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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 FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020 AND NINE MONTHS ENDED 30 SEPTEMBER 2020 OF VINDA INTERNATIONAL HOLDINGS LIMITED AND

UNAUDITED FINANCIAL INFORMATION FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2020 AND NINE MONTHS ENDED 30 SEPTEMBER 2020 OF THE CONTROLLING SHAREHOLDER

The board of directors (the “**Board**”) of Vinda International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited financial information of the Group’s business for the three months ended 30 September 2020 (“**2020Q3**”) and nine months ended 30 September 2020 (“**9M2020**”).

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 2020Q3 AND 9M2020 OF THE GROUP

Despite the uncertainty in macroeconomic environment, the Group managed to continuously deliver margin improvement which was mainly attributable to the optimized portfolio mix and the low pulp price. Looking ahead, the Group will continue to drive business development via ongoing product enhancement, effective investment in advertising and promotional activities and persistent building of commercial capabilities.

Compared to the three months ended 30 September of 2019 (“2019Q3”), the unaudited financial information of the Group for 2020Q3:

- Total revenue decreased by 0.2% (-0.7% at constant exchange rate) to HK\$3,830 million, of which HK\$3,124 million was from the Tissue segment and HK\$706 million was from the Personal Care segment.
- Gross profit rose by 17.6% to HK\$1,414 million. Gross margin widened by 5.6 percentage points (“ppts”) to 36.9%.
- Total foreign exchange gain was HK\$27 million (2019Q3: HK\$38 million loss), of which HK\$26 million gain was from operating payable items (2019Q3: HK\$37 million loss), and HK\$1 million gain was from financing items (2019Q3: HK\$1 million loss).
- Operating profit grew by 48.1% to HK\$545 million. Operating margin expanded by 4.6 ppts to 14.2%.
- EBITDA recorded an increase of 28.5% to HK\$829 million with a corresponding EBITDA margin increased by 4.9 ppts to 21.7%.

Compared to the nine months ended 30 September 2019 (“9M2019”), the unaudited financial information of the Group for 9M2020:

- Revenue decreased by 2.3% (+0.4% at constant exchange rate) to HK\$11,464 million, of which HK\$9,366 million was from the Tissue segment and HK\$2,098 million was from the Personal Care segment.

- Gross profit rose by 27.3% to HK\$4,354 million with a corresponding gross margin of 38.0%, widened by 8.8ppts.
- Total foreign exchange gain was HK\$16 million (9M2019: HK\$48 million loss), of which HK\$13 million gain was from operating payable items (9M2019: HK\$50 million loss), and HK\$3 million gain was from financing items (9M2019: HK\$2 million gain).
- Operating profit grew significantly by 80.5% to HK\$1,802 million with a corresponding operating margin of 15.7%, increased by 7.2ppts.
- EBITDA increased by 45.1% to HK\$2,647 million with a corresponding EBITDA margin widened by 7.5ppts to 23.1%.

UNAUDITED FINANCIAL INFORMATION FOR 2020Q3 AND 9M2020 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 51.76% 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 will on or about 22 October 2020 release its unaudited financial results for the third quarter ended 30 September 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 2020Q3 and 9M2020 will be the same as that presented in Essity’s report for the third 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, 21 October 2020

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

Executive Directors:

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

Non-Executive Directors:

Mr. Jan Christer JOHANSSON
Mr. Carl Magnus GROTH
Mr. Carl Fredrik Stenson RYSTEDT
Mr. Johann Christoph MICHALSKI

Independent Non-Executive Directors:

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)