



Stock Code: 3331

## **Voluntary Conditional Cash Offer**

by Isola Castle Ltd for your Shares at

**HK\$23.50 in cash per share<sup>(2)</sup>**

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### **The Offer is now open for acceptance**

Please follow the instructions set out in  
the Composite Document<sup>(1) (3)</sup>

Latest time for acceptance of the Offer on the first Closing Date is

**4:00 pm on Tuesday, 2 April, 2024**

**If you wish to accept the Offer,  
please complete and return the Form of Acceptance.  
For further details, please refer to the Composite Document<sup>(1)</sup>.**

**If you have any questions, feel free to call the Offer hotline at +852 2319 4859  
or email [Vinda@investor.morrowsodali.com](mailto:Vinda@investor.morrowsodali.com)**

Notes:

- (1) Capitalised terms used herein shall have the same meanings as defined in the Composite Document dated 8 March 2024. The Composite Document can be accessed at [www.hkexnews.hk](http://www.hkexnews.hk) or [www.vinda.com](http://www.vinda.com)
- (2) Subject to the Offer having become unconditional and the terms and conditions of the Offer as stated in the Composite Document, final payment of the consideration for the Offer Shares tendered will be net of the seller's ad valorem stamp duty
- (3) Shareholders are strongly advised to consider carefully information contained in the Composite Document, including the "Letter from the Board", "Letter from the Independent Board Committee" and "Letter from the Independent Financial Adviser" and consult their professional advisers if in doubt before accepting the Offer
- (4) This sheet is issued by the Offeror and is not for release in or into any jurisdiction where to do so would constitute a violation of the applicable laws or regulations of such jurisdiction. The directors of the Offeror and APRIL jointly and severally accept full responsibility for the accuracy of the information contained herein and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed herein have been arrived at after due and careful consideration and there are no other facts not contained herein the omission of which would make any statement herein misleading

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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or otherwise transferred all your securities in Vinda International Holdings Limited, you should at once hand this Composite Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s), or the licensed securities dealer or registered institution in securities, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer. This Composite Document is not for release, publication or distribution in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form of Acceptance, make no representation as to their 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 Composite Document and the accompanying Form of Acceptance.

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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)**

**ISOLA CASTLE LTD**

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

### COMPOSITE DOCUMENT

**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)**

Lead Financial Adviser to the Offeror



**BNP PARIBAS**

Financial Adviser to  
the Company



**HSBC**

Joint Financial Adviser to the Offeror



**CICC**  
**中金公司**

Independent Financial Adviser to  
the Company



**SOMERLEY CAPITAL LIMITED**

Financial Adviser to Essity

**BofA SECURITIES**



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Unless the context otherwise requires, capitalised terms used in this Composite Document (including this cover page) have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A "Letter from BNPP and CICC" containing, among other things, the details of the terms and conditions of the Offer is set out on pages 9 to 28 of this Composite Document. A "Letter from the Board" is set out on pages 29 to 35 of this Composite Document. A "Letter from the Independent Board Committee" containing the Independent Board Committee's recommendations to the Independent Shareholders in respect of the Offer is set out on pages 36 to 38 of this Composite Document. A "Letter from the Independent Financial Adviser" containing the Independent Financial Adviser's advice and recommendations to the Independent Board Committee in respect of the Offer is set out on pages 39 to 65 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in "Appendix I – Further Terms and Procedures for Acceptance of the Offer" to this Composite Document and in the accompanying Form of Acceptance. Acceptance of the Offer should be received by the Registrar by no later than 4:00 p.m. on Tuesday, 2 April 2024 (or such later time(s) and/or date(s) as the Offeror may determine and announce, in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside of Hong Kong should read the details in this regard which are contained in the sections headed "Overseas Independent Shareholders" in the "Letter from BNPP and CICC" and "6. Overseas Independent Shareholders" in Appendix I to this Composite Document before taking any action. It is the responsibility of each Overseas Independent Shareholder wishing to accept the Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required and the compliance with all necessary formalities or legal requirements. Overseas Independent Shareholders are advised to seek professional advice on deciding whether to accept the Offer.

8 March 2024

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## CONTENTS

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<b>EXPECTED TIMETABLE</b> .....	ii
<b>IMPORTANT NOTICES</b> .....	v
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM BNPP AND CICC</b> .....	9
<b>LETTER FROM THE BOARD</b> .....	29
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	36
<b>LETTER FROM THE INDEPENDENT FINANCIAL ADVISER</b> .....	39
<b>APPENDIX I – FURTHER TERMS AND PROCEDURES FOR ACCEPTANCE OF THE OFFER</b> .....	I-1
<b>APPENDIX II – FINANCIAL INFORMATION OF THE GROUP</b> .....	II-1
<b>APPENDIX III – GENERAL INFORMATION OF THE GROUP</b> .....	III-I
<b>APPENDIX IV – GENERAL INFORMATION OF THE OFFEROR</b> .....	IV-1
<b>ACCOMPANYING DOCUMENT – FORM OF ACCEPTANCE</b>	

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## EXPECTED TIMETABLE

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*The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made by the Offeror and the Company in the event of any changes to the timetable as and when appropriate. Unless otherwise specified, all time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.*

<b>Event</b>	<b>Hong Kong time and dates</b>
Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer ( <i>Note 1</i> ) . . . . .	Friday, 8 March 2024
Expected Unconditional Date ( <i>Note 2</i> ) . . . . .	no later than Tuesday, 19 March 2024
First Closing Date ( <i>Notes 2 and 3</i> ) . . . . .	Tuesday, 2 April 2024
Latest time and date for acceptance of the Offer on the first Closing Date ( <i>Note 4</i> ) . . . . .	4:00 p.m. on Tuesday, 2 April 2024
Announcement of the results of the Offer as at the first Closing Date, on the website of the Stock Exchange . . . . .	no later than 7:00 p.m. on Tuesday, 2 April 2024
Latest date for despatch of cheques for payment of the amounts due under the Offer in respect of valid acceptances received by Tuesday, 19 March 2024, assuming that the Offer becomes or is declared unconditional in all respects on Tuesday, 19 March 2024 ( <i>Notes 2 and 5</i> ) . . . . .	Thursday, 28 March 2024
Latest date for despatch of cheques for payment of the amounts due under the Offer in respect of valid acceptances received on or before the first Closing Date (being Tuesday, 2 April 2024), assuming that the Offer becomes or is declared unconditional in all respects on Tuesday, 19 March 2024 ( <i>Notes 2 and 5</i> ) . . . . .	Friday, 12 April 2024
Latest time and date for acceptance of the Offer assuming that the Offer becomes or is declared unconditional in all respects on Tuesday, 19 March 2024 ( <i>Notes 2 and 6</i> ) . . . . .	4:00 p.m. on Tuesday, 2 April 2024

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## EXPECTED TIMETABLE

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Event	Hong Kong time and dates
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Latest time and date by which the Offer can become or be declared unconditional as to acceptances ( <i>Note 7</i> ) . . . . .	7:00 p.m. on Tuesday, 7 May 2024
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*Notes:*

(1) The Offer will be open for acceptance on and from Friday, 8 March 2024 and the latest time for acceptance of the Offer will be 4:00 p.m. on Tuesday, 2 April 2024, or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive. Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the paragraph headed “4. Right of Withdrawal” in Appendix I to the Composite Document.

(2) Pursuant to the Essity Irrevocable Undertaking, Essity GH has irrevocably undertaken to the Offeror to accept or procure the acceptance of the Offer in respect of the 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 (7th) Business Day after the despatch of the Composite Document.

Accordingly, it is expected that all Conditions will be satisfied or waived (where applicable), and the Offer will become or be declared unconditional in all respects, no later than Tuesday, 19 March 2024. For details, please see “Conditions to the Offer” in the “Letter from BNPP and CICC” in this Composite Document.

(3) In order to comply with the Takeovers Code, the Offer will close for acceptances at 4:00 p.m. on Tuesday, 2 April 2024 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Offer until such date as it may determine subject to compliance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In the event that the Offer has not become or is not declared unconditional on the first Closing Date, the Offeror will issue an announcement stating whether the Offer has lapsed or has been revised or extended. If the Offer is extended or revised, the announcement of such extension or revision will either state the next Closing Date or, if the Offer has become or been declared unconditional as to acceptances, include a statement that the Offer will remain open until further notice. There is no obligation to extend the Offer if the Conditions are not satisfied or waived (where applicable) by the first Closing Date or any subsequent Closing Date.

(4) If you wish to accept the Offer you should ensure your duly completed and signed Form of Acceptance and the relevant documents (if applicable) arrive at the Registrar no later than the prescribed time. If you choose to deliver the documents by post you should consider the timing requirements for postage. Beneficial owners of the Offer Shares who hold their Offer Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant and who wish to accept the Offer should note the timing requirements for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures and any deadline set by HKSCC Nominees Limited. All acceptances, instructions, authorisations and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

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## **EXPECTED TIMETABLE**

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- (5) Payment of the consideration (after deducting the seller's ad valorem stamp duty) for the Offer Shares in respect of which the Offer is validly accepted will be posted by ordinary post to the Independent Shareholders who accept the Offer at their own risk. Payment will be made as soon as possible, but in any event no later than seven (7) Business Days after the later of (i) the date on which the Offer becomes or is declared unconditional in all respects; and (ii) the date of receipt by the Registrar of all the relevant documents to render each acceptance under the Offer complete and valid in accordance with the Takeovers Code, this Composite Document and the accompanying Form of Acceptance.
- (6) Pursuant to Rule 15.3 of the Takeovers Code, where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), the Offer should remain open for acceptances for not less than 14 days thereafter.
- (7) In accordance with Rule 15.5 of the Takeovers Code, except with the consent of the Executive, the Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the date of this Composite Document. Accordingly, unless the Offer has previously become or been declared unconditional as to acceptances or has been extended with the consent of the Executive, the Offer will lapse at 7:00 p.m. on Tuesday, 7 May 2024. In accordance with Rule 15.7 of the Takeovers Code, except with the consent of the Executive, if any one of the Conditions is not satisfied (or not waived, where applicable) by no later than 21 days after the first Closing Date or the date when the Offer becomes or is declared unconditional as to acceptances, whichever is the later, the Offer will lapse.

### **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF THE OFFER AND/OR THE LATEST DATE FOR DESPATCH OF CHEQUES**

If a tropical cyclone warning signal number 8 or above, or a black rainstorm warning, or "extreme conditions" as announced by the Government of Hong Kong is/are in force, in Hong Kong:

- (a) at any time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer and/or the latest date for despatch of cheques for the amounts due under the Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offer will remain at 4:00 p.m. on the same Business Day and/or the latest date for despatch of cheques will remain on the same Business Day; or
- (b) at any time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offer and/or the latest date for despatch of cheques for the amounts due under the Offer in respect of valid acceptances (as the case may be), the latest time for acceptance of the Offer will be rescheduled to 4:00 p.m. on the following Business Day and/or the latest date for despatch of cheques will be rescheduled to the following Business Day which does not have either of those warnings in force after 12:00 noon.

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## **IMPORTANT NOTICES**

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### **NOTICE TO THE OVERSEAS INDEPENDENT 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 they are resident. Overseas Independent 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.

The acceptance of the Offer by the Overseas Independent Shareholders may be subject to the laws of the relevant jurisdictions and may or may not be prohibited. It is the sole responsibility of the Overseas Independent 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, exchange control or other consents which may be required and the compliance with all necessary formalities and the payment of any transfer or other taxes due by such Overseas Independent Shareholders in respect of such jurisdictions) and, where necessary, seek legal advice.

Any acceptance by any Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Shareholder to the Offeror, the Company and their respective advisers (including BNPP, CICC and HSBC) that the local laws and requirements have been complied with.

The Offeror, Offeror Concert Parties, the Company, BNPP, CICC, HSBC, the Independent Financial Adviser, the Registrar, their respective ultimate beneficial owners, directors, officers, agents and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by such person for any taxes as such person may be required to pay. Please refer to the paragraphs headed “Overseas Independent Shareholders” in the “Letter from BNPP and CICC” and “6. Overseas Independent Shareholders” in Appendix I to this Composite Document for further information.

Overseas Independent Shareholders should consult their professional advisers if in doubt.

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Composite Document contains certain forward-looking statements. Forward-looking statements include, without limitation, statements typically containing words such as “believe”, “intend”, “expect”, “anticipate”, “target”, “seek”, “plan”, “estimate”, “envisage” and words of similar import. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.

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## **IMPORTANT NOTICES**

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Any forward-looking statement contained in this Composite Document based on past or current trends and/or activities of the relevant company should not be taken as a representation that such trends or activities will continue in the future. No statement in this Composite Document is intended to be a profit forecast or to imply that the earnings of the relevant company for the current year or future years will necessarily match or exceed its historical or published earnings. Each forward-looking statement speaks only as at the date of the particular statement. Subject to the requirements of the Takeovers Code and other applicable laws and regulations, each of the Offeror, APRIL and the Company and their respective advisers, expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions of circumstances on which any such statement is based.

All forward-looking statements attributable to the Offeror, APRIL and/or the Company (as the case may be) or persons acting on behalf of any of them are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included herein are made only as of the Latest Practicable Date.

### **ENQUIRY HOTLINE AND EMAIL**

If you have any queries of an administrative and procedural nature regarding the Offer, please reach out via the following ways:

By phone: +852 2319 4859

Working hours: Monday to Friday, 9:00 am to 6:00 pm (Hong Kong time)

By email: [Vinda@investor.morrowsodali.com](mailto:Vinda@investor.morrowsodali.com)

This helpline is managed by an external service provider, Morrow Sodali Hong Kong Limited, engaged by the Offeror. For the avoidance of doubt, the designated phone line or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the Offer or (ii) give any financial or legal advice. If you are in doubt as to any aspect of this Composite Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

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## DEFINITIONS

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

“2021 Annual Report”	the annual report of the Company for the year ended 31 December 2021 published on 21 April 2022
“2021 Financial Statements”	the audited consolidated financial statements of the Group for the year ended 31 December 2021
“2022 Annual Report”	the annual report of the Company for the year ended 31 December 2022 published on 11 April 2023
“2022 Financial Statements”	the audited consolidated financial statements of the Group for the year ended 31 December 2022
“2023 Annual Results Announcement”	the announcement of annual results of the Company for the year ended 31 December 2023 published on 25 January 2024
“2023 Financial Information”	the audited consolidated financial information of the Company for the year ended 31 December 2023
“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, an exempted 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 Mr. Tanoto as settlor and whose beneficiaries are his immediate family members
“associate(s)”	has the meaning ascribed thereto under the Takeovers Code
“Beaumont”	Beaumont Capital Fund Ltd, an exempted company incorporated in the Cayman Islands with limited liability, which is a wholly-owned subsidiary of the Offeror and an Offeror Concert Party

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## DEFINITIONS

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“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 out 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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“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”	Tuesday, 2 April 2024, being the first closing date of the Offer which is 25 days from the date of this Composite Document (or if the Offer is extended, any subsequent closing date as may be determined by the Offeror and jointly announced by the Offeror and the Company in accordance with the Takeovers Code)
“Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended from time to time

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## DEFINITIONS

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“Company”	Vinda International Holdings Limited (stock code: 3331), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board
“Composite Document”	this composite offer and response document 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 the “Letter from BNPP and CICC”
“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” in the “Letter from BNPP and CICC”
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate(s) of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
“Global Brands”	Tork, Tena, Libresse and Libero

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## DEFINITIONS

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“Global Term”	initial term of 15 years with automatic extension for successive 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
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited, a registered institution under the SFO, registered 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), 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

