This summary is intended to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide whether to invest in the Offer Shares. There are risks associated with any investment. For some of the particular risks of investing in the Offer Shares, please refer to the section headed "Risk Factors" for details. You should read that section carefully before you decide to invest in the Offer Shares.

OUR MISSION

Our mission is to provide consumers with cleaning solutions comprising of quality products, good services and professional insights.

OUR VISION

Our vision is to allow every family to enjoy a clean, healthy, comfortable, respectable and delightful "Blue Moon (藍月亮)" lifestyle.

OUR VALUES

For consumers we excel (為用戶， 更卓越).

OVERVIEW

We are a leading consumer-centric household care company in China. We develop, manufacture and market a wide selection of products under three categories: fabric care, personal hygiene and home care. Our liquid laundry detergent, liquid soap and concentrated liquid laundry detergent products had the largest market shares in their respective markets in each of 2017, 2018 and 2019, according to the Frost & Sullivan Report. In 2019, according to the same report, "Blue Moon (藍月亮)" ranked fourth in both the fabric care market and the personal hygiene market and ranked fifth in the home care market, all in terms of retail sales value in China. Our reputation is decades in the making and is rooted in our commitment to customer satisfaction, our ability to understand and set consumer trends, and our focus on successful execution.

Since our inception, we have focused on the markets with high growth potential and have built a strong brand. We have developed popular products such as Blue Moon Liquid Soap, Blue Moon Deep Clean Care Liquid Laundry Detergent and Blue Moon Machine Wash Supreme Concentrated Plus Laundry Detergent, and we continue to upgrade our products. We have developed a knowledge-based marketing strategy by not only promoting our products or brand, but also delivering household care-related knowledge and insights to consumers based on our research and production experience, thereby enhancing brand loyalty. We are an early mover and a leader in utilising e-commerce in China's household care industry and have built a powerful omni-channel sales and distribution network. Since 2008, we have launched technology advancement programmes to digitalise our operation process, including procurement, manufacturing, and sales to make our business operation more efficient and scalable.

We believe the market environment and consumer trends are in our favour. According to the Frost & Sullivan Report:

- China has one of the world's largest household care markets with the highest growth potential among the major economies. The market size of China's household care market as measured by retail sales value is expected to grow from RMB110.8 billion in 2019 to RMB167.7 billion in 2024, accounting for over one third of the growth in the global household care industry from 2019 to 2024. In particular, the fabric care market is the largest market in the household care industry in China, accounting for 61.2% of China's total household care market in 2019 in terms of retail sales value;

- Chinese consumers are increasing their spending on high-quality products such as liquid laundry detergents and concentrated liquid laundry detergents. While these products are prevalent in developed markets such as the U.S. and Japan, their penetration rates have been growing rapidly in China. According to the Frost & Sullivan Report, the market penetration of liquid laundry detergents in China rose from 32.0% in 2015 to 44.0% in 2019 and is projected to further increase to 58.6% in 2024. In 2019, penetration rates of concentrated liquid laundry detergents in Japan and the U.S. reached 100%, while the penetration rate of concentrated liquid laundry detergents in China was 8.2% in the same year, showing significant potential for growth in China; and

- E-commerce is an important and fast growing retail channel in China. Sales of household care products through e-commerce is expected to grow at a CAGR of 16.2% from 2019 to 2024 and account for 31.9% of China's overall household care market by 2024.

We identified these market trends early and have positioned our business to benefit from these trends. We have become a leader in the liquid laundry detergents, concentrated liquid laundry detergents and liquid soap markets in China. Our effective knowledge-based marketing has not only enhanced consumer loyalty to our brands, but has also reinforced the adoption of liquid and concentrated products by consumers. In 2019, although China's online penetration for household care industry was only 22.8%, we generated 47.2% of our total revenue from online sales channels and built leading market shares in all the major e-commerce platforms.

The "Blue Moon (藍月亮)" brand was founded by our chief executive officer, Mr. Luo, 28 years ago. He has inspired and assembled an experienced management team who draws on an average of more than 20 years' industry experience. In addition, our chairman, Ms. Pan has also been instrumental in formulating our corporate strategies, which has led to the successful expansion of our business. We believe our success is a result of their focus on the household care industry and dedication to consumer satisfaction.

Our business has grown significantly during the Track Record Period. Our revenue has grown at a CAGR of 11.9% from 2017 to 2019. In 2019, our revenue was HK$7,049.9 million while our net profit was HK$1,079.6 million. In the six months ended 30 June 2020, our revenue was HK$2,435.9 million while our net profit was HK$302.2 million.

OUR PRODUCTS

We have built a diverse portfolio of market-leading products that are well-recognised among consumers in China. The breadth and depth of our product portfolio enable us to offer various product options to consumers for different scenarios and provide a wide range of solutions to meet their household cleaning needs. From 2017 to 2019, our main brand "Blue Moon (藍月亮)" ranked first in the liquid laundry detergent market and the liquid soap market, each in terms of the market size by retail sales value in China, according to the Frost & Sullivan Report. In 2019, according to the same report, "Blue Moon (藍月亮)" ranked fourth in both the fabric care market and the personal hygiene market and ranked fifth in the home care market, all in terms of retail sales value in China. We also strive to develop more products under different brands to cater for our customers' diverse cleaning needs. From 2013 to 2019, we rolled out bathroom cleaning products under the "Volo (衛諾)" brand, concentrated liquid laundry detergent products under the "Supreme (至尊)" brand, premium liquid soap products under the "Jingxiang (淨享)" brand, and utensil, fruit and vegetable cleaning products with a mild and gentle formula under the "Tianlu (天露)" brand, in order to address the new and evolving household cleaning needs of consumers. Our effort to expand our product portfolio has further solidified our brand image as a provider of scientific and professional household care products.

