

【For immediate release】



Hengan International Announces 2022 Interim Results

**Profit Attributable to Shareholders amounted to RMB1.28 Billion
Sales Achieved Market-defying Growth of about 12.3%
Interim Dividend at RMB0.7 Per Share**

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*Multi-channel Sales Approach Performed Remarkably
Upgraded and Premium Products Continued to Gain Market Share*

(19 August 2022 — Hong Kong) — **Hengan International Group Company Limited** (“Hengan International” or the “Company”, SEHK stock code: 1044, together with its subsidiaries, the “Group”) announces today its interim results for the six months ended 30 June 2022.

New consumption patterns have gradually become mainstream in the post-pandemic era, and the market penetration of e-commerce and other new retail channels is increasing day by day. Hengan seized opportunities from the changing consumption patterns, actively expanded its e-commerce platform and new retail markets business, and promoted the recovery of sales in traditional channels by stabilizing prices and launching exclusive products. During the period, the Group's multi-channel sales approach performed remarkably. For the six months ended 30 June 2022, the Group's revenue increased by about 12.3% to approximately RMB11,200,021,000 (2021 first half: RMB9,973,914,000) as compared to the same period last year.

In the first half of 2022, the Group continued to step up its efforts in developing its e-commerce business and expanding into new retail markets. In addition to promoting its brand on traditional large-scale e-commerce platforms, the Group also explored other emerging e-commerce channels (such as Douyin (“抖音”)) to seize business opportunities and increase market share. During the period, the Group further increased its proportion in e-commerce sales (including Retail Integrated (“零售通”) and New Channel (“新通路”)) to approximately 24.2% (2021 first half: 20.1%), which includes making good progress in the development of other new sales channels (including online-to-offline (O2O) platform, community group-buying, etc.), with sales accounting for more than 10.0% of the overall sales. The Group is also committed to developing premium products and optimizing product mix to meet domestic consumers' pursuit of quality of life and high-quality diversified products. During the period, the premium tissue series “Cloudy Soft Skin” (雲感柔膚) and the premium disposable diapers series “Q•MO” were well received by the market and received enthusiastic sales response. The sales of various products also recorded good year-on-year growth.

During the period under review, rising raw material prices and operating costs have brought enormous pressure to the industry, which accelerated market consolidation of eliminating the weak and retaining the strong. Hengan, with its advantages of scale, rich experience and rapid adaptability, successfully

broke through the difficulties and gained more market share. The price of wood pulp, the main raw material of tissue paper, remained high during the period due to geopolitical upheavals, the epidemic and inflation. Therefore, the Group adopted a stable pricing strategy and managed sales promotions during the period. In addition, the sales of the Group's upgraded products and premium product series grew significantly during the period, which helped to partially offset the impact of soaring prices of the raw materials for tissue paper production. In the first half of 2022, the Group's overall gross profit slightly increased by approximately 0.3% to approximately RMB3,942,191,000 (2021 first half: RMB3,930,671,000), however, the overall gross profit margin dropped to approximately 35.2% (2021 first half: 39.4%) due to the sharp increase in raw material prices. Given that the price of wood pulp is currently at a high level and the future trend is still uncertain, it is expected that the Group's gross profit margin will continue to be under pressure in the second half of 2022.

During the period, operating profit fell about 25.8% to approximately RMB1,885,753,000 (2021 first half: RMB2,540,583,000). Although the Group's sales bucked the trend and achieved growth of over 10%, the striking depreciation of the Renminbi against the US dollar and HK\$ during the period resulted in a significant foreign exchange loss in the Group's operations. Therefore, profit attributable to shareholders of the Company was approximately RMB1,276,191,000 (2021 first half: RMB1,860,292,000), representing a year-on-year decrease of approximately 31.4%. If deducting the operating foreign exchange loss, profit attributable to shareholders of the Company decreased by approximately 10.9% year-on-year instead. Basic earnings per share was approximately RMB1.098 (2021 first half: RMB1.574).

