

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



**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)

**UNAUDITED INTERIM RESULTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**HIGHLIGHTS**

- **Solid revenue growth in a volatile and uncertain environment:**
  - Revenue up by 10.1% organically<sup>1</sup> to HK\$10,070 million
  - Strong organic growth<sup>1</sup> in mainland China driven by positive price, product mix and volume development
  - E-commerce sales up by 23.6% organically, contributing to 46% of the Group's total revenue
  - Premium categories growth accelerated on a sequential basis
  - Personal care continues to grow and market positions continue to improve
- **Margins were negatively impacted by inflationary pressures:**
  - Gross profit was down by 18.5% to HK\$2,527 million
  - Net profit declined by 81.1% to HK\$121 million
  - Significant increase in raw materials costs compared to same period last year
  - Positive gross margin contribution from favourable price and product mix realisation
  - Operating profit improved on a sequential basis
  - Committed investments in premium categories, personal care and commercial capabilities
- **Basic earnings per share was 10.0 HK cents**
- **An interim dividend of 10.0 HK cents per share has been declared**

The Board of Directors (the “**Board**”) of Vinda International Holdings Limited (“**Vinda**” or the “**Company**”) is pleased to present the unaudited interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2023 (the “**Period**” or “**H1 2023**”).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **Overview**

The Group delivered strong organic sales growth in the first six months of 2023 despite many uncertainties and challenges we faced in the post-COVID era.

The Group continued to realise gains from the multiple pricing initiatives we have taken in the past year to mitigate significant inflation in raw material prices. We are also continuing to benefit favorably from product mix improvement. Premium categories continued to grow, in particular the *Tempo* brand, regained strong momentum and further accelerated growth compared to the previous two quarters. Our market share for tissue is stable, sustaining leading positions in mainland China<sup>2</sup> and Hong Kong Special Administrative Region, China (the “**HKSAR**”)<sup>3</sup>. We continue to invest to grow personal care and during the Period we are continuing to improve our market share in key markets.

While margin recovery is in progress, the Group’s gross profit and net profit were negatively impacted by inflationary pressures compared to the same period last year. While raw material prices have decreased significantly in the last few months, we are continuing to digest inventories with materials purchased previously. This impact was partially offset by better pricing, better product mix and better operational efficiencies.

Despite these challenges, the Group continued to make committed investments in innovation, brand building and commercial capabilities to fuel our future sustainable and profitable growth in all of our key markets.

### **Financial Highlights**

In H1 2023, total revenue of the Group amounted to HK\$10,070 million, representing an increase of 10.1% organically and of 4.0% if presented in Hong Kong Dollar.

In terms of business segment, tissue and personal care segments contributed 83% and 17% of the Group’s total revenue, respectively. In terms of sales channel, traditional distributors, key accounts managed supermarkets and hypermarkets, B2B corporate customers and e-commerce platforms accounted for 24%, 21%, 9% and 46%, respectively, of the total revenue. The e-commerce revenue recorded the most significant growth with an organic increase<sup>1</sup> of 23.6% year-on-year.

Gross profit was down by 18.5% to HK\$2,527 million. Despite the gradual reduction of the pulp prices since the end of 2022, costs in the first half of the year were still impacted by the inventories with relatively high price, and on gross margin, which decreased by 6.9 percentage points (“**ppts**”) year-on-year to 25.1%.

EBITDA fell by 42.3% to HK\$818 million while EBITDA margin was narrowed by 6.5 ppts to 8.1%.

Total foreign exchange loss was HK\$0.3 million (H1 2022: HK\$22.4 million loss), of which HK\$5.4 million loss came from operating activities (H1 2022: HK\$26.2 million loss), and HK\$5.1 million gain was due to financing activities (H1 2022: HK\$3.8 million gain).

During the Period, innovation of high-margin products, expansion of personal care business and brand building remained as the Group’s priorities, in order to further strengthen its market share as well as its competitive advantages. Marketing and promotions were approached in a prudent manner with more focus on return on investment. The Group’s total selling & marketing costs as a percentage of sales decreased by 0.3 ppt to 19.3% while administrative expenses including net impairment losses on financial assets as a percentage of sales decreased by 0.2 ppt to 4.8%. Operating profit decreased by 81.8% to HK\$137 million while operating margin was down by 6.4 ppts to 1.4%.

Interest expenses from borrowings increased by 119.9% to HK\$78 million primarily due to the rising interest rate and increase in term loans during the Period, and the financial position of the Group remained sound. The effective interest rate was 3.2%, increased by 1.0 ppt compared to the first half of 2022 (“**H1 2022**”).

Net gearing ratio<sup>4</sup> was 43.1%.

Net profit declined by 81.1% to HK\$121 million. The net profit margin narrowed by 5.4 ppts to 1.2%.

Basic earnings per share was 10.0 HK cents (H1 2022: 53.0 HK cents).

The Board has resolved to declare an interim dividend of 10.0 HK cents (H1 2022: 10.0 HK cents) per share for the Period.

## Business Review

### *Tissue Segment*

In the first half of 2023, revenue from tissue segment amounted to HK\$8,361 million, which delivered a year-on-year increase of 5.0% or an organic sales growth of 11.5%, representing 83% of the Group's total revenue (H1 2022: 82%). The tissue business of the Group continued to maintain its leading position in mainland China and HKSAR, with its positive sales growth driven by volume, price and product mix developments. Meanwhile, our tissue business in Southeast Asia also developed continually with a strong year-on-year growth in sales and further expansion of its market share. During the Period, the Group adhered to its premiumisation strategy, continued to make investments in research and development (“R&D”) and innovation, branding and commercial capabilities, with a focus on premium categories, resulting in a double-digit growth of the Group's premium tissue portfolio in mainland China as well as an increasing proportion of revenue. The impact from the high-cost wood pulp inventory and promotion had been relieved to an extent by the premium categories for its relatively higher profit margin, and the gross margin of tissue segment was 23.8% during this Period (H1 2022: 31.6%).

