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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)

FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### HIGHLIGHTS

- Total revenue increased by 0.9% (at a constant exchange rate) to HK\$7,634 million in the first half of the year
- Revenue rose by 14.9% (at a constant exchange rate) in the second quarter, in which the strong organic growth<sup>1</sup> of 20.1% in mainland China reflected a clear sign of recovery
- E-commerce channels recorded a 30% organic growth
- Feminine care and incontinence care business in mainland China delivered robust performance

- Gross profit increased by 32.6% to HK\$2,941 million and gross margin was up by 10.4 percentage points (“ ”)
- Operating profit soared by 99.6% to HK\$1,257 million while operating margin was widened by 8.5 ppts to 16.5%
- Net profit grew significantly by 107.5% to HK\$913 million. Net profit margin expanded 6.4 ppts to 12.0%

Operating profit margin increased by 8.5 ppts to 16.5% (1H2019: 7.7%)

Net profit margin expanded by 6.4 ppts to 12.0% (1H2019: 5.6%)

Operating profit margin increased by 10.0 ppts to 16.5% (1H2019: 7.0%)

The Board of Directors (the “**B**oard”) of Vinda International Holdings Limited (“**V**inda” or the “**C**ompany”) is pleased to present the unaudited interim results of the Company and its subsidiaries (the “**G**roup”) for the six months ended 30 June 2020 (the “**1H2020**” or “**1H2020**”).

## **MANAGEMENT DISCUSSION AND ANALYSIS**

In 1H2020, the pandemic had a big impact on the global economy. Despite the temporary supply shortage in mainland China and Southeast Asia during the pandemic, production and logistics supply chain gradually returned to normal. Sales momentum was strong in the second quarter due to channel restocking and increased hygiene awareness. During the Period, the Company’s profitability significantly increased, driven by the continuous optimization of product portfolio and the low-cost wood pulp.

### **Financial Highlights**

In 1H2020, total revenue of the Group amounted to HK\$7,634 million, an organic growth of 0.9% and a growth of -3.3% in Hong Kong dollar terms. Mainland China recorded a 20.1% organic growth in revenue in the second quarter of 2020 which reflected a clear sign of recovery.

In respect of business segments, Tissue segment and Personal Care segment contributed to 82% and 18% of the total revenue, respectively. In respect of sales channels, traditional distributors, key account managed supermarkets and hypermarkets, B2B corporate customers and e-commerce accounted for 29%, 26%, 12% and 33% of the total revenue, respectively.

In 1H2020, gross profit rose by 32.6% to HK\$2,941 million attributable to lower wood pulp price and portfolio mix enhancement, and the gross margin increased by 10.4 ppts to 38.5%.

EBITDA grew by 54.2% to HK\$1,818 million while EBITDA margin was widened by 8.9 ppts to 23.8%.

Total administrative costs as a percentage of sales increased by 1.1 ppts to 5.7%. Total selling & marketing costs as a percentage of sales increased by 1.0 ppt to 16.6%. Operating margin is 16.5%, up by 8.5 ppts.

Interest expenses were HK\$87 million, representing a decrease of HK\$29 million as compared to that of 1H2019.

Total foreign exchange loss was HK\$11 million (1H2019: loss of HK\$10 million), of which HK\$13 million loss was reported in operating items (1H2019: loss of HK\$13 million), and HK\$2 million gain in financing items (1H2019: gain of HK\$3 million).

Net gearing ratio decreased by 8.5 ppts to 32.5% compared to that of the end of 2019.

Effective tax rate increased by 6.8 ppts to 22.8%.

Net profit increased significantly by 107.5% to HK\$913 million. Net profit margin expanded 6.4 ppts to 12.0%.

Basic earnings per share rose by 107.3% to 76.3 HK cents.

The Board has resolved to declare an interim dividend of 10.0 HK cents per share for the Period (1H2019: 7.0 HK cents per share).

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Affected by the novel coronavirus pandemic, the production and logistics in mainland China in the first quarter were disrupted but recovered in the second quarter. Revenue from the Tissue segment amounted to around HK\$6,243 million, representing a growth of 0.3% at constant exchange rate and accounting for 82% of the Group's total revenue (1H2019: 82%). The proportion of premium portfolio continued to increase to 24.5% of the total sales of the Group, reflecting our focus on the premium market. The gross margin and segment result margin of the Tissue segment were 39.4% and 19.3%, respectively.

Successful brand management and effective marketing and promotion enabled Vinda to maintain its leading tissue market share<sup>3</sup>. Market share increased from 17.3% in the first quarter to 18.3% in the second quarter<sup>4</sup>. In 1H2020, Vinda's innovation program successfully delivered *Vinda's Natural Soft Tissue* (維達純木本色紙). Its raw material was 100% high-quality unbleached wood pulp and it has adopted 4D embossing technology. *Tempo* invited Kris Wu (吳亦凡), a famous celebrity, as the spokesperson to enhance the modern image of *Tempo*. Online and offline marketing activities further boosted sales. In Hong Kong, new wet toilet tissue products and soft pack tissue were successfully launched and received strong market response.

During the pandemic, the improved public health awareness has further accelerated the uptrading of the Group's premium products and brands.

### 個人護理

Revenue from the Personal Care segment reached HK\$1,391 million, representing a growth of 3.7% at a constant exchange rate and accounting for 18% of the Group's total revenue (1H2019: 18%).