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## DEFINITIONS

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“Independent Financial Adviser” or “Somerley”	Somerley Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to acceptances
“Independent Shareholders”	Shareholders other than the Offeror and the Offeror Concert Parties
“Irrevocable Undertakings”	the Essity Irrevocable Undertaking and the Li Irrevocable Undertaking
“Joint Announcement”	the announcement jointly issued by the Offeror and the Company dated 15 December 2023 in relation to, among other things, the Offer pursuant to Rule 3.5 of the Takeovers Code
“Last Trading Day”	14 December 2023, being the last full trading day of the Shares on the Stock Exchange prior to the Joint Announcement
“Latest Practicable Date”	5 March 2024, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
“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

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## DEFINITIONS

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“Li Undertaking Shares”	has the meaning set out in the section headed “Li Irrevocable Undertaking” in the “Letter from BNPP and CICC”
“Loan Facility”	the loan facility to be made available under the facility agreement entered into between, among others, the Offeror as the borrower and Bank of China Limited, Macau Branch as the facility agent
“Long Stop Date”	15 September 2024, being the date falling 9 months from the date of the Joint Announcement
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	the Main Board of the Stock Exchange
“Mr. Li”	Mr. Li Chao Wang, the Chairman and a substantial shareholder of the Company
“Mr. Tanoto”	Mr. Sukanto Tanoto
“New Licence Agreement”	the new 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 voluntary conditional cash offer 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 is withdrawn

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## DEFINITIONS

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“Offer Price”	the price at which the Offer is made, being HK\$23.50 per Offer Share
“Offer Share(s)”	Share(s) not already owned by the Offeror and the Offeror Concert Parties
“Offeror”	Isola Castle Ltd, an exempted company incorporated in the Cayman Islands which is indirectly wholly-owned by APRIL
“Offeror Concert Party(ies)”	any party(ies) 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 issued by Essity HH to the Company on 15 December 2023
“Overseas Independent Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China and, for the purpose of this Composite Document, excluding Hong Kong, Macau and Chinese Taiwan
“Pre-Conditions”	pre-conditions to the Offer, details of which are set out in the Joint Announcement
“Registrar”	Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“Relevant Authorities”	any government, governmental, quasi-governmental, statutory or regulatory authority, body, agency, tribunal, court or institution

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## DEFINITIONS

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“Relevant Period”	the period commencing on the date falling six months preceding the Rule 3.7 Announcement and ending on the Latest Practicable Date
“RGE”	RGE Pte. Ltd.
“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”	the State Administration for Market Regulation of the PRC
“SFC”	the Securities and Futures Commission
“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 par value 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.

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## LETTER FROM BNPP AND CICC

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**BNP PARIBAS**

**BNP Paribas Securities (Asia) Limited**



**CICC**  
**中金公司**

**China International Capital Corporation**  
**Hong Kong Securities Limited**

8 March 2024

*To the Independent Shareholders*

Dear Sir/Madam,

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

### **INTRODUCTION**

We refer to (i) the Rule 3.7 Announcement; (ii) the Joint Announcement; (iii) the joint announcements dated 18 December 2023, 5 February 2024, 15 February 2024 and 4 March 2024 issued by the Offeror and the Company in relation to, among other things, the status of satisfaction of the Pre-Conditions; (iv) the joint announcement dated 5 January 2024 issued by the Offeror and the Company in relation to, among other things, the delay in despatch of the Composite Document; and (v) the announcement dated 12 January 2024 in relation to, among other things, the appointment of the Independent Financial Adviser.

On 4 March 2024, the Offeror and the Company jointly announced that all Pre-Conditions had been satisfied.

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. Further terms and procedures for acceptance of the Offer are set out in Appendix I to the Composite Document (of which this letter forms part) and the accompanying Form of Acceptance.

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## LETTER FROM BNPP AND CICC

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The Independent Shareholders are strongly advised to consider carefully the information contained in the “Letter from the Board”, “Letter from the Independent Board Committee” and “Letter from the Independent Financial Adviser” as set out in the Composite Document, the appendices to the Composite Document and the accompanying Form of Acceptance and to consult their professional advisers if in doubt before reaching a decision as to whether or not to accept the Offer.

### THE OFFER

BNPP and CICC are making the Offer for and on behalf of the Offeror to acquire all the Offer Shares in compliance with the Takeovers Code on the following basis:

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

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

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, rights of pre-emption and any other third party rights of any nature or any agreement for any of the same 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 Latest Practicable Date, the Company does not have outstanding dividends which have been declared but not yet paid. The Company has no intention to declare any dividend before the close of the Offer.

Further details of the terms of the Offer and the procedures for acceptance are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

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## LETTER FROM BNPP AND CICC

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### Comparison of value

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

- (a) a premium of approximately 21.38% over the closing price as quoted on the Stock Exchange on 17 November 2023, being the last trading day before the Rule 3.7 Announcement, of HK\$19.36 per Share;
- (b) 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;
- (c) a premium of approximately 0.21% over the closing price as quoted on the Stock Exchange on the Latest Practicable Date of HK\$23.45 per Share;
- (d) 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;
- (e) 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;
- (f) 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;
- (g) 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;
- (h) 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 Latest Practicable Date;
- (i) 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 Latest Practicable Date; and
- (j) a premium of approximately 145.23% over the audited consolidated net asset value of approximately HK\$9.58 per Share, based on the audited consolidated net assets of the Company as at 31 December 2023 and the number of Shares in issue as at the Latest Practicable Date.

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## LETTER FROM BNPP AND CICC

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### **Highest and lowest Share prices**

During the Relevant Period, the highest closing price per Share as quoted on the Stock Exchange was HK\$23.45 on 5 March 2024 and the lowest closing price per Share as quoted on the Stock Exchange was HK\$15.30 on 1 August 2023.

### **Value of the Offer**

As at the Latest Practicable Date, there were 1,203,285,373 Shares in issue. On the basis of the Offer Price of HK\$23.50 per Offer Share and 1,203,285,373 Shares in issue as at the Latest Practicable Date, 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 Latest Practicable Date, based on the Offer Price of HK\$23.50 per Offer Share and 1,110,747,273 Offer Shares, the maximum consideration for the Offer would be approximately HK\$26,102.56 million. As at the Latest Practicable Date, the Company does not have outstanding dividends which have been declared but not yet paid.

### **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 the Loan Facility provided to the Offeror. As security in favour of the financing parties of the Loan Facility, the Offeror has agreed, among other things, to create security over all Shares held by itself and its subsidiary after the first date on which settlement of the consideration (in respect of such number of Offer Shares which will result in the Offeror and its subsidiary holding more than 50% of the voting rights in the Company) is made. The Offeror has also agreed, conditional upon the Company having become a wholly-owned subsidiary of the Offeror and the withdrawal of listing of Shares from the Stock Exchange, to create security over shares in certain subsidiaries of the Company and procure the Company and certain subsidiaries of the Company to provide guarantee in connection with the Loan Facility. Save for the guarantee and the security package which would only be granted after privatisation of the Company, the Offeror does not intend that the payment of interest on or repayment of or guarantee or security for the Loan Facility will depend to any significant extent on the business of the Group.

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.

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## LETTER FROM BNPP AND CICC

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### Conditions to the Offer

The Offer is conditional upon 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.

Pursuant to Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer becomes unconditional in all respects. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

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## LETTER FROM BNPP AND CICC

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

### **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 Latest Practicable Date.

#### **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 Latest Practicable Date) (“**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 (7<sup>th</sup>) 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 acceptances 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.

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## LETTER FROM BNPP AND CICC

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As at the Latest Practicable Date, all Pre-Conditions had been satisfied.

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 become or be declared 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 of, or which they may become so interested in; 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 Latest Practicable Date) (“**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 (7<sup>th</sup>) 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.

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## LETTER FROM BNPP AND CICC

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### ***Termination***

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

- (1) the Offer is not announced by two (2) 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.

As at the Latest Practicable Date, all Pre-Conditions had been satisfied.

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.

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## LETTER FROM BNPP AND CICC

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### 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 that the licences granted to the Company under the Licence Agreement enhance the Company's product portfolio, allowing it to consolidate its strong position within the consumable paper products market and leverage on the brand equity of these brands to further penetrate into the person care products market, Essity HH has issued the Option Letter containing the terms of the Option, where the offer and grant of the Option 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 was 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 is exercisable by the Company, at its sole discretion, from the date falling 12 months after the date of the Termination Notice until the earlier of: (i) the date falling 36 months after the date of the Termination Notice; and (ii) 31 December 2027 (both exclusive). The Company will consider all relevant factors at the time then existing to decide if it is in the interests of the Company to exercise the Option.

Should the Company wish to exercise the Option, it shall notify Essity HH during the exercise period. Within 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 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 arm's length relationship between the Essity Group and the Company upon the Company ceasing to be a member of the Essity Group.

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## LETTER FROM BNPP AND CICC

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### 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.

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## LETTER FROM BNPP AND CICC

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The patent and technology licence for the Global Brands and the Non-Global Brands shall terminate upon the licence to use the Global Brands terminates. The patent and technology licence for the Tempo brand shall terminate upon the licence to use the Tempo brand terminates. 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.

If the New Licence Agreement is executed, the Licence Agreement will terminate.

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

The Offeror intends to privatise the Company by exercising its right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four months after the date of the Composite Document, it has acquired not less than 90% of the Offer Shares. On completion of the compulsory acquisition (if applicable), the Company will become a wholly-owned subsidiary of the Offeror and an application will be made for the withdrawal of the listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

If the level of acceptances of the Offer reaches the prescribed level under the Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

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

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.

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## LETTER FROM BNPP AND CICC

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### SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this Composite Document, 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 Latest Practicable Date; (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 Latest Practicable Date <sup>(4)</sup>		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) <sup>(4)</sup>	
	Number of Shares	Shares as a percentage of total number of Shares in issue (%)	Number of Shares	Shares as a percentage of total number of Shares in issue (%)
<b>(A) Offeror and the Offeror Concert Parties</b>				
Offeror	–	–	873,878,693	72.624
Beaumont <sup>(1)</sup>	92,538,100	7.690	92,538,100	7.690
BNPP <sup>(4)</sup>	–	–	–	–
CICC <sup>(4)</sup>	–	–	–	–
<b>(A) Sub-total</b>	<b>92,538,100</b>	<b>7.690</b>	<b>966,416,793</b>	<b>80.315</b>
<b>(B) Essity GH<sup>(2)</sup></b>	<b>620,737,112</b>	<b>51.587</b>	–	–
<b>(C) Directors</b>				
Mr. Li <sup>(3)</sup>	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
<b>(C) Sub-total</b>	<b>254,264,581</b>	<b>21.131</b>	<b>1,123,000</b>	<b>0.093</b>
<b>(D) Public Shareholders</b>	<b>235,745,580</b>	<b>19.592</b>	<b>235,745,580</b>	<b>19.592</b>
<b>Total</b>	<b>1,203,285,373</b>	<b>100.000</b>	<b>1,203,285,373</b>	<b>100.000</b>

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## LETTER FROM BNPP AND CICC

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*Notes:*

- (1) On 12 January 2024, Belinda Tanoto transferred all the shares held in Beaumont to the Offeror. At the time of the transfer, the underlying assets of Beaumont primarily comprised 92,538,100 Shares, which were valued at HK\$23.50 per Share by parties to the transfer. As a result of the transfer, the Offeror has become the sole shareholder of Beaumont. By virtue of Part XV of the SFO, the Offeror is deemed to be interested in the 92,538,100 Shares held by Beaumont. Belinda Tanoto was the sole shareholder of Beaumont prior to the transfer and is the daughter of Mr. Tanoto, who is a director of APRIL. Please refer to the section headed “Information on the Offeror” in the “Letter from BNPP and CICC” in this Composite Document 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.
  - (c) Mr. Li is also directly interested in 300,000 Shares.
- (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). Exempt principal traders and exempt fund managers of the BNPP group or the CICC group 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 Latest Practicable Date.

### INFORMATION ON THE OFFEROR

As at the Latest Practicable Date, 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.

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## LETTER FROM BNPP AND CICC

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The Offeror is an exempted 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, together with Beaumont (a wholly-owned subsidiary of the Offeror), does not hold any investment other than Shares and 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 Mr. Tanoto as settlor and whose beneficiaries are his immediate family members.

### INFORMATION ON THE GROUP

Information on the Group is set out under the section headed “Information on the Group” in the “Letter from the Board” and Appendices II and III to the Composite Document.

### 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 prior to the announcement of the Offer. 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 for which the average daily trading volume of Shares for the 24-month period up to and including the Last Trading Day was 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 if 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 to redeploy the proceeds from accepting the Offer into other investment opportunities.

The Offeror and APRIL believe that, following the close of the Offer, the Company would benefit from new opportunities and development in the tissue and personal care industry through the integration of businesses, capabilities and resources.

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## LETTER FROM BNPP AND CICC

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APRIL is one of the leading manufacturers of pulp and paper products, and the Company therefore represents a complementary acquisition for APRIL. As mentioned above, subject to the level of acceptances of the Offer, the Offeror intends to privatise the Company, which if successful, will allow the Offeror and APRIL to build a stronger, more efficient and more sustainable business.

### **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 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 Latest Practicable Date, 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 Mr. Hu Wei as the Chairman and an executive Director and each of Mr. Lee Chong and Mr. George Thomas Dantas as a non-executive Director with effect from a date on or after the Unconditional Date and any such appointment will be made in compliance with the Takeovers Code and the Listing Rules.

Further announcement will be published by the Company in respect of the changes to the Board pursuant to the Takeovers Code and the Listing Rules as and when appropriate.

The biographies of Mr. Hu Wei, Mr. Lee Chong and Mr. George Thomas Dantas are set out as follows:

#### **Mr. Hu Wei**

Mr. Hu Wei, aged 60, is the China Tissue and Personal Care Business Head of Asia Symbol, a world leading producer of pulp and paper. He has been with Asia Symbol since 2017 and served as the Commercial Director – Pulp and Paper prior to his current role. Mr. Hu is also the Vice President of the China Paper and Pulp Industry Chamber of Commerce. Before joining Asia Symbol, Mr. Hu held senior management positions in various multinational companies in the petrochemical industry for more than 20 years.

Mr. Hu graduated with a Master of Business Administration degree from Ivey Business School of Western Ontario University of Canada in 2003.

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## LETTER FROM BNPP AND CICC

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### **Mr. Lee Chong**

Mr. Lee Chong, aged 52, is the Corporate Business Controller for RGE, a role he has held since 2019, where he oversees financial control, cash management and internal audit functions. Prior to his current role, he served as Chief of Staff for RGE, and held different functional leadership roles in corporate finance, strategic planning and human resources. Mr. Lee has served more than 20 years in RGE.

Mr. Lee graduated with a Bachelor of Engineering degree from the National University of Singapore in 1995, and obtained a Master of Business Administration degree from the Melbourne Business School, Australia in 2001.

### **Mr. George Thomas Dantas**

Mr. George Thomas Dantas, aged 56, is currently a Regional Head in RGE, overseeing the Europe, Middle East and Africa operations of various RGE-managed companies. Prior to this role, Mr. Dantas served as the Finance Director of APRIL and other fibre-related business units, leading and managing the accounting function including statutory accounting, tax and management reporting. Mr. Dantas was previously the Regional Financial Controller with Cornelder Asia, a Dutch headquartered commodities and metals storage operation based in Singapore.

Mr. Dantas graduated from the University of Bombay (now known as University of Mumbai), India with a Bachelor of Commerce degree in 1988. He also qualified as a certified public accountant of the American Institute of Certified Public Accountants and a chartered accountant of the Institute of Chartered Accountants of India.

## **OTHER TERMS OF THE OFFER**

### **Procedures for acceptance**

To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms and conditions of the Offer.