With the improvement of people's living standards, together with the increasing awareness of personal hygiene, the household paper market is developing towards high-quality and diversification. The Group proactively grasped the developing trend and launched a series of high-quality products with reference to its premiumisation strategy, to satisfy the consumers' demand for household papers of high-quality and diversification. The Group's premium tissue brands, being *Vinda Deluxe Soft* series and *Tempo* series, had been well-received by the market, and achieved a satisfactory sales performance. At the same time, the Group also focused on the segment of wet wipes and launched a series of products such as the moist flushable toilet tissues, kitchen wipes and bathroom wipes, to meet the consumers' demand for different household paper use scenarios, all of which had received positive response from the market, and helped the Group further expand its market share in wet wipes.

The *Tork* high-end professional hygiene brand further covered a high-end merchant base via new innovations and growth segments, expanded the professional hygiene solutions to various use scenarios, continually increasing its market share in mainland China. During the Period, as for the *Tork* brand, we produced all-new fast-drying and extractable hand towels through applying QuickDry™, a leading innovative technology in mainland China, and developed the 3-layer toilet roll products with SmartOne® T9 system, to continually cater for the higher experiencing demand of customer base and the trend of consumption upgrade.

## ***Personal Care Segment***

Revenue from the personal care business decreased by 0.5% to HK\$1,708 million in H1 2023, which was a 3.7% increase at constant exchange rates and represented 17% of the Group's total revenue (H1 2022: 18%), revenue by category was HK\$556 million for baby care, HK\$400 million for feminine care and HK\$752 million for incontinent care. Gross margin of the personal care segment was 31.2% (H1 2022: 34.1%), of which baby care was 24.0%, feminine care was 46.7% and incontinent care was 28.2%. The personal care business maintained steady growth in mainland China.

The *Libresse* brand keeps pace with the times, understands the diversified needs of women's menstrual care, and maintains a growth momentum in women's care category. On Women's Day, *Libresse* leveraged the "Menstruation is Nothing to Hide" 4.0 campaign and TikTok Super Brand Day, combined with online promotion of the ambassador, to call on the society to pay attention to women's menstrual needs and better meet the diverse needs of consumers with quality products. It has gained consistent warm comments from the industry and users. During the Period, through a series of brand product promotion activities through e-commerce channels and TikTok live-streaming resources, the brand image of its pioneer female care was continuously improved, and the penetration of *Libresse* into core population in mainland China was accelerated, driving the continuous growth of product sales. *Libresse* also launched a series of marketing activities in Malaysia to further strengthen the brand's leading position<sup>5</sup> in feminine care category.

The Group continues to focus on the incontinence problem of the elderly group and make efforts in incontinence care category. In H1 2023, the Group launched new products of ProSkin specialised cotton soft underwear diapers under *TENA* gold series and long-lasting dry snap-on diapers under *Dr. P* gold series, respectively, continuously consolidating and broadening the consumer base and further increasing market penetration in incontinence care category. During the Period, the Group actively carried out offline marketing campaign where its professional incontinence care brand *TENA* held two consumer salon activities, aiming to popularise professional incontinence care knowledge to the public and establish and strengthen professional image of the brand. The Group has also built a total of 363 experience centre stores through the opening of hospital stores and improving the quality of *Vinda* Health and *TENA* Experience Centres. The comprehensive competitiveness of the brand has been continuously improved, contributing to steady growth of the Group's incontinence care business.

The baby care business continues to perform well in Southeast Asia. *Drypers* is a leading baby diaper brand in Malaysia. Its theme brand movies are widely disseminated on social media and TV channels, and the brand value building effort is efficiently promoted. During the Period, *Drypers* launched CoComelon limited edition and held themed parent-child activities in offline stores to drive product sales and boost brand awareness through innovation and consolidate its leading position<sup>6</sup> in the market.

### **Production Capacity**

The annual designed production capacity of the Group's papermaking facilities was 1,390,000 tons as at 30 June 2023. The Southeast Asia regional headquarters in Malaysia was officially put into operation on 16 December 2022. It has the Group's first overseas innovation and R&D centre, which would help the Group to accurately meet consumer demand in the Southeast Asian market and strengthen its regional supply chain footprint, improving Vinda's production and sales efficiency in Southeast Asia.

### **Human Resources Management and Internal Control**

Employees at Vinda are central to the Group's sustainable growth. Vinda is committed to providing equal employment opportunities that are free from discrimination of any kind, such as gender, age, nationality, race, religion, or sexual orientation. The Group offers fair and reasonable remuneration, performance incentive mechanism along with ongoing career advancement training programs for employees.

During the Period, a total of 95,417.18 hours of training were conducted for a total of 11,066 participants.

We had a total of 11,887 employees as of 30 June 2023.

Vinda is committed to maintaining high standards of corporate governance. All employees are required to comply with Vinda's code of conduct. We regularly review and update our internal control policies, handling procedures and guidelines to align with the latest external regulatory and internal control requirements. 100% of our employees have received training on the code of conduct. While the persons in charge of all functional departments and business units are responsible for identifying, handling and reporting major risks and inadequacies in internal control, the internal audit department is responsible for conducting internal audits, receiving reports on misconduct, reporting cases to the senior management and advising solutions for cases. The head of the internal audit department reports to the chairman of the audit committee of the Company.

## Sustainable Procurement

In accordance with Vinda's sustainability strategy and fair sourcing principles, the Group prioritises the selection and use of environmentally certified raw materials based on low carbon and green supply chain standards. In 2022, 100% of the Group's top twenty raw and auxiliary material suppliers (excluding wood pulp suppliers) in terms of purchasing volume were ISO 14001 certified in environmental management. All of the packaging for Vinda products were made from renewable or recyclable materials.