The Board of Directors declared an interim dividend of RMB0.7 per share for the six months ended 30 June 2022 (2021 first half: RMB1.0), amounted to RMB813,485,000. The Group maintains a dividend payout ratio of approximately 60.0% to declare and distribute to shareholders.

Commenting on the Group's interim results, **Mr. Sze Man Bok, Chairman of Hengan International**, said, "In the first half of 2022, the coronavirus epidemic once again broke out in many regions, geopolitical upheavals affected the supply chain and exacerbated the rise in inflation, coupled with uncertainties such as the US Federal Reserve interest rate hike and balance sheet runoff, hindered the global economic recovery. Under the impact of lockdown and epidemic control measures, in the first half of the year, China's gross domestic product ("GDP") only grew 2.5% year-on-year, of which the GDP in the second quarter only expanded 0.4% year-on-year. Consumer sentiment in Mainland China became more cautious in light of the epidemic. In the first half of the year, the total retail sales of consumer goods fell 0.7% year-on-year, and the overall operating environment was very challenging. Against the background of rising raw material costs and survival of the fittest, Hengan leveraged its own advantages to buck the trend, effectively expand market share, and demonstrate strong business resilience."

Sanitary Napkin

China's feminine care products market is immense, but the market is highly saturated. Many domestic and foreign brands have actively promoted their products to lower tier cities to seize the market share of the mid-to-high-end market and younger generation. As a leading brand of sanitary products in China, Hengan continued to adhere to a rational and stable pricing strategy to maintain its brand image. The Group has continuously upgraded and launched premium products to reinforce its market leadership. With excellent quality and brand image, the Group's upgraded sanitary napkin products, such as the

“Ultra-thin for Teen Girls” (少女特薄) and “Pants-style” (褲型) series, received satisfactory market responses, thereby driving the sales growth of the sanitary napkin business.

New consumption patterns have become the norm, the fragmentation of sales channels is accelerating, and e-commerce platforms and other emerging retail channels (including O2O platform and community group-buying) are burgeoning. During the period, the Group performed well in new retail channels. Facing the unfavorable business environment of severe epidemic and market saturation, the Group’s sanitary napkin business still recorded an increase in sales. In the first half of 2022, the sales of the Group’s sanitary napkin business grew approximately 3.3% to approximately RMB3,128,524,000 (2021 first half: RMB3,029,970,000), accounting for around 27.9% (2021 first half: 30.4%) of the Group's total revenue.

Notwithstanding the market competition pressure, the Group stayed committed to a rational and stable pricing strategy. However, the surge in petroleum and commodity prices has led to a price hike in petrochemical raw materials used in sanitary napkins, resulting in a year-on-year decrease of 4.7 percentage points in the gross profit margin of the sanitary napkin business to approximately 65.3% (2021 first half: 70.0%).

The Group’s sanitary napkin brand, 七度空間 has always been a market leader in Mainland China by means of sales volume and market share. The Group continued to launch upgrade and premium products to keep up with the premiumization trend in the feminine care products market and consumer demand. The upgraded products launched in recent years, such as the “Ultra-thin” (特薄), “Extra-long – Night Use” (加長夜用), and “Pants-style” series, were well-received by the market with enthusiastic sales response and increasing market share. During the period, the Group launched various promotional activities for the upgraded series of 七度空間 based on the preferences of young female consumers to enhance the brand image. The Group believes that the upgraded series of 七度空間 will continue to instil strong growth momentum into the sanitary napkin business in the future, helping the Group expand its share in the sanitary napkin market and gradually increase the proportion of the upgrade products. Meanwhile, the Group will continue to actively expand new retail channels and increase the sales proportion of new retail channels, and will strive to develop exclusive products for new retail channels and adhere to a stable pricing strategy, so as to support the Group’s long-term development and consolidate the Group’s leading position in the market.

