3 December 2013, the Company and SCA China entered into the Renewed Master Supply Agreement for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 (both dates inclusive).

THE RENEWED MASTER SUPPLY AGREEMENT

Date

3 December 2013

Parties

- (1) SCA China, a Connected Person of the Company (contracting for itself and its subsidiaries, its holding company and the subsidiaries of its holding company)
- (2) the Company (contracting for itself and its subsidiaries)

Duration

The Renewed Master Supply Agreement is for a term of 3 years commencing from 1 January 2014 and expiring on 31 December 2016 (both dates inclusive).

Nature of the Renewed Master Supply Agreement

Pursuant to the Renewed Master Supply Agreement, the Group will sell the Group's household consumable paper products, such as toilet rolls, table napkins, tissue towels and face tissues to the SCA Group (excluding (i) SCA Hygiene Australasia Pty Limited and SCA Hygiene Australasia Limited, companies owned as to 50% by SCA, which are separately covered under a product supply agreement dated 2 January 2013, and (ii) SCA Tissue Hong Kong Limited, a wholly-owned subsidiary of SCA, which is separately covered under a product supply agreement dated 2 January 2013; details of the said agreements are set out in the announcement of the Company dated 2 January 2013) at prices to be determined on an arm's length basis and comparable to the prevailing market rates or at rates similar to those offered by the Group to Independent Third Parties.

Orders for the Group's household consumable paper products shall be given by the SCA Group to the Group in writing or, if given orally, shall be confirmed by the SCA Group in writing not more than 3 days after the order is given by the SCA Group. Whilst the Group agrees to take all steps reasonably required to fulfill its obligations under the Renewed Master

Supply Agreement in the normal course, the Group shall not be obliged to give the SCA Group any priority over any other customers of the Group with regard to the supply or delivery of the Group's household consumable paper products.

Terms of sale

The sale of the Group's household consumable paper products to be made under the Renewed Master Supply Agreement will be made in accordance with the prices and other terms negotiated between the Group and the SCA Group on an arm's length basis and on normal commercial terms, comparable to the prevailing market rates or at rates similar to those offered by the Group to Independent Third Parties, and as agreed between the Group and the SCA Group.

Annual caps and determination

The annual caps under the Renewed Master Supply Agreement are as follows:

Annual caps for the year ending 31 December		
2014	2015	2016
HK\$7.2 million	HK\$7.2 million	HK\$7.2 million

In determining the annual caps for the transactions contemplated under the Renewed Master Supply Agreement, the following principal factors have been taken into consideration:

- (a) the historical growth of the Group's sale of the Group's household consumable paper products to the SCA Group for year 2013; and
- (b) the expected rate of growth of the Group's sales and overall business.

The Directors, including the independent non-executive Directors (but excluding Mr. Ulf Olof Lennart Soderstrom and Mr. Johann Christoph Michalski, two non-executive Directors, who had elected to abstain from voting) consider that the annual caps are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In the event that (i) for any financial year during the term of the Renewed Master Supply Agreement, the aggregate amount of the supply price of the Group's household consumable paper products exceeds the annual cap for the relevant year, or (ii) if the Renewed Master Supply Agreement is renewed or there is material change to the terms of the continuing connected transactions, the Company will comply with the provisions of Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE RENEWED MASTER SUPPLY AGREEMENT

The continuing connected transactions contemplated under the Renewed Master Supply Agreement are expected to occur on a regular and continuing basis in the ordinary and usual course of business of the Group.

The Directors, including the independent non-executive Directors but excluding Mr. Ulf Olof Lennart Soderstrom and Mr. Johann Christoph Michalski, two non-executive Directors, who had elected to abstain from voting, consider and believe that (a) it is beneficial to continue the continuing connected transactions as these transactions have facilitated and will continue to

facilitate the overall operations and growth of the Group's business; (b) the Renewed Master Supply Agreement will continue to provide opportunities for the Group to partner with the SCA Group and thereby allow the Group to secure additional business, and hence revenue, for the Group; (c) the Renewed Master Supply Agreement and the transactions contemplated thereunder were entered into in the ordinary and usual course of the business of the Group, and have been negotiated on an arm's length basis between the parties on normal commercial terms; and (d) the terms of the Renewed Master Supply Agreement (including the annual caps) are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the continuing connected transactions contemplated under the Renewed Master Supply Agreement and hence no Director is required to abstain from voting on such board resolutions in accordance with the Listing Rules. However, as Mr. Ulf Olof Lennart Soderstrom, a non-executive Director, is the president of SCA Asia Pacific and Mr. Johann Christoph Michalski, a non-executive Director, is the president of SCA Global Hygiene Category, the marketing and R&D division of SCA, they have elected to abstain from voting on the relevant board resolutions.