We aim to source 100% of the wood pulp used by Vinda that is certified by recognised forest management standards. At the same time, we will continue to research and develop the use of biodegradable materials as packaging, and gradually increase the proportion of biodegradable materials in Vinda products.

## Outlook

Despite economic recovery and consumer sentiment remain uncertain, the Group is confident in the growth potential of our categories. Looking ahead, while inflationary pressure is expected to ease, the Group will continue to take actions to offset macro headwinds while balancing growth, market share and our commitment to improve margins over time.

The Group will continue to invest in further portfolio enhancement by focusing in premium and high margin categories.

The Group will continue to invest in personal care in our key markets and key categories.

The Group will continue to invest in e-commerce and new channels to further strengthen our leading positions in mainland China.

The Group will continue to invest in branding and innovations to further differentiate ourselves and to defend our premium pricing from competition.

With the foundation of strong in-market execution, these meaningful investments will further enhance the Group's competitive advantage, and position us well for long term sustainable and profitable growth.

### Remarks

<sup>1</sup> *Organically/organic growth/organic increase: Year-on-year growth at constant exchange rates*

<sup>2</sup> *Source: Kantar Worldpanel, mainland China sales value year-to-date at 30 June 2023*

<sup>3</sup> *Source: Nielsen, HKSAR sales value year-to-date at 31 May 2023*

<sup>4</sup> *Net gearing ratio: Net debt divided by total shareholders' equity*

*Net debt: Total debt including lease liabilities less cash and cash equivalents and restricted bank deposits*

<sup>5</sup> *Source: Kantar Worldpanel, Malaysia sales value year-to-date at 22 May 2023*

<sup>6</sup> *Source: Kantar Worldpanel, Malaysia sales value year-to-date at 22 May 2023*

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited	
		Six months ended 30 June	
		2023	2022
	Note	HK\$	HK\$
<b>Revenue</b>	4	<b>10,069,610,810</b>	9,680,375,460
Cost of sales		<u>(7,543,054,231)</u>	<u>(6,580,323,074)</u>
<b>Gross profit</b>		<b>2,526,556,579</b>	3,100,052,386
Selling and marketing costs		<u>(1,940,747,502)</u>	<u>(1,895,316,830)</u>
Administrative expenses		<u>(477,518,937)</u>	<u>(478,370,521)</u>
Net impairment losses on financial assets		<u>(9,348,005)</u>	<u>(4,926,048)</u>
Other income and gains – net		<u>38,441,805</u>	<u>35,479,427</u>
<b>Operating profit</b>		<u>137,383,940</u>	<u>756,918,414</u>
Finance income and costs – net	5	<u>(67,807,683)</u>	<u>(25,204,168)</u>
Share of post-tax loss of an associate		<u>(1,513)</u>	<u>(30,122)</u>
<b>Profit before income tax</b>		<b>69,574,744</b>	731,684,124
Income tax credit/(expense)	6	<u>51,071,608</u>	<u>(93,968,894)</u>
<b>Profit attributable to the equity holders of the Company</b>		<u><b>120,646,352</b></u>	<u>637,715,230</u>
<b>Other comprehensive loss:</b>			
<i>Item that may be reclassified to profit or loss</i>			
– Currency translation differences		<u>(439,130,806)</u>	<u>(656,874,594)</u>
<b>Total comprehensive loss attributable to the equity holders of the Company</b>		<u><b>(318,484,454)</b></u>	<u>(19,159,364)</u>
<b>Earnings per share for profit attributable to the equity holders of the Company</b>			
– basic	7(a)	<u><b>0.100</b></u>	<u>0.530</u>
– diluted	7(b)	<u><b>0.100</b></u>	<u>0.530</u>

## INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

		Unaudited 30 June 2023 HK\$	Audited 31 December 2022 HK\$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	9,903,369,300	10,353,535,314
Right-of-use assets	10	1,187,497,196	1,221,438,469
Intangible assets	9	2,362,480,746	2,456,705,131
Deferred income tax assets		732,198,803	629,751,445
Investment properties	9	1,944,607	40,173,068
Investment in an associate		–	2,030,636
<b>Total non-current assets</b>		<b>14,187,490,652</b>	<b>14,703,634,063</b>
<b>Current assets</b>			
Inventories		4,561,238,574	6,014,823,036
Trade and notes receivables	11	2,503,218,417	2,339,665,339
Other receivables	11	569,562,229	483,237,455
Prepayments	11	122,752,314	100,093,982
Due from related parties		23,081,456	40,242,578
Cash and cash equivalents		838,118,380	606,947,407
<b>Total current assets</b>		<b>8,617,971,370</b>	<b>9,585,009,797</b>
<b>Total assets</b>		<b>22,805,462,022</b>	<b>24,288,643,860</b>
<b>EQUITY</b>			
<b>Capital and reserves attributable to the equity holders of the Company</b>			
Share capital		120,328,537	120,327,537
Share premium		4,497,509,829	4,497,368,699
Other reserves		6,703,080,411	7,382,589,207
<b>Total equity</b>		<b>11,320,918,777</b>	<b>12,000,285,443</b>