The duly completed and signed Form of Acceptance, should be sent, together with the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), to the Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, marked "Vinda International Holdings Limited – Offer" on the envelope, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code.

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## LETTER FROM BNPP AND CICC

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No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given. All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders at their respective addresses as they appear in the register of members of the Company or, in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the relevant Form of Acceptance completed, returned and received by the Registrar. Your attention is drawn to “Further Terms and Procedures for Acceptance of the Offer” as set out in Appendix I to the Composite Document and the accompanying Form of Acceptance.

### **Effect of accepting the Offer**

By accepting the Offer, the Independent 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 constitute a warranty to the Offeror by each person accepting it that the Offer Shares acquired under the Offer and sold by such persons are fully paid and free from any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, rights of pre-emption and any other third party rights of any nature or any agreement for any of the same 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.

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 validly 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 valid acceptances of the Offer.

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## LETTER FROM BNPP AND CICC

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### **Settlement**

Settlement of the consideration for the Offer Shares will be made by cheque as soon as possible but in any event no later than seven (7) Business Days after (a) the date on which the duly completed Form of Acceptance 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 each Shareholder who validly 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 date 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 Latest Practicable Date, it is expected the Offer will become unconditional as to acceptances on or before the seventh (7<sup>th</sup>) Business Day after the despatch of the Composite Document and in any event before 4:00 p.m. on the seventh (7<sup>th</sup>) 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 Independent 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 they are resident. Overseas Independent 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.

The acceptance of the Offer by the Overseas Independent Shareholders may be subject to the laws of the relevant jurisdictions and may or may not be prohibited. It is the sole responsibility of the Overseas Independent 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, exchange control or other consents which may be required and the compliance with all necessary formalities and the payment of any transfer or other taxes due by such Overseas Independent Shareholders in respect of such jurisdictions) and, where necessary, seek legal advice.

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## LETTER FROM BNPP AND CICC

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Any acceptance by any Overseas Independent Shareholders will be deemed to constitute a representation and warranty from such Shareholder to the Offeror, the Company and their respective advisers (including BNPP, CICC and HSBC) that the local laws and requirements have been complied with.

### **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, HSBC, 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 are not part of the Independent Board Committee.

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

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## LETTER FROM BNPP AND CICC

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### ADDITIONAL INFORMATION

Your attention is drawn to the additional information regarding the Offer set out in the appendices to the Composite Document and the accompanying Form of Acceptance, which form part of the Composite Document. In addition, your attention is also drawn to the “Letter from the Board” as set out on pages 29 to 35 of the Composite Document, the “Letter from the Independent Board Committee” as set out on pages 36 to 38 of the Composite Document and the “Letter from the Independent Financial Adviser” on pages 39 to 65 of the Composite Document.

Yours faithfully,

For and on behalf of

**BNP Paribas Securities (Asia) Limited**

**Richard Griffiths**  
*Managing Director*

**Vien Cheung**  
*Vice President*

Yours faithfully,

For and on behalf of

**China International Capital Corporation  
Hong Kong Securities Limited**

**Jie Li**  
*Managing Director*

**David Ching**  
*Executive Director*

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LETTER FROM THE BOARD

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

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

**(Stock Code: 3331)**

*Executive directors:*

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

*Non-executive directors:*

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

*Independent non-executive directors:*

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

*Alternate Directors:*

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

*Registered office:*

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

*Principal place of business  
in Hong Kong:*

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

8 March 2024

*To the Shareholders:*

Dear Sir or Madam,

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

**INTRODUCTION**

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

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## LETTER FROM THE BOARD

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

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

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

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

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

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

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

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

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

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## LETTER FROM THE BOARD

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

### THE OFFER

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

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

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

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

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

### CONDITIONS TO THE OFFER

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

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## LETTER FROM THE BOARD

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- (a) valid acceptances of the Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which will result in the Offeror and the Offeror Concert Parties holding more than 50% of the voting rights in the Company;
- (b) the Shares remaining listed and traded on the Stock Exchange up to the Closing Date (or, if earlier, the Unconditional Date) save for any temporary suspension(s) of trading of the Shares and no indication being received on or before the Closing Date (or, if earlier, the Unconditional Date) from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn; and
- (c) up to and including the time when the Condition set out in (a) above is satisfied, (i) no Relevant Authorities in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry, or enacted or made or publicly proposed, and (ii) there is no outstanding statute, regulation, demand or order, in each case which would make the Offer void, unenforceable or illegal or prohibit implementation of the Offer or which would impose any material conditions, limitations or obligations with respect to the Offer.

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

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

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

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

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

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## LETTER FROM THE BOARD

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### **IRREVOCABLE UNDERTAKINGS**

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

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

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

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

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

If the level of acceptances of the Offer reaches the prescribed level under the Companies Act required for compulsory acquisition and the requirements of Rule 2.11 of the Takeovers Code are satisfied, dealings in the Shares will be suspended from the Closing Date up to the withdrawal of listing of the Shares from the Stock Exchange pursuant to Rule 6.15 of the Listing Rules.

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

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## LETTER FROM THE BOARD

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

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

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

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

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

### **INFORMATION ON THE GROUP**

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

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

### **INFORMATION ON THE OFFEROR**

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

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

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

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

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

### RECOMMENDATIONS

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

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

Yours faithfully,  
By order of the Board of  
**Vinda International Holdings Limited**  
**Li Chao Wang**  
*Chairman*

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LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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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)**

8 March 2024

*To the Independent Shareholders:*

Dear Sir or Madam,

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

**INTRODUCTION**

We refer to the Composite Document dated 8 March 2024 in respect of the Offer jointly issued by the Offeror and the Company, of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter have the same meanings as that defined in the Composite Document.

We have been appointed by the Board as members of the Independent Board Committee to consider, among other things, the terms of the Offer and to make a recommendation as to whether, in our opinion, the terms of the Offer are fair and reasonable insofar as the Independent Shareholders are concerned, and as to the acceptance or not of the Offer.

Somerley Capital Limited has been appointed as the Independent Financial Adviser with our approval to advise and make recommendations in respect of the terms of the Offer and as to acceptance of the Offer. Details of its advice and recommendations and the principal factors and reasons which it has considered before arriving at such recommendations, are set out in the “Letter from the Independent Financial Adviser” in the Composite Document.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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We also wish to draw your attention to the “Letter from the Board”, “Letter from BNPP and CICC” and the additional information set out in the Composite Document.

We, as members of the Independent Board Committee, have declared that we are independent and do not have any conflict of interest in respect of the Offer and are therefore able to consider the terms of the Offer and make recommendations accordingly to the Independent Shareholders. Mr. Johann Christoph Michalski, Mr. Jan Christer Johansson, Mr. Carl Magnus Groth and Mr. Carl Fredrik Stenson Rystedt, being the non-executive Directors, are either appointed by Essity or ex-employees of Essity and therefore are not part of the Independent Board Committee.

### RECOMMENDATIONS

Having considered the terms of the Offer and the letter of advice and recommendations from the Independent Financial Adviser, we concur with the view of the Independent Financial Adviser and consider that the terms of the Offer are fair and reasonable insofar as the Independent Shareholders are concerned, and we recommend the Independent Shareholders to accept the Offer.

The Independent Shareholders are recommended to read the full text of the “Letter from the Independent Financial Adviser” set out in the Composite Document.

Notwithstanding our recommendations, the Independent Shareholders should consider carefully the terms of the Offer. In any case, the Independent Shareholders are reminded that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives.

The Independent Shareholders who intend to accept the Offer are also reminded to closely monitor the market price and the liquidity of the Shares during the Offer Period and may, having regard to their own circumstances and investment objectives, consider selling the Shares in the open market instead of accepting the Offer if the net proceeds from the sale of such Shares in the open market would be higher than that receivable under the Offer.

The Independent Shareholders should closely monitor the business development of the Group and the intentions of the Offeror when there is more information available in this regard.

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice. In addition, Independent Shareholders who wish to accept the Offer are recommended to read and consider carefully the procedures for accepting the Offer detailed in “Appendix I – Further Terms and Procedures for Acceptance of the Offer” to the Composite Document and the accompanying Form of Acceptance.

Yours faithfully,  
For and on behalf of the  
Independent Board Committee of  
**Vinda International Holdings Limited**

<b>Mr. Tsui King Fai</b>	<b>Mr. Wong Kwai Huen,</b>	<b>Mr. Law Hong Ping,</b>	<b>Dr. Cao Zhenlei</b>
	<b>Albert</b>	<b>Lawrence</b>	
<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>	<i>Independent Non- executive Director</i>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Document.*



**SOMERLEY CAPITAL LIMITED**

20th Floor

China Building

29 Queen's Road Central

Hong Kong

8 March 2024

*To: The Independent Board Committee and the Independent Shareholders*

Dear Sirs,

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

### INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in connection with the Offer. The terms of the Offer are set out in the Composite Document dated 8 March 2024 (the “**Composite Document**”), of which this letter forms a part. Terms used in this letter shall have the same meaning as those defined in the Composite Document unless the context requires otherwise.

On 15 December 2023, the Offeror and the Company jointly announced that BNPP and CICC would, 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). This announcement included disclosure of the Irrevocable Undertakings as detailed below, covering approximately 72.62% of the issued Shares as at the Latest Practicable Date. On 4 March 2024, the Offeror and the Company jointly announced that all Pre-Conditions had been satisfied.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Subject to the Offer becoming unconditional and satisfaction of the requirements under the Companies Act and the Takeovers Code, the Offeror intends to privatise the Company by exercising its right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four months after the date of this 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.

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

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 are ex-employees of Essity and therefore are not eligible to form part of the Independent Board Committee. In accordance with Rule 2.1 of the Takeovers Code, the Independent Board Committee has approved our appointment as the independent financial adviser to the Independent Board Committee.

We are not associated or connected with the Company, or the Offeror, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, or the Offeror, or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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In formulating our opinion, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Group, which we have assumed to be true, accurate and complete in all material aspects. We have reviewed, among other things, (i) the annual report of the Company for the year ended 31 December 2022 (the “**2022 Annual Report**”), and the annual results announcement of the Company for the year ended 31 December 2023 (“**FY2023**”) (the “**2023 Annual Results**”, together with the 2022 Annual Report, the “**Annual Reports**”), (ii) the trading performance of the Shares on the Stock Exchange, and (iii) other information contained in the Composite Document. We have sought and received confirmation from the Directors that no material facts have been omitted from the information supplied and opinions expressed to us. We consider that the information we have received is sufficient for us to reach our opinion and give our advice and recommendation set out in this letter. We have no reason to believe that any material information has been omitted or withheld, or to doubt the truth or accuracy of the information provided. We have not, however, conducted any independent investigation into the business and affairs of the Group, the Offeror or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied. We have also assumed that all representations contained or referred to in the Composite Document in which this letter forms a part, were true at the time they were made and at the date of the Composite Document, and Shareholders will be informed of any future material change (including but not limited to our advice, opinion or recommendation set out in this letter) as soon as possible.

We have not considered the tax and regulatory implications on Independent Shareholders of acceptance or non-acceptance of the Offer, since these depend on their individual circumstances. In particular, Independent Shareholders who are residents overseas or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax positions and, if in any doubt, should consult their own professional advisers.

### **PRINCIPAL TERMS OF THE OFFER**

BNPP and CICC are making the Offer for and on behalf of the Offeror to acquire all the Offer Shares on the following basis:

#### **The Offer**

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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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If after the date of this Composite Document, any dividend, distribution and/or return of capital is announced, declared, made and/or paid in respect of the Shares, the Offeror reserves the right to reduce the Offer Price by the gross amount of the dividend, distribution and/or return of capital paid or made by the Company in respect of each Offer Share to such Shareholders who accept or have accepted the Offer, and, unless otherwise specified or the context otherwise requires, any reference in the Joint Announcement, this Composite Document or any other announcement in relation to the Offer Price will be deemed to be a reference to the Offer Price as so reduced by the amount of such dividend, distribution and/or return of capital declared, made or paid per Offer Share. Any such reduction will only apply to those Offer Shares in respect of which the Offeror will not be entitled to the relevant dividend, distribution and/or return of capital. As stated in the announcement of the Company dated 24 January 2024 in relation to the final results for FY2023, the Board has resolved not to declare a final dividend for FY2023.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, rights of pre-emption and any other third party rights of any nature or any agreement for any of the same 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 Latest Practicable Date, the Company does not have outstanding dividends which have been declared but not yet paid. The Company has no intention to declare any dividend before the close of the Offer.

### **Value of the Offer**

As at the Latest Practicable Date, there were 1,203,285,373 Shares in issue. On the basis of the Offer Price of HK\$23.50 per Offer Share and 1,203,285,373 Shares in issue as at the Latest Practicable Date, 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 Latest Practicable Date, based on the Offer Price of HK\$23.50 per Offer Share and 1,110,747,273 Offer Shares, the maximum consideration for the Offer would be approximately HK\$26,102.56 million.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **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 Latest Practicable Date.

Mr. Li is the Chairman and founder of the Group, and a substantial shareholder of the Company holding approximately 21.04% of the issued share capital of the Company as at the Latest Practicable Date.

Essity GH, a company established under the laws of the Netherlands, is a subsidiary of Essity and a substantial shareholder of the Company holding approximately 51.59% of the issued share capital of the Company as at the Latest Practicable Date. Essity listed on NASDAQ Stockholm in 2017. Based on its 2022 annual report, Essity operates in three business areas comprising: (i) consumer goods including incontinence products, baby care, feminine care and consumer tissue; (ii) professional hygiene including tissue, services & solutions and wiping & cleaning as well as soaps & sanitizers; and (iii) health & medical including incontinence products health care and medical solutions.

Please refer to the section headed “IRREVOCABLE UNDERTAKINGS” in the letter from BNPP and CICC of the Composite Document for further details of the Irrevocable Undertakings.

### **Option to enter into New Licence Agreement**

As disclosed in the letter from BNPP and CICC in the Composite Document, 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.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Given that the licences granted to the Company under the Licence Agreement including the licence (i) for certain brands such as *Tempo* and *Tena*, by Essity HH in relation to its tissue and personal care product business; and (ii) for certain patents and technology and related intellectual property relating to the manufacture of tissue and personal care products under the aforesaid certain brands for the Company to use in certain territories, which could enhance the Company's product portfolio, allowing it to consolidate its strong position within the consumable paper products market and leverage on the brand equity of these brands to further penetrate into the person care products market, Essity HH has issued the Option Letter containing the terms of the Option, where the offer and grant of the Option 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 was 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 is exercisable by the Company, at its sole discretion, from the date falling 12 months after the date of the Termination Notice until the earlier of: (i) the date falling 36 months after the date of the Termination Notice; and (ii) 31 December 2027 (both exclusive). The Company will consider all relevant factors at the time then existing to decide if it is in the interests of the Company to exercise the Option.

Should the Company wish to exercise the Option, it shall notify Essity HH during the exercise period. Within 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 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 are 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 arm's length relationship between Essity Group and the Company upon the Company ceasing to be a member of the Essity Group.

The tissue and personal care segments have been key revenue contributors to the Group over the past years and brand such as *Tempo* has been widely recognised and has generated significant growth under the tissue segment in markets such as PRC and Hong Kong. Brands such as *Tena*, *Libresse* and *Libero* have been well recognised and have contributed sales to the Group under the personal care segment in markets such as Malaysia and Chinese Taiwan. Therefore, we consider it beneficial to the Company to have the option to continue such businesses by entering into the New Licence Agreement if it so wishes.