The Group will continue to actively research and develop other feminine care products beyond sanitary napkins, steadily develop the feminine care industry, capture growth opportunities brought by consumption upgrade and actively explore opportunities to introduce the Group’s sanitary napkin products to overseas markets.

Tissue Paper

In the first half of 2022, although the coronavirus epidemic broke out in many regions, which has hampered the overall retail market, the Group's tissue paper business turned crisis into opportunity, and achieved substantial growth in sales against the challenging market conditions. With the re-emergence of the epidemic, the national health awareness has further improved, and the demand for tissue paper continued to be strong. The tissue paper market is highly competitive. However, as small and medium-sized tissue paper companies cannot withstand the soaring costs which affect their business development, the Group has gained more market shares leveraging its strong capital strength

and nationwide sales network. Backed by a strong brand and a diversified product portfolio, the Group insisted on a stable pricing strategy and effective managed sales promotions. During the period under review, the revenue of the Group's tissue paper business increased substantially by close to 25.0% to approximately RMB5,842,612,000 (2021 first half: RMB4,696,522,000), accounting for approximately 52.2% of the Group's overall revenue (2021 first half: 47.1%).

In the first half of 2022, the Group was inevitably affected by the sharp surge in wood pulp prices due to the tight supply of wood pulp and logistical disruption. High wood pulp prices exerted enormous pressure on the Group's gross profit in the first half of the year, and the gross profit margin dropped to approximately 23.1% in the first half of 2022. (2021 first half: 29.2%).

Amid the epidemic, the demand for tissue paper products remained at a high level. The Group's premium tissue paper products garnered very encouraging sales results. Among them, the sales of the "Cloudy Soft Skin" (雲感柔膚) series recorded a growth of more than 80% and accounted for more than 10.0% of the overall tissue paper sales. Regarding the Group's wet wipes business, it has maintained a good growth momentum in recent years. During the period under review, the sales of the Group's wet wipes business grew nearly 20.0% to approximately RMB413,312,000 (2021 first half: RMB346,282,000), accounting for approximately 7.1% of the sales of the tissue paper business (2021 first half: 7.4%). Looking ahead, the Group will continue to increase the domestic wet tissue market share to maintain its leading position in the wet wipes market.

The Group actively responded to the fragmentation of sales channels, and the efforts and resources invested in the early years gradually paid off. The tissue paper sales in e-commerce channel increased by more than 30.0%, accounting for more than 21.0% of the sales of tissue paper, whereas tissue paper sales in emerging channels such as online-to-offline (O2O) platform and community group-buying recorded an encouraging growth of over 30.0%. In the future, the Group will continue to expand various sales channels and endeavor to achieve the largest market share.

In view of the improving living standards of people and the continued high level of health awareness, there is great development potential in the overall tissue paper market. In the face of the fierce market competition, the Group will continue to develop more high-quality products according to the different needs of the market, seize business opportunities of domestic tissue paper market, expand its market share and strive to consolidate the Group's leading position in the tissue paper market. During the period, the Group maintained its production capacity at approximately 1.42 million tons. In the second half of the year, the Group will actively determine the speed of future production capacity enhancement and optimization based on future market conditions and sales performance.

Disposable Diapers

With the improvement of people's living standards and the intensified ageing population, there is considerable growth potential in the domestic adult disposable diaper market. In addition, the national change of parenting concept and the pursuit of quality life have also injected growth momentum into the baby disposable diaper market.

The Group continued to develop high-quality baby and adult care products to meet consumers' growing demand for product quality. During the period under review, the sales of the flagship premium product "Q•MO" continued to perform well, with a year-on-year growth of approximately 18.0%, and its

proportion further increased to more than 30.0%. Benefitting from the growing market size of the domestic adult incontinence products market and the increasing penetration rate of the Group's adult disposable diapers, the sales of the Group's adult disposable diaper business also achieved a growth of approximately 8.3% during the period, accounting for approximately 21.2% of the overall sales of the disposable diaper business.