**INTERIM CONDENSED CONSOLIDATED BALANCE SHEET  
(CONTINUED)**

		Unaudited 30 June 2023 HK\$	Audited 31 December 2022 HK\$
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	13	3,968,774,941	2,800,715,036
Loans from a related party	13	84,123,300	88,282,378
Lease liabilities	10	110,813,556	99,385,024
Deferred government grants		250,136,215	247,961,760
Deferred income tax liabilities		205,445,825	215,293,079
Post-employment benefits		7,208,987	6,960,500
Other non-current liabilities	14	<u>11,543,288</u>	<u>3,200,341</u>
<b>Total non-current liabilities</b>		<u><b>4,638,046,112</b></u>	<u><b>3,461,798,118</b></u>
<b>Current liabilities</b>			
Trade payables, other payables and accrued expenses	12	4,989,683,277	7,548,972,120
Contract liabilities		183,240,954	118,382,755
Borrowings	13	1,198,680,882	299,246,812
Loans from a related party	13	300,000,000	700,000,000
Lease liabilities	10	56,920,198	55,585,120
Due to related parties		15,239,500	22,509,163
Current income tax liabilities		<u>102,732,322</u>	<u>81,864,329</u>
<b>Total current liabilities</b>		<u><b>6,846,497,133</b></u>	<u><b>8,826,560,299</b></u>
<b>Total liabilities</b>		<u><b>11,484,543,245</b></u>	<u><b>12,288,358,417</b></u>
<b>Total equity and liabilities</b>		<u><b>22,805,462,022</b></u>	<u><b>24,288,643,860</b></u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited			Total HK\$
	Attributable to the equity holders of the Company			
	Share capital HK\$	Share premium HK\$	Other reserves HK\$	
<b>Balance as at 1 January 2022</b>	120,126,537	4,458,961,619	8,439,573,727	13,018,661,883
Profit for the period	–	–	637,715,230	637,715,230
Other comprehensive loss				
<i>Item that may be reclassified to profit or loss</i>				
– Currency translation differences	–	–	(656,874,594)	(656,874,594)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive loss for the six months ended 30 June 2022</b>	–	–	(19,159,364)	(19,159,364)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Transaction with owners</b>				
Employees share option scheme				
– Exercise of share options	201,000	38,407,080	(10,347,480)	28,260,600
Dividends	–	–	(481,310,149)	(481,310,149)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Transaction with owners</b>	201,000	38,407,080	(491,657,629)	(453,049,549)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2022</b>	<u>120,327,537</u>	<u>4,497,368,699</u>	<u>7,928,756,734</u>	<u>12,546,452,970</u>
<b>Balance as at 1 January 2023</b>	120,327,537	4,497,368,699	7,382,589,207	12,000,285,443
Profit for the period	–	–	120,646,352	120,646,352
Other comprehensive loss				
<i>Item that may be reclassified to profit or loss</i>				
– Currency translation differences	–	–	(439,130,806)	(439,130,806)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive loss for the six months ended 30 June 2023</b>	–	–	(318,484,454)	(318,484,454)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Transaction with owners</b>				
Employees share option scheme				
– Exercise of share options	1,000	141,130	(38,730)	103,400
Dividends	–	–	(360,985,612)	(360,985,612)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Transaction with owners</b>	1,000	141,130	(361,024,342)	(360,882,212)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance as at 30 June 2023</b>	<u>120,328,537</u>	<u>4,497,509,829</u>	<u>6,703,080,411</u>	<u>11,320,918,777</u>

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	
		Six months ended 30 June	
		2023	2022
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
<b>Cash flows from operating activities:</b>			
– cash (used in)/generated from operations		(616,982,322)	2,008,052,636
– interest paid		(79,762,885)	(48,058,665)
		<u>(696,745,207)</u>	<u>1,959,993,971</u>
<b>Cash flows (used in)/generated from operating activities – net</b>			
		<u>(696,745,207)</u>	<u>1,959,993,971</u>
<b>Cash flows from investing activities:</b>			
– purchases of property, plant and equipment		(488,953,365)	(576,524,807)
– purchases of intangible assets		(18,406,914)	(16,018,583)
– proceeds on disposal of property, plant and equipment		1,453,850	782,458
– acquisition of subsidiary, net of cash acquired		1,465,300	–
– proceeds from government grants		24,619,337	19,642,895
– interest received		7,619,967	10,025,503
		<u>(472,201,825)</u>	<u>(562,092,534)</u>
<b>Cash flows used in investing activities – net</b>			
		<u>(472,201,825)</u>	<u>(562,092,534)</u>
<b>Cash flows from financing activities:</b>			
– dividends paid		(360,985,612)	(481,310,149)
– repayments of borrowings	13	(1,160,754,777)	(3,194,778,861)
– repayments of loans from a related party	13	(400,000,000)	–
– proceeds from borrowings	13	3,387,417,462	2,330,399,968
– proceeds from shares issued		103,400	28,260,600
– lease payments for right-of-use assets excluding land use rights		(35,577,823)	(40,305,025)
		<u>1,430,202,650</u>	<u>(1,357,733,467)</u>
<b>Cash flows generated from/(used in) financing activities – net</b>			
		<u>1,430,202,650</u>	<u>(1,357,733,467)</u>
<b>Net increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of the period		261,255,618	40,167,970
Exchange differences		606,947,407	1,025,327,689
		<u>(30,084,645)</u>	<u>(56,205,165)</u>
<b>Cash and cash equivalents at end of the period</b>			
		<u><u>838,118,380</u></u>	<u><u>1,009,290,494</u></u>

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 1 GENERAL INFORMATION

Vinda International Holdings Limited (the “**Company**”) was incorporated on 17 August 1999 in the Cayman Islands with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands.

The Company acts as an investment holding company and provides management as well as financial support services to its subsidiaries. The Company and its subsidiaries are collectively referred to as the “**Group**”. The principal activities of the Group are the manufacture and sale of household paper products and personal care products.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 10 July 2007.

The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

Essity Aktiebolag (publ) is the ultimate holding company of the Group.

This condensed consolidated interim financial information is presented in Hong Kong dollar (“**HK\$**”), unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 19 July 2023 by the Board.

This condensed consolidated interim financial information has not been audited.

## 2 BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2023 has been prepared in accordance with HKAS 34 “Interim financial reporting”. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRSs**”) except for the adoption of new and amended standards as disclosed in Note 3.

### 3 SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2022, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total earnings.