Gross profit margin and segment result margin of the Personal Care segment were 34.5% and 12.7%, respectively. The segment result margin reflected the early stage of development of the Personal Care business in China.

While Personal Care segment was negatively impacted in Southeast Asia and North Asia in the second quarter, Personal Care business in mainland China has seen a significant improvement driven by the launches of new-generation feminine products and incontinence products which started last year.

In addition to consumer marketing operations, incontinence care also played a major role in the pandemic in China supporting front line staff. The use of incontinence products reduced the consumption of protective equipment and enhanced working efficiency. Good sales growth was recorded for both *TENA* and *Dr. P*, the two main incontinence brands of Vinda despite supply challenges across the region.

With regard to feminine care, *Libresse* 薇爾 established itself as a high-end brand that breaks the taboo on women's menstruation and feminine hygiene. It successfully engaged Zhou Dongyu (周冬雨), a famous award-winning actress, as a brand ambassador. Through online and offline promotion and new retail channels, sales volume increased significantly. In Malaysia, *Libresse* maintained its no.1<sup>5</sup> leading position in terms of market share.

Southeast Asia is the main market for our baby care business. Through the “*Drypers When it Fits, It's Amazing*” marketing campaign and the special edition Hogi series launched with the creation team of the children song Baby Shark, the brand has gained a wider recognition in the market which further strengthened the leading<sup>5</sup> position of *Drypers* in Malaysia.

## 生產能力

As at 30 June 2020, Vinda's annual designed production capacity for tissue paper amounted to 1,250,000 tons. It is expected that the annual designed production capacity for tissue paper will remain unchanged till the end of 2020. Currently, we continue to expand the production capacity of wet wipes in southern and northern China and expect to complete the expansion of production capacity for tissue paper in southern and eastern China in 2021.

## 人力資源

Employees are the most valuable contributors to Vinda's sustainable development. We strive to offer equal employment opportunities to all qualified candidates regardless of age, nationality, race, religion, sexual orientation, gender, etc. We also offer fair and reasonable remunerations, performance incentives and a career advancement mechanism. Furthermore, we ensure that our employees continuously develop their skills and capabilities by providing a range of training opportunities. During the Period, Vinda was awarded the “2020 Human Resources Management Excellence Award”(二零二零年人力資源管理傑出獎) by JOBS (前程無憂) in mainland China.

During the Period, a total of 382,616 hours of training were conducted in mainland China for a total of 19,611 participants. In Malaysia, a total of 19,791 hours of trainings were provided to a total of 610 participants. In Taiwan, a total of 1,738 hours of trainings were provided to a total of 194 participants.

As at 30 June 2020, we had a total of 11,247 employees, compared to 10,941 as at 30 June 2019.

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. 99% of our employees have been trained on the code of conduct. While the heads 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.

## Occupational Health and Safety

We attach great importance to occupational health and safety with our goal of “zero accident”.

In mainland China, 1,338 seminars were held for a total of 52,943 participants during the Period. The Lost Time Accident (“**LTA**”) was 2 cases (1H2019: 5 cases). The Lost Days from Accident (“**DLA**”) was 881 days (1H2019: 792 days). In Malaysia, LTA was 2 cases (1H2019: 1 case) and DLA was 54 days (1H2019: 21 days). In Taiwan, LTA was 1 case and DLA was 1 day (1H2019: both LTA and DLA were zero).

## Community Support

During the outbreak of the pandemic, Vinda donated more than a million items of hygiene products to medical staff and the public. The Group took the initiative to donate tissue, wet wipes and masks to numerous elderly homes in Hong Kong. In mainland China, in order to raise consumers’ awareness on hygiene, *Tempo* and *DiDi* (滴滴出行) together provided more than 100,000 pieces hankies and wet wipes to passengers. Vinda brand donated more than 2 million pieces wet wipes to hospitals in various locations and the Chinese Center for Disease Control and Prevention (“**China CDC**”). With regard to the incontinence segment, we donated more than 60,000 pieces of incontinence care products under the *TENA* and *Dr. P* brands to hospitals, China CDC and elderly homes. Since most medical workers were females, we donated more than 1,700 cartons of *Libresse* feminine care products to support their frontline work. Meanwhile, we donated over ten thousand pieces *Libresse* feminine care products to university students and underprivileged communities in Malaysia. In Taiwan, we donated incontinence care products to numerous social welfare organizations.

Vinda Volunteer Team and *Vinda Charity Foundation* united to organise various social service activities. During the Period, 69 participants of Vinda volunteers spent 303.5 hours on social services.

## 1.4 2020年1-9月

During the Period, the Group became a constituent stock of the Hang Seng Composite Index and Hang Seng Stock Connect Greater Bay Area Composite Index, which allowed the investors in mainland China to trade the shares of Vinda through the Shanghai/Shenzhen-Hong Kong Stock Connect scheme, thereby further broadening the investor base and enhancing the Company's valuation and share liquidity. In addition, the Group became a constituent stock of the MSCI Global Standard Indexes and the MSCI China All Shares Index. We believe that it will further create more investors' interest in the Group and enhance Vinda's profile in the international capital markets.