The following table sets forth the revenue contribution and the percentage of the revenue contribution for the periods indicated:

	Year ended 31 December						**Six months ended 30 June**			
	2017		**2018**		**2019**		**2019**		**2020**	
	Revenue	**% of Total Revenue of the Year**	**Revenue**	**% of Total Revenue of the Year**	**Revenue**	**% of Total Revenue of the Year**	**Revenue**	**% of Total Revenue of the Period**	**Revenue**	**% of Total Revenue of the Period**
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000 (unaudited)*	*%*	*HK$'000*	*%*
Fabric care products	4,922,459	87.4	5,917,277	87.4	6,177,613	87.6	2,364,351	86.9	1,681,407	69.0
Personal hygiene products	328,021	5.8	410,616	6.1	418,545	5.9	180,051	6.6	465,602	19.1
Home care products	381,553	6.8	440,052	6.5	453,747	6.5	175,948	6.5	288,859	11.9
Total	5,632,033	100.0	6,767,945	100.0	7,049,905	100.0	2,720,350	100.0	2,435,868	100.0

Our gross profit represents our revenue less our cost of sales, and our gross profit margin represents our gross profit divided by our revenue, expressed as a percentage. The table below sets forth our gross profit and gross profit margin by product category for the periods indicated:

	Year ended 31 December						**Six months ended 30 June**			
	2017		**2018**		**2019**		**2019**		**2020**	
	Amount	**Gross profit margin**	**Amount**	**Gross profit margin**	**Amount**	**Gross profit margin**	**Amount**	**Gross profit margin**	**Amount**	**Gross profit margin**
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000 (unaudited)*	*%*	*HK$'000*	*%*
Fabric care products	2,546,370	51.7	3,346,739	56.6	3,948,753	63.9	1,444,655	61.1	1,031,954	61.4
Personal hygiene products	208,674	63.6	263,856	64.3	271,986	65.0	117,890	65.5	317,549	68.2
Home care products	240,079	62.9	275,706	62.7	302,271	66.6	109,170	62.0	209,100	72.4
Total	2,995,123	53.2	3,886,301	57.4	4,523,010	64.2	1,671,715	61.5	1,558,603	64.0

The following table sets forth our sales volume and average selling price by product category for the periods indicated:

	Year ended 31 December						Six months ended 30 June			
	2017		2018		2019		2019		2020	
	Sales volume (net weight)	Average selling price	Sales volume (net weight)	Average selling price	Sales volume (net weight)	Average selling price	Sales volume (net weight)	Average selling price	Sales volume (net weight)	Average selling price
	kg '000	*HK$ per kg*	*kg '000*	*HK$ per kg*	*kg '000*	*HK$ per kg*	*kg '000*	*HK$ per kg*	*kg '000*	*HK$ per kg*
Fabric care products	401,269	12.3	464,022	12.8	508,665	12.1	198,716	11.9	167,077	10.1
Personal hygiene products	24,138	13.6	30,310	13.5	32,425	12.9	13,551	13.3	32,470	14.3
Home care products	25,059	15.2	30,317	14.5	32,831	13.8	13,137	13.4	23,045	12.5
Total	450,466	12.5	524,649	12.9	573,921	12.3	225,404	12.1	222,592	10.9

Please refer to the section headed "Financial Information – Description of Certain Consolidated Statements of Comprehensive Income Items – Revenue" for an analysis of our products' sales volume and average selling price during the Track Record Period.

RESEARCH AND DEVELOPMENT

Our business has significantly benefited from our strong track record in research and development. We have a two-pronged research and development focus, including (i) introducing new products to meet evolving consumer preferences and to elevate user experience, and (ii) developing and sharing scientific and practical cleaning methods with consumers.

We established our Research and Development Technology Centre since the inception of our operation and the Blue Moon Applied Sciences and Laundry Academy dedicated to the development and assessment of laundry products and methods in 2015. As a result of our efforts in research and development, as at the Latest Practicable Date, we had obtained a total of 673 registered trademarks, 152 patents and 159 copyrights in China. Please refer to the section headed "Business – Intellectual Property" for details.

CUSTOMER SERVICES

As a consumer-centric organisation, our customer services enhance our direct interaction with consumers and potentially increase customer stickiness. Additionally, through our customer services, we deliver to consumers cleaning-related knowledge we developed. We offer to consumers both online and offline services in a timely manner. We primarily provide two main services, namely our customer support services and our laundry services, to enhance direct interaction with consumers and meet the needs of different consumers in different scenarios. Specifically, through our customer support services, we provide technical support and collect feedback and inquiries from our consumers who would like to do cleaning work by themselves. Our laundry services provide an alternative for consumers who do not have time or are not able to perform difficult laundry tasks themselves. We believe our personalised customer support services is a key gateway to retaining our customers and creating brand loyalty.

KNOWLEDGE-BASED MARKETING

We are committed to delivering household care-related knowledge and insight based on our research and production experience. We have implemented our knowledge-based marketing philosophy through various channels, including (i) online marketing, such as marketing events hosted on social media platforms and e-commerce platforms; (ii) offline marketing, primarily through our cleaning consultants at retail points of sale; (iii) special events, including our sponsorship of nationally televised programmes and offline themed events we organise from time to time; and (iv) commercial advertisements, including celebrity endorsement. Knowledge-based marketing enables us to reach a wider consumer base with different purchasing power and habits, and in turn helps us build a loyal and valuable customer base.