#### (a) New and amended standards adopted by the Group

A number of amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies as a result of adopting these standards except HKAS 12 (Amendments).

		<b>Effective for annual periods beginning on or after</b>
HKFRS 17	Insurance Contracts	1 January 2023
HKAS 8 (Amendments)	Definition of Accounting Estimates	1 January 2023
HKAS 12 (Amendments)	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
HKAS 1 and HKFRS Practice Statement 2 (Amendments)	Disclosure of Accounting Policies	1 January 2023

The amendments to HKAS 12 Income Taxes require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- i. right-of-use assets and lease liabilities, and
- ii. decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments as of 31 December 2022 was not material and hence no adjustment was made to the beginning retained earnings, or another component of equity.

### 3 SIGNIFICANT ACCOUNTING POLICIES (Continued)

- (b) The following new standards, new interpretations and amendments to standards and interpretations have been issued but are not effective for the financial year beginning on 1 January 2023 and have not been early adopted by the Group:

		<b>Effective for annual periods beginning on or after</b>
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2024
HKAS 1 (Amendments)	Non-current liabilities with covenants	1 January 2024
HKFRS 16 (Amendments)	Lease liability in sale and leaseback	1 January 2024
HK Int 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2024
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group is assessing the full impact of the new standards, new interpretations and amendments to standards and interpretations.

### 4 SEGMENT REVENUE

The chief operating decision-maker has been identified as the executive committee, which comprises all executive directors. The executive committee reviews the Group's internal reporting in order to assess performance and allocate resources.

The executive committee has determined that no geographical segment information is presented as management reviews the business performance primarily based on type of business, not geographically. Instead, the executive committee assesses the performance of household paper products and personal care products.

#### 4 SEGMENT REVENUE (Continued)

Sales between segments are carried out on terms equivalent to those that prevail in arm's length transactions. The revenue from external parties reported to the executive committee is measured in a manner consistent with that in the annual consolidated income statement. The Company is domiciled in HKSAR. The amount of its revenue from external customers in mainland China, HKSAR and overseas is analysed as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$	HK\$
– Mainland China	7,911,383,829	7,526,820,217
– HKSAR	612,881,559	583,343,849
– Overseas	1,545,345,422	1,570,211,394
Total Revenue	<u>10,069,610,810</u>	<u>9,680,375,460</u>

The segment revenue for the six months ended 30 June 2023 and 2022 are as follows:

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$	HK\$
Household paper products	8,361,343,453	7,963,350,222
Personal care products	1,708,267,357	1,717,025,238
Total	<u>10,069,610,810</u>	<u>9,680,375,460</u>

#### 5 FINANCE INCOME AND COSTS – NET

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$	HK\$
Interest expense		
– Borrowings	(77,543,057)	(35,260,544)
– Lease liabilities	(3,282,031)	(3,763,701)
Foreign exchange gain – net	5,129,928	3,794,574
Interest income		
– Bank deposits	7,887,477	10,025,503
Net finance costs	<u>(67,807,683)</u>	<u>(25,204,168)</u>

## 6 INCOME TAX (CREDIT)/EXPENSE

The applicable corporate income tax rates for the HKSAR, Malaysia and Chinese Taiwan subsidiaries are 16.5%, 24% and 20%, respectively. The applicable corporate income tax rate for mainland China subsidiaries is 25% except for subsidiaries which are qualified as High and New Technology Enterprises (“HNTTE”) and would be entitled to enjoy a beneficial tax rate of 15%. The subsidiaries in mainland China may additionally deduct 100% of qualified research and development expenses (“R&D”) when calculating the taxable income.

	Unaudited	
	Six months ended 30 June	
	2023	2022
	HK\$	HK\$
Current income tax		
– HKSAR and overseas profits tax	69,821,733	46,409,392
– Mainland China income tax	10,798,730	12,764,499
Deferred income tax	(131,692,071)	34,795,003
	<u>(51,071,608)</u>	<u>93,968,894</u>

## 7 EARNINGS PER SHARE

### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average numbers of ordinary shares in issue during the period.

	Unaudited	
	Six months ended 30 June	
	2023	2022
Profit attributable to equity holders of the Company (HK\$)	<u>120,646,352</u>	<u>637,715,230</u>
Weighted average number of ordinary shares in issue	<u>1,203,280,898</u>	<u>1,202,590,748</u>
Basic earnings per share (HK\$ per share)	<u>0.100</u>	<u>0.530</u>

## 7 EARNINGS PER SHARE (Continued)

### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company's potentially dilutive ordinary shares comprised of share options.

	Unaudited	
	Six months ended 30 June	
	2023	2022
Profit attributable to equity holders of the Company (HK\$)	<u>120,646,352</u>	<u>637,715,230</u>
Weighted average number of ordinary shares in issue	1,203,280,898	1,202,590,748
Adjustments for share options	<u>2,284</u>	<u>202,177</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,203,283,182</u>	<u>1,202,792,925</u>
Diluted earnings per share (HK\$ per share)	<u>0.100</u>	<u>0.530</u>

## 8 DIVIDENDS

The resolution to declare a final dividend of HK\$0.30 per ordinary share for the year ended 31 December 2022 was passed at the Annual General Meeting of the Company on 12 May 2023. The final dividend totalling HK\$360,985,612 has been paid on 8 June 2023 based on the number of issued shares outstanding at that time.

On 19 July 2023, the Board has resolved to declare an interim dividend of HK\$0.10 per share (2022: HK\$0.10 per share). This interim dividend, amounting to HK\$120,328,537 (2022: HK\$120,327,537) based on the 1,203,285,373 issued shares as at 30 June 2023, has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year ending 31 December 2023.