Please refer to the section headed "OPTION TO ENTER INTO NEW LICENCE AGREEMENT" in the letter from BNPP and CICC in the Composite Document.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Confirmation of financial resources**

As disclosed in the letter from BNPP and CICC of the Composite Document, 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 the Loan Facilities provided to the Offeror. As security in favour of the financing parties of the Loan Facility, the Offeror has agreed, among other things, to create security over all Shares held by itself and its subsidiary after the first date on which settlement of the consideration (in respect of such number of Offer Shares which will result in the Offeror and its subsidiary holding more than 50% of the voting rights in the Company) is made. The Offeror has also agreed, conditional upon the Company having become a wholly-owned subsidiary of the Offeror and the withdrawal of listing of Shares from the Stock Exchange, to create security over shares in certain subsidiaries of the Company and procure the Company and certain subsidiaries of the Company to provide guarantee in connection with the Loan Facility. Save for the guarantee and the security package which would only be granted after privatisation of the Company, the Offeror does not intend that the payment of interest on or repayment of or guarantee or security for the Loan Facility will depend to any significant extent on the business of the Group.

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.

### **Conditions to the Offer**

The Offer is conditional upon 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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (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.

Pursuant to Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer becomes unconditional in all respects. The Offer must also remain open for acceptance for at least 14 days after the Offer becomes unconditional in all respects. Shareholders are reminded that the Offeror does not have any obligation to keep the Offer open for acceptance beyond this 14-day period.

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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation with regard to the Offer, we have taken into account the following principal factors and reasons:

#### 1. Information on the Group

##### *1.1 Background information of the Group*

The Company is a company incorporated in the Cayman Islands with limited liability, and its Shares were listed on the Main Board of the Stock Exchange in 2007 with its substantial shareholders being Essity GH and Mr. Li as at the Latest Practicable Date. The principal activities of the Group are the manufacture and sale of household paper products and personal care products. The household care products segment mainly includes toilet paper, hanky, softpack, box tissues, paper napkins and wet wipes, whilst the personal care products segment mainly include baby care products, incontinence products and feminine care products. Brands, under which the products are sold, include *Vinda*, *Tempo*, *Tork*, *Libresse*, *Drypers*, *Dr. P* and *Tena*.

Based on the 2023 Annual Results, the annual designed capacity of the Group's papermaking facilities was 1,425,000 tons at the end of 2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 1.2 Financial information of the Group

(i) Financial performance

Set out below is a summary of the Group's consolidated financial performance for the three years ended 31 December 2021 ("FY2021"), 2022 ("FY2022") and FY2023 respectively, as extracted from the 2022 Annual Report and the 2023 Annual Results:

	FY2023 HK\$ (Audited)	FY2022 HK\$ (Audited)	FY2021 HK\$ (Audited)
<b>Revenue</b>			
Household paper products	16,655,088,487	16,103,169,549	15,500,824,803
Personal care products	<u>3,344,011,832</u>	<u>3,314,390,014</u>	<u>3,174,914,655</u>
	<b>19,999,100,319</b>	<b>19,417,559,563</b>	<b>18,675,739,458</b>
Cost of sales	<u>(14,747,699,693)</u>	<u>(13,934,355,595)</u>	<u>(12,079,392,782)</u>
<b>Gross profit</b>	5,251,400,626	5,483,203,968	6,596,346,676
Selling and marketing costs	(3,890,392,804)	(3,837,322,482)	(3,672,134,223)
Administrative expenses	(1,038,431,803)	(911,661,474)	(957,701,901)
Net impairment losses on financial assets	(24,090,933)	(4,448,991)	(24,720,800)
Other income and losses – net	<u>125,526,364</u>	<u>76,745,523</u>	<u>101,696,044</u>
<b>Operating profit</b>	<u>424,011,450</u>	<u>806,516,544</u>	<u>2,043,485,796</u>
Finance income and costs – net	(136,399,340)	(59,600,287)	(93,686,208)
Share of post-tax loss of an associate	<u>(1,513)</u>	<u>(49,301)</u>	<u>(225,086)</u>
<b>Profit before income tax</b>	287,610,597	746,866,956	1,949,574,502
Income tax expense	<u>(34,459,077)</u>	<u>(40,827,454)</u>	<u>(331,209,930)</u>
<b>Profit for the year attributable to equity holders of the Company</b>	<u><u>253,151,520</u></u>	<u><u>706,039,502</u></u>	<u><u>1,638,364,572</u></u>

As shown above, total revenue of the Group has shown slow but stable growth during the three years ended 31 December 2023, and the household paper products segment has been the key revenue contributor representing consistently over 80% of the total revenue of the Group during the past three years. As disclosed in the Annual Reports, the Company reported increases in revenue by approximately 4.0% from approximately HK\$18,675.7 million in FY2021 to approximately HK\$19,417.6 million in FY2022, and further by approximately 3.0% to approximately HK\$19,999.1 million in FY2023. The increase in revenue was mainly due to increase in revenue from the Company's household paper products segment in each of FY2022 and FY2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Gross profit of the Group decreased by approximately 16.9% in FY2022 from approximately HK\$6,596.3 million in FY2021 to approximately HK\$5,483.2 million in FY2022, with a gross margin of around 28.2% in FY2022. As disclosed in the 2022 Annual Report, the Group was impacted by significantly higher material costs during FY2022. Gross profit of the Group was down by approximately 4.2% to approximately HK\$5,251.4 million in FY2023 with a gross margin of around 26.3%. This was mainly attributable to inventories of raw materials purchased at relatively higher costs despite the gradual reduction of the wood pulp prices since the end of 2022, and the intensive competition in the Group's various operating regions.

Profit for the year attributable to equity holders of the Company was approximately HK\$706.0 million in FY2022 as opposed to approximately HK\$1,638.4 million in FY2021, representing a substantial decrease of approximately 56.9%. Such decrease was mainly a result of (i) lower gross profit reported for FY2022; and (ii) increase in selling and marketing costs by approximately 4.5% to approximately HK\$3,837.3 million in FY2022.

Profit for the year attributable to equity holders of the Company for FY2023 was further reduced to approximately HK\$253.2 million, representing a decrease of approximately 64.1%. In addition to the decrease in gross profit and the increase in selling and marketing costs by approximately HK\$53.1 million and administrative expenses by approximately HK\$126.8 million reported for FY2023, the significant increase in finance costs from approximately HK\$59.6 million in FY2022 to HK\$136.4 million in FY2023 as a result of the high interest rate of bank borrowings during FY2023 has also led to the considerable decrease in net profit. Net profit margin of the Group eroded from around 8.8% for FY2021 to around 3.6% for FY2022, and further down to around 1.3% for FY2023.

The Company paid total dividends per Share of HK\$0.50 for FY2021 and HK\$0.40 for FY2022 respectively. The Company declared an interim dividend of HK\$0.10 per Share on 19 July 2023 for the six months ended 30 June 2023 and resolved not to declare a final dividend for FY2023.

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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(ii) *Financial position*

Set out below are the summarised consolidated balance sheets of the Group as at 31 December 2022 and 31 December 2023 as extracted from the 2023 Annual Results:

	<b>As at 31 December 2023 HK\$ (Audited)</b>	<b>As at 31 December 2022 HK\$ (Audited)</b>
<b>ASSETS AND LIABILITIES</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,045,005,752	10,353,535,314
Right-of-use assets	1,135,354,163	1,221,438,469
Intangible assets	2,341,634,862	2,456,705,131
Deferred income tax assets	751,728,527	629,751,445
Investment properties	1,910,231	40,173,068
Investment in an associate	–	2,030,636
	<b>14,275,633,535</b>	<b>14,703,634,063</b>
<b>Current assets</b>		
Inventories	3,662,494,791	6,014,823,036
Trade and notes receivables	1,983,893,729	2,339,665,339
Other receivables	633,764,209	483,237,455
Prepayments	188,482,232	100,093,982
Due from related parties	28,241,044	40,242,578
Cash and cash equivalents	1,375,581,365	606,947,407
	<b>7,872,457,370</b>	<b>9,585,009,797</b>
<b>Total assets</b>	<b>22,148,090,905</b>	<b>24,288,643,860</b>

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**LETTER FROM THE INDEPENDENT FINANCIAL ADVISER**

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	<b>As at 31 December 2023 HK\$ (Audited)</b>	<b>As at 31 December 2022 HK\$ (Audited)</b>
<b>Current liabilities</b>		
Trade payables, other payables and accrued expenses	5,542,141,898	7,548,972,120
Contract liabilities	94,228,502	118,382,755
Borrowings	331,660,083	299,246,812
Loans from a related party	85,051,091	700,000,000
Lease liabilities	49,286,439	55,585,120
Due to related parties	13,783,970	22,509,163
Current income tax liabilities	<u>77,720,858</u>	<u>81,864,329</u>
	<u>6,193,872,841</u>	<u>8,826,560,299</u>
<b>Non-current liabilities</b>		
Borrowings	3,839,479,423	2,800,715,036
Loans from a related party	–	88,282,378
Lease liabilities	83,616,575	99,385,024
Deferred government grants	258,616,552	247,961,760
Deferred income tax liabilities	209,338,951	215,293,079
Post-employment benefits	7,949,472	6,960,500
Other non-current liabilities	<u>24,171,116</u>	<u>3,200,341</u>
	<u>4,423,172,089</u>	<u>3,461,798,118</u>
<b>Total liabilities</b>	<b><u>10,617,044,930</u></b>	<b><u>12,288,258,417</u></b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>		
Share capital	120,328,537	120,327,537
Share premium	4,497,509,829	4,497,368,699
Other reserves	<u>6,913,207,609</u>	<u>7,382,589,207</u>
<b>Total equity</b>	<b><u>11,531,045,975</u></b>	<b><u>12,000,285,443</u></b>

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Total non-current assets of the Group were mainly comprised of property, plant and equipment which represented around 70% of the total non-current assets as of both 31 December 2022 and 2023. Balance of total non-current assets of the Group remained largely similar as at 31 December 2023 compared with that of 31 December 2022.

Total current assets of the Group were mainly comprised of inventories, trade and notes receivables and cash and cash equivalents as of 31 December 2023. Total current assets of the Group as at 31 December 2023 decreased by approximately 17.9% as compared to 31 December 2022 mainly due to, among other things, the significant decline in inventories from approximately HK\$6,014.8 million as at 31 December 2022 to approximately HK\$3,662.5 million as at 31 December 2023 as a result of utilisation of raw materials acquired previously at a higher cost for production and sales.

Total current liabilities of the Group mainly comprised trade payables, other payables and accrued expenses which represented over 85% of the total current liabilities as at both 31 December 2022 and 2023. Total current liabilities of the Group as at 31 December 2023 decreased by approximately 29.8% as compared with that of 31 December 2022 mainly attributable to, among others, the decrease in loans from a related party from approximately HK\$700.0 million as at 31 December 2022 to approximately HK\$85.1 million as at 31 December 2023 due to repayments made during the year.

Total non-current liabilities of the Group mainly comprised long-term borrowings which represented over 80% of the total non-current liabilities as at both 31 December 2022 and 2023. Total non-current liabilities of the Group as at 31 December 2023 increased by approximately 27.8% as compared to 31 December 2022 mainly due to increases in bank borrowing by around 37.1% from approximately HK\$2,800.7 million as at 31 December 2022 to approximately HK\$3,839.5 million as at 31 December 2023.

Net gearing ratio (as represented by total debt less cash and cash equivalents and restricted bank deposits divided by total shareholders' equity) of the Group was approximately 26.1% as at 31 December 2023 and approximately 28.6% as at 31 December 2022, which demonstrated a relatively stable debt level of the Group during the two years.

Total equity attributable to the Company's equity holders as at 31 December 2022 and 31 December 2023 was approximately HK\$12,000.3 million and HK\$11,531.0 million respectively.

Based on 1,203,285,373 issued Shares as at the Latest Practicable Date, the net asset value per Share was approximately HK\$9.58 per Share as at 31 December 2023, being less than half of the Offer Price.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 2. Information on the Offeror

As at the Latest Practicable Date, the Offeror and the Offeror Concert Parties were interested in a total of 92,538,100 Shares, representing approximately 7.69% of the issued share capital of the Company.

The Offeror is an exempted company incorporated in the Cayman Islands and is indirectly wholly-owned by APRIL. As disclosed in the letter from BNPP and CICC in the Composite Document, the Offeror is a special purpose vehicle for the purpose of acquiring Shares under the Offer and it, together with Beaumont (a wholly-owned subsidiary of the Offeror), does not hold any investment other than Shares and cash to fund the Offer.

As further disclosed in the Composite Document, 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 Mr. Tanoto as settlor and whose beneficiaries are his immediate family members.

### 3. Prospects of the Group

As discussed above under the section headed “1.1 Background information of the Group”, principal activities of the Group are the manufacture and sale of household paper products and personal care products, most of which are mainly considered daily essential products.

As discussed under the section headed “1.2 Financial information of the Group” above, though total revenue of the Group has shown some growth during the three years ended 31 December 2023, net profits of the Group has dropped from approximately HK\$1,638.4 million in FY2021 by around 56.9% to approximately HK\$706.0 million in FY2022, and further by around 64.1% to approximately HK\$253.2 million in FY2023, with net profit margin eroded from around 8.8% for FY2021 to 1.3% for FY2023. As discussed above, such downward pressure on net profits and net profit margin has been mainly attributable to higher material costs, increased selling and marketing costs and administrative expenses and increased interest expenses under the prevailing high interest rates environment. In addition to the Group’s aforesaid declining business performance over the past few years, the exits of the controlling shareholder Essity and the Group founder Mr. Li upon the completion of the Offer may also draw further uncertainty to the future business development of the Group. Whilst the Offeror is a wholly-owned subsidiary of the APRIL group which is, as disclosed in the Composite Document, one of the largest, most technologically advanced and efficient makers of pulp and paper products in the world with the new Directors nominated having relevant experiences in management of resource-based manufacturing companies, it is reasonable to expect that there may be synergies to the Group following the Offeror becoming the controlling Shareholder pursuant to the Offer. However, Independent Shareholders should note that, save for the Offeror indicating its intention to privatise the Company by exercising its right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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months after the date of the Composite Document, it has acquired not less than 90% of the Offer Shares, no concrete and detailed business plan has been provided by the Offeror on the future business development of the Group in the Composite Document.

Despite the gradual reduction of the pulp prices since the end of 2022, based on the latest projection of the Federal Open Market Committee of the Federal Reserve, the US interest rates are unlikely to be lowered in the first quarter of 2024 and therefore, are expected to remain relatively high in 2024, which, coupled with geopolitical tensions, would cast further uncertainties on the regional as well as global economy. As such, the outlook for the Group would still be challenging and be highly dependent on its ability in, amongst others, costs management and responding to the uncertain regional and global economic conditions.

#### **4. Intentions of the Offeror**

As stated in the letter from BNPP and CICC of the Composite Document, save as disclosed including but not limited to, the proposed changes to the composition of the Board, in the letter from BNPP and CICC, 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 continued employment of the employees of the Group as a result of the Offer.