SALES AND DISTRIBUTION NETWORK

We have an omni-channel sales and distribution network covering both online and offline businesses. We have established a nationwide sales network with in-depth market penetration. As at 30 June 2020, our offline sales and distribution network covers all provinces in China. We were one of the first companies in China's household care industry to utilise online sales channels, including our sales to e-commerce platforms and our sales to consumers through online stores, such as our proprietary online stores and third party online stores. Over almost a decade of cooperation with major e-commerce platforms, we achieved success in our online sales and became key business partners with certain major e-commerce platforms in China. Our offline sales and distribution network includes our direct sales to key account clients such as hypermarkets and supermarkets as well as offline distributors which resell our products to hypermarkets, supermarkets, convenience store, local grocery stores, gas stations and certain small vendors in the residential communities. The rise in e-commerce sales has been particularly profound for our business, with us experiencing a shift of consumer buying behaviour from offline purchases to online purchases. The table below sets forth a breakdown of revenue contribution by sales and distribution channel during the Track Record Period:

	Year ended 31 December						**Six months ended 30 June**			
	2017		**2018**		**2019**		**2019**		**2020**	
	Revenue	**Total**	**Revenue**	**Total**	**Revenue**	**Total**	**Revenue**	**Total**	**Revenue**	**Total**
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000 (unaudited)*	*%*	*HK$'000*	*%*
Online sales channels:										
sales to e-commerce platforms	1,479,292	26.2	1,924,890	28.4	2,166,462	30.7	1,097,896	40.4	904,279	37.1
sales to consumers through:										
our proprietary online stores	310,425	5.5	634,177	9.4	888,765	12.6	359,241	13.2	378,449	15.6
third party online stores	76,799	1.4	159,088	2.4	272,931	3.9	104,594	3.8	148,842	6.1
Direct sales to key account clients	703,245	12.5	820,191	12.1	996,582	14.1	302,299	11.1	187,707	7.7
Offline distributors	3,062,272	54.4	3,229,599	47.7	2,725,165	38.7	856,320	31.5	816,591	33.5
Total	5,632,033	100.0	6,767,945	100.0	7,049,905	100.0	2,720,350	100.0	2,435,868	100.0

Revenue from our online channels increased significantly from 2017 to 2019. The increase was primarily due to (i) an increase in the number of e-commerce platforms we cooperated with over the Track Record Period, (ii) our strengthened cooperation with various popular e-commerce platforms, (iii) increased sales of multi-item combo packs through our online channels, and (iv) our successful cross-selling strategy that promoted the sales of our personal hygiene products and home care products. Revenue from our online channels decreased in the six months ended 30 June 2020 as compared to the six months ended 30 June 2019, primarily due to the impact of the COVID-19 outbreak. Revenue from direct sales to our key account clients increased from 2017 to 2019 due to our strengthened cooperation with our direct sales KAs. Revenue from direct sales to our key account clients decreased in the six months ended 30 June 2020 as compared to the six months ended 30 June 2019, primarily due to the impact of the COVID-19 outbreak. Revenue from offline distributors decreased by HK$504.4 million, or 15.6%, from HK$3,229.6 million in 2018 to HK$2,725.2 million in 2019, primarily due to our efforts to optimise our offline distributor network since the second half of 2018. Revenue from offline distributors decreased in the six months ended 30 June 2020 as compared to the six months ended 30 June 2019, primarily due to the impact of the COVID-19 outbreak. Please refer to the section headed "Business – Sales and Distribution Network" for details.

CUSTOMERS

Our customers are generally distributors and direct sales clients, including e-commerce platforms, offline distributors, and our key account clients such as hypermarkets and supermarkets. For the years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020, the aggregate revenue generated from our top five customers amounted to HK$1,841.1 million, HK$2,176.8 million, HK$2,550.6 million and HK$981.6 million, respectively, which accounted for 32.7%, 32.2%, 36.2% and 40.3% of our total revenue, respectively. For the same periods, revenue from the largest customer amounted to HK$904.9 million, HK$900.1 million, HK$1,014.1 million and HK$554.9 million, respectively, which accounted for 16.1%, 13.3%, 14.4% and 22.8%, respectively.

PROCUREMENT AND SUPPLIERS

The principal raw materials we use in our production are chemicals and packaging materials. We procure most of our raw materials from suppliers located at the adjacent regions of our production bases. For the years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2019 and 2020, we incurred raw material costs of HK$2,096.4 million, HK$2,611.2 million, HK$2,059.5 million, HK$801.5 million and HK$818.1 million respectively, which accounted for 79.5%, 90.6%, 81.5%, 76.4% and 93.3% of our total cost of sales, respectively. We have maintained stable and long-term relationships with our key suppliers. We consider several factors in the evaluation and selection of our suppliers, including but not limited to their business scale, production capacity, quality control and location of the sites, and most importantly the quality and pricing of their products and services. In general, our suppliers entered into agreements with us for a term of two to five years. For the years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020, the aggregate purchases from our top five suppliers amounted to HK$1,007.8 million, HK$1,001.4 million, HK$871.0 million, and HK$333.4 million, respectively, which accounted for 41.6%, 31.6%, 36.1% and 34.2% of our total purchases, respectively. For the years ended 31 December 2017, 2018 and 2019, and the six months ended 30 June 2020, our purchase from the largest supplier amounted to HK$291.1 million, HK$234.1 million, HK$202.2 million, and HK$80.2 million, respectively, which accounted for 12.0%, 7.4%, 8.4% and 8.2% of our total purchases, respectively.