**9 PROPERTY, PLANT AND EQUIPMENT, INTANGIBLE ASSETS AND INVESTMENT PROPERTIES**

	<b>Unaudited</b>		
	<b>Property, plant and equipment HK\$</b>	<b>Intangible assets HK\$</b>	<b>Investment properties HK\$</b>
<b>Six months ended 30 June 2022</b>			
Opening net book amount as at 1 January 2022	11,225,685,513	2,646,685,234	2,421,930
Additions	585,460,334	16,018,583	–
Disposals	(865,156)	–	–
Depreciation and amortisation	(548,854,374)	(58,645,299)	(75,126)
Exchange differences	(500,403,202)	(79,013,495)	(104,328)
	<u>10,761,023,115</u>	<u>2,525,045,023</u>	<u>2,242,476</u>
<b>Six months ended 30 June 2023</b>			
Opening net book amount as at 1 January 2023	<b>10,353,535,314</b>	<b>2,456,705,131</b>	<b>40,173,068</b>
Additions	<b>423,361,914</b>	<b>21,069,144</b>	–
Transfer	<b>37,184,943</b>	–	<b>(37,184,943)</b>
Disposals	<b>(496,360)</b>	–	–
Depreciation and amortisation	<b>(581,279,157)</b>	<b>(52,182,487)</b>	<b>(1,179,568)</b>
Exchange differences	<b>(328,937,354)</b>	<b>(63,111,042)</b>	<b>136,050</b>
	<u><b>9,903,369,300</b></u>	<u><b>2,362,480,746</b></u>	<u><b>1,944,607</b></u>

During the Period, the Group has capitalized borrowing costs amounting to HK\$4,657,008 (for the six months ended 30 June 2022: HK\$15,090,891) on qualifying assets.

## 10 LEASES

	As at	
	30 June 2023 Unaudited HK\$	31 December 2022 Audited HK\$
Right-of-use assets		
– Land use rights	1,027,200,478	1,073,897,973
– Buildings	154,539,408	141,018,510
– Equipment and others	<u>5,757,310</u>	<u>6,521,986</u>
Total right-of-use assets	<u><u>1,187,497,196</u></u>	<u><u>1,221,438,469</u></u>
Lease liabilities		
– Current	56,920,198	55,585,120
– Non-current	<u>110,813,556</u>	<u>99,385,024</u>
Total lease liabilities	<u><u>167,733,754</u></u>	<u><u>154,970,144</u></u>

Expenses have been charged to the consolidated statement of comprehensive income as follows:

	Unaudited	
	Six months ended 30 June	
	2023 HK\$	2022 HK\$
Depreciation of right-of-use assets		
– Land use rights	13,754,117	14,708,869
– Buildings	31,004,331	37,551,906
– Equipment and others	<u>1,659,322</u>	<u>1,177,424</u>
	<u><u>46,417,770</u></u>	<u><u>53,438,199</u></u>

## 11 TRADE, NOTES AND OTHER RECEIVABLES AND PREPAYMENTS

	As at	
	30 June 2023 Unaudited HK\$	31 December 2022 Audited HK\$
Trade receivables	2,439,959,241	2,367,772,943
Notes receivable	113,732,830	19,159,178
Less: Provision for impairment of receivables	<u>(50,473,654)</u>	<u>(47,266,782)</u>
Trade and notes receivables – net	2,503,218,417	2,339,665,339
Other receivables ( <i>Note (a)</i> )	569,562,229	483,237,455
Prepayments	<u>122,752,314</u>	<u>100,093,982</u>
	<u><b>3,195,532,960</b></u>	<u><b>2,922,996,776</b></u>

(a) Other receivables mainly comprised deductible input value added tax.

Customers who are given credit are generally granted with credit terms ranging from 60 to 90 days.

Ageing analysis of trade receivables of the Group based on invoice date as at 30 June 2023 and 31 December 2022 is as below:

	As at	
	30 June 2023 Unaudited HK\$	31 December 2022 Audited HK\$
Within 3 months	2,261,252,142	2,192,548,789
4 months to 6 months	109,486,333	104,836,574
7 months to 12 months	25,251,087	25,336,069
Over 1 year	<u>43,969,679</u>	<u>45,051,511</u>
	<u><b>2,439,959,241</b></u>	<u><b>2,367,772,943</b></u>

## 12 TRADE PAYABLES, OTHER PAYABLES AND ACCRUED EXPENSES

	As at	
	30 June 2023 Unaudited <i>HK\$</i>	31 December 2022 Audited <i>HK\$</i>
Trade payables	2,160,801,128	4,500,445,917
Notes payable	360,476,368	321,486,143
Other payables	811,844,152	994,537,691
Long-term incentive plans – current portion	39,444,089	46,047,386
Accrued expenses	<u>1,617,117,540</u>	<u>1,686,454,983</u>
	<u><u>4,989,683,277</u></u>	<u><u>7,548,972,120</u></u>

The credit period granted by the creditors generally ranged from 30 to 180 days. Ageing analysis of trade payables and notes payable as at 30 June 2023 and 31 December 2022 based on invoice date is as follows:

	As at	
	30 June 2023 Unaudited <i>HK\$</i>	31 December 2022 Audited <i>HK\$</i>
Within 3 months	1,717,609,943	4,221,075,633
4 months to 6 months	802,901,499	588,864,427
7 months to 12 months	679,703	10,834,808
Over 1 year	<u>86,351</u>	<u>1,157,192</u>
	<u><u>2,521,277,496</u></u>	<u><u>4,821,932,060</u></u>

## 13 BORROWINGS

	As at	
	30 June 2023 Unaudited HK\$	31 December 2022 Audited HK\$
<b>Non-current – unsecured</b>		
Bank borrowings	3,968,774,941	2,800,715,036
Loans from a related party	<u>84,123,300</u>	<u>88,282,378</u>
Total non-current borrowings	<u>4,052,898,241</u>	<u>2,888,997,414</u>
<b>Current – unsecured</b>		
Bank borrowings	1,198,680,882	299,246,812
Loans from a related party	<u>300,000,000</u>	<u>700,000,000</u>
Total current borrowings	<u>1,498,680,882</u>	<u>999,246,812</u>
<b>Total borrowings</b>	<u><u>5,551,579,123</u></u>	<u><u>3,888,244,226</u></u>