## 1.5 展望

It is expected that the operating environment in the second half of 2020 will continue to be affected by the economic slowdown, the ongoing Sino-US trade friction, intensified market competition and volatility of Renminbi exchange rate. We believe that Vinda has the right set up to meet these challenges and to take advantage at the opportunities in Tissue and Personal Care across the region.

In respect of paper products, the rising personal hygiene awareness of consumers have spurred a strong demand for products such as wet wipes and premium tissue paper products. We have seen the structural upgrade of household paper, thus expecting such trend to continue and the growth of premium paper market segment is expected to be substantially higher than the overall market. In addition, the promising growth potential of per capita consumption of household paper in China led to a medium to high single-digit growth per annum in overall market scale. Not only can Vinda expand the business scale of paper products by tapping into the market growth, but it can also capture the business opportunities brought by the consumption upgrade trend, in order to further secure and enhance its market position of premium paper products.

There is a growing demand in the personal care market, especially amid the pandemic which enhanced consumers' awareness on incontinence care products, and the accelerating aging population in China would serve as a tailwind for the incontinence care products market. To capture this growing market, the Group has launched a new-generation of sanitary napkins in mainland China. In addition to providing local consumers with more suitable products, it can also give another boost to the growth of its personal care business.

The pandemic has accelerated the shift of consumption habit to online consumption. Our leading position in the e-commerce channels will allow us to continue to grow, and to further increase the product penetration rate and market share through the development of online and offline integration. With the gradual recovery of the catering and tourism industries, the demand from the general public for hygiene products persists, and it is expected that there will be further significant room for growth of the B2B channels in the long run.

Looking into the future, the COVID-19 pandemic may lead to increased demand for the Company's leading hygiene and health products as a result of an increased awareness of the importance of hygiene and health.

We will stay focused on the following development strategies:

1. We will continue to focus on product innovation and strive to stand out from the peers by optimizing our product mix to enhance our brand competitiveness and profit margin;
2. We will continue to develop sizable Personal Care business in China;
3. We will leverage the comprehensive layout of channels and our competitive edge in e-commerce channels to tap every potential opportunity through excellent sales execution capabilities;
4. We will rigorously control the costs and make the best use of our resources to optimize cost-effectiveness;
5. We will continue to improve the efficiency of production and operation in order to support sustainable business growth; and
6. We will strengthen our financial position with strong operating cash flow and cautious management of working capital.

#### *Remarks*

<sup>1</sup> *Organic growth: Year on year growth at a constant exchange rate*

<sup>2</sup> *Net gearing ratio: Net debt divided by total shareholders' equity*

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

<sup>3</sup> *Source: Kantar Worldpanel, sales value year-to-date at 12 June 2020*

<sup>4</sup> *Source: Kantar Worldpanel, sales value of first quarter and second quarter in 2020*

<sup>5</sup> *Source: Kantar Worldpanel, sales value year-to-date at 19 May 2020*

INDEPENDENT AUDITORS' REPORT

		2020	2019
	Note	HK\$	HK\$
Cost of sales	4	7,633,952,987 <u>(4,693,143,894)</u>	7,890,727,154 <u>(5,673,422,318)</u>
Gross profit		2,940,809,093	2,217,304,836
Selling and marketing costs		(1,268,323,900)	(1,230,433,416)
Administrative expenses		(427,396,249)	(359,645,696)
Net impairment losses on financial assets		(4,212,575)	(1,629,925)
Other income and gains – net		15,886,083	4,130,044
Finance income and costs – net	5	1,256,762,452	629,725,843
Share of post-tax loss of an associate	6	(74,954,307) <u>(61,740)</u>	(106,166,757) <u>–</u>
Income tax expense	7	1,181,746,405 <u>(268,952,518)</u>	523,559,086 <u>(83,697,831)</u>
		<u>912,793,887</u>	<u>439,861,255</u>
Item that may be reclassified to profit or loss			
– Currency translation differences		(241,235,928)	(34,118,556)
		<u>671,557,959</u>	<u>405,742,699</u>
Earnings per share			
– basic	8(a)	<u>0.763</u>	<u>0.368</u>
– diluted	8(b)	<u>0.761</u>	<u>0.368</u>

# I E L C DE ED C DA ED BA A CE HEE

		30 December 2020 HK\$	Audited 31 December 2019 HK\$
<b>A</b>			
Property, plant and equipment	10	8,746,510,389	8,858,171,961
Right-of-use assets	11	1,206,606,536	1,250,456,963
Intangible assets	10	2,668,905,611	2,780,086,369
Deferred income tax assets		422,064,446	456,674,351
Investment properties	10	3,901,723	4,039,119
Investment in an associate		2,463,879	2,525,619
		<b>13,050,452,584</b>	13,351,954,382
<b>G</b>			
Inventories		3,515,648,809	3,223,321,363
Trade and notes receivables	12	1,938,787,693	1,916,318,675
Other receivables	12	261,274,625	237,999,919
Prepayments	12	92,333,083	59,439,391
Due from related parties		35,324,304	32,065,779
Cash and cash equivalents		876,106,948	460,387,446
		<b>6,719,475,462</b>	5,929,532,573
		<b>19,769,928,046</b>	19,281,486,955
<b>E</b>			
Share capital		119,749,737	119,510,337
Share premium		4,391,632,445	4,356,240,018
Other reserves		5,397,983,711	4,987,460,947
		<b>9,909,365,893</b>	9,463,211,302

