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Vinda International Holdings Limited

維達國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3331)

INSIDE INFORMATION

UNAUDITED FIRST QUARTER FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2020 OF VINDA INTERNATIONAL HOLDINGS LIMITED AND UNAUDITED FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020 OF THE CONTROLLING SHAREHOLDER

The board of directors of Vinda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited first quarter financial information of the Group’s business for the three months ended 31 March 2020.

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

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 31 MARCH 2020 OF THE GROUP

The business environment remained challenging in the first quarter of 2020 due to the impact of novel coronavirus and the suspension of production during the epidemic control period, the Group recorded a decline in revenue while the demand remained high and the profitability was still strongly driven by the optimized product mix, and soft pulp price.

Compared to the three months ended 31 March 2019 (“2019Q1”), the unaudited financial information for the three months ended 31 March 2020 (“2020Q1”):

- Total revenue decreased by 16.2% (12.4% at constant exchange rate) to HK\$3,419 million (of which HK\$2,706 million was from Tissue segment and HK\$713 million was from Personal Care segment). The decline was attributable to the slower growth of mainland China which mainly due to temporary supply shortage of products, while the business outside mainland China still maintained a good momentum.

Significantly improved profitability

- Gross profit grew by 19.2% to HK\$1,281 million. Gross margin up 11.2 percentage points (“ppts”) to 37.5% which was mainly driven by the low pulp price, and continuous portfolio mix enhancement.
- Operating profit rose by 55.0% to HK\$527 million. Operating profit margin up 7.1 ppts to 15.4%.
- EBITDA increased by 32.1% to HK\$811 million. EBITDA margin expanded to 23.7%.
- Total foreign exchange loss was HK\$10 million (2019Q1: HK\$16 million gain), of which HK\$11 million loss was from operating payable items (2019Q1: HK\$13 million gain) and HK\$1 million gain was from financing items (2019Q1: HK\$3 million gain).
- Net profit increased by 64.8% to HK\$377 million. Net profit margin up 5.4 ppts to 11.0%.

UNAUDITED FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2020 OF ESSITY AKTIEBOLAG (PUBL)

Essity Aktiebolag (publ) (“**Essity**”), the Company’s controlling shareholder, is a company listed on NASDAQ OMX Stockholm. As at the date of this announcement, Essity beneficially owns approximately 51.85% of the entire issued share capital of the Company.

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

Essity is expected to release its unaudited financial results for the first quarter ended 31 March 2020 on or around 23 April 2020. For details, please visit Essity’s website: www.essity.com.

Shareholders and potential investors of the Company are advised that there is no indication or assurance from the Company that the unaudited financial information of the Group for the three months ended 31 March 2020 will be the same as that presented in Essity’s report for the first quarter of 2020.

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

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

Hong Kong, 22 April 2020

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

Executive Directors:

Mr. LI Chao Wang

Ms. YU Yi Fang

Mr. Johann Christoph MICHALSKI

Ms. LI Jielin

Mr. DONG Yi Ping

Non-executive Directors:

Mr. Jan Christer JOHANSSON

Mr. Carl Magnus GROTH

Mr. Carl Fredrik Stenson RYSTEDT

Independent Non-executive Directors:

Mr. CHIA Yen On

Ms. LEE Hsiao-yun Ann

Mr. TSUI King Fai

Mr. WONG Kwai Huen, Albert

Alternate Directors:

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

Mr. Dominique Michel Jean DESCHAMPS (alternate to Mr. RYSTEDT)