PRODUCTION BASES

As at the Latest Practicable Date, we owned and operated four production bases to manufacture our products, namely Guangzhou production base, Tianjin production base, Kunshan production base, and Chongqing production base. During the Track Record Period, the utilisation rates of all of our production lines exceeded the industry average utilisation rates and limited our production capacity, according to the Frost & Sullivan Report. In the peak season of our production, the utilisation rate of our production lines are much higher than the industry average utilisation rates. We expect the utilisation rates for our production lines to increase along with the growth of our business. As a result, based on our market research and our future business development plan, we decided to expand the capacity of our production bases.

COMPETITIVE STRENGTHS AND BUSINESS STRATEGY

We believe that the following competitive strengths contribute to our success and differentiate us from our competitors: (i) we are a leader and an early mover in China's household care market and are well-positioned to capture significant growth opportunities, (ii) we have a diverse product portfolio and a proven track record of product development which contributes to the upgrade of China's household care industry, (iii) we have built a powerful and nationwide omni-channel distribution network, (iv) we have built a strong brand with long-term value through knowledge-based marketing and superior customer services, (v) our tech-enabled operations enhance our efficiency, adaptability and scalability, and (vi) our founder and management team are experienced, committed and visionary. Please refer to the section headed "Business – Competitive Strengths" for details.

Our principal business objectives are to focus on enhancing consumers' user experience, increase our market share and strengthen our reputation as experts in the household care industry by pursuing the following strategies: (i) expand and upgrade our product offerings to solidify our leading market position, (ii) further strengthen our omni-channel distribution network and increase products penetration, (iii) continue to win consumers' trust through promotion of scientific cleaning knowledge, (iv) improve consumer experience by enriching our services, (v) accelerate digitisation and upgrade our manufacturing network to further improve operational efficiency, and (vi) retain and recruit high-quality employees. Please refer to the section headed "Business – Business Strategies" for details.

RISK FACTORS

There are certain risks relating to an investment in our Shares. These risks can be characterised as (i) risks relating to our business and industry; (ii) risks relating to the PRC, and (iii) risks relating to the Global Offering. We believe that the most significant risks we face include the following: (i) our success depends on the value, reputation and relevance of our brands, (ii) our efforts in developing, launching and promoting new brands and products, diversifying our brand and product portfolio may not be successful, (iii) we operate in a competitive industry and if we are unable to compete effectively, our business, financial condition, results of operations and prospects would be materially and adversely affected, (iv) we face risks related to health epidemics, infectious diseases and other outbreaks, including the COVID-19 outbreak, (v) any quality issues related to our products or the household care industry could result in a loss of customers and sales and, if related to our products, may subject us to product liability claims, and (vi) our efforts in developing and investing in technology may not generate expected outcomes. For more information, please see the section headed "Risk Factors".

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

Summary of the Consolidated Statements of Comprehensive Income

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
			HK$'000		
				(unaudited)	
Revenue	5,632,033	6,767,945	7,049,905	2,720,350	2,435,868
Cost of sales	(2,636,910)	(2,881,644)	(2,526,895)	(1,048,635)	(877,265)
Gross profit	2,995,123	3,886,301	4,523,010	1,671,715	1,558,603
Other income and other gains, net	23,097	37,446	51,522	34,673	39,768
Selling and distribution expenses	(2,068,649)	(2,547,972)	(2,323,123)	(1,030,713)	(816,386)
General and administrative expenses	(776,271)	(632,774)	(747,765)	(328,924)	(346,154)
Net (provision for)/reversal of impairment loss of financial assets	(16,073)	6,151	(1,867)	226	(6,459)
Operating profit	157,227	749,152	1,501,777	346,977	429,372
Finance income	3,126	6,218	5,652	2,154	4,136
Finance costs	(47,123)	(53,455)	(32,188)	(20,328)	(4,703)
Finance costs, net	(43,997)	(47,237)	(26,536)	(18,174)	(567)
Profit before income tax	113,230	701,915	1,475,241	328,803	428,805
Income tax expenses	(27,071)	(147,930)	(395,624)	(110,847)	(126,612)
Profit for the year/period attributable to the owner of our Company	86,159	553,985	1,079,617	217,956	302,193

Revenue

- *Six months ended 30 June 2020 compared to six months ended 30 June 2019:* the decrease in revenue was primarily due to a decrease in revenue from our fabric care products, which was partially offset by increases in revenue from our personal hygiene products and home care products. These fluctuations were primarily attributable to the impact of the COVID-19 outbreak. While the COVID-19 outbreak weakened consumers' demand for fabric care products, it has also resulted in a significant increase in the demand for disinfectant products, resulting in significant growth in our revenue from sales of our personal hygiene products and home care products in the first six months of 2020.

- *2019 compared with 2018:* the increase in revenue was primarily due to (i) the successful marketing and promotional efforts that contributed to the increase in sales of our fabric care products and (ii) the increased sales through online channels as we increased the number of e-commerce platforms we cooperated with, and strengthened cooperation with various e-commerce platforms, in 2019.

- *2018 compared with 2017:* the increase in revenue was primarily due to (i) the successful marketing and promotional efforts that contributed to the increase in sales of our fabric care products and (ii) the increased sales through online channels as we increased the number of e-commerce platforms we cooperated with, and strengthened cooperation with various e-commerce platforms, in 2018.