**INTERCOMDEDEC LIMITED (INCORPORATED IN HONG KONG)**

		31 December 2020 HK\$	Audited 31 December 2019 HK\$
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	14	2,507,207,530	2,297,063,820
Loans from a related party	14	90,487,607	1,274,928,072
Lease liabilities	11	110,470,003	119,942,991
Deferred government grants		266,941,345	266,342,534
Deferred income tax liabilities		187,591,921	193,616,342
Post-employment benefits		24,339,164	26,952,299
Other non-current liabilities	15	14,361,232	29,214,726
		<u>3,201,398,802</u>	<u>4,208,060,784</u>
<b>Current liabilities</b>			
Trade payables, other payables and accrued expenses	13	4,537,161,093	4,603,848,772
Dividends payable		251,474,448	–
Contract liabilities		125,577,845	122,842,206
Borrowings	14	1,028,440,236	584,195,903
Loan from a related party	14	300,000,000	–
Lease liabilities	11	60,761,364	62,796,875
Due to related parties		19,467,673	15,813,259
Current income tax liabilities		252,901,092	220,717,854
Other current liabilities	15	83,379,600	–
		<u>6,659,163,351</u>	<u>5,610,214,869</u>
		<u>9,860,562,153</u>	<u>9,818,275,653</u>
		<u>19,769,928,046</u>	<u>19,281,486,955</u>

**I E L C DE ED C A IDA ED A E E F CHA GE**  
**I E I**

	A			
	HK\$	HK\$	HK\$	HK\$
<b>B 1 2019</b>	119,485,237	4,351,781,230	4,258,649,944	8,729,916,411
Profit for the period	–	–	439,861,255	439,861,255
Other comprehensive income				
<i>Item that may be reclassified to profit or loss</i>				
– Currency translation differences	–	–	(34,118,556)	(34,118,556)
	–	–	405,742,699	405,742,699
<b>B 30 2019</b>	–	–	405,742,699	405,742,699
Employees share option scheme				
– Exercise of share options	14,500	2,433,340	(652,680)	1,795,160
Dividends	–	–	(167,299,632)	(167,299,632)
	14,500	2,433,340	(167,952,312)	(165,504,472)
<b>B 30 2019</b>	<u>119,499,737</u>	<u>4,354,214,570</u>	<u>4,496,440,331</u>	<u>8,970,154,638</u>
<b>B 1 2020</b>	119,510,337	4,356,240,018	4,987,460,947	9,463,211,302
Profit for the period	–	–	912,793,887	912,793,887
Other comprehensive income				
<i>Item that may be reclassified to profit or loss</i>				
– Currency translation differences	–	–	(241,235,928)	(241,235,928)
	–	–	671,557,959	671,557,959
<b>B 30 2020</b>	–	–	671,557,959	671,557,959
Employees share option scheme				
– Exercise of share options	239,400	35,392,427	(9,560,747)	26,071,080
Dividends	–	–	(251,474,448)	(251,474,448)
	239,400	35,392,427	(261,035,195)	(225,403,368)
<b>B 30 2020</b>	<u>119,749,737</u>	<u>4,391,632,445</u>	<u>5,397,983,711</u>	<u>9,909,365,893</u>

**I E L C DE ED C A DA ED A E E F CA H**  
**F**

	Note	2020 HK\$	2019 HK\$
Cash generated from operations		1,233,791,209	1,490,649,248
– interest paid		(91,985,994)	(112,729,406)
		<u>1,141,805,215</u>	<u>1,377,919,842</u>
– purchases of property, plant and equipment		(546,492,232)	(801,791,094)
– purchases of intangible assets		(12,960,482)	(36,098,851)
– purchases of land use rights		(2,391,250)	(7,756,876)
– payment for addition of investment properties		–	(83,000)
– proceeds on disposal of property, plant and equipment		666,614	937,258
– government grants received		16,659,852	30,085,808
– interest received		10,102,929	6,563,226
		<u>(534,414,569)</u>	<u>(808,143,529)</u>
– dividends paid		–	(167,299,632)
– repayments of borrowings	14	(1,122,938,009)	(2,541,565,499)
– repayments of loans from a related party	14	(880,116,846)	(168,000,000)
– proceeds from borrowings	14	1,832,310,432	1,946,284,946
– proceeds from loans from a related party	14	–	300,000,000
– proceeds from shares issued		26,071,080	1,795,160
– lease payments for right-of-use assets excluding land use rights		(37,938,800)	(35,264,474)
		<u>(182,612,143)</u>	<u>(664,049,499)</u>
		424,778,503	(94,273,186)
Cash and cash equivalents at beginning of the period		460,387,446	574,465,154
Exchange differences		(9,059,001)	6,730,653
		<u>876,106,948</u>	<u>486,922,621</u>

# THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 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 16 July 2020 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 2020 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 2019, 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 2019, 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.