Movements in borrowings are analysed as follows:

	Unaudited HK\$
<b>Six months ended 30 June 2022</b>	
Opening amount as at 1 January 2022	4,796,106,555
New borrowings	2,330,399,968
Repayments of borrowings	(3,194,778,861)
Exchange differences	<u>(98,936,835)</u>
Closing amount as at 30 June 2022	<u><u>3,832,790,827</u></u>
<b>Six months ended 30 June 2023</b>	
Opening amount as at 1 January 2023	3,888,244,226
New borrowings	3,387,417,462
Repayments of borrowings	(1,160,754,777)
Repayments of loans from a related party	(400,000,000)
Exchange differences	<u>(163,327,788)</u>
Closing amount as at 30 June 2023	<u><u>5,551,579,123</u></u>

## 14 LONG-TERM INCENTIVE PLANS

	As at	
	30 June 2023 Unaudited HK\$	31 December 2022 Audited HK\$
<b>Trade payables, other payables and accrued expenses</b>		
Long-term incentive plans – current portion ( <i>Note 12</i> )	39,444,089	46,047,386
<b>Other non-current liabilities</b>		
Long-term incentive plans	<u>11,543,288</u>	<u>3,200,341</u>
Total incentive plans ( <i>i</i> )( <i>ii</i> )	<u><u>50,987,377</u></u>	<u><u>49,247,727</u></u>

- (i) On 17 September 2020, the Board of Directors approved a cash settled long-term incentive plan for specific employees.

A total of 12,358,000 Option Equivalent Units (“**OEUs**”) were granted to selected management, senior management and Directors at a nominal price of HK\$21.83 per unit. The exercise price of an OEU will be the stock price at the time of exercise. The exercise price of an OEU is capped at HK\$43.66. The vesting period is from 30 October 2020 to 30 October 2023.

As at 30 June 2023, the fair value of OEU granted was determined by using the Binomial Model. The fair value of OEU in management’s plan was HK\$3.60 and the fair value of OEU in Directors and senior managements’ plan was HK\$3.59.

The significant inputs into the model were share price at the valuation date, the grant price, volatility of 43.00%, dividend yield of 1.96%, and annual risk-free interest rate of 3.75%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the Company over relevant period matching the life of the incentive plan.

- (ii) On 20 July 2022, the Board of Directors approved a cash settled long-term incentive plan for specific employees.

A total of 11,195,000 OEUs were granted to selected management, senior management and Directors at a nominal price of HK\$14.97 per unit. The exercise price of an OEU will be the stock price at the time of exercise. The exercise price of an OEU is capped at HK\$29.94. The vesting period is from 1 November 2022 to 31 October 2025.

## 14 LONG-TERM INCENTIVE PLANS (Continued)

(ii) (Continued)

As at 30 June 2023, the fair value of OEU granted was determined by using the Binomial Model. The fair value of OEU in management's plan was HK\$4.64 and the fair value of OEU in Directors and senior managements' plan was HK\$4.64.

The significant inputs into the model were share price at the valuation date, the grant price, volatility of 39.00%, dividend yield of 1.74%, and annual risk-free interest rate of 3.55%. The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices of the Company over relevant period matching the life of the incentive plan.

The charges of the long-term incentive plans for the six months ended 30 June 2023 and 2022 amounted to HK\$2 million and HK\$10 million respectively.

### **Foreign Exchange and Fair Value Interest Rate Risk**

The majority of the Group's assets and sales business are located in mainland China, HKSAR, Malaysia, Chinese Taiwan and Korea. Our significant transactions are denominated and settled in RMB, HK\$, Malaysia Ringgit, New Taiwan dollar and Korean Won while most of the key raw materials are imported from overseas and denominated and paid in USD. The Group also borrows most of the long term loans and the short term loans denominated in RMB, HK\$ or USD.

### **Liquidity, Financial Resources and Borrowings**

The Group's financial position remained healthy. As at 30 June 2023, the Group's bank and cash balances amounted to HK\$838,118,380 (31 December 2022: HK\$606,947,407), and short-term and long-term loans amounted to HK\$5,551,579,123 (31 December 2022: HK\$3,888,244,226), including the loans from a related party amounting to HK\$384,123,300 (31 December 2022: HK\$788,282,378). 73.0% of the borrowings are long-term (31 December 2022: 74.3%). The annual interest rates of bank loans ranged from 2.20% to 6.53%.

As at 30 June 2023, the net gearing ratio, which was calculated on the basis of the amount of net debt as a percentage of the total shareholders' equity, was 43.1% (31 December 2022: 28.6%).

As at 30 June 2023, unutilized credit facilities amounted to approximately HK\$6.95 billion (31 December 2022: HK\$7.20 billion).

## **Charges on Group Assets**

As at 30 June 2023, the Group did not have any charges on assets (31 December 2022: nil).

## **Contingent Liabilities**

As at 30 June 2023, the Group had no material contingent liabilities (31 December 2022: nil).

## **Interim Dividend**

The Board has resolved to declare an interim dividend of HK\$0.10 per share for the Period (2022: HK\$0.10 per share) totaling approximately HK\$120,328,537 based on the 1,203,285,373 issued shares outstanding as at 30 June 2023. The interim dividend will be paid on or about 7 September 2023 to shareholders whose names appear on the register of members of the Company on 24 August 2023.

## **Closure of Register of Members**

The register of members of the Company will be closed from 22 August 2023 to 24 August 2023, both days inclusive, during which period no transfer of shares will be registered. In order to establish entitlement to the interim dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in HKSAR, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, HKSAR, not later than 4:30 p.m. on 21 August 2023 for registration of transfer.