Gross profit margin

The increase in our gross profit margin during the Track Record Period was primarily driven by the decreasing price trend of the raw materials as well as other factors such as improved inventory management and production efficiency. Raw materials accounted for 79.5%, 90.6%, 81.5%, 76.4% and 93.3% of our total cost of sales during the years ended 31 December 2017, 2018 and 2019 and the six months ended 30 June 2019 and 2020, respectively. During the same periods, chemicals (a substantial amount of which is comprised of palm oil-based materials) accounted for 48.2%, 49.3%, 44.5%, 41.4% and 49.5% of our total cost of sales, respectively; packaging materials (a substantial amount of which is comprised of LDPE-based materials) accounted for 31.3%, 41.3%, 37.0%, 35.0% and 43.8% of our total cost of sales, respectively. According to the Frost & Sullivan Report, from 2017 to 2019, the price of LDPE decreased from RMB9,513.6 per tonne to RMB7,860.7 per tonne and the price of palm oil decreased from RMB5,771.5 per tonne to RMB4,884.2 per tonne. More specifically:

- *six months ended 30 June 2020 compared to six months ended 30 June 2019:* our overall gross profit margin increased from 61.5% for the six months ended 30 June 2019 to 64.0% for the six months ended 30 June 2020, primarily due to the increased sales of disinfectant products, which has a relatively higher profit margin than other products;

- *2019 compared with 2018:* our overall gross profit margin increased from 57.4% in 2018 to 64.2% in 2019, primarily due to (i) a decrease in our cost of sales mainly as a result of decreases in the costs of palm oil-based chemicals and LDPE supplied to us in 2019, as well as our successful efforts in (a) improving inventory and procurement management and (b) improving our production efficiency; and (ii) to a lesser extent, an increase in sales of products with relatively high gross profit margins as part of our strategy to optimise our product mix; and

- *2018 compared with 2017:* our overall gross profit margin increased from 53.2% in 2017 to 57.4% in 2018, primarily due to (i) a decrease in our cost of sales per unit as a result of decreases in the costs of palm oil-based chemicals supplied to us in 2018, as well as our successful effort in (a) improving inventory and procurement management and (b) improving our production efficiency, and (ii) an increase in sales of certain fabric care products with higher gross profit margins.

Please refer to the section headed “Financial Information – Results of Operations” for details of reasons for fluctuations in consolidated statements of comprehensive income items.

Summary of the Consolidated Balance Sheets

	As at 31 December			As at 30 June
	2017	2018	2019	2020
		HK$'000		
Current assets	2,400,956	2,452,724	3,130,707	2,600,531
Current liabilities	2,701,993	2,103,842	1,775,851	1,147,836
Net current (liabilities)/assets	(301,037)	348,882	1,354,856	1,452,695
Non-current assets	1,974,880	1,835,375	1,909,984	1,907,811
Non-current liabilities	305,003	326,474	401,761	281,498
Total equity	1,368,840	1,857,783	2,863,079	3,079,008

We recorded net current liabilities of HK$301.0 million as at 31 December 2017, primarily due to: (i) our short-term borrowings to finance our construction of production facilities and expansion of existing facilities, which are generally categorised as non-current property, plant and equipment, and (ii) certain trade and bills payables and accruals and other payables resulted from the expansion of our operations. Our liquidity situation improved and we recorded net current assets as at 31 December 2018 and 2019 and 30 June 2020. Please refer to the section headed "Financial Information – Liquidity and Capital Resources – Net current assets/liabilities" for details.

Summary of the Consolidated Statements of Cash Flows

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
			HK$'000		
				(unaudited)	
Net cash generated from operating activities	703,114	249,017	1,032,424	93,516	526,908
Net cash used in investing activities	(214,890)	(138,220)	(193,503)	(9,030)	(81,209)
Net cash used in financing activities	(133,403)	(165,759)	(598,878)	(152,499)	(372,524)
Net increase/(decrease) in cash and cash equivalents	354,821	(54,962)	240,043	(68,013)	73,175
Cash and cash equivalents, at beginning of the year/period	165,075	547,436	467,967	467,967	690,064
Effect of foreign exchange rate changes	27,540	(24,507)	(17,946)	(16,020)	(9,797)
Cash and cash equivalents, at end of the year/period	547,436	467,967	690,064	383,934	753,442

KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios as of the dates or as of the periods indicated:

	Year ended 31 December			Six months ended 30 June	
	2017	2018	2019	2019	2020
				(unaudited)	
Gross profit margin[(1)]	53.2%	57.4%	64.2%	61.5%	64.0%
Net profit margin[(2)]	1.5%	8.2%	15.3%	8.0%	12.4%
Return on equity[(3)]	6.7%	34.3%	45.7%	N/A	N/A
Return on assets[(4)]	2.1%	12.8%	23.1%	N/A	N/A

	As at 31 December			As at 30 June
	2017	2018	2019	2020
Gearing ratio(5)	77.6%	49.9%	16.6%	6.7%
Current ratio(6)	0.9	1.2	1.8	2.3
Quick ratio(7)	0.7	0.9	1.6	1.9

Notes:

(1) Gross profit margin equals gross profit divided by revenue and multiplied by 100%.

(2) Net profit margin equals net profit divided by revenue and multiplied by 100%.

(3) Return on equity equals net profit divided by the average of the beginning and ending total equity and multiplied by 100%.

(4) Return on assets equals net profit divided by the average of the beginning and ending total assets and multiplied by 100%.

(5) Gearing ratio equals total debt (including borrowings and lease liabilities) divided by total equity and multiplied by 100%.

(6) Current ratio equals current assets divided by current liabilities.

(7) Quick ratio equals current assets less inventories divided by current liabilities.