In the first half of 2022, the Group strived to strengthen the development of e-commerce and maternity sales channels. The proportion of sales of disposable diapers through e-commerce and maternity channels increased to more than approximately 50.0% and more than approximately 20.0%, respectively, offsetting the significant drop in the sales of mid-to-low-end products and products in traditional channel. During the period, the sales of the Group's disposable diaper business rebounded, and the revenue increased by 2.2% to approximately RMB633,513,000 (2021 first half: RMB619,668,000), accounting for approximately 5.7% of the Group's overall revenue (2021 first half: 6.2%).

In terms of gross profit margin, the gross profit margin of the Group's disposable diapers business saw a decline in the light of the significant rise in the cost of sales caused by the price increase in petrochemical raw materials for disposable diapers during the period. However, the increase in the proportion of sales of higher-margin "Q•MO" products offset part of the impact of rising costs on the overall business profitability. Thus, the gross profit margin of the disposable diapers business only dropped slightly to about 35.3% (2021 first half: 36.2%).

During the period, the Group continued to seize opportunities brought by consumption upgrade to further develop the premium product market and improve product quality. The "Q • MO" magic breathing diapers have 3.6 times more vents than traditional diapers and are very well-loved by the market. The Group will continue to optimise "Q • MO" products to instil growth momentum into the Group's future development. In addition, as the nation puts more emphasis on the development of the elderly care industry, there are ample room for development in the field of domestic adult care. The Group will step up its efforts to invest more resources in the development of adult care products, thereby increasing the domestic market penetration rate of products of the "ElderJoy" (安而康) and "Banitore" (便利妥) brands and expanding its market share in Southeast Asia at the same time.

In the future, the Group will continue to develop the baby care market and the adult care market in parallel with a premium products strategy. In addition to e-commerce sales channels, the Group will strive to develop new retail channels and also increase cooperation with maternity stores, nursing homes and hospitals. On the one hand, it will seize new business opportunities brought by the new retail. On the other hand, through the cooperation with maternity stores, nursing homes and hospitals, it will expand the Group's customer base and provide a one-stop product sales chain, bringing sustainable growth momentum to the disposable diaper business, supporting the long-term development of the adult care business and continue to tap the growth potential of the adult care market.

Other Income and Household Products

Regarding other income and household products, the Group's revenue in the first half of the year decreased by approximately 2.0% year-on-year to approximately RMB1,595,372,000 (2021 first half: RMB1,627,754,000), which was mainly attributed to the tight supply of raw materials during the period

and the Group's preference to keep raw materials in reserve. As a result, revenue from raw material trading business decreased by approximately RMB240.0 million (approximately 21.5%).

During the period under review, revenue from the Group's household products segment was approximately RMB170,887,000 (2021 first half: RMB152,502,000), representing a year-on-year increase of approximately 12.1%, accounting for about 1.5% of the Group's revenue (2021 first half: 1.5%), which was mainly because the exports of household products started to pick up as the epidemic began to improve in other regions.

In the first half of 2022, the Group greatly expanded the product range of its brand, "Hearttex" (心相印) with the successive launch of plastic bags (including garbage bags and disposable gloves), food wrap film, dish detergent and paper cups etc. Sunway Kordis and its subsidiaries have sales channels to export products to overseas sales network (including the markets in Australia and Asia). The Group will continue to take advantage of these overseas sales network to bring Hengan's products to overseas market.

Looking ahead, the Group believes that the growth potential in the business of household products is immense. The Group will continue to devote itself to the research and development of various types of products that cater to market demand and provide consumers with a wide range of high-quality household products to enhance its market competitiveness.