The Offeror intends to privatise the Company by exercising its right under section 88 of the Companies Act to compulsorily acquire Offer Shares not acquired by the Offeror under the Offer if, within four months after the date of this 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 by reason of the level of acceptances of the Offer not reaching the prescribed threshold under the Companies Act or the Takeovers Code, the directors of the Offeror and the new directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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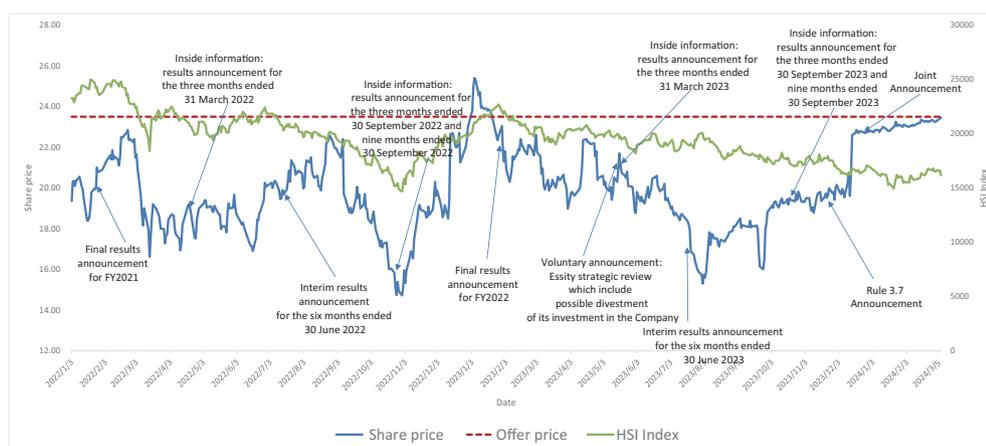
(b) there are insufficient Shares in public hands to maintain an orderly market,

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.

### 5. Analysis of price performance and trading liquidity

#### 5.1 Price performance of the Shares

Set out below is the movement of the closing prices of the Shares during the period from 3 January 2022 to the Latest Practicable Date (the “**Review Period**”), and the announcements of the Company relating to certain corporate events that took place during the Review Period. We consider the Review Period, which covers a period of more than 24 months, represents a sufficient period of time to provide a general overview on the recent market performance of the Shares for the purpose of this analysis.



Source: Bloomberg and HKEx News website

The closing prices of the Shares ranged from HK\$14.72 to HK\$25.40 during the period between 3 January 2022 and the Last Trading Day (both dates inclusive, the “**Pre-announcement Period**”), with an average closing price of around HK\$19.61. For the period between 3 January 2022 and 20 November 2023, being the date of the Rule 3.7 Announcement (both dates inclusive, the “**Pre-3.7 Announcement Period**”), the closing price per Share ranged from HK\$14.72 to HK\$25.40 with an average of around HK\$19.60 per Share. The closing prices have only exceeded the Offer Price for a brief period in early 2023.

As shown in the chart above, Share closing price increased in January 2022 from HK\$18.40 per Share on 17 and 18 January 2022 to HK\$21.00 on 26 January 2022 following the publication of the Company’s FY2021 results announcement prior to trading on the same

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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day. Share closing prices then gradually increased to HK\$22.85 per Share on 23 February 2022 before falling back to HK\$16.62 per Share on 15 March 2022 which was generally in line with the movements in Hang Seng Index (“HSI”).

Shares closing price then demonstrated a gradual upward trend with fluctuations since mid-March 2022 from HK\$16.62 on 15 March 2022 to reach HK\$22.60 on 26 August 2022. During such period, we note that the Company published (i) its quarterly results announcement for the three months ended 31 March 2022 on 22 April 2022 before trading hours and its Share closing prices fell slightly by approximately 1.7% to HK\$18.66 per Share on 22 April 2022 following the announcement; and (ii) its interim results announcement of the Company on 21 July 2022 before trading hours and its Share closing prices fell slightly by approximately 2.6% to HK\$20.30 per Share on 21 July 2022 following such announcement.

We note that Share closing prices commenced a sharp downward trend after 26 August 2022 and hit a trough of HK\$14.72 per Share on 31 October 2022. During this period, the Company published its quarterly results announcement for the three months ended 30 September 2022 and nine months ended 30 September 2022 before trading hours on 18 October 2022, after which its closing price per Share decreased by approximately 3.6% to approximately HK\$16.70 on the same day from HK\$17.32 on 17 October 2022. Share closing prices then went further down to reach a low of HK\$14.72 by end of October 2022.

Share closing prices then recovered from the low, in line with the HSI movement, and commenced a sharp upward trend before reaching its Review Period high of approximately HK\$25.40 per Share on 5 January 2023. We are advised by the Company that the Company is not aware of any reasons for the increase in Share closing prices during such period.

Since then, however, Share closing prices again resumed a significant downward movement until early August 2023. During such period, on 26 January 2023 (before trading hours), the Company published its FY2022 annual results announcement. Share closing prices fell by approximately 5.9% from the prior day closing price to HK\$22.35 per Share on the same day. We also note that Share closing price fell by (i) around 6.4% from the prior day closing price to HK\$20.40 per Share on 27 April 2023 following the publication of its quarterly results announcement for the three months ended 31 March 2023 and the voluntary announcement relating to Essity’s strategic review including a possible divestment of its investment in the Company before trading hours; and (ii) approximately 1.3% from the prior day closing price to HK\$18.00 per Share on 20 July 2023 following the publication of its interim results announcement for the six months ended 30 June 2023 before trading hours. Closing price per Share then went further down to reach HK\$15.30 on 1 August 2023.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Since August 2023 up to 20 November 2023, being the trading day immediately prior to and the date of the publication of the Rule 3.7 Announcement (after trading hours) and save for the sudden and temporary drop on around 21 to 25 September 2023, a general and gradual increase in Share closing prices from HK\$15.30 per Share on 1 August 2023 to HK\$19.56 per Share on 20 November 2023 was observed. However, save for the publication of its quarterly announcement for the three months ended 30 September 2023 and nine months ended 30 September 2023 on 26 October 2023 following which the Share closing prices declined by approximately 1.3%, the Company is not aware of any reasons for the increase in Share closing prices between August and November 2023 and the sudden drop in Share closing prices in around end of September 2023.

The Rule 3.7 Announcement was published after trading hours on 20 November 2023. The Shares closed at HK\$19.72 per Share on 21 November 2023, marginally up by approximately 0.8%. Since then, Share closing prices gradually increased to reach HK\$20.70 per Share on 14 December 2023, being the Last Trading Day. The Joint Announcement was published before trading hours on 15 December 2023. The Share closing prices increased to approximately HK\$22.60 on 15 December 2023, up by around 9.2% from the closing price of the previous day. Share closing price then fluctuated in a range between HK\$22.70 and HK\$23.45 each, and the Share closing price as at Latest Practicable Date was HK\$23.45. We consider recent Share prices were principally determined by the Offer price of \$23.50 per Offer Share.

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

- (a) a premium of approximately 19.90% over the average closing price for the Pre-3.7 Announcement Period of HK\$19.60 per Share;
- (b) a premium of approximately 20.14% over the closing price as quoted on the Stock Exchange on 20 November 2023, being the date of the Rule 3.7 Announcement, of HK\$19.56 per Share;
- (c) a premium of approximately 19.65% 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 20 November 2023, being the last trading day prior to the publication of the Rule 3.7 Announcement, of HK\$19.64 per Share;
- (d) a premium of approximately 21.26% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the thirty (30) trading days up to and including 20 November 2023, being the last trading day prior to the publication of the Rule 3.7 Announcement, of HK\$19.38 per Share;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (e) a premium of approximately 25.67% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the sixty (60) trading days up to and including 20 November 2023, being the last trading day prior to the publication of the Rule 3.7 Announcement, of HK\$18.70 per Share;
- (f) a premium of approximately 26.89% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the one hundred twenty (120) trading days up to and including 20 November 2023, being the last trading day prior to the publication of the Rule 3.7 Announcement, of HK\$18.52 per Share;
- (g) 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;
- (h) a premium of approximately 0.21% over the closing price as quoted on the Stock Exchange on the Latest Practicable Date of HK\$23.45 per Share; and
- (i) a premium of approximately 145.23% over the audited consolidated net asset value of approximately HK\$9.58 per Share, based on the audited consolidated net assets of the Company as at 31 December 2023 and the number of Shares in issue as at the Latest Practicable Date.

Shareholders should note that the Share price movement following the publication of the Rule 3.7 Announcement and the Joint Announcement are likely to be driven by the Offer and as such, the sustainability of the current Share price level could be uncertain if the Offer fails to become unconditional.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### 5.2 Trading Liquidity

Set out below in the table are the average daily trading volume of the Shares and the percentages of the average daily trading volume to the number of total issued Shares and public float of the Company respectively during the Review Period and the Pre-3.7 Announcement Period:

	Average daily trading volume of the Shares	Approximate % of average daily trading volume to the number of total issued Shares (Note 1)	Approximate % of average daily trading volume to the public float of the Company (Note 2)
<b>2022</b>			
January	2,316,230	0.19%	0.73%
February	1,123,796	0.09%	0.35%
March	1,631,060	0.14%	0.51%
April	1,577,834	0.13%	0.50%
May	1,163,934	0.10%	0.37%
June	1,188,140	0.10%	0.37%
July	715,891	0.06%	0.22%
August	645,024	0.05%	0.20%
September	2,181,595	0.18%	0.66%
October	1,185,864	0.10%	0.36%
November	1,244,175	0.10%	0.38%
December	1,655,578	0.14%	0.50%
<b>2023</b>			
January	1,660,492	0.14%	0.51%
February	1,559,194	0.13%	0.47%
March	791,835	0.07%	0.24%
April	1,352,088	0.11%	0.41%
May	1,562,800	0.13%	0.48%
June	671,925	0.06%	0.20%
July	1,245,375	0.10%	0.38%
August	2,963,002	0.25%	0.90%
September	4,184,278	0.35%	1.27%
October	2,112,656	0.18%	0.64%
1 November – 20 November	1,087,264	0.09%	0.33%
Pre-3.7 Announcement Period	1,559,070	0.13%	0.48%
21 November – 30 November	1,925,915	0.16%	0.59%
1 December – 14 December (Last Trading Day)	2,246,041	0.19%	0.68%
Pre-announcement Period	1,579,496	0.13% (Note 3)	0.49% (Note 3)

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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	Average daily trading volume of the Shares	Approximate % of average daily trading volume to the number of total issued Shares <i>(Note 1)</i>	Approximate % of average daily trading volume to the public float of the Company <i>(Note 2)</i>
From 15 December 2023 – the Latest Practicable Date	2,646,637	0.22% <i>(Note 4)</i>	0.81% <i>(Note 4)</i>

*Source: Bloomberg and the Stock Exchange*

*Notes:*

- The calculation is based on the Average daily trading volume of the Shares for the respective month over the number of total issued Shares for the same month.
- The total number of Shares held by the public for the respective month is calculated based on the total number of issued Shares excluding those held by Essity GH and the Directors (including Mr. Li) of the same month.
- Approximate % of average daily trading volume to the number of total issued Shares for the Pre-announcement Period is based on the average daily trading volume over the Pre-announcement Period and the average of month end total issued Shares for the relevant months. Approximate % of average daily trading volume to the public float of the Company for the Pre-announcement Period is based on the average daily trading volume over the Pre-announcement Period and the average of month end total number of Shares held by the public (calculation is set out under note 2 above) for the relevant months.
- Approximate % of average daily trading volume to the number of total issued Shares for the period from 15 December 2023 – Latest Practicable Date is based on the average daily trading volume over the period from 15 December 2023 – Latest Practicable Date and the average of month end total issued Shares for the relevant months. Approximate % of average daily trading volume to the public float of the Company for the period from 15 December 2023 – Latest Practicable Date is based on the average daily trading volume over the period from 15 December 2023 – Latest Practicable Date and the average of month end total number of Shares held by the public (calculation is set out under note 2 above) for the relevant months.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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From the table above, which sets out the average daily trading volume as a percentage of the number of total issued Shares and as a percentage of the public float respectively, we note that the average daily trading volume of the Shares has been relatively thin. The average daily trading volume of the Shares during the Pre-3.7 Announcement Period was 1,559,070 Shares, representing only around 0.13% of the total issued share capital of the Company and around 0.48% of the public float. The publication of the Rule 3.7 Announcement in November 2023 heightened the trading volume and to an average of approximately 1,925,915 Shares for the remaining trading days in November, representing 0.16% of total issued share capital of the Company and around 0.59% of total public float, and further to an average of approximately 2,246,041 Shares in December 2023 prior to the publication of the Joint Announcement, which represented approximately 0.19% of total issued share capital of the Company and approximately 0.68% of the public float. On an overall basis, the average trading volume was still thin between 15 December 2023 (being the first trading day immediately after the Joint Announcement) and the Latest Practicable Date, being approximately 0.22% and 0.81% of the number of total issued Shares and public float respectively.

Given the historically thin trading volume of the Shares, it is uncertain whether there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price of the Shares. The Offer therefore represents an opportunity for the Independent Shareholders, particularly for those who hold a large volume of Shares, to dispose of their holdings at the Offer Price if they so wish, provided the Offer becomes unconditional.

### 6. Comparable analysis

As discussed in the section headed “1.2 Financial information of the Group” above, the Group is principally engaged in the manufacture and sale of household paper products and personal care products, and over 80% of the Group’s total revenue has been contributed by the household paper products segment which involves mainly tissue paper production and sales business. In this respect, in order to evaluate the fairness and reasonableness of the Offer Price, we have conducted a comparable company analysis based on the following criteria to include companies that (i) are listed on the Stock Exchange; and (ii) are principally engaged in production and/or sales of household paper products and/or personal care products with at least 50% of their respective total revenue contributed from tissue paper production and sales segment in their latest financial year.

Based on the aforementioned criteria, we noted 2 listed companies on the Stock Exchange which are engaged in the tissue paper production and sales business (the “**Comparable Company(ies)**”). This is an exhaustive list based on the criteria set out as per above.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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We have selected the use of price-to-earnings ratio (the “**P/E Ratio**”), price-to-book ratio (the “**P/B Ratio**”), price-to-sales ratio (the “**P/S Ratio**”) and enterprise value-to-earnings before interest, tax, depreciation and amortisation ratio (the “**EV/EBITDA Ratio**”) for the purpose of the comparable company analysis because we consider such ratios to be suitable valuation methodologies as they are common financial analysis tools used to evaluate companies with a proven track record. In particular, the use of EV/EBITDA Ratio could compare the value of companies unaffected by their respective capital structures.

Set out in the table below are the details of the Comparable Companies and their P/E Ratios, P/B Ratios, P/S Ratios and EV/EBITDA Ratios:

Company name	Stock code	P/E Ratio <i>times</i> <i>(Note 2)</i>	P/B Ratio <i>times</i> <i>(Note 3)</i>	P/S Ratio <i>times</i> <i>(Note 2)</i>	EV/EBITDA Ratio <i>times</i> <i>(Note 4)</i>	Dividend Yield <i>(Note 5)</i>
Hengan International Group Company Limited (“Hengan”)	1044.HK	12.78	1.20	1.01	5.33	6.79%
Sunlight (1977) Holdings Limited	8451.HK	16.11	0.62	0.72	5.98	N/A
The Company (based on the Offer Price)		<b>111.70</b> <i>(Note 6)</i>	<b>2.45</b>	<b>1.41</b>	<b>17.70</b>	<b>1.70%</b>

*Source: the Stock Exchange*

*Notes:*

- The market capitalisation of the Comparable Companies are based on their closing price per share and total issued shares as at the Latest Practicable Date.
- P/E Ratio and P/S Ratio of the Comparable Companies are calculated based on the respective trailing 12 months disclosed profit attributable to owners of the company and revenue of the respective Comparable Company and the respective Comparable Company’s market capitalisation as at the Latest Practicable Date.
- P/B Ratios of the Comparable Companies are calculated based on the respective net asset value attributable to owners of the company as published in their respective latest financial report and the market capitalisation as at the Latest Practicable Date.
- Enterprise value of the Comparable Companies are calculated based on the market capitalisation as at the Latest Practicable Date, adjusted by debts, cash and non-controlling interests as published in their respective latest financial report. Earnings before interest, tax, depreciation and amortisation are calculated based on the respective trailing 12 months disclosed figures as at the Latest Practicable Date.
- Dividend yield of the Comparable Companies are calculated based on the latest interim and final dividends as published in their respective announcements and/or financial reports. Dividend yield of the Company is based on the latest interim dividend for the interim period of 2023 and final dividend for FY2022.
- As discussed above, the high implied P/E Ratio of the Company as represented by the Offer Price was primarily driven by the significant drop in profit attributable to owners of the Company per Share during FY2023. In this regard and for reference purpose, consistent comparatively high P/E ratios of the Group are

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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also observed if the P/E ratios are calculated based on profits attributable to owners of the Company per Share for FY2022 and (i) the Offer Price, which would be approximately 40.05 times; and (ii) the Share price on the Last Trading Day of HK\$20.70 per Share, which would be approximately 35.28 times.