Our overall gross profit margin increased from 53.2% in 2017 to 57.4% in 2018, primarily due to (i) a decrease in our cost of sales per unit as a result of decreases in the cost of palm oil-based chemicals supplied to us in 2018, as well as our successful efforts in improving (a) our inventory and procurement management and (b) our production efficiency, and (ii) an increase in sales of certain fabric care products with higher gross profit margins. Our overall gross profit margin increased from 57.4% in 2018 to 64.2% in 2019, primarily due to (i) a decrease in our cost of sales mainly as a result of decrease in the cost of palm oil-based chemicals and LDPE supplied to us in 2019, as well as our successful efforts in improving (a) our inventory and procurement management and (b) our production efficiency, and (ii) to a lesser extent, an increase in sales of products with relatively high gross profit margins as part of our strategy to optimise our product mix. Our overall gross profit margin increased from 61.5% for the six months ended 30 June 2019 to 64.0% for the six months ended 30 June 2020, primarily due to an increase in the sales of disinfectant products, which has a relatively higher profit margin than other products.

Please refer to the section headed "Financial Information – Key Financial Ratios" for details.

GEARING RATIO

Our gearing ratio decreased from 77.6% as at 31 December 2017 to 49.9% as at 31 December 2018 and 16.6% as at 31 December 2019, and further decreased to 6.7% as at 30 June 2020 primarily due to decreases in borrowings. Had we taken into account (1) the proceeds from the term loan with the principal amount of HK$2,300,000,000 pursuant to the Facility Agreement; (2) the receipt of the net proceeds of HK$8,492 million from the Global Offering which is one of the conditions precedent of the term loan (assuming (i) an Offer Price of HK$11.68 per Share (being the mid-point of the Offer Price Range), (ii) the underwriting commissions and the other estimated expenses payable by us as at 30 June 2020 have been deducted from the proceeds, and (iii) the Over-allotment Option is not exercised); and (3) the distribution of interim dividend of HK$2,300,000,000, the gearing ratio as at 30 June 2020 would have been 27.0%.

USE OF PROCEEDS

Assuming that the Offer Price is HK$11.68 per Share (being the mid-point of the Offer Price Range of between HK$10.20 and HK$13.16 per Share), we estimate that we will receive net proceeds of approximately

HK$8,492 million from the Global Offering after deducting the underwriting commissions and the other expenses payable by us. In line with our business strategies, we intend to use the net proceeds from Global Offering for the purposes and in the amounts set out below:

- approximately 35.6%, or HK$3,024 million, is expected to be used to finance our business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of our laundry services;

- approximately 52.4%, or HK$4,453 million, is expected to be used to raise our brand awareness, further strengthen our sales and distribution network and increase our product penetration;

- approximately 10.0%, or HK$849 million, is expected to be used as our working capital and for other general corporate purposes; and

- approximately 2.0%, or HK$166 million, is expected to be used to enhance our research and development capabilities.

If the Over-allotment Option is exercised in full, after deducting the underwriting commissions and the other expenses payable by us in connection with the exercise of the Over-allotment Option, we estimate the net proceeds we will receive from the Global Offering will be approximately HK$9,775 million assuming that the Offer Price is HK$11.68 per Share (being the mid-point of the Offer Price Range of between HK$10.20 and HK$13.16 per Share).

To the extent that the net proceeds of the Global Offering are not immediately required for the aforesaid purposes, we may hold such funds as short-term, interest-bearing deposits with licensed banks or authorised financial institutions. Please refer to the section headed “Future Plans and Use of Proceeds” for details.

GLOBAL OFFERING STATISTICS

The statistics in the following table are based on the assumptions that (i) the Global Offering is completed and 747,126,500 Shares are issued and sold in the Global Offering, (ii) the Over-allotment Option is not exercised, (iii) the Capitalisation Issue is completed, (iv) no Shares will be issued upon exercise of any options granted under the Pre-IPO Share Option Scheme, (v) 5,747,126,500 Shares are issued and outstanding following the completion of the Global Offering and the Capitalisation Issue, and (vi) the interim dividend in the amount of HK$2,300,000,000 has become unconditional:

	Based on an Offer Price of HK$10.20 per Share	**Based on an Offer Price of HK$13.16 per Share**
Market capitalisation	HK$58,621 million	HK$75,632 million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(1)]	HK$1.40	HK$1.78

Note:

(1) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated after making the adjustments referred to in the section headed “Appendix II – Unaudited Pro Forma Financial Information”, including the impact of the interim dividend in the amount of HK$2,300.0 million. Please refer to the sections headed “Financial Information – Dividends and Dividend Policy” and “Appendix II – Unaudited Pro Forma Financial Information” in this prospectus for further information. It is calculated on the basis that 5,747,126,500 Shares are issued and outstanding immediately following the completion of the Global Offering and Capitalisation Issue.

OUR CONTROLLING SHAREHOLDERS

Immediately following the completion of Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares which may be issued pursuant to the exercise of any outstanding share options granted under the Pre-IPO Share Option Scheme) and the Capitalisation Issue, Ms. Pan, through ZED and Van Group Limited, will be indirectly interested in approximately 77.36% of the issued share capital of our Company. Accordingly, each of Ms. Pan, ZED and Van Group Limited will be a Controlling Shareholder of our Company immediately following completion of the Global Offering and the Capitalisation Issue.