#### (c) Adoption of new or amended standards

A number of new or amended standards became applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

		Effective date
HKAS 1 and HKAS 8 (Amendments)	Definition of Material	1 January 2020
HKFRS 3 (Amendments)	Definition of a Business	1 January 2020
Revised Conceptual Framework	Revised Conceptual Framework for Financial Reporting	1 January 2020
HKFRS 9, HKAS 39 and HKFRS 7 (Amendments)	Interest Rate Benchmark Reform	1 January 2020
HKFRS 16 (Amendments)	Covid-19-related Rent Concessions	1 June 2020

### 3 重大會計政策變動 (Critical Accounting Estimates (Carrying Amount))

( ) 本集團於2020年1月1日開始應用香港會計師公會頒佈的若干新修訂香港財務報告準則。本集團已評估該等修訂對本集團財務狀況及表現的影響，並已決定自2020年1月1日起應用該等修訂。本集團已評估該等修訂對本集團財務狀況及表現的影響，並已決定自2020年1月1日起應用該等修訂。

Standard	Description	Effective Date
HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current	1 January 2022
HKAS 16 (Amendments)	Property, Plant and Equipment: Proceeds before intended use	1 January 2022
HKAS 37 (Amendments)	Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
HKFRS 3 (Amendments)	Reference to the Conceptual Framework	1 January 2022
HKFRS 17	Insurance contracts	1 January 2023
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture	To be determined
Annual Improvements to HKFRS Standards 2018–2020		1 January 2022

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

#### 4 SEGMENTATION

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.

The executive committee assesses the performance of the operating segments based on a measure of segment results without considering amortisation of trademarks, licences and contractual customer relationships, unallocated costs, finance income/(costs) and income tax expense which is consistent with that in the annual consolidated financial statements. Unallocated costs are mainly the central expenses.

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.

Additions to non-current assets comprise additions to property, plant and equipment, right-of-use assets and intangible assets.

#### 4 SEGMENT INFORMATION (Continued)

The segment information for the six months ended 30 June 2020 and 2019 are as follows:

	Six months ended 30 June 2020 (Unaudited)		
	2020	2019	2018
	H\$	H\$	H\$
<b>Six months ended 30 June 2020</b>			
Segment revenue	6,242,466,130	1,391,486,857	7,633,952,987
Segment results	1,206,894,554	176,599,378	1,383,493,932
Amortisation of trademarks, licences and contractual customer relationships	(5,420,075)	(27,723,843)	(33,143,918)
Segment profit	<u>1,201,474,479</u>	<u>148,875,535</u>	<u>1,350,350,014</u>
Other income and gains – net			15,886,083
Unallocated costs			<u>(109,473,645)</u>
Operating profit			<u>1,256,762,452</u>
Finance income and costs – net			(74,954,307)
Share of post-tax loss of an associate			<u>(61,740)</u>
Profit before income tax			1,181,746,405
Income tax expense			<u>(268,952,518)</u>
Profit for the period			<u>912,793,887</u>

Depreciation of property, plant and equipment

4 SEGMENT INFORMATION (Continued)

	Six months ended 30 June 2019 (Unaudited)		
	Household paper products	Personal care products	Total
	HK\$	HK\$	HK\$
<b>Six months ended 30 June 2019</b>			
Segment revenue	<u>6,502,415,293</u>	<u>1,388,311,861</u>	<u>7,890,727,154</u>
Segment results	603,139,270	98,880,514	702,019,784
Amortisation of trademarks, licences and contractual customer relationships	<u>(5,536,031)</u>	<u>(28,637,643)</u>	<u>(34,173,674)</u>
Segment profit	<u><u>597,603,239</u></u>	<u><u>70,242,871</u></u>	<u><u>667,846,110</u></u>
Other income and gains – net			4,130,044
Unallocated costs			<u>(42,250,311)</u>
Operating profit			<u><u>629,725,843</u></u>
Finance income and costs – net			<u>(106,166,757)</u>
Profit before income tax			523,559,086
Income tax expense			<u>(83,697,831)</u>
Profit for the period			<u><u>439,861,255</u></u>
<b>Six months ended 30 June 2018</b>			
Depreciation of property, plant and equipment	(392,997,140)	(57,372,219)	(450,369,359)
Depreciation of right-of-use assets	(30,004,784)	(16,105,229)	(46,110,013)
Depreciation and amortization of investment properties and intangible assets other than trademarks, licences and contractual customer relationships	<u>(17,064,492)</u>	<u>(1,826,599)</u>	<u>(18,891,091)</u>
Additions to non-current assets	<u>511,530,824</u>	<u>362,880,138</u>	<u>874,410,962</u>

4 SEGMENT INFORMATION (Continued)

As at 30 June 2020 (Audited)

	Household paper products HK\$	Personal care products HK\$	Total HK\$
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As at 30 June 2020

Segment assets	<u>15,241,761,024</u>	<u>4,101,068,528</u>	19,342,829,552
Deferred income tax assets			422,064,446
Investment in an associate			2,463,879
Prepaid income tax recoverable			<u>2,570,169</u>
			<b><u>19,769,928,046</u></b>

Segment liabilities	<u>8,151,975,574</u>	<u>1,016,619,118</u>	9,168,594,692
Dividends payable			251,474,448
Deferred income tax liabilities			187,591,921
Current income tax liabilities			<u>252,901,092</u>
			<b><u>9,860,562,153</u></b>

As at 31 December 2019 (Audited)