As shown in the table above, all of the P/E Ratio, P/B Ratio, P/S Ratio and EV/EBITDA Ratio represented by the Offer Price are higher than and compare favourably to the P/E Ratio, P/B Ratio, P/S Ratio and EV/EBITDA Ratio of the Comparable Companies. It is also noted that the implied dividend yield of the Company based on the Offer Price is lower than that of Hengan, which indicates a lower investment return based on the dividend yield relative to the Offer Price, while at the same time, it also reflects the fact that the Offer Price relative to dividend is favourable in this respect.

Based on the above analysis, we consider that the Offer Price is attractive compared to the Comparable Companies.

### DISCUSSION

We consider that the terms of the Offer, including the Offer Price, to be fair and reasonable so far as the Independent Shareholders are concerned after taking into account all of the above principal factors and reasons, in particular:

1. as discussed in the section headed “3. Prospects of the Group”, given the recent downward pressure on the Group’s net profits and net profit margin and the high interest rates environment, it is expected that the outlook of the Group would still be challenging and be highly dependent on its ability in, amongst others, costs management and responding to the uncertain regional and global economic conditions;
2. the exits of the controlling shareholder Essity and the Group founder Mr. Li upon the completion of the Offer may draw further uncertainty to the future business development of the Group in addition to its declining business performance over the past few years as discussed in the section headed “1.2. Financial information of the Group”;
3. the P/E Ratio, P/B Ratio, P/S Ratio and EV/EBITDA Ratio represented by the Offer Price are all higher than those of the Comparable Companies, which is considered favourable;
4. the Offer Price represents a premium(s) of
  - (i) approximately 19.90% over the average closing price for the Pre-3.7 Announcement Period of HK\$19.60 per Share;

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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- (ii) over 20% over the average closing prices of the Shares as quoted on the Stock Exchange for the thirty (30), sixty (60) and one hundred twenty (120) trading days up to and including 20 November 2023, being the last trading day prior to the publication of the Rule 3.7 Announcement;
- 5. the Offer Price represents a premium(s) of approximately 145.23% over the audited consolidated net asset value of approximately HK\$9.58 per Share as at 31 December 2023 based on the number of Shares in issue as at the Latest Practicable Date; and
- 6. the historical trading volume of the Shares has been thin during the Review Period and the Independent Shareholders may find it difficult to dispose of a significant number of Shares in the open market without causing an adverse impact on the market price of the Shares. The Offer therefore represents an opportunity for the Independent Shareholders, particularly for those who hold a large volume of Shares, to dispose of their holdings at the Offer Price if they so wish, assuming the Offer becomes unconditional. Based on the Irrevocable Undertakings provided to the offeror, this seems highly likely.

### OPINION AND RECOMMENDATIONS

Having taken into account the above principal factors set out in this letter and summarised in the section headed “Discussion” above, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

Independent Shareholders who wish to realise all or part of their investment in the Shares should monitor the Share price performance during the Offer period. Recent Share prices, in our opinion, have been set by reference to the Offer Price, so market prices above HK\$23.50 seem unlikely. However, in the event that the market price of the Shares exceeds the Offer Price and the net sale proceeds, net of all transaction costs, exceed the amount receivable under the Offer, Independent Shareholders should consider selling the Shares on the market instead of accepting the Offer. Independent Shareholders should also note that Irrevocable Undertakings cover approximately 72.62% of the issued Shares, so that upon the close of Offer, the Offeror and the Offeror Concert Parties will hold in aggregate of at least 80.31% Shares which, in the case where compulsory acquisition is not exercised by the Offeror due to the level of acceptances not having met the prescribed level under the Companies Act or the requirements of Rule 2.11 of Takeovers Code not being satisfied, will cause the public float to fall below the required level of 25%. Therefore, unless waiver is obtained from the Stock Exchange, there may be a corresponding temporary suspension of trading in Shares and the Independent Shareholders would not be able to deal in their Shares on the Stock Exchange during such period, until a prescribed level of public float is attained. 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

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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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.

The procedures for acceptance of the Offer are set out in Appendix I to the Composite Document and the accompanying Form of Acceptance. Independent Shareholders are urged to read the timetable set out in the Composite Document and any revised timetable (if any) to be announced by the Offeror and the Company carefully and act accordingly if they wish to accept the Offer.

Yours faithfully,  
for and on behalf of  
**SOMERLEY CAPITAL LIMITED**  
**Lyan Tam**  
*Director*

*Ms. Lyan Tam is a licensed person registered with the Securities and Futures Commission and as a responsible officer of Somerley to carry out Type 6 (advising on corporate finance) regulated activities under the SFO and has over 20 years of experience in corporate finance industry.*

**1. PROCEDURES FOR ACCEPTANCE**

- (a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer. You should insert the total number of Offer Shares for which the Offer is accepted. If no number is inserted or a number inserted is greater or smaller than your registered holding of Share(s) or those physical Share(s) tendered for acceptance of the Offer and you have signed the form, the form will be returned to you for correction and resubmission.
- (b) Any corrected form must be resubmitted and received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive. Subject to the Offer becoming unconditional, your Offer Shares sold to the Offeror by way of acceptance of the Offer will be registered under the name of the Offeror or its nominee.
- (c) By signing and returning the Form of Acceptance, you warrant to the Offeror, BNPP and CICC that you have not taken or omitted to take any action which will or may result in the Offeror, the Offeror Concert Parties, the Company, BNPP, CICC, HSBC or any other person acting in breach of the legal or regulatory requirements of any territory in connection with the Offer or your acceptance thereof.
- (d) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in your name and you wish to accept the Offer, you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in any event by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive.

- (e) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares is/are in the name of a nominee company or a name other than your own and you wish to accept the Offer in full or in part, you must either:
- (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the Form of Acceptance duly completed together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer to the Registrar; or
  - (ii) arrange for the Offer Shares to be registered in your name by the Company, through the Registrar, and send the duly completed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
  - (iii) if your Offer Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees. In order to meet the deadline set by HKSCC Nominees, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on processing your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or
  - (iv) if your Offer Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System before the deadline set by HKSCC Nominees.

- (f) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title in respect of your Offer Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer, the Form of Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificates and/or transfer receipt(s) and/or other document(s) of title in respect of your Offer Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter.

If you have lost your share certificate(s) and/or transfer receipt(s) and/or other document(s) of title in respect of your Offer Shares, you should also write to the Registrar requesting a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

If you have lodged transfer(s) of any of your Offer Shares for registration in your name and have not received your share certificate(s) and you wish to accept the Offer, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by you. Such action will be deemed to be an irrevocable authority to the Offeror to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it/they were delivered to the Registrar with the Form of Acceptance.

- (g) An acceptance of the Offer may not be counted as valid unless:
- (i) it is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as may be announced by the Offeror in compliance with the Takeovers Code and approved by the Executive, and the Registrar has recorded that such acceptance and any relevant documents required under paragraph (ii) below have been so received; and
  - (ii) the Form of Acceptance is duly completed and signed and is:
    - I. accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if that/those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Shares in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

- II. from a registered Shareholder or his/her personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other sub-paragraphs of this paragraph (g)(ii)); or
- III. certified by the Registrar or the Stock Exchange.

If the Form of Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

- (h) No acknowledgment of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.
- (i) Seller's ad valorem stamp duty for the transfer of Offer Shares arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at the rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher. An amount equivalent to the aforesaid stamp duty will be deducted from the cash amount payable by the Offeror to each Shareholder who validly accepts the Offer (where the stamp duty calculated includes a fraction of HK\$1, the stamp duty would be rounded-up to the nearest HK\$1). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders validly accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the valid acceptances of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (j) If the Offer does not become, or is not declared, unconditional in all respects within the time permitted by the Takeovers Code, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Shareholders who have accepted the Offer by ordinary post at the Shareholders' own risk as soon as possible but in any event no later than seven (7) Business Days after the Offer has lapsed.

**2. ACCEPTANCE PERIOD AND REVISION**

- (a) Unless the Offer has previously been revised or extended with the consent of the Executive and in accordance with the Takeovers Code, to be valid, the Form of Acceptance must be received by the Registrar by 4:00 p.m. on the first Closing Date (with the first Closing Date being Tuesday, 2 April 2024) in accordance with the instructions printed on the relevant Form of Acceptance.
- (b) The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on the first Closing Date stating the results of the Offer and whether the Offer has been extended, revised or has expired.
- (c) If the Offer is extended, the announcement of such extension will state the next Closing Date or include a statement that the Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Offer is closed to those Shareholders who have not accepted the Offer.
- (d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. A revised Offer must be kept open for at least 14 days following the date on which the revised offer document(s) is/are posted and shall not close earlier than the Closing Date.
- (e) If the Closing Date is extended, any references in this Composite Document and the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the subsequent closing date.

**3. ANNOUNCEMENTS**

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry or unconditionality of the Offer. The Offeror must publish an announcement in accordance with the Listing Rules and the Takeovers Code on the Stock Exchange's website by 7:00 p.m. on Tuesday, 2 April 2024 stating the results of the Offer and whether the Offer has been revised, extended or has expired or has become or been declared unconditional (and, in such case, whether as to acceptances or in all respects). The announcement will state the following:

- (a) the total number of Offer Shares and rights over Offer Shares for which acceptances of the Offer has been received;
- (b) the total number of Offer Shares and rights over Offer Shares held, controlled or directed by the Offeror and the Offeror Concert Parties before the Offer Period;

- (c) the total number of Offer Shares and rights over Offer Shares acquired or agreed to be acquired during the Offer Period by the Offeror and the Offeror Concert Parties; and
- (d) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror and any of the Offeror Concert Parties have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement will specify the percentages of voting rights represented by these numbers of Offer Shares.

In computing the total number of Offer Shares represented by acceptances, only valid acceptances that are complete, in good order and fulfil the acceptance conditions set out in this Appendix I, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date shall be included.

If any of the Offeror, the Offeror Concert Parties or their respective advisers make any statement during the Offer Period about the level of acceptances or the number or percentage of accepting Shareholders, the Offeror must make an immediate announcement in compliance with Note 2 to Rule 19 of the Takeovers Code.

As required under the Takeovers Code and the Listing Rules, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

#### **4. RIGHT OF WITHDRAWAL**

The Offer is conditional upon fulfilment of the Conditions set out in the “Letter from BNPP and CICC” in this Composite Document and being declared unconditional in all respects. Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the subparagraphs (a) and (b) below:

- (a) in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offer shall be entitled to withdraw his/her/its acceptance after 21 days from the first Closing Date (with the first Closing Date being Tuesday, 2 April 2024) and if the Offer has not by then become unconditional as to acceptances. An acceptor of the Offer may withdraw his/her/its acceptance by lodging a notice in writing signed by the acceptor (or his/her/its agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar; and

- (b) in the circumstances set out in Rule 19.2 of the Takeovers Code (i.e. the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed “3. Announcement” above), the Executive may require that acceptors be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after receipt of the notice of withdrawal, return by ordinary post at the relevant Shareholder’s own risk the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Shareholder(s).

Save as aforesaid, acceptances of the Offer shall be irrevocable and not capable of being withdrawn.

## **5. SETTLEMENT**

Where a Shareholder validly accepts the Offer, settlement of the consideration (less seller’s ad valorem stamp duty) will be made by cheque as soon as possible, but in any event no later than seven (7) Business Days after the later of (i) the date of receipt of a complete and valid acceptance of the Offer and (ii) the date on which the Offer becomes or is declared unconditional in all respects. Each cheque will be despatched to such Shareholder by ordinary post at his/her/its own risk.

No fractions of a cent will be payable and the amount of cash consideration payable to each Shareholder who validly accepts the Offer will be rounded up to the nearest cent. Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

Shareholders are recommended to consult their professional advisers if they are in doubt as to the above procedures.

## **6. OVERSEAS INDEPENDENT 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 they are resident. Overseas Independent 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.

The acceptance of the Offer by the Overseas Independent Shareholders may be subject to the laws of the relevant jurisdictions and may or may not be prohibited. It is the sole responsibility of the Overseas Independent 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, exchange control or other consents which may be required and the compliance with all necessary formalities and the payment of any transfer or other taxes due by such Overseas Independent Shareholders in respect of such jurisdictions) and, where necessary, seek legal advice.

Any acceptance by any Overseas Independent Shareholder will be deemed to constitute a representation and warranty from such Shareholder to the Offeror, the Company and their respective advisers (including BNPP, CICC and HSBC) that the local laws and requirements have been complied with.

## **7. NOMINEE REGISTRATION**

To ensure equality of treatment of all Shareholders, those Shareholders who hold Offer Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for beneficial owners of Offer Shares whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions of their intentions with regard to the Offer to their nominees.

## **8. TAX IMPLICATIONS**

None of the Offeror, the Offeror Concert Parties, the Company, BNPP, CICC, HSBC, 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 is in a position to advise the Shareholders on their individual tax implications. None of the Offeror, the Offeror Concert Parties, the Company, BNPP, CICC, HSBC, 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. Each Shareholder is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Offer applicable to him/her/it. Shareholders accepting the Offer shall be responsible for completing all necessary tax reporting formalities and pay all taxes and charges due in any relevant jurisdiction.

**9. GENERAL**

- (a) All communications, notices, the Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk. Such communications, notices, documents and remittances will be sent to Shareholders at their respective addresses as they appear in the register of members of the Company or, in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Company, unless otherwise specified in the relevant Form of Acceptance completed, returned and received by the Registrar. None of the Offeror, the Offeror Concert Parties, the Company, BNPP, CICC, HSBC, the Independent Financial Adviser, the Registrar 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 any liability for any loss in postage or delay in transmission or such other liabilities whatsoever which may arise as a result.
- (b) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror, BNPP and CICC that the Offer Shares acquired under the Offer and sold by such persons are fully paid and free from any mortgage, charge, pledge, lien, equities, hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement, rights of pre-emption and any other third party rights of any nature or any agreement for any of the same 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.
- (c) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror, BNPP and CICC that the number of Offer Shares it has indicated in the Form of Acceptance is the aggregate number of Offer Shares for which such nominee has received authorisations from the beneficial owners to accept the Offer on their behalf.
- (d) The provisions set out in the Form of Acceptance form part of the terms of the Offer.
- (e) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

- (f) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong. Execution of a Form of Acceptance by or on behalf of a Shareholder will constitute such Shareholder's agreement that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute which may arise in connection with the Offer.
- (g) Due execution of the Form of Acceptance will constitute an irrevocable authority to the Offeror, BNPP and/or CICC (or such person or persons as the Offeror, BNPP and/or CICC may direct) to complete and execute any document on behalf of the person accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror (or such person or persons as it may direct) the Offer Shares in respect of which such person has accepted the Offer.
- (h) Save for the payment of stamp duty, settlement of the consideration to which any Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder.
- (i) The Offer is made in accordance with the Takeovers Code.
- (j) References to the Offer in this Composite Document and the Form of Acceptance shall include any extension and/or revision thereof.
- (k) Should registered Shareholders have any queries of an administrative and procedural nature regarding the Offer, the Shareholders may contact Morrow Sodali Hong Kong Limited, an external service provider engaged by the Offeror, at its hotline (852) 2319 4859 between 9:00 a.m. and 6:00 p.m. (Hong Kong time) on Mondays to Fridays, excluding Hong Kong public holidays, or by email at [Vinda@investor.morrowsodali.com](mailto:Vinda@investor.morrowsodali.com). The designated phone line or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the Offer or (ii) give any financial or legal advice. If you are in any doubt as to any aspect of this Composite Document or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.
- (l) In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, respectively, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of any of the Offeror, the

Company, BNPP, CICC, HSBC, the Independent Financial Adviser, or their respective professional advisers. Shareholders should consult their own professional advisers for professional advice.