OUR PRE-IPO INVESTORS

Our Group received two rounds of Pre-IPO Investments, pursuant to which each of our Pre-IPO Investors subscribed for preferred shares of Aswann, which was our sole Shareholder prior to the completion of the Distribution. Following the Distribution, the Pre-IPO Investors became our direct Shareholders. For further details of the Pre-IPO Investments, please refer to the section headed "History, Reorganisation and Corporate Structure – Major shareholding changes and Pre-IPO Investments".

COVID-19 OUTBREAK

The COVID-19 outbreak in early 2020 has materially and adversely affected the global economy. The COVID-19 outbreak presented challenges to our business and financial conditions. During the first quarter of 2020, the sales of our fabric care products decreased by HK$494.0 million, as compared with the same period in 2019, primarily due to a decrease in demand of such products as consumers temporarily reduced outdoor activities due to social distancing during the COVID-19 outbreak and the limited operations of certain offline retail shops as a result of the restrictive measures adopted by local governments across China. Affected by the COVID-19 outbreak and the government's relevant control measures, most of our production were temporarily suspended in January and February 2020, other than those for disinfectant products. As at the Latest Practicable Date, all our production bases have resumed operation.

In particular, the sales of our concentrated liquid laundry detergent products have been adversely affected by the COVID-19 outbreak. According to the Frost & Sullivan Report, the market for concentrated liquid laundry detergent in China is still developing. Consumers in China generally have not fully understood the value and effectiveness of the concentrated liquid laundry detergent products and therefore, it may take a longer period of time for consumers in China to fully appreciate the benefits of such products. Accordingly, since the first launch of our Supreme branded concentrated liquid laundry detergent products in 2015, we have sent our sales personnel to offline hypermarkets to engage in onsite sales activities and consumer education activities to help consumers better understand the value and effectiveness of such products. In 2019, the penetration rate of concentrated liquid laundry detergents (being the retail sales value of concentrated liquid laundry detergents as a percentage of total retail sales value of all liquid laundry detergents) in China was 8.2%, while the penetration rate of concentrated liquid laundry detergents in Japan and the U.S. reached 100%, according to the Frost & Sullivan Report. Due to the relatively low penetration rate of the concentrated liquid laundry detergents in China, we have continued to send our sales personnel to conduct consumer education activities in respect of our Supreme branded concentrated liquid laundry detergent products offline as explained above. However, the COVID-19 outbreak had significantly affected our ability to conduct such activities in the first quarter of 2020. As a result, sales of our Supreme branded concentrated liquid laundry detergents declined and based on our ongoing communication with the customers, we recognised sales returns from our direct sales KAs and offline distributors of unsold Supreme branded concentrated liquid laundry detergent products of approximately HK$149.8 million as a result of the COVID-19 outbreak. Such sales returns impacted our consolidated statements of comprehensive income for the six months ended 30 June 2020, representing approximately 6.1% of our revenue for the six months ended 30 June 2020. Among the sales returns, products with a sales amount of HK$95.7 million have been received as at 30 June 2020 and the corresponding trade receivables have been derecognised accordingly. Although the remaining products with a sales amount of HK$54.1 million have not been received by us as at 30 June 2020, as we expect such products will be returned to us based on our ongoing communication with our customers and the progress of the refund requests being processed, we have recognised refund liabilities of HK$53.5 million[1] in relation to these yet-to-be returned products as at 30 June 2020. Between 30 June 2020 and the Latest Practicable Date, products with a sales amount of HK$40.9 million have been returned. Please refer to the sections headed "Financial Information – Significant Accounting Policies, Judgements and Estimates – Provision for sales return" and "Financial Information – Significant Accounting Policies, Judgements and Estimates – Refund liabilities" for our accounting judgement related to product returns and refund liabilities. We accepted such product returns from our customers primarily for commercial considerations, such as to maintain good business relationships with our customers. Based on the information provided by our customers who were Independent Third Parties during the Track Record Period, we estimate that the approximate amount of the unsold inventories of Supreme branded concentrated liquid laundry detergents from our direct sales KAs and offline distributors as at the Latest Practicable Date would not exceed 5% of our revenue for the year ended 31 December 2019.

In the unlikely worst case scenario, assuming (i) all of our operations are suspended indefinitely, (ii) our trade receivables continue to be settled in the same manner as during the Track Record Period, (iii) our general and administrative costs remain unchanged since 30 June 2020, (iv) we maintain our available cash and cash equivalents and our unutilised banking facilities as at 30 June 2020 and (v) we utilise 10% of the net proceeds from the Global Offering as our working capital, we believe our Company would be financially viable for at least 12 months following the occurrence of such worst case scenario. Save as otherwise disclosed in this prospectus, our Directors confirmed that, as at the date of this prospectus, there has been no material adverse change in our financial or trading position or prospects since 30 June 2020. Please refer to the sections headed "Financial Information – Recent Developments and Material Adverse Change" and "Business – Impact of the COVID-19 outbreak on our Business" for details.

RECENT DEVELOPMENTS AND MATERIAL ADVERSE CHANGE

Based on our management accounts, our revenue for the nine months ended 30 September 2020 decreased slightly from the nine months ended 30 September 2019, primarily due to a decrease in revenue from fabric care products. Consumers had a weaker demand for fabric care products in general as consumers reduced outdoor activities due to social distancing during the COVID-19 outbreak primarily in the first half of 2020. Such decrease in revenue was partially offset by an increase in revenue from our personal hygiene products and home care products in the nine months ended 30 September 2020 driven by consumers' increased awareness of personal and household hygiene as a result of the COVID-19 outbreak as well as the general recovery in sales in the third quarter of 2020 as the impact of the COVID-19 outbreak gradually subsided in China. In addition, based on our management accounts, our gross profit for the nine months ended 30 September 2020 slightly decreased

[1] The refund liabilities as at 30 June 2020 were slightly different from the sales amount of the remaining products that have not been received by us as at the same date, due to the different exchange rates used in calculating the income statement line items and the balance sheet line items.

compared to that for the nine months ended 30 September 2019 and our gross profit margin for the nine months ended 30 September 2020 was comparable to that for the nine months ended 30 September 2019.

