

[For immediate distribution]



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)

2019 Third Quarter Operational Update

* * *

**Unaudited consolidated revenue grew 3.2% to RMB 7,564.7 million*

**BNC business grew by 11.7% supported by the growth of IMF products; ANC business supported by 19.1% growth of China active sales*

**New senior note and syndicated loans further optimises Group's capital structure*

(4 November 2019, 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 nine months ended 30 September 2019.

For the nine months ended 30 September 2019, the unaudited consolidated revenue of the Group grew 3.2% to RMB 7,564.7million, compared to RMB7,326.8 million for the same period of last year.

During the period under review, the revenue derived from the Group's baby nutrition and care ("**BNC**") products business increased by 11.7% as compared to the corresponding period of 2018. Amid strong competition in the infant milk formula ("**IMF**") market, revenue attributed to the Group's IMF segment increased by 5.9%. The Group's Healthy Times branded organic IMF products in China also continued to deliver strong revenue growth of 24.8% as compared to the same period of last year, while Biostime branded organic IMF products sold in other markets, such as Australia and France, also contributed to the growth of the IMF segment.

According to Nielsen, an independent market research company, the Group's share of the overall IMF market in China remained stable at 5.9% for the twelve months ended 30 September 2019 compared with 5.9% for the twelve months ended 30 September 2018.

Revenue growth from the Group's probiotic products segment maintained its strong momentum, increasing 11.2% in the nine months ended 30 September 2019 as compared with the corresponding period in 2018. This growth was mostly driven by leveraging Biostime's claim of being a world-leading pediatric probiotic supplements brand, as well as the introduction of the new Biostime branded probiotic liquid drop in several markets including China in the third quarter.

During the same period, the Group's other pediatric product segment continued to deliver robust revenue growth, increasing by 110.5% as a result of the strong performance of the Dodie and Good Goût brands in the Chinese and French markets. The Group will continue to invest in branding, channels and new product development initiatives in order to further drive sales momentum.

For the nine months ended 30 September 2019, revenue contributed from the Group's adult nutrition and care ("**ANC**") business decreased by 5.9% on a currency-adjusted basis as compared with the corresponding period of last year. The sales decline was primarily attributed to the continued negative impact from daigou in Australia following the implementation of the new E-commerce law in China.

Australia and New Zealand (“**ANZ**”) sales decreased by 26.6%, while active sales in China increased by 19.1%, respectively. Active sales in China accounted for 46.9% of total ANC revenue in the nine months ended 30 September 2019.

According to research statistics by IRI, the share of Swisse Wellness Group Pty Ltd (“**Swisse**”) in the Australian vitamin, herbal and mineral supplements (“**VHMS**”) market was 15.9% for the twelve months ended 30 September 2019 as compared with 18.9% for the twelve months ended 30 September 2018.

According to research statistics by Earlydata, an independent data provider, Swisse ranked first in the Chinese online VHMS market with a market share of 6.1% for the twelve months ended 30 September 2019, compared to 6.0% for the twelve months ended 30 June 2019.

Looking forward, the Group maintains a positive growth outlook for its BNC business for the full year, supported by continued growth in the premium segment of the IMF market, which will be supported by the introduction of a goat milk IMF in the fourth quarter, alongside the further growth of its probiotic supplements segment and other pediatric products segment. For the ANC business, while the Group expects the negative impact on demand from daigou in its Australian business to continue throughout the rest of this year, the Group remains confident about the growth of Swisse China’s active sales in light of its strong brand equity and consumer demand for healthy products, as well as a strong new products pipeline for both the CBEC and normal trade channels.

The Group also recently announced plans to optimise its capital structure and reduce its financing costs. It will use newly issued US\$300 million 5.625% Senior Notes, due 2024, and part of the proceeds from new US\$675 million loan facilities to redeem its existing US\$425 million 7.25% Senior Note, due 2021, and refinance existing US\$450 million loan facilities granted in June 2018. This will place the Group in a superior financial position to support its future business growth.

Mrs. Laetitia Garnier, Chief Executive Officer of the Group said, “We remain confident about the prospects for our BNC and ANC businesses, despite some challenges, as we continue to implement our multi-brand, multi-category and multi-channel strategy. In addition, our new optimised capital structure leaves us much better placed for formulating new ways to unlock growth while continuing to build our leadership in premium family nutrition and wellness.”

- End -

About Health and Happiness (H&H) Holdings Limited

H&H Group is a global family nutrition and wellness provider founded in 1999 with a vision of contributing to healthier and better lives. Building its success on “premium, proven, aspirational and engaging products, it has brought together six brands to date: Biostime, Swisse Wellness, Healthy Times, Dodie, Good Goût, and Aurelia Probiotic Skincare. Listed on the Hong Kong Stock Exchange (code: 1112), it operates across 90 locations and has over 2,800 employees worldwide.

For further enquires, please contact:

Think Alliance Group

Mr. Matthew Schultz / Mr. Henry Chow

Tel: (852) 3978 5321 / (852) 3978 5323

Email: matt.schultz@think-alliance.com / henry.chow@think-alliance.com