	Household paper products HK\$	Personal care products HK\$	Total HK\$
Segment assets	<u>14,766,367,163</u>	<u>4,053,847,319</u>	18,820,214,482
Deferred income tax assets			456,674,351
Investment in an associate			2,525,619
Prepaid income tax recoverable			<u>2,072,503</u>
			<b><u>19,281,486,955</u></b>
Segment liabilities	<u>8,404,133,627</u>	<u>999,807,830</u>	9,403,941,457
Deferred income tax liabilities			193,616,342
Current income tax liabilities			<u>220,717,854</u>
			<b><u>9,818,275,653</u></b>

5 非经常性损益

Profit for the period includes the following items that are unusual because of their nature, size and incidence:

	截至2020年12月31日止	
	2020	2019
	HK\$	HK\$
Gain		
Reversal for impairment of inventories	22,973,680	10,327,809
Expense		
Remeasurement of long-term incentive plans	69,470,832	8,142,354
Impairment losses on property, plant and equipment	25,629,102	–
Net impairment losses on financial assets	4,212,575	1,629,925
Loss on disposal of property, plant and equipment	1,612,499	460,039
	<u>1,612,499</u>	<u>460,039</u>

6 财务费用

	截至2020年12月31日止	
	2020	2019
	HK\$	HK\$
Interest expense		
– Borrowings	(82,812,000)	(111,126,128)
– Lease liability (Note 11)	(3,781,734)	(4,324,252)
Foreign exchange gain – net	1,536,498	2,720,397
Interest income		
– Bank deposits	10,102,929	6,563,226
Net finance costs	<u>(74,954,307)</u>	<u>(106,166,757)</u>

## 7 I C \_ E A E E \ E

The applicable corporate income tax rate for mainland China subsidiaries is 25% except for subsidiaries which are qualified as High and New Technology Enterprises and would be entitled to enjoy a beneficial tax rate of 15%. The subsidiaries may additionally deduct 75% of qualified research and development expenses when calculating the taxable income.

Hong Kong and overseas profits tax has been provided at the rates of taxation prevailing in the countries in which the Group operates respectively.

	2020	2019
	HK\$	HK\$
Current income tax		
– Overseas and Hong Kong profits tax	78,859,374	100,432,923
– Mainland China income tax	167,404,918	50,025,772
Deferred income tax	<u>22,688,226</u>	<u>(66,760,864)</u>
	<u><b>268,952,518</b></u>	<u><b>83,697,831</b></u>

The estimated average annual tax rate used for the six months ended 30 June 2020 is 22.8% (for the six months ended 30 June 2019: 16.0%).

## 8 EA I G、 E \ HA E

### ( ) B

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.

	2020	2019
Profit attributable to equity holders of the Company (HK\$)	<u>912,793,887</u>	<u>439,861,255</u>
Weighted average number of ordinary shares in issue	<u>1,196,731,483</u>	<u>1,194,960,522</u>
Basic earnings per share (HK\$ per share)	<u><b>0.763</b></u>	<u><b>0.368</b></u>

## 8 Earnings per share (EPS)

### (a) Diluted

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

	2020	2019
Profit attributable to equity holders of the Company (HK\$)	<u>912,793,887</u>	<u>439,861,255</u>
Weighted average number of ordinary shares in issue	<b>1,196,731,483</b>	1,194,960,522
Adjustments for share options	<u>2,433,692</u>	<u>938,643</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,199,165,175</u>	<u>1,195,899,165</u>
Diluted earnings per share (HK\$ per share)	<u><b>0.761</b></u>	<u>0.368</u>

## 9 Dividends

On 1 June 2020, the Annual General Meeting of the Company approved final dividend of HK\$0.210 per ordinary share for the year ended 31 December 2019. The final dividend will be paid on 14 August 2020 based on the number of issued shares outstanding at that time.

On 16 July 2020, the Board has resolved to declare an interim dividend of HK\$0.10 per share (2019: HK\$0.07 per share). This interim dividend, amounting to HK\$119,749,737 (2019: HK\$83,649,816) based on the 1,197,497,373 issued shares as at 30 June 2020, 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 2020.

10 E, A A D E I E, I A G I B E A A E A D I E E E  
E I E

	HK\$	HK\$	HK\$
<b>30 June 2019</b>			
Opening net book amount as at			
1 January 2019	8,997,273,418	2,823,114,342	7,217,853
Additions	617,308,505	35,310,207	83,000
Disposals	(1,419,198)	–	–
Depreciation and amortisation	(450,369,359)	(52,910,175)	(154,590)
Exchange differences	<u>(36,215,539)</u>	<u>(1,559,376)</u>	<u>(9,247)</u>
Closing net book amount as at			
30 June 2019	<u>9,126,577,827</u>	<u>2,803,954,998</u>	<u>7,137,016</u>
<b>30 June 2020</b>			
Opening net book amount as at			
1 January 2020	8,858,171,961	2,780,086,369	4,039,119
Additions	554,309,146	12,960,482	2
Disposals	(2,279,113)	2	2
Depreciation and amortisation	(457,410,536)	(55,755,007)	(89,731)
Impairment	(25,629,102)	2	2
Exchange differences	<u>(180,651,967)</u>	<u>(68,386,233)</u>	<u>(47,665)</u>
Closing net book amount as at			
30 June 2020	<u><u>8,746,510,389</u></u>	<u><u>2,668,905,611</u></u>	<u><u>3,901,723</u></u>

During the Period, the Group has capitalized borrowing costs amounting to HK\$5,052,278 (for the six months ended 30 June 2019: HK\$711,014) on qualifying assets.

