[For immediate release]

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)

2018 First Quarter Operational Update

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**Consolidated revenue for three months ended 31/3/2018 reaches RMB2,120.0 million, up 35.9%*

**BNC revenue up 48.9% on growth of super premium and premium IMF products*

**ANC sales increase 14.9%, following robust growth in China*

(3 May 2018, Hong Kong**) Health and Happiness (H&H) International Holdings Limited** ("H&H Group" or the "Company", together with its subsidiaries, the "Group"; stock code: 1112), a global premium family nutrition and wellness provider, announced its unaudited operational statistics for the three months ended 31 March 2018.

For the three months ended 31 March 2018, the unaudited consolidated revenue of the Group reached RMB2,120.0 million, compared to RMB1,560.2 million for the corresponding period of 2017, an increase of 35.9%.

During the first three months of 2018, revenue from the Group's baby nutrition and care ("BNC") products segment increased by 48.9% compared to the corresponding period of 2017. This was mainly driven by the growth of the Group's super premium and premium infant milk formula ("IMF") products, with total sales of these products growing 45.7% year-over-year as the result of sustained consumption trade-up in the industry, as well as one-off restocking by distributors following the launch of the Group's new registered IMF products at the end of February. Sales of the Group's Biostime™ branded and Healthy Times™ branded IMF products increased by 43.1% and 192.5%, respectively. Meanwhile, the Group's probiotic supplements delivered robust revenue growth of 93.8% compared with the same period of last year, thanks to innovative marketing campaigns and rising health awareness among Chinese consumers towards probiotics. The revenue growth for probiotic supplements was also partially attributed to backorders placed in the fourth quarter of 2017.

The Chinese IMF market remained highly competitive during the period under review following the enforcement of new formula registration rules by the Chinese Food and Drug Administration ("CFDA") on 1 January 2018. Under these new registration rules, all IMF brands were required to change their labels and packaging. In response to these new registration rules, the Group successfully relaunched its three main series in the Chinese market with new packaging and upgraded formulas.

According to Nielsen, an independent market research company, the Group's share of the overall IMF market in China increased slightly to 5.8% for the twelve months ended 31 March 2018 compared with 5.6% for the corresponding period ended 31 March 2017.

As of 31 March 2018, the number of member retail outlets increased from 37,068 as of 31 March 2017 to 38,489, among which, the number of VIP baby specialty stores increased from 26,458 to 28,115, supermarkets increased from 5,629 to 5,634 and VIP pharmacies decreased from 4,981 to 4,740. The increase in the number of baby specialty stores was primarily attributed to the strengthening of the Group's strategic partnerships with national and regional baby specialty store chains, which are also expanding their store networks.

During the first three months of 2018, revenue from the Group's adult nutrition and care ("ANC") products segment, led by its wholly owned subsidiary Swisse Wellness Group Pty Ltd ("Swisse"), increased by 14.9%, compared with the corresponding period of last year[1] (20.0% on a currency-adjusted basis). This revenue growth was mostly attributed to higher price points across both the Australian and Chinese markets starting from 1 January 2018, as well as robust sales growth in the Chinese market. The Australian market remained stable.

According to research statistics by IRI, Swisse's share of the Australian vitamin, herbal and mineral supplements ("VHMS") market increased slightly to 16.1% for the twelve months ended 31 March 2018 as compared with 15.9% for the twelve months ended 31 March 2017.

To accelerate its business expansion in the Chinese market, the Group stepped up its branding and marketing efforts for Swisse's Cross Boarder E-Commerce ("CBEC") business and normal trade business, leveraging brand ambassadors and marketing campaigns, such as Super Brand Day, across all CBEC platforms, including Tmall.com, NetEase Kaola.com, JD.com and VIP.com, in March 2018. As a result, China active sales accounted for 32.7% of the Group's total ANC revenue for the three months ended 31 March 2018.

According to the timeline specified in the agreement with PGT Healthcare LLP ("PGT") last year, the Group successfully completed the transition of Swisse's Hong Kong business from PGT to the Group at the end of February 2018. This included the transfer of inventory, supply, customer and ambassador contracts, and all other business matters related to the agreement. The business transfer for Swisse in other markets covered by the terminated partnership is scheduled to be completed by the end of June 2018.

Mr. Luo Fei, Chairman and Chief Executive Officer of the Group said, "Despite strong competition, both our BNC and ANC business delivered solid growth as the result of our effective marketing and branding initiatives. We will continue to capitalise on the tremendous growth opportunities in China and around the world as we build our global leadership in premium family nutrition and wellness."

Notes:
[1] The revenue % change of Swisse for the three months ended 31 March is calculated based on the Australian dollar (AUD) amount of AUD1 = RMB4.9992.

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About Health and Happiness (H&H) Holdings Limited

H&H Group is a global premium family nutrition and wellness provider. The company's family of products includes premium probiotic supplements for children, infant formulas and dried baby food products, baby care products. It also owns 100% equity interest in Swisse Wellness Group Pty Ltd., which is a leading provider of vitamins, herbal, mineral supplements products in Australia. The shares of H&H Group have been listed on the Hong Kong Stock Exchange since 2010.

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