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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)

INSIDE INFORMATION

UNAUDITED THIRD QUARTER FINANCIAL INFORMATION FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2017 OF VINDA INTERNATIONAL HOLDINGS LIMITED AND UNAUDITED THIRD QUARTER RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2017 OF THE CONTROLLING SHAREHOLDER

The board of directors of Vinda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited third quarter financial information of the Group’s business for the three months and nine months ended 30 September 2017.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2017 OF THE GROUP

Compared to the three months ended 30 September 2016:

- Revenue increased by 11.4% (with an organic growth¹ of 11.0%) to HK\$3,367 million (of which HK\$2,710 million was from Tissue segment and HK\$657 million was from Personal Care segment).
- Gross profit grew by 5.8% to HK\$1,009 million. With our efforts in portfolio management and cost saving initiatives, gross profit margin maintained at 30.0%, contracted by 1.6 percentage points only, despite the significant increase in wood pulp cost.
- EBITDA increased by 12.5% to HK\$460 million. EBITDA margin expanded by 0.2 percentage point to 13.7%, reflecting strong cash generation from our business.
- Operating profit rose by 8.2% to HK\$250 million. Cost saving programme has reduced the impact of rising wood pulp cost to some extent. Total selling and marketing and administrative cost was under good control. As a results, operating profit margin only decreased by 0.3 percentage point to 7.4%.
- Total foreign exchange gain was HK\$5 million (third quarter of 2016: HK\$4 million of total foreign exchange loss)

UNAUDITED FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017 OF THE GROUP

Compared to the nine months ended 30 September 2016:

- Revenue increased by 11.3% (with an organic growth¹ of 8.2%) to HK\$9,674 million (of which HK\$7,782 million was from Tissue segment and HK\$1,892 million was from Personal Care segment).
- Gross profit grew by 7.7% to HK\$2,935 million. Gross profit margin was 30.3%, down by 1.1 percentage points.

- EBITDA increased by 9.2% to HK\$1,353 million. EBITDA margin was 14.0%, down by 0.3 percentage point.
- Operating profit rose by 1.8% to HK\$759 million. Operating profit margin was 7.8%, down by 0.8 percentage point.
- Total foreign exchange loss was HK\$17 million (for the nine months ended 30 September 2016: HK\$18 million of total foreign exchange loss)

Note:

- ¹ For the calculation of organic revenue growth in the first quarter of 2017, the acquired Asia business in Malaysia, Taiwan and Korea, as well as the exchange rate effects were excluded; for the calculation of the organic revenue growth in the second quarter and third quarter of 2017, only the exchange rate effects were excluded.

UNAUDITED THIRD QUARTER RESULTS FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2017 OF ESSITY AKTIEBOLAG (PUBL)

Essity Aktiebolag (publ) (“**Essity**”), the Company’s controlling shareholder, is a company listed on NASDAQ OMX Stockholm. As at the date of this announcement, Essity beneficially owns approximately 51.98% of the entire issued share capital of the Company.

Essity files financial reports which include quarterly financial information and certain operating statistics on a quarterly basis in accordance with the ongoing disclosure obligations applicable to a publicly traded listed company on NASDAQ OMX Stockholm. Such reports include segment financial information on the operations of the Company and are available in the public domain.

Essity has on or about 26 October 2017 released its unaudited financial results for the third quarter ended 30 September 2017. For details, please visit Essity’s website: www.essity.com.

Shareholders and potential investors of the Company are advised that there is no indication or assurance from the Company that the unaudited financial information of the Group for the three months and nine months ended 30 September 2017 will be the same as that presented in Essity’s report for the third quarter of 2017.

Potential investors and shareholders of the Company are reminded that the above financial information has not been reviewed or audited by the Company's independent auditors. Subject to review and audit adjustment, differences may arise between such financial information and the data disclosed in the audited report. Potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
Vinda International Holdings Limited
Li Chao Wang
Chairman

Hong Kong, 25 October 2017

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors:

Mr. LI Chao Wang
Ms. YU Yi Fang
Mr. Johann Christoph MICHALSKI
Mr. DONG Yi Ping
Ms. LI Jielin

Non-executive Directors:

Mr. Jan Christer JOHANSSON
Mr. Carl Magnus GROTH
Mr. Carl Fredrik Stenson RYSTEDT

Independent Non-executive Directors:

Mr. CHIA Yen On
Mr. KAM Robert
Mr. TSUI King Fai
Mr. WONG Kwai Huen, Albert

Alternate Director:

Mr. Gert Mikael SCHMIDT (alternate to Mr. JOHANSSON and Mr. GROTH)