- (m) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over the Chinese text for the purpose of interpretation.
- (n) Unless otherwise expressly stated in this Composite Document and the accompanying Form of Acceptance, none of the terms of the Offer or any terms contained in this Composite Document will be enforceable, under the Contracts (Rights of Third Parties) Ordinance Cap. 623, by any person other than the Offeror and the accepting Shareholders.

## 1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2021, 2022 and 2023 respectively, as extracted from the 2021 Annual Report, the 2022 Annual Report and the 2023 Annual Results Announcement.

## Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	For the year ended 31 December		
	2023	2022	2021
	HK\$ million	HK\$' million	HK\$' million
Revenue	19,999.10	19,417.56	18,675.74
Cost of sales	(14,747.70)	(13,934.36)	(12,079.39)
Selling and marketing expenses	(3,890.39)	(3,837.32)	(3,672.13)
Administrative expenses	(1,038.43)	(911.66)	(957.70)
Net impairment losses on financial assets	(24.09)	(4.45)	(24.72)
Other income and losses – net	<u>125.53</u>	<u>76.75</u>	<u>101.70</u>
Operating profit	424.01	806.52	2,043.49
Finance income and costs – net	(136.40)	(59.60)	(93.69)
Share of post-tax loss of an associate	<u>(0.001)</u>	<u>(0.05)</u>	<u>(0.23)</u>
Profit before income tax	287.61	746.87	1,949.57
Income tax expenses	<u>(34.46)</u>	<u>(40.83)</u>	<u>(311.21)</u>
Profit attributable to equity holders of the Company	253.15	706.04	1,638.36
Other comprehensive (loss)/income			
Currency translation differences	(240.77)	(1,152.99)	253.64
Remeasurements of post-employment benefit obligations	<u>(0.41)</u>	<u>1.95</u>	<u>0.97</u>
Total comprehensive (loss)/income attributable to equity holders of the Company	11.97	(445.00)	1,892.97
<b>Earnings per share for profit attributable to equity holders of the Company</b>			
Basic earnings per share attributable to Shareholders	<u>HK\$0.21</u>	<u>HK\$0.59</u>	<u>HK\$1.37</u>
Diluted earnings per share attributable to Shareholders	<u>HK\$0.21</u>	<u>HK\$0.59</u>	<u>HK\$1.36</u>
Dividends paid to Shareholders	<u>481.31</u>	<u>601.64</u>	<u>564.22</u>
Dividends per share	<u>HK\$0.10</u>	<u>HK\$0.40</u>	<u>HK\$0.50</u>

Save as disclosed, there was no item of any income or expense which was material in respect of the consolidated financial statements of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023.

PricewaterhouseCoopers, the auditor of the Company, did not issue any qualified or modified opinion, nor any emphasis of matter or material uncertainty related to going concern in respect of the Group's audited consolidated financial statements for each of the three financial years ended 31 December 2021, 2022 and 2023.

## **2. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP**

The Company is required to set out or refer to in this Composite Document:

- (a) the consolidated statements of financial position, consolidated statements of cash flows and any other primary statements as shown in (i) the 2021 Financial Statements; and (ii) the 2022 Financial Statements; and
- (b) the financial information as shown in the 2023 Financial Information,

together with the significant accounting policies and any points from the notes to the relevant published accounts which are of major relevance to the appreciation of the above financial information.

The 2021 Financial Statements are set out on pages 74 to 160 in the 2021 Annual Report, which is posted on the websites of the Stock Exchange and the Company and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100429.pdf>

<http://www.vinda.com/upload/files/20220422/1009v2nltv.pdf>

The 2022 Financial Statements are set out on pages 75 to 158 in the 2022 Annual Report, which is posted on the websites of the Stock Exchange and the Company and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0411/2023041100107.pdf>

<http://www.vinda.com/upload/files/20230411/1651pn8tvv.pdf>

The 2023 Financial Information are set out on pages 10 to 35 in the 2023 Annual Results Announcement, which is posted on the websites of the Stock Exchange and the Company and is accessible via the following links:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0125/2024012500065.pdf>

<http://www.vinda.com/upload/files/20240125/08241vj66v.pdf>

The 2021 Financial Statements, the 2022 Financial Statements and the 2023 Financial Information (but not any other part of the 2021 Annual Report, 2022 Annual Report and the 2023 Annual Results Announcement) are incorporated by reference into the Composite Document and form part of the Composite Document.

### **3. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 December 2023, the indebtedness of the Group was as follows:

#### **Bank Loans**

As at the close of business on 31 December 2023, the total bank borrowings of the Group amounted to approximately HK\$4,171 million, and comprised (i) non-current borrowings of approximately HK\$3,839 million; and (ii) current borrowings of approximately HK\$332 million. The bank borrowings of the Group were unsecured.

#### **Liabilities**

As at the close of business on 31 December 2023, the Group had current and non-current lease liabilities amounting to approximately HK\$49 million and HK\$84 million respectively.

#### **Loan from a Related Party**

As at the close of business on 31 December 2023, the Group had a loan from a related party amounting to approximately HK\$85 million. As at the close of business on 31 December 2023, the Group's borrowings from a related party were unsecured and unguaranteed and would be repaid in 2024.

#### **Contingent Liabilities**

As at the close of business on 31 December 2023, the Group did not have any material contingent liabilities.

Save as aforesaid or otherwise mentioned in this section and apart from intra-group liabilities and normal accounts payable and bills payable in the ordinary course of business, the Group did not have any outstanding mortgages, charges, guarantee and other contingent liabilities, debentures, loan capital and debt securities (issued and outstanding or agreed to issue), bank loans and overdrafts or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits as at the close of business on 31 December 2023.

#### **4. MATERIAL CHANGE**

As at the Latest Practicable Date, save for the Offer and the Option Letter, the Directors confirm that, there had been no material change in the financial or trading position or outlook of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Group were made up, and up to and including the Latest Practicable Date.

**1. RESPONSIBILITY STATEMENT**

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Offeror, the terms of the Offer and Essity), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (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 Composite Document, the omission of which would make any statement in this Composite Document misleading.

**2. SHARE CAPITAL OF THE COMPANY**

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

	<i>HK\$</i>
<i>Authorised share capital:</i>	
80,000,000,000 ordinary shares of par value HK\$0.10 each	<u>8,000,000,000.00</u>
<i>Issued and fully paid share capital:</i>	
1,203,285,373 ordinary shares of par value HK\$0.10 each	<u>120,328,537.30</u>

All of the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of return of capital, dividends and voting. The issued Shares are listed on the Main Board of the Stock Exchange. No part of the Shares is listed or dealt in on, nor is any listing of or permission to deal in the Shares being or proposed to be sought on, any other stock exchange.

Since 31 December 2023 and up to the Latest Practicable Date, no Shares have been issued by the Company.

The Company did not have in issue any convertible securities, warrants, options or derivatives in respect of the Shares as at the Latest Practicable Date.

### 3. MARKET PRICES

The table below sets out the closing prices of the Shares quoted on the Stock Exchange on (i) the last Business Day of each of the calendar months during the Relevant Period; (ii) the last trading day before the Rule 3.7 Announcement; (iii) the Last Trading Day; and (iv) the Latest Practicable Date:

<b>Date</b>	<b>Closing price per Share (HK\$)</b>
31 May 2023	18.84
30 June 2023	19.50
31 July 2023	15.72
31 August 2023	18.16
29 September 2023	18.82
31 October 2023	19.34
17 November 2023 (being the last trading day before the Rule 3.7 Announcement)	19.36
30 November 2023	20.00
14 December 2023 (being the Last Trading Day)	20.70
29 December 2023	22.75
31 January 2024	23.10
29 February 2024	23.25
5 March 2024 (being the Latest Practicable Date)	23.45

During the Relevant Period, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$23.45 per Share on 5 March 2024 and HK\$15.30 per Share on 1 August 2023, respectively.

#### 4. DIRECTORS' INTERESTS IN SECURITIES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

For the purpose of paragraphs 4 to 7 in this Appendix III, “interested” and “interests” have the same meaning as ascribed to that term in Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed below, no Director had any interests in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange; or (d) to be disclosed in the Composite Document pursuant to the Takeovers Code.

##### (a) Long position in the Shares

Name of Director	Number of Shares held			Total number of Shares	Approximate percentage (%) of the Shares
	Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporations)			
Mr. Li	300,000	252,841,581 <sup>(i)&amp;(ii)</sup>		253,141,581	21.04
Yu Yi Fang	650,000	–		650,000	0.05
Li Jielin	414,000	–		414,000	0.03
Johann Christoph Michalski	59,000	–		59,000	0.005

*Notes:*

- (i) For the purpose of Part XV of the SFO, Mr. Li is deemed to be interested in the 251,841,581 shares in the Company that Sentential Holdings Limited has interests, of which 251,341,581 shares is held by its controlled corporation, namely Fu An International Company Limited and 500,000 is 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 Mr. Li, Yu Yi Fang and Dong Yi Ping, respectively.
- (ii) Li Song Foundation Company Limited directly holds 1,000,000 shares of the Company and it is held as to 50.00% by LI Chao Wang. As such, Li Chao Wang is also deemed to be interested in 1,000,000 shares of the Company held by Li Song Foundation Company Limited for the purpose of Part XV of the SFO.

**(b) Long position in the shares of associated corporations of the Company**

Name	Associated corporation	Class of shares in associated corporation	Number of shares held			Approximate percentage (%) of Interests <sup>(i)</sup>
			Personal interests (held as beneficial owner)	Corporate interests (interests of controlled corporations)	Total interests	
Johann Christoph Michalski	Essity Aktiebolag (publ)	Class B shares	5,276	–	5,276	0.0008
Jan Christer Johansson	Essity Aktiebolag (publ)	Class B shares	1,000	–	1,000	0.0001
Carl Magnus Groth	Essity Aktiebolag (publ)	Class B shares	94,000	–	94,000	0.0134
Carl Fredrik Stenson Rystedt	Essity Aktiebolag (publ)	Class B shares	43,500	–	43,500	0.0062
Gert Mikael Schmidt	Essity Aktiebolag (publ)	Class B shares	37,000	–	37,000	0.0053
Dominique Michel Jean Deschamps	Essity Aktiebolag (publ)	Class B shares	4,761	–	4,761	0.0007

*Notes:*

- (i) As at the Latest Practicable Date, the total number of registered shares in the share capital of Essity Aktiebolag (publ) was 702,342,489, of which 60,970,043 are Class A shares and 641,372,446 are Class B shares.

**5. OTHER DISCLOSURE OF INTERESTS**

As at the Latest Practicable Date:

- (i) the Company had no shareholding in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares of the Offeror;
- (ii) none of the Directors was interested in any shares of the Offeror or any convertible securities, warrants, options or derivatives in respect of shares of the Offeror;
- (iii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), owned or controlled any Shares or any convertible securities, warrants, options or derivatives in respect of Shares;

- (iv) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code;
- (v) neither the Company nor any of the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares, save for any borrowed Shares which have been either on-lent or sold; and
- (vi) there was no understanding, arrangement or agreement which constituted a special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder on the one hand, and the Company, its subsidiaries or associated companies on the other.

**6. DEALINGS IN SECURITIES AND ARRANGEMENTS IN RELATION TO DEALINGS**

During the Relevant Period:

- (i) none of the Directors had dealt for value in any Shares or convertible securities, warrants, options or derivatives in respect of the Shares; and
- (ii) none of the Company and the Directors had dealt for value in any shares in the Offeror or any convertible securities, warrants, options or derivatives in respect of shares in the Offeror.

During the Offer Period and up to the Latest Practicable Date:

- (i) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code (but excluding exempt principal traders and exempt fund managers), had dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of the Shares;

- (ii) no person who has any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” under the Takeovers Code as at the Latest Practicable Date had dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company; and
- (iii) no fund manager (other than exempt fund managers) connected with the Company had dealt for value in any Shares or any convertible securities, warrants, options or derivatives of the Company.

**7. ARRANGEMENTS AFFECTING DIRECTORS AND INTENTIONS OF DIRECTORS ON THE ACCEPTANCE OF THE OFFER**

As at the Latest Practicable Date:

- (i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;
- (ii) save for the Li Irrevocable Undertaking, there was no agreement or arrangement between any Director and any other person which is conditional or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (iii) save for the Li Irrevocable Undertaking, no material contract had been entered into by the Offeror in which any Director has a material personal interest; and
- (iv) 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 Latest Practicable Date) pursuant to the Li Irrevocable Undertaking. Ms. Yu Yi Fang, Ms. Li Jielin and Mr. Johann Christoph Michalski intend to accept the Offer.

## 8. SERVICE CONTRACTS WITH THE DIRECTORS

Save as disclosed below, as at the Latest Practicable Date, none of the Directors had any service contracts with the Company or any of its subsidiaries or associated companies in force which: (a) (including both continuous and fixed term contracts) have been entered into or amended within 6 months before the commencement of the Offer Period; (b) are continuous contracts with a notice period of 12 months or more; or (c) are fixed term contracts with more than 12 months to run irrespective of the notice period.

Name of the Director	Date of service contract	Term of service contract	Remuneration payable under the service contract
Mr. Wong Kwai Huen, Albert	8 April 2023	8 April 2023-7 April 2026	HK\$437,327 per annum
Dr. Cao Zhenlei	23 August 2022	31 August 2022-30 August 2025	HK\$387,327 per annum
Mr. Tsui King Fai	7 April 2022	8 April 2022-7 April 2025	HK\$487,327 per annum
Mr. Carl Magnus Groth	7 April 2022	8 April 2022-7 April 2025	Nil
Mr. Jan Christer Johansson	7 April 2022	8 April 2022-7 April 2025	HK\$3,339,727 per annum
Mr. Carl Fredrik Stenson Rystedt	31 March 2023	1 March 2023-28 February 2026	Nil

There is no variable remuneration payable to these Directors under their respective service contracts with the Company or any of its subsidiaries or associated companies.

## 9. MATERIAL CONTRACTS

The Group had not, within the two years before the Offer Period and up to and including the Latest Practicable Date, entered into any contract (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Group), which is or may be material.

## 10. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened by or against any member of the Group.

**11. CONSENTS AND QUALIFICATIONS OF EXPERT**

In addition to the experts appointed by the Offeror as set out in the section headed “5. Consents and Qualifications of Experts” in Appendix IV, the following is the name and qualification of the expert who has given a report, opinion or advice, which is contained in or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
Somerley	the Independent Financial Adviser appointed by the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the terms of the Offer and as to acceptances. Somerley is a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO.

Somerley has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name, in the form and context in which they are included.

Each of HSBC and BofA Securities has given and has not withdrawn its written consent to the publication of its name in this Composite Document in the form and context in which it appears.

