

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Health and Happiness (H&H) International Holdings Limited

健合(H&H)國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1112)

UNAUDITED OPERATIONAL STATISTICS FOR THE SIX MONTHS ENDED 30 JUNE 2023

The board (the “**Board**”) of directors (the “**Directors**”) of Health and Happiness (H&H) International Holdings Limited (the “**Company**”), together with its subsidiaries, (the “**Group**”) is pleased to announce the unaudited operational statistics of the Group for the six months ended 30 June 2023.

OPERATIONAL UPDATE

During the six months ended 30 June 2023, the Group achieved double-digit revenue growth both on a reported basis and on a like-for-like (“**LFL**”)¹ basis, comparing with the same period of last year. This was mostly attributed to strong growth in the Group’s Adult Nutrition and Care (“**ANC**”) segment in mainland China and Australia and New Zealand (“**ANZ**”), as well as healthy growth in its Pet Nutrition and Care (“**PNC**”) segment.

ANC segment achieved strong double-digit growth during the six months ended 30 June 2023, mainly driven by the robust consumer demand for beauty, multi-vitamins and detox products in all core markets, as well as the launch of innovative categories such as the Swisse Plus+ range and gummies. Revenue from the premium Swisse Plus+ range contributed to a high single-digit percentage of ANC revenue in mainland China market, while the expanding Swisse gummies range in Australia achieved high double-digit revenue growth. The revenue increase in ANC segment was also driven by strong double-digit growth in Asian markets including Hong Kong SAR, Southeast Asia, India and the Middle East.

¹ LFL basis is used to indicate sales growth for the six months ended 30 June 2023 compared with the same period of the previous year, excluding the impact from foreign exchange changes.

Revenue from Baby Nutrition and Care (“**BNC**”) segment decreased at a low single-digit level. Within BNC segment, infant milk formula (“**IMF**”) sales during the six months ended 30 June 2023 recorded a double-digit year-on-year decline, which was narrowed down since Q1 2023. The decrease mainly resulted from the channel optimisation strategies and the increased competitive intensity across the IMF industry. As of the date of this announcement, the Group has received approval of new ‘GB standards’ (i.e. National Standards of the People’s Republic of China) for its six IMF series, which already cover super majority of the Group’s IMF sales in mainland China market.

Revenue from pediatric probiotic and nutritional supplements continued its long-term growth trend with a high double-digit year-on-year growth during the six months ended 30 June 2023, driven by the higher consumer demand for pediatric nutritional supplements and launch of new innovative products including probiotic gummies, DHA and calcium which support the physical and mental wellbeing of children. According to Kantar, Biostime is the No. 1 pediatric nutritional supplement brand in mainland China².

PNC segment also reached strong double-digit growth on LFL basis during the six months ended 30 June 2023 as compared with the same period of last year. Both North America and mainland China markets achieved strong growth during the period. Zesty Paws has officially established itself as the category leader to become the No. 1 Brand of Pet Supplements in the USA³, according to Euromonitor.

Revenue from high-margin and fast-growing nutritional supplements⁴ from all of the Group’s three business segments contributed to more than 50% of the Group’s total revenue for the six months ended 30 June 2023.

FINANCIAL UPDATE

As of 30 June 2023, the Group maintained a healthy liquidity position with a cash balance of approximately RMB2.15 billion after the repayment of USD56.25 million of a 3-year term loan in June 2023 according to the amortization schedule.

The information contained in this announcement is based on a preliminary assessment of the information currently available to the Board, including the unaudited consolidated management accounts of the Group for the six months ended 30 June 2023, which as at the date of this announcement are yet to be reviewed or audited by the Company’s auditors. Shareholders and potential investors are advised to refer to the details of the Group’s interim results announcement for the six months ended 30 June 2023, which is expected to be released on 22 August 2023 in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

² According to research statistics by Kantar Consumer Panel, an independent research company, market share data for the period from 2 January 2021 to 31 December 2022.

³ Source Euromonitor International Limited; Pet Supplements category as per Passport Ecommerce. All channels included, excluding vets, value sales in RSP. For more information, see <https://zestypaws.com/pages/claim>.

⁴ Nutritional supplements include Biostime probiotic supplements, Biostime pediatric products, VHMS products under Swisse brand and Zesty Paws.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Health and Happiness (H&H) International Holdings Limited
Luo Fei
Chairman

Hong Kong, 17 July 2023

As at the date of this announcement, the executive directors of the Company are Mr. Luo Fei and Mr. Wang Yidong; the non-executive directors of the Company are Mrs. Laetitia Albertini, Dr. Zhang Wenhui and Mr. Luo Yun; and the independent non-executive directors of the Company are Mr. Tan Wee Seng, Mrs. Lok Lau Yin Ching and Professor Ding Yuan.