In addition to the revenue from the household products segment, the Group's other income also includes revenue from Wang-Zheng Group in Malaysia and other medical related products. As for the business of other medical products, the demand for medical products rose significantly due to the re-emergence of the epidemic. Thus, the sales of medical products surged notably and recorded a revenue contribution of approximately RMB167,542,000 (2021 first half: approximately RMB45,389,000). Although medical products do not account for a significant portion of the overall revenue, medical products have higher profit margin, which effectively increased the overall gross profit margin of other businesses to approximately 20.4% (2021 first half: 13.2%).

International Business Development

The Group has been actively expanding to overseas markets. Currently, the Group sells its products in 37 countries and regions, with 54 direct partnerships with major clients or distributors. In the first half of the year, turnover of overseas channel (including Wang-Zhang Group business) was approximately RMB1,072,226,000 (2021 first half: RMB883,319,000), accounting for approximately 9.6% of the Group's overall sales (2021 first half: 8.9%).

During the period, with the easing of the epidemic and the reopening of the region, the Group's Wang-Zhang Group business in Malaysia saw a steady recovery and its turnover increased by approximately 18.0% year-on-year to approximately RMB203,628,000 (2021 first half: RMB172,582,000), accounting for approximately 1.8% of the Group's overall sales (2021 first half: 1.7%). Wang-Zheng Group is principally engaged in investment holding and the manufacturing and processing of fiber-based products, which include adult and baby disposable diapers, sanitary napkins and tissue products, cotton products and processed papers. Its brands include "Dry Pro" disposable diapers and "Carina" personal hygiene products. In addition, the Group also leveraged on the Malaysian Wang-Zheng Group as its base to bring Hengan's own brand "Hearttex" wet wipes and "Banitore" adult disposable diapers into

the Southeast Asian market.

In the future, the Group will continue to upgrade its existing Wang-Zheng products, develop and launch more premium products under the Hengan brand and further increase its market share in Malaysia and Southeast Asia.

E-commerce and New Retail Channel Strategies

Driven by the coronavirus pandemic, domestic online shopping has skyrocketed, with sales reaching RMB5,449.3 billion in the first half of 2022, an increase of approximately 5.6%, of which online sales of consumer goods increased by approximately 5.1%. The Group has seized the business opportunities arising from the evolving consumption patterns and is committed to expanding e-commerce and other new retail channels. During the period, the Group carried out customized promotion of various brands in new channels and received positive feedback from the market. Although the Group prudently controlled promotional expenses in the first half of the year in view of the epidemic, the Group's sales during the 18 June (618) shopping festival increased by about 30% year-on-year, which was better than expected, reflecting the positive support for the Group's products in e-commerce and new retail channels and the Group's remarkable results.

In the first half of 2022, the Group's e-commerce channels (including Retail Integrated and New Channel) maintained a strong development momentum and the sales during the period soared over 30.0% to approximately RMB2.7 billion (2021 first half: RMB2.0 billion), accounting for approximately 24.2% of the Group's overall sales (2021 first half: 20.1%).

In the future, the Group will continue to step up its efforts in developing its e-commerce brand flagship stores and emerging channels (such as Douyin), actively optimize the data analysis of end customers, precisely allocate expenses and formulate related sales strategies, allowing the Group to make great strides towards its strategic goal of becoming a global top-tier supplier of daily products. In response to the rapid development of the online market and the fragmentation of sales channels, the Group will carefully analyse the needs of customers in different channels, provide consumers with different customized products on each channel, and comprehensively improve the online and offline consumption experience so as to achieve optimal efficiency.

The Group launched a differentiated product portfolio based on the consumption characteristics of customers on e-commerce platforms and new retail channels, hoping to bring speciality products and stable pricing into the new retail market so as to minimise impact on sales and profits, and reduce the impact on other channels, while maintaining its competitiveness. In view of the new consumer trends, the Group will continue to focus on the needs of consumers. Capitalising on the new technologies and big data, the Group will increase resources in developing e-commerce and new retail channels. By leveraging on the shopping festivals launched on the online platforms, the Group would attract the consumers with the new consumption models such as limited-edition merchandise, community group-buying, and livestream sales, thus increasing the Group's market share in the e-commerce and new retail channels sector while grasping the opportunities brought by the digital economy to inject strong impetus for rapid growth in the future.

