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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 2019 OF VINDA INTERNATIONAL HOLDINGS LIMITED AND UNAUDITED FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2019 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 2019.

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 2019 OF THE GROUP

The business environment continued to be challenging in the first quarter of 2019 due to intense competition and the relatively high pressure of raw material cost. Despite all challenges, the Group managed to achieve double-digit organic growth in revenue and alleviate some of the cost pressure, thanks to the effective implementation of continuous cost-saving mechanism, new product launches and portfolio mix enhancement.

Compared to the three months ended 31 March 2018 (“2018Q1”), the unaudited financial information for the three months ended 31 March 2019 (“2019Q1”):

- Total revenue increased by 7.9% (13.4% at constant exchange rate) to HK\$4,079 million (of which HK\$3,382 million was from Tissue segment and HK\$697 million was from Personal Care segment). The growth was driven by strong sales from all regions, mainland China and Hong Kong in particular.
- Gross profit slightly decreased by 0.3% to HK\$1,074 million with a corresponding margin of 26.3%. Gross margin was down by 2.2 percentage points (“ppts”), which was mainly driven by the increased pulp cost and devaluation of Renminbi. Compared to fourth quarter 2018 (“2018Q4”), however, gross margin sustained, as pulp price and exchange rates have become stabilised since 2018 year end.
- Selling & marketing cost and general administrative cost both declined in absolute and relative terms, counter balancing part of the negative effects. Operating profit therefore rose by 2.7% to HK\$340 million. Operating profit margin was 8.3%, slipped by only 0.5 ppt. Compared to 2018Q4, operating margin improved by 2.2 ppts.
- EBITDA increased by 7.7% to HK\$614 million. EBITDA margin stood at 15.0% and improved by 3.1 ppts compared to 2018Q4.
- Total foreign exchange gain was HK\$16 million (2018Q1: HK\$7 million gain), of which HK\$13 million gain was from operating payable items (2018Q1: HK\$20 million gain) and HK\$3 million gain was from financing items (2018Q1: HK\$13 million loss).

UNAUDITED FIRST QUARTER RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2019 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 51.94% of the entire issued share capital of the Company.

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

Essity has on or about 25 April 2019 released its unaudited financial results for the first quarter ended 31 March 2019. 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 2019 will be the same as that presented in Essity’s report for the first quarter of 2019.

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

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

Hong Kong, 25 April 2019

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

Executive Directors:

Mr. LI Chao Wang

Ms. YU Yi Fang

Mr. Johann Christoph MICHALSKI

Mr. DONG Yi Ping

Ms. LI Jielin

Non-executive Directors:

Mr. Jan Christer JOHANSSON

Mr. Carl Magnus GROTH

Mr. Carl Fredrik Stenson RYSTEDT

Independent Non-executive Directors:

Mr. CHIA Yen On

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. Herve Stephane ROSE (alternate to Mr. RYSTEDT)