Term Loan Facility

On 24 November 2020, we entered into a term loan facility agreement with a principal amount of HK$2,300,000,000 (or its U.S. dollar equivalent) (the "**Facility Agreement**") with a syndicate of banks including Citibank, N.A., Hong Kong Branch to finance the payment of the interim dividend we declared in June 2020. Subject to the Listing taking place and the fulfilment of certain customary conditions precedent, the term loan is available for drawdown from the date of the agreement to the earlier of (i) six months after the date of the Facility Agreement and (ii) six months after the Listing Date. Once drawn, the tenor of the loan is 36 months after the date of the Facility Agreement, with an interest rate of the applicable Hong Kong Interbank Offered Rate (if the drawdown is in Hong Kong dollars) or London Interbank Offered Rate (if the drawdown is in U.S. dollars) plus a certain margin. The mandatory repayment of the principal amount of the term loan will take place between the 24th and 36th month after the date of the Facility Agreement. However, the Company may make any voluntary prepayment of the term loan after 6 months from the date of the Facility Agreement (or if earlier, the day on which the available facility is zero). The Facility Agreement contains a set of covenants that are customary for commercial bank loans and requires us to meet certain financial ratio requirements such as maximum net debt-to-EBITDA ratio, minimum EBITDA-to-interest coverage ratio and minimum tangible net worth. The term loan provides for multiple drawdowns which would provide flexibility for us to fund the payment of the interim dividend using such combination of resources which is in the best interest of our Company and the Shareholders as a whole. As at the Latest Practicable Date, no drawdown has been made under the Facility Agreement.

Pre-IPO Share Option Scheme

On 23 September 2020, we adopted the Pre-IPO Share Option Scheme. On 23 September 2020, pursuant to the Pre-IPO Share Option Scheme, we have granted share options to subscribe for an aggregate of 61,651,000 Shares to certain grantees who are our employees (including our Directors and members of our senior management team) and Business Associates of our Group. Please refer to the section headed "Appendix V – Statutory and General Information – D. Pre-IPO Share Option Scheme" for details.

Save as disclosed above in this section, our Directors confirm that there has not been any material adverse change in our financial or trading position or prospects since 30 June 2020.

DIVIDENDS AND DIVIDEND POLICY

Dividends

In January 2013, we declared a dividend in the aggregate amount of HK$188.7 million to ZED, our sole shareholder until November 2010, in respect of our retained earnings for the periods up to 31 December 2009. During 2019, we paid HK$37.0 million of such dividend to ZED and as at 31 December 2019, the amount of the outstanding dividend payable to ZED was HK$48.3 million. In January 2020, we declared a dividend in the amount of HK$36.6 million to ZED in respect of our retained earnings for the periods up to 31 December 2009. During the six months ended 30 June 2020, we paid the total outstanding dividends payable to ZED in the aggregate amount of HK$84.9 million using our internal resources.

During the Track Record Period, save for the interim dividend referred to below, we did not declare any dividend to our sole Shareholder, being Aswann.

In June 2020, we declared an interim dividend to our then sole Shareholder, being Aswann, in the amount of HK$2,300.0 million in respect of our retained earnings for the period up to 30 June 2020. Such dividend is conditional upon the Global Offering being completed on or before 31 December 2021 and subject to such condition being satisfied and with a view to maintaining sufficient flexibility for our operations and business expansions, it will be paid by us on or before 31 December 2021. Such dividend is expected to be funded by internal resources and/or a term loan facility obtained from a syndicate of banks including Citibank, N.A., Hong Kong Branch. None of the net proceeds from the Global Offering will be used to fund such dividend. As at the day the interim dividend was declared, Aswann was held as to 88.70% by ZED, 0.22% by Van Group Limited, 0.07% by Allied Power Limited, 10% by HCM, 0.72% by Hai Fei and 0.29% by CCIL, which is identical to our Company's shareholding structure immediately prior to the Global Offering.

Dividend Policy

We intend to distribute dividends to our Shareholders, the amount of which would be no less than 30% of our net profit for the first financial year (as determined in accordance with HKFRS) subsequent to the Global Offering. However, the amounts of distributions that we have declared and made in the past do not indicate the dividends that we may pay in the future. Our Board may declare dividends in the future after taking into account our earnings, financial condition, operating requirements and capital requirements and any other factors as it may deem relevant at such time. Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and applicable laws and regulations.

LISTING EXPENSES

Assuming an Offer Price of HK$11.68 per Offer Share (which is the mid-point of the Offer Price Range) and the full payment of the discretionary incentive fee, if any, we expect to incur approximately HK$234.0 million of listing expenses (including the aggregate underwriting commissions and fees, the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering), accounting for 2.7% of the gross proceeds from the Global Offering. As at 30 June 2020, approximately HK$21.4 million has been charged to our consolidated statements of comprehensive income as administrative expenses. We expect to incur additional listing expenses of approximately HK$208.6 million after 30 June 2020, of which HK$32.4 million is expected to be recognised as administrative expenses. A total of HK$180.2 million is expected to be capitalised and deducted from equity upon Listing. The listing expenses above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.