**12. MISCELLANEOUS**

- (i) The company secretary of the Company is Ms. Tan Yi Yi.
- (ii) The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (iii) The address of the principal place of business of the Company in Hong Kong is Penthouse, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong.
- (iv) The Hong Kong branch share registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (v) The financial adviser of the Company is HSBC whose registered office is situated at 1 Queen’s Road Central, Hong Kong.
- (vi) The Independent Financial Adviser is Somerley whose registered office address is at 20th Floor, China Building, 29 Queen’s Road Central, Hong Kong.

- (vii) In case of inconsistency, the English text of this Composite Document and the Form of Acceptance shall prevail over the Chinese text.

### **13. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection (i) on the website of the SFC at [www.sfc.hk](http://www.sfc.hk); and (ii) on the website of the Company at [www.vinda.com](http://www.vinda.com), from the date of this Composite Document up to and including the Closing Date:

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the 2021 Annual Report, the 2022 Annual Report and the 2023 Annual Results Announcement;
- (d) the letter from BNPP and CICC, the text of which is set out on pages 9 to 28 of this Composite Document;
- (e) the letter from the Board, the text of which is set out on pages 29 to 35 of this Composite Document;
- (f) the letter from the Independent Board Committee, the text of which is set out on pages 36 to 38 of this Composite Document;
- (g) the letter from the Independent Financial Adviser, the text of which is set out on pages 39 to 65 of this Composite Document;
- (h) the service contracts of the Directors referred to in the section headed “8. Service Contracts with the Directors” in this Appendix III;
- (i) the Irrevocable Undertakings;
- (j) the list of dealings in the Company’s securities by the Offeror and the Offeror Concert Parties during the Relevant Period;
- (k) the written consents as referred to in the section headed “11. Consents and Qualifications of Expert” in this Appendix III and the section headed “5. Consents and Qualifications of Experts” in Appendix IV; and
- (l) this Composite Document and the accompanying Form of Acceptance.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS IN THE COMPANY'S SECURITIES

For the purpose of paragraphs 2 to 4 in this Appendix IV, “interested” or “interest” has the same meaning as ascribed thereto under Part XV of the SFO.

As at the Latest Practicable Date, save as disclosed below, neither the Offeror nor the Offeror Concert Parties owned or controlled any Shares, convertible securities, warrants, options or derivatives in respect of any Shares:

Name	Number of Shares	Percentage of shareholding
Offeror <sup>(1)(2)</sup>	873,878,693	72.62%
Beaumont <sup>(1)</sup>	<u>92,538,100</u>	<u>7.69%</u>
<b>Total</b>	<b><u><u>966,416,793</u></u></b>	<b><u><u>80.31%</u></u></b>

*Note:*

- (1) The Offeror is interested (or deemed to be interested) in 966,416,793 Shares in aggregate, representing approximately 80.31% of the issued share capital of the Company as at the Latest Practicable Date, which consists of: (i) 620,737,112 shares held by Essity GH pursuant to the Essity Irrevocable Undertaking; (ii) 253,141,581 shares held by Mr. Li pursuant to the Li Irrevocable Undertaking; and (iii) 92,538,100 held by Beaumont (a wholly-owned subsidiary of the Offeror).
- (2) 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). Exempt principal traders and exempt fund managers of the BNPP group or the CICC group 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.

None of the directors of the Offeror was interested in any Shares, convertible securities, warrants, options or derivatives in respect of any Shares.

### 3. DEALINGS IN THE COMPANY'S SECURITIES

Save as disclosed below and save for the dealings in the Shares by BNPP or CICC group members who are exempt principal traders or exempt fund managers or dealings by group members for the account of non-discretionary investment clients of the BNPP group or the CICC group, neither the Offeror nor the Offeror Concert Parties had dealt in any Shares, convertible securities, warrants, options or derivatives in respect of any Shares during the Relevant Period.

#### Dealings from 4 August 2023 to 19 August 2023 (aggregated on a weekly basis)

Name	Date of transactions	Nature of dealing	No. of Shares	
			involved	Price per Share (HK\$)
Pacific Eagle Fund L.L.C.	4 August 2023	Purchase	701,000	15.68 – 16.08
	7-11 August 2023	Purchase	9,203,000	16.32 – 18.04
	14-18 August 2023	Purchase	2,547,000	16.90 – 17.76

#### Dealings from 20 August 2023 to 19 October 2023 (aggregated on a daily basis)

Name	Date of transactions	Nature of dealing	No. of Shares	
			involved	Price per Share (HK\$)
Pacific Eagle Fund L.L.C.	21 August 2023	Purchase	301,000	17.30 – 17.58
	22 August 2023	Purchase	273,000	17.36 – 17.66
	23 August 2023	Purchase	753,000	17.32 – 17.60
	24 August 2023	Purchase	956,000	17.62 – 17.84
	25 August 2023	Purchase	734,000	17.60 – 17.90
	28 August 2023	Purchase	3,585,000	17.82 – 18.06
	29 August 2023	Purchase	888,000	17.86 – 18.12
	30 August 2023	Purchase	1,422,000	17.94 – 18.18
	31 August 2023	Purchase	1,060,000	18.00 – 18.28
	4 September 2023	Purchase	430,000	18.36 – 18.56
	5 September 2023	Purchase	3,896,000	17.88 – 18.48
	6 September 2023	Purchase	518,000	17.90 – 18.26
	7 September 2023	Purchase	1,162,000	17.98 – 18.22
	11 September 2023	Purchase	1,261,000	17.58 – 18.26
	12 September 2023	Purchase	1,610,000	17.90 – 18.24
	13 September 2023	Purchase	128,000	18.10 – 18.70
	14 September 2023	Purchase	3,954,000	17.88 – 18.36
	15 September 2023	Purchase	7,331,000	17.76 – 18.22
18 September 2023	Purchase	3,167,000	17.98 – 18.26	

Name	Date of transactions	Nature of dealing	No. of Shares	
			involved	Price per Share (HK\$)
	19 September 2023	Purchase	4,804,100	17.94 – 18.16
	20 September 2023	Purchase	7,177,000	17.90 – 18.24
	21 September 2023	Purchase	1,950,000	16.56 – 18.02
	25 September 2023	Sale <sup>(1)</sup>	59,811,100	16.14
Beaumont	25 September 2023	Purchase <sup>(1)</sup>	59,811,100	16.14
	26 September 2023	Purchase	2,230,000	15.98 – 16.42
	27 September 2023	Purchase	3,108,000	16.68 – 18.08
	28 September 2023	Purchase	3,113,000	17.98 – 18.74
	29 September 2023	Purchase	2,747,000	18.10 – 18.92
	3 October 2023	Purchase	6,067,000	18.58 – 19.16
	4 October 2023	Purchase	1,160,000	18.20 – 19.10
	5 October 2023	Purchase	4,753,000	18.60 – 19.32
	6 October 2023	Purchase	844,000	19.26 – 19.40
	9 October 2023	Purchase	757,000	18.82 – 19.30
	10 October 2023	Purchase	758,000	19.22 – 19.30
	11 October 2023	Purchase	165,000	19.18 – 19.34
	12 October 2023	Purchase	920,000	19.34 – 19.40
	13 October 2023	Purchase	562,000	19.24 – 19.38
	16 October 2023	Purchase	167,000	19.30 – 19.36
	17 October 2023	Purchase	23,000	19.24 – 19.29
	18 October 2023	Purchase	500,000	19.26 – 19.30

## Dealings from 20 October 2023 to the Latest Practicable Date

Name	Date of transactions	Nature of dealing	No. of Shares involved	Price per Share (HK\$)
Beaumont	20 October 2023	Purchase	1,000	19.32
		Purchase	200,000	19.34
		Purchase	231,000	19.36
		Purchase	1,000	19.38
		Purchase	14,000	19.40
	24 October 2023	Purchase	4,000	19.14
		Purchase	23,000	19.16
		Purchase	8,000	19.18
		Purchase	301,000	19.24
		Purchase	512,000	19.25
		Purchase	550,000	19.29
		Purchase	571,000	19.32
	26 October 2023	Purchase	2,000	19.24
		Purchase	5,000	19.30
		Purchase	14,000	19.32
		Purchase	38,000	19.34
		Purchase	179,000	19.36
	27 October 2023	Purchase	11,000	19.16
		Purchase	3,000	19.24
		Purchase	1,000	19.25
		Purchase	10,000	19.26
		Purchase	7,000	19.28
	30 October 2023	Purchase	41,000	19.30
		Purchase	4,000	19.24
		Purchase	23,000	19.26
		Purchase	5,000	19.30
		Purchase	299,000	19.32
		Purchase	237,000	19.34
		Purchase	25,000	19.36
	31 October 2023	Purchase	31,000	19.38
		Purchase	61,000	19.40
Purchase		100,000	19.27	
Purchase		11,000	19.30	
Purchase		309,000	19.32	
		Purchase	494,000	19.34

Name	Date of transactions	Nature of dealing	No. of Shares involved	Price per Share (HK\$)
	1 November 2023	Purchase	1,000	19.20
		Purchase	30,000	19.24
		Purchase	12,000	19.26
		Purchase	35,000	19.28
		Purchase	33,000	19.30
		Purchase	38,000	19.32
	2 November 2023	Purchase	1,000	19.26
		Purchase	4,000	19.27
		Purchase	18,000	19.28
	7 November 2023	Purchase	200,000	19.00
		Purchase	10,000	19.24
		Purchase	65,000	19.26
	2 November 2023	Purchase	105,000	18.72
		Purchase	3,000	18.74
		Purchase	3,000	18.76
		Purchase	8,000	18.78
		Purchase	3,000	18.80
		Purchase	54,000	18.82
		Purchase	4,000	18.84
		Purchase	23,000	18.86
		Purchase	9,000	18.88
		Purchase	17,000	18.90
		Purchase	7,000	18.92
		Purchase	44,000	18.94
	17 November 2023	Sale	41,000	19.20
		Sale	8,000	19.22
		Sale	20,000	19.24
		Sale	13,000	19.26
		Sale	19,000	19.28
		Sale	6,000	19.32
		Sale	15,000	19.34
		Sale	19,000	19.36
		Sale	11,000	19.40
		Sale	4,000	19.42
		Sale	10,000	19.48
		Sale	4,000	19.50
		Sale	3,000	19.51
		Sale	2,000	19.52

Name	Date of transactions	Nature of dealing	No. of Shares involved	Price per Share (HK\$)
		Sale	8,000	19.53
		Sale	12,000	19.56
		Sale	5,000	19.58
Offeror	12 January 2024	Purchase <sup>(2)</sup>	92,538,100	23.50 <sup>(2)</sup>
Belinda Tanoto	12 January 2024	Sale <sup>(2)</sup>	92,538,100	23.50 <sup>(2)</sup>

*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.
- (2) On 12 January 2024, Belinda Tanoto transferred all the shares held in Beaumont to the Offeror. At the time of the transfer, the underlying assets of Beaumont primarily comprised 92,538,100 Shares, which were valued at HK\$23.50 per Share by parties to the transfer. Belinda Tanoto was the sole shareholder of Beaumont prior to the transfer and is the daughter of Mr. Tanoto, who is a director of APRIL. Please refer to the section headed “Information on the Offeror” in the “Letter from BNPP and CICC” in this Composite Document for more details.

#### 4. OTHER INFORMATION

As at the Latest Practicable Date,

- (a) save as disclosed in the section headed “2. Disclosure of interests in the Company’s securities” in this Appendix IV and the Irrevocable Undertakings, none of the Offeror and the Offeror Concert Parties owned, controlled or had direction over any Shares, convertible securities, warrants, options or derivatives in respect of any Shares;
- (b) none of the Offeror and the Offeror Concert Parties had borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company, save for any borrowed Shares which have been either on-lent or sold;
- (c) save for the Irrevocable Undertakings, none of the Offeror and the Offeror Concert Parties had received any irrevocable commitment(s) to accept or reject the Offer;
- (d) save as disclosed in the section headed “Confirmation of financial resources” of the “Letter from BNPP and CICC”, the Offeror had no intention to transfer, charge or pledge any Offer Shares acquired pursuant to the Offer to any other persons and had no agreement, arrangement or understanding with any third party to do so;

- (e) none of the Directors had been or will be given any benefit as compensation for loss of office or otherwise in connection with the Offer;
- (f) save for the Irrevocable Undertakings, there was no agreement, arrangement or understanding (including any compensation arrangement) existed between the Offeror or any Offeror Concert Parties and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (g) there was no agreement or arrangement to which the Offeror was a party which related to circumstances in which it may or may not invoke or seek to invoke a Condition;
- (h) the Offer did not involve or otherwise relate to a sale (directly or indirectly) by a vendor of Shares;
- (i) save for the Irrevocable Undertakings, there was no understanding, arrangement, agreement or special deal between the Offeror or Offeror Concert Parties on one hand and any Shareholder on the other hand; and
- (j) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code had been entered into between the Offeror or any Offeror Concert Parties and any other person.

## **5. CONSENTS AND QUALIFICATIONS OF EXPERTS**

The following are the names and qualifications of each of the experts who has been appointed by the Offeror and who has been named in this Composite Document or who has given a report, opinion or advice, which is contained in or referred to in this Composite Document:

<b>Name</b>	<b>Qualification</b>
BNPP	the lead financial adviser to the Offeror in respect of the Offer. BNPP is 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) and Type 6 (advising on corporate finance) regulated activities under the SFO.
CICC	a joint financial adviser to the Offeror in respect of the Offer. CICC is 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.

Each of the abovenamed experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion in this Composite Document of the opinion, letter or report (as the case may be) and references to its name, in the form and context in which they are included.

**6. GENERAL**

- (a) As at the Latest Practicable Date, the Offeror is indirectly wholly-owned by APRIL. APRIL is wholly-owned by Fiduco Trust Management PTC, which is a trustee of a discretionary trust established by Mr. Tanoto as settlor and whose beneficiaries are his immediate family members. The principal member of the Offeror's concert group in relation to the Offer is APRIL.
- (b) The Offeror is an exempted company incorporated in the Cayman Islands with limited liability. The registered office of the Offeror is at The R&H Trust Co. Ltd., Windward 1, Regatta Office Park, West Bay Road, Grand Cayman, Cayman Islands. As at the Latest Practicable Date, the board of directors of the Offeror comprises Mr. Lee Chong and Mr. George Thomas Dantas.
- (c) APRIL is an exempted company incorporated in Bermuda with limited liability. The registered office of APRIL is at Dallas Building, 7 Victoria Street, Hamilton HM 11, Bermuda. As the Latest Practicable Date, the board of directors of APRIL comprises Mr. Tanoto, Mr. Wang Bo, Mr. Bey Soo Khiang and Mr. George Thomas Dantas.
- (d) The correspondence address in Hong Kong of each of the Offeror and APRIL is 21st Floor & Penthouse, China Building, 29 Queen's Road Central, Hong Kong.
- (e) The registered office of BNPP is at 60/F. and 63/F., Two International Finance Centre, 8 Finance Street, Central, Hong Kong.
- (f) The registered office of CICC is at 29/F One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

**7. ENQUIRY HOTLINE AND EMAIL**

If you have any queries of an administrative and procedural nature regarding the Offer, please reach out via the following ways:

By phone: +852 2319 4859

Working hours: Monday to Friday, 9:00 am to 6:00 pm (Hong Kong time)

By email: [Vinda@investor.morrowsodali.com](mailto:Vinda@investor.morrowsodali.com)

This helpline is managed by an external service provider, Morrow Sodali Hong Kong Limited, engaged by the Offeror. For the avoidance of doubt, the designated phone line or email account cannot and will not (i) provide any information not available in the public domain nor any advice on the merits or risks of the Offer or (ii) give any financial or legal advice. If you are in doubt as to any aspect of this Composite Document or action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.