Selling and Administrative Expenses

Selling and administrative expenses control has always been the key to achieve stable profit growth for the Group. The Group will seize the opportunities arising from the post-epidemic economic recovery, put forward effective sales strategies and conduct end-consumer data analysis, continue precise positioning and optimise the product portfolio to bring satisfactory return for shareholders. During the period, the Group faced the challenge of an approximately over 30.0% increase in transportation costs due to geopolitical tension and the epidemic. In addition, as the Group granted share options to certain directors and employees of the Group in January 2022, the share option expense apportioned during the period was approximately RMB30,043,000. As a result, the Group's selling and administrative expenses during the period amounted to approximately RMB2,141,354,000, representing a year-on-year increase of approximately 11.5%. However, as the Group's sales increased by more than approximately 12.0%, the proportion of the Group's selling and administrative expenses to the total revenue during the period slightly decreased to approximately 19.1% (2021 first half: 19.3%). The Group believes that the total revenue is expected to resume remarkable growth in the coming year, together with the effective sales and promotion strategies, the proportion of such expenses to revenue is expected to improve.

Foreign currency risks

Most of the Group's income is denominated in Renminbi. During the period, due to the sharp depreciation of Renminbi against the H.K. dollar and the U.S. dollar, the Group's operating exchange gain turned to a loss of approximately RMB367,797,000 (2021 first half: exchange gain of approximately RMB14,184,000), which was mainly attributed to the sharp depreciation of Renminbi against the H.K. dollar, resulting in an exchange loss of approximately RMB340.0 million in respect of Renminbi dividends receivable from domestic subsidiaries in the Group's Hong Kong company.

As at 30 June 2022, apart from certain foreign currency swap contracts and interest rate swap contracts entered into with certain large commercial banks, the Group had not issued any significant financial instruments or entered into any significant contracts for foreign currency hedging purposes.

Appointment of Professional Consultant

In order to further optimise and upgrade the Group's SAP system, logistics network, inventory management and informatization plan, the Group signed a contract with SAP (Beijing) Software System Co., Ltd. (SAP) in June 2022 for the use of SAP's updated cloud software, and appointed SAP to perform software update to meet the growing business development in the future.

Liquidity, Financial Resources and Bank Loans

The Group has always maintained a solid financial position. As at 30 June 2022, the Group's cash and bank balances, long-term bank time deposits and restricted bank deposits totally amounted to approximately RMB27,693,330,000 (31 December 2021: RMB22,282,950,000); short-term commercial papers amounted to RMB4.5 billion (31 December 2021: RMB Nil); and bank borrowings and other borrowings amounted to approximately RMB18,385,013,000 (31 December 2021: RMB18,227,095,000).

In December 2021, the Group successfully registered two batches of medium-term notes in an aggregate amount of not more than RMB5.5 billion. From March to June 2022, the Group issued short-term commercial papers in four batches of RMB4.5 billion in total, the coupon rates are between 2.1% to 2.5% per annum. The four batches of short-term commercial papers will mature in 180 days from the respective issue date.

The bank borrowings and other borrowings were subject to floating annual interest rates ranging from approximately 0.4% to 3.8% (2021 first half: from 0.5% to 3.7%).

As at 30 June 2022, the Group's gearing ratio, which was calculated on the basis of the total amount of borrowings as a percentage of the total shareholders' equity (not including non-controlling interests) was approximately 116.5% (31 December 2021: 95.7%), while the net gearing ratio, which was calculated on the basis of the amount of borrowings less cash and bank balances and long-term time deposits as a percentage of the shareholders' equity (not including non-controlling interests), was negative 24.5% (31 December 2021: negative 21.3%) as the Group was in a net cash position. The Group will stay committed to optimising the gearing ratio, maintaining a solid net cash position and maintaining a sound financial position.