## **Purchase, Sale or Redemption of the Securities**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's shares during the Period.

## **Corporate Governance**

The Company is committed to maintaining a high standard of corporate governance practices by emphasizing a quality Board, sound internal control, transparency and accountability to all the shareholders of the Company. The Company has adopted the principles set out in the Corporate Governance Code (the "**CG Code**") in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") as its own code of corporate governance. For the Period, the Company has complied with all the code provisions set out in the CG Code.

## **Directors' Securities Transactions**

The Company has adopted a code for securities transactions by directors of the Company (the “**Code of Conduct**”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 to the Listing Rules. Having made specific enquiry with all the directors of the Company (the “**Directors**” or individually the “**Director**”), all of them confirmed that they have complied with the required standard set out in the Model Code and the Code of Conduct regarding securities transactions by the Directors during the Period.

## **Audit Committee**

The Company’s audit committee (the “**Audit Committee**”) has four members comprising three Independent Non-Executive Directors, namely, Mr. TSUI King Fai, Mr. WONG Kwai Huen, Albert and Mr. LAW Hong Ping, Lawrence and a Non-Executive Director, Mr. Carl Fredrik Stenson RYSTEDT. The chairman of the Audit Committee is Mr. TSUI King Fai. The Audit Committee is accountable to the Board and the principal duties of the Audit Committee include, among others, the review and supervision of the financial reporting process. It also reviews the effectiveness of internal audit, internal controls and risk evaluation. The unaudited interim results and interim report of the Company for the Period have been reviewed by the Audit Committee.

## **Remuneration Committee**

The Company’s remuneration committee (the “**Remuneration Committee**”) has five members comprising three Independent Non-Executive Directors, namely Mr. TSUI King Fai, Mr. LAW Hong Ping, Lawrence and Dr. CAO Zhenlei, and two Non-Executive Directors, namely, Mr. Johann Christoph MICHALSKI and Mr. Jan Christer JOHANSSON. The chairman of the Remuneration Committee is Mr. TSUI King Fai. The Remuneration Committee is responsible for, among others, formulating and making recommendation to the Board on the Group’s remuneration policy, the determination of specific remuneration packages of senior management and making recommendations to the Board on the remuneration packages of individual Executive Directors and the remuneration of Non-Executive Directors. The Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of Directors and senior management, employment conditions elsewhere in the Group and desirability of performance-based remuneration.

## **Nomination Committee**

The Company's nomination committee (the "**Nomination Committee**") has five members comprising three Independent Non-Executive Directors, namely, Mr. WONG Kwai Huen, Albert, Mr. LAW Hong Ping, Lawrence and Dr. CAO Zhenlei, an Executive Director, Mr. LI Chao Wang, and a Non-Executive Director, Mr. Jan Christer JOHANSSON. The chairman of the Nomination Committee is Mr. LI Chao Wang. The principal duties of the Nomination Committee are, among others, to consider and recommend to the Board suitably qualified persons to become Directors and to be responsible for reviewing the structure, size, diversity and composition of the Board on a regular basis.

## **Risk Management Committee**

The Company's risk management committee (the "**Risk Management Committee**") has five members comprising two Executive Directors, namely, Ms. LI Jielin and Ms. YU Yi Fang, two Non-Executive Directors, namely, Mr. Jan Christer JOHANSSON and Mr. Carl Fredrik Stenson RYSTEDT, and an Independent Non-Executive Director, Mr. TSUI King Fai. The chairman of the Risk Management Committee is Mr. Jan Christer JOHANSSON. The principal duties of the Risk Management Committee are, among others, to assist the Board in deciding the Group's risk level and risk appetite, advising on major decisions affecting the Group's risk profile or exposure and to give directions where appropriate, and reviewing and reporting to the Board on identified key risks, risk register and related risk mitigating actions including crisis management.

## **Executive Committee**

The Company's executive committee (the "**Executive Committee**") comprises four members and is chaired by Mr. LI Chao Wang, an Executive Director. The other members are also all Executive Directors, namely Ms. YU Yi Fang, Mr. DONG Yi Ping and Ms. LI Jielin. The duties of the Executive Committee include, among others, to develop and make recommendations to the Board on the Company's annual budgets, CAPEX budget, material business plans, and to review and approve proposals for restructuring and major asset disposal as well as individual annual salary increases for senior executives of the Group within the annual budget approved by the Remuneration Committee.

## **Strategic Development Committee**

The Company's strategic development committee (the "**Strategic Development Committee**") comprises five members and is chaired by Mr. Jan Christer JOHANSSON, a Non-Executive Director. The other members are two Executive Directors, namely, Mr. DONG Yi Ping and Ms. LI Jielin, a Non-Executive Director, Mr. Johann Christoph MICHALSKI and an Independent Non-Executive Director, Dr. CAO Zhenlei. The principal duties of the Strategic Development Committee are (a), among others, to advise on strategy of the Group, namely to review and advise the mid to long term strategic positioning, business plans, brand strategies, investment decisions and mergers and acquisitions of the Group and make recommendations to the Board/Executive Committee; and (b) to monitor, review and advise the implementations of strategic plans.

## **Publication of Results Announcement and Interim Report**

This announcement is published on the websites of the Company ([www.vinda.com](http://www.vinda.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2023 interim report of the Company will be dispatched to the shareholders of the Company and be made available on the same websites in due course.

## **Acknowledgement**

On behalf of the Board, I extend my gratitude to all our staff for their hard work and dedication during the Period.

By Order of the Board  
**Vinda International Holdings Limited**  
**LI Chao Wang**  
*Chairman*

HKSAR, 19 July 2023

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

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

*Non-executive Directors:*

Mr. Jan Christer JOHANSSON  
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*)