11 EA E

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Right-of-use assets		
– Land use rights	1,038,988,388	1,070,176,115
– Buildings	165,517,008	177,110,717
– Equipment and others	<u>2,101,140</u>	<u>3,170,131</u>
Total right-of-use assets	<u><u>1,206,606,536</u></u>	<u><u>1,250,456,963</u></u>
Lease liabilities		
– Current	60,761,364	62,796,875
– Non-current	<u>110,470,003</u>	<u>119,942,991</u>
Total lease liabilities	<u><u>171,231,367</u></u>	<u><u>182,739,866</u></u>

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

The statement of profit or loss shows the following amounts relating to leases:

	30 June 2020 HK\$	2019 HK\$
Depreciation of right-of-use assets		
– Land use rights	12,959,679	12,799,921
– Buildings	34,589,533	32,668,619
– Equipment and others	<u>812,540</u>	<u>641,473</u>
	<u><u>48,361,752</u></u>	<u><u>46,110,013</u></u>
Interest expense (Note 6)	3,781,734	4,324,252
Expense relating to short-term leases	27,411,268	30,307,326
Expense relating to leases of low-value assets	<u>549,262</u>	<u>1,006,653</u>

The total cash payment for leases during the period was HK\$68,290,580.

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Trade receivables	1,964,482,081	1,937,867,729
Notes receivable	3,710,015	4,224,805
Other receivables ( <i>Note (a)</i> )	261,274,625	237,999,919
Prepayments	92,333,083	59,439,391
Less: Provision for impairment of trade receivables	<u>(29,404,403)</u>	<u>(25,773,859)</u>
	<u><b>2,292,395,401</b></u>	<u><b>2,213,757,985</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 2020 and 31 December 2019 is as below:

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Within 3 months	1,815,043,881	1,839,881,135
4 months to 6 months	106,777,809	64,165,114
7 months to 12 months	23,420,375	13,779,084
Over 1 year	<u>19,240,016</u>	<u>20,042,396</u>
	<u><b>1,964,482,081</b></u>	<u><b>1,937,867,729</b></u>

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Trade payables	2,257,447,252	2,323,041,560
Notes payable	259,375,364	298,347,336
Other payables	726,409,967	813,013,027
Accrued expenses	1,293,928,510	1,169,446,849
	<b><u>4,537,161,093</u></b>	<b><u>4,603,848,772</u></b>

The credit period granted by the creditors generally ranged from 30 to 90 days. Ageing analysis of trade payables and notes payable as at 30 June 2020 and 31 December 2019 is as follows:

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Within 3 months	2,141,899,346	1,944,893,219
4 months to 6 months	374,184,281	675,345,534
7 months to 12 months	192,811	918,340
Over 1 year	546,178	231,803
	<b><u>2,516,822,616</u></b>	<b><u>2,621,388,896</u></b>

	30 June 2020 Audited HK\$	31 December 2019 Audited HK\$
Bank borrowings	2,507,207,530	2,297,063,820
Loans from a related party	<u>90,487,607</u>	<u>1,274,928,072</u>
Total non-current borrowings	<u>2,597,695,137</u>	<u>3,571,991,892</u>
Bank borrowings	1,028,440,236	584,195,903
Loans from a related party	<u>300,000,000</u>	<u>–</u>
Total current borrowings	<u>1,328,440,236</u>	<u>584,195,903</u>
	<u><u>3,926,135,373</u></u>	<u><u>4,156,187,795</u></u>

**14 Borrowings (Carrying Amount)**

Movements in borrowings are analysed as follows:

	Amount
	HK\$
<b>30 June 2019</b>	
Opening amount as at 1 January 2019	5,245,496,240
New borrowings and loans from a related party	2,246,284,946
Repayments of borrowings and loans from a related party	(2,709,565,499)
Exchange differences	<u>(1,927,289)</u>
Closing amount as at 30 June 2019	<u><u>4,780,288,398</u></u>
<b>30 June 2020</b>	
Opening amount as at 1 January 2020	4,156,187,795
New borrowings	1,832,310,432
Repayments of borrowings and loan from a related party	(2,003,054,855)
Exchange differences	<u>(59,307,999)</u>
Closing amount as at 30 June 2020	<u><u>3,926,135,373</u></u>

**15 Long term incentive plans**

	Amount	Amount
	30 June 2020	31 December 2019
	HK\$	Audited HK\$
Long term incentive plans	<u><u>97,740,832</u></u>	<u><u>29,214,726</u></u>

On 7 April 2017, in order to provide a more competitive salary structure to employees and to increase the retention rate of key talents, the Board approved two cash settled share-based long term incentive plans for the Executive Directors and Chief Financial Officer (“CFO”) and the selected managements.

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A total of 6,840,000 compensation units (“CU”) were granted to Executive Directors and CFO at a nominal price of HK\$15.31. The exercise price of a CU is capped at HK\$30. The vesting period is from 1 January 2017 to 1 July 2020.

As at 30 June 2020, the fair value of each CU granted determined by using the Binomial Model was HK\$12.19. The significant inputs into the model were share price at the valuation date, the grant price, volatility of 30%, dividend yield of 1.16%, and annual risk-free interest rate of 0.31%. 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.