During the period, the Group's capital expenditure was approximately RMB523,581,000. As at 30 June 2022, the Group had no material contingent liabilities.

Outlook

Looking ahead to the second half of 2022, **Mr. Sze Man Bok, Chairman of Hengan International**, said, "the coronavirus epidemic will remain evolving, and geopolitical tensions and rising inflation will heighten uncertainty in global economy. Although China's economy is showing a steady recovery, many uncertain factors such as the epidemic situation and the macro environment still bring variables to China's economic growth. The Group will continue to pay close attention to the development of the epidemic at home and abroad and changes in market trends, respond flexibly and make prudent decisions."

"It is expected that high wood pulp prices will continue to exert pressure on the profitability of the Group in the second half of the year. The Group will closely monitor the impact of external factors on the prices of imported wood pulp, petrochemical raw materials, and other raw materials."

"Despite the fierce competition in the domestic daily necessities market, Hengan's solid strength and advantages in obtaining raw materials, coupled with its extensive nationwide distribution and diversified product portfolio, allow Hengan to be more resilient than other companies that focus on certain regional markets. The Group still managed to seize opportunities and expand market share amid challenging operating environment. In the future, the Group will further enhance and highlight the distinctive and unique image of each brand, continue to upgrade and develop new products, endeavouring to make Hengan's products the first choice of consumers. Meanwhile, the Group will speed up sales channels expansion to reach a wider customer base."

"Hengan has always attached great importance to its brand image, and the upgrade of the overall brand image of the Group has been completed. In the future, the Group will step up its efforts to enhance its products' brand image, including brand upgrades through strategies such as product premiumisation,

new packaging and new ambassadors. In addition, Hengan will continue to develop premium products, such as the hot-selling series “Q•MO” and “Cloudy Soft Skin”. During the period, the Group set up a marketing department to carry out live streaming promotion and brand enhancement. In the future, the Group will continue to allocate more resources to fully optimise the brand image.”

“In the future, the Group will centre around long-term development to formulate business strategies and allocate resources. In the short term, Hengan will allocate resources to improve the infrastructure and the efficiency of the supply chain to enhance the brand, such as cloudification of the SAP system, and strive to improve the quality of the system, so as to obtain better data to perform business analysis and formulate appropriate operational strategies. At the same time, as the e-commerce platform has become an important sales channel, the Group will strive to expand the coverage of new sales channels and increase the proportion of e-commerce and new retail sales in order to meet the evolving consumption patterns.”

“In order to continue to consolidate the Group's market leadership in tissue paper and hygiene products and meet domestic consumers' demand for high-quality products, the Group plans to carry out production capacity expansion and technological upgrades in the future, including the establishment of a new upgraded sanitary napkin, disposable diapers, wet wipes plant in Neikeng, Fujian, and the expansion of tissue paper production capacity in Xiaogan, Hunan, and Yunfu, Guangdong.”

“As a leading enterprise in the personal and household hygiene products industry in China, Hengan will continue to adhere to the mission of “Growing with You for a Better Life”, and strive to become a supplier of high-quality, reliable and sustainable personal and household hygiene products. The Group will focus on the three main businesses (tissue paper, sanitary napkin and disposable diapers), enhance its brand image, seize the opportunities in the “new retail” era, take long-termism as the general direction for future development to further scale its business. At the same time, the Group will continue to take industry extension as the long-term development goal, actively expand and extend to feminine care, infant and child care, and elderly care business to continue to maintain its overall competitiveness, and promote international development of Hengan’s brand, striving to become a “global top-tier supplier of daily products”.”

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Company Background

Hengan Group was established in 1985. It is principally engaged in production, distribution and sales of personal hygiene products in mainland China. The shares of Hengan International have been listed on the Hong Kong Stock Exchange since 1998.

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