IMPLICATIONS OF THE LISTING RULES

SCA China is a wholly-owned subsidiary of SCA, which is a substantial shareholder of the Company. As a result, SCA China is a Connected Person of the Company. As the transactions under the Renewed Master Supply Agreement are of a continuing nature, they will therefore constitute connected transactions under Chapter 14A of the Listing Rules.

As all applicable percentage ratios (other than the profits ratio) calculated with reference to the aggregated annual caps in respect of the Renewed Master Supply Agreement and other agreements between the Group and the SCA Group on an annual basis is less than 5%, the continuing connected transactions under the Renewed Master Supply Agreement are only subject to the reporting and announcement requirements under Rules 14A.45 to 14A.47 of the Listing Rules and exempt from the approval of the independent shareholders' approval under Rule 14A.34 of the Listing Rules.

Details of the continuing connected transactions under the Renewed Master Supply Agreement will be disclosed in the Company's next published annual report in compliance with the requirements under the Listing Rules.

INFORMATION ON THE COMPANY

The Group is principally engaged in the manufacturing and sale of household consumable paper products in the People's Republic of China and its principal products include toilet paper, paper handkerchiefs, facial tissue paper and paper napkins.

SCA is a global consumer goods and paper company which develops, produces and markets personal care products, tissue paper, packaging solutions, publication papers and solid-wood products in more than 70 countries.

DEFINITIONS

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

“Board”	means the board of directors of the Company
“Company”	means Vinda International Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on The Stock Exchange of Hong Kong Limited (stock code: 3331)
“Connected Person”	shall have the meaning given to it in the Listing Rules
“Directors”	means directors of the Company
“Group”	means the Company and its subsidiaries
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	means third party(ies) independent of the Company and the Connected Persons of the Company and is not a Connected Person of the Company
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original Master Agreement”	means the master supply agreement dated 15 December 2013 made between SCA China (for itself and on behalf of its subsidiaries, its holding company and subsidiaries of the holding company) and the Company (for itself and its subsidiaries) in respect of the Group’s sale of consumable paper products to the SCA Group, for the period from 1 January 2011 and to 31 December 2013
“Renewed Master Supply Agreement”	means the master supply agreement dated 3 December 2013 made between SCA China (for itself and its subsidiaries, its holding company and the subsidiaries of its holding company) and the Company (for itself and its subsidiaries) in respect of the Group’s sale of household consumable paper products to the SCA Group, for the period commencing on 1 January 2014 and ending on 31 December 2016
“SCA”	means Svenska Cellulosa Aktiebolaget (Swedish Cellulose Incorporated), a substantial shareholder and a Connected Person of the Company

“SCA China”	means 愛生雅(中國)投資有限公司 (in English, for identification purpose only, SCA (China) Holding Co Limited) (previously known as 愛生雅貿易(上海)有限公司 (in English, for identification purpose only, SCA Trading (Shanghai) Company Limited)), a company incorporated under the laws of the People’s Republic of China and a wholly-owned subsidiary of SCA
“SCA Group”	means SCA and its subsidiaries
“Shareholders”	means holders of shares of the Company
“Shares”	means ordinary shares of the Company
“subsidiary”	shall have the meaning given to it in the Listing Rules
“%”	means per cent.

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

Hong Kong, 3 December 2013

As at the date of this announcement, the executive Directors are Mr. Li Chao Wang, Ms. Yu Yi Fang, Ms. Zhang Dong Fang and Mr. Dong Yi Ping; the non-executive Directors are Mr. Ulf Olof Lennart Soderstrom, Mr. Johann Christoph Michalski and Mr. Chiu Bun (as alternate to Mr. Soderstrom and Mr. Michalski); and the independent non-executive Directors are Dr. Cao Zhen Lei, Mr. Kam Robert, Mr. Hui Chin Tong Godfrey and Mr. Tsui King Fai.