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Selected management were granted long term incentive program on 7 April 2017. Program participants will receive a bonus up to 100% of their annual salary based on a payout ratio depending on the total shareholder return (“TSR”) of the Company versus peer group companies and 2 indexes. The TSR is calculated based on the future share price and the potential dividend yield. There are two measurement periods. The second measurement period for this program is from 2019 to 2021. Payment is normally made in the first quarter following the end of the relevant measurement period.

As at 30 June 2020, the TSR is determined by using the Monte Carlo Simulation Model. The significant inputs into the model were annualized drift rate of 5.12% of the Company and 8.10% of the peer group, dividend yield of 1.27% of the Company and 2.58% of the peer group and annualized asset price volatility of 35% of the Company and 15% of the peer group matching the life of the incentive program.

## Financial Position and Financial Instruments

The majority of the Group's assets and sales business are located in mainland China, Hong Kong, Malaysia, 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.

## Financial Position and Bank Balances

The Group's financial position remained healthy. As at 30 June 2020, the Group's bank and cash balances amounted to HK\$876,106,948 (31 December 2019: HK\$460,387,446), and short-term and long-term loans amounted to HK\$3,926,135,373 (31 December 2019: HK\$4,156,187,795), including the loans from a related party amounting to HK\$390,487,607 (31 December 2019: HK\$1,274,928,072). 66.2% of the borrowings are long-term (31 December 2019: 85.9%). The annual interest rates of bank loans ranged from 1.4% to 6.8%.

As at 30 June 2020, the net gearing ratio, which was calculated on the basis of the amount of net debt which is total borrowings plus lease liabilities less cash and cash equivalents and restricted bank deposits as a percentage of the total shareholders' equity, was 33% (31 December 2019: 41%).

As at 30 June 2020, unutilized credit facilities amounted to approximately HK\$6.29 billion (31 December 2019: HK\$7.66 billion).

## Contingent Assets

As at 30 June 2020, the Group did not have any charges on assets (31 December 2019: nil).

## Contingent Liabilities

As at 30 June 2020, the Group had no material contingent liabilities (31 December 2019: nil).

## Interim Dividend

The Board has resolved to declare an interim dividend of HK\$0.10 per share for the Period (2019: HK\$0.07 per share) totaling approximately HK\$119,749,737, based on the 1,197,497,373 issued shares outstanding as at 30 June 2020. The interim dividend will be paid on or about 30 September 2020 to shareholders whose names appear on the register of members of the Company on 22 September 2020.

## Register of Members to be Closed

The register of members of the Company will be closed from 18 September 2020 to 22 September 2020, 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 Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 17 September 2020 for registration of transfer.

## Redemption of Shares

The Company has not redeemed any of the Company's shares during the Period. 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. For the Period, the Company has complied with all the code provisions set out in the Corporate Governance Code, as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

## Directors' Securities Transactions

The Company has adopted a code for securities transactions by directors of the Company (the “Code”) 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 three members comprising two Independent Non-Executive Directors, namely, Mr. TSUI King Fai and Mr. WONG Kwai Huen, Albert 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 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, Ms. LEE Hsiao-yun Ann and Mr. CHIA Yen On, an Executive Director, Ms. LI Jielin and a Non-Executive Director, Mr. Jan Christer JOHANSSON. The chairman of the Remuneration Committee is Mr. TSUI King Fai. The Remuneration Committee is responsible for formulating and making recommendation to the Board on the Group's remuneration policy, the determination of specific remuneration packages of all Executive Directors and senior management and making recommendations to the Board on the remuneration of Non-Executive Directors. It 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.

### 提名委員會

The Company's nomination committee (the “提名委員會”) has five members comprising three Independent Non-Executive Directors, namely, Ms. LEE Hsiao-yun Ann, Mr. WONG Kwai Huen, Albert and Mr. CHIA Yen On, 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 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.

### 風險管理委員會

The Company's risk management committee (the “風險管理委員會”) has five members comprising two Executive Directors, Mr. Johann Christoph MICHALSKI 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 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 the identified key risks, risk register and related risk mitigating actions including crisis management.

### 執行委員會

The Company's executive committee (the “執行委員會”) comprises five members and is chaired by Mr. LI Chao Wang, an Executive Director. The other members are Executive Directors, namely Ms. YU Yi Fang, Mr. Johann Christoph MICHALSKI, Mr. DONG Yi Ping and Ms. LI Jielin. The duties of the Executive Committee include to develop and make recommendations to the Board 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 annual salaries for senior management and senior executives of the Group within the annual budget approved by the Remuneration Committee.

## 策略發展委員會

The Company's strategic development committee (the “策略發展委員會”) comprises five members and is chaired by Mr. Jan Christer JOHANSSON, a Non-Executive Director. The other members are three Executive Directors, namely Mr. DONG Yi Ping, Mr. Johann Christoph MICHALSKI and Ms. LI Jielin and an Independent Non-Executive Director, Mr. CHIA Yen On. The principal duties of the Strategic Development Committee are (a) 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.

## 2020年中期報告

This announcement is published on the websites of the Company ([www.vinda.com](http://www.vinda.com)) and The Stock Exchange of Hong Kong Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The 2020 interim report of the Company will be dispatched to the shareholders of the Company and available on the same websites in due course.

## 董事會主席

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

王國興  
IC  
*Chairman*

Hong Kong, 16 July 2020

*As at the date of this announcement, the Board 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)