

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.



Blue Moon Group Holdings Limited

藍月亮集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6993)

PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

HIGHLIGHTS

- Revenue remained relatively stable at approximately HK\$6,996.3 million for the year ended 31 December 2020 as compared to approximately HK\$7,049.9 million for the year ended 31 December 2019.
- Gross profit remained relatively stable at approximately HK\$4,513.8 million for the year ended 31 December 2020 as compared to approximately HK\$4,523.0 million for the year ended 31 December 2019. Gross profit margin remained relatively stable at 64.5% for 2020 as compared to 64.2% for 2019.
- Profit before income tax increased by approximately 18.6% from approximately HK\$1,475.2 million for the year ended 31 December 2019 to approximately HK\$1,749.6 million for the year ended 31 December 2020.
- Profit as well as the profit attributable to equity holders of the Company increased by approximately 21.3% from approximately HK\$1,079.6 million for the year ended 31 December 2019 to approximately HK\$1,309.4 million for the year ended 31 December 2020.
- Earnings per share (basic and diluted) was approximately HK26.03 cents and HK25.97 cents for the year ended 31 December 2020, respectively.
- The Board has resolved to recommend the payment of a final dividend of HK6.9 cents per Share for the year ended 31 December 2020.

ANNUAL RESULTS

The board of directors (the “**Board**” or the “**Directors**”) of Blue Moon Group Holdings Limited (the “**Company**”) is pleased to announce the audited consolidated annual results of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2020, together with comparative information, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	<i>Note</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Revenue	4	6,996,348	7,049,905
Cost of sales	5	(2,482,592)	(2,526,895)
Gross profit		4,513,756	4,523,010
Other income and other gains, net		72,116	51,522
Selling and distribution expenses	5	(2,016,552)	(2,323,123)
General and administrative expenses	5	(822,440)	(747,765)
Provision for impairment losses of financial assets		(791)	(1,867)
Operating profit		1,746,089	1,501,777
Finance income		10,816	5,652
Finance costs		(7,258)	(32,188)
Finance income/(costs), net		3,558	(26,536)
Profit before income tax		1,749,647	1,475,241
Income tax expense	6	(440,236)	(395,624)
Profit for the year		1,309,411	1,079,617
Profit attributable to equity holders of the Company		1,309,411	1,079,617

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<i>Note</i>	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Profit for the year		<u>1,309,411</u>	<u>1,079,617</u>
Other comprehensive income/(loss) <i>Item that may be reclassified subsequently to profit or loss</i>			
Exchange differences from translation of financial statements of subsidiaries		<u>218,757</u>	<u>(74,321)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>218,757</u>	<u>(74,321)</u>
Total comprehensive income for the year		<u><u>1,528,168</u></u>	<u><u>1,005,296</u></u>
Total comprehensive income attributable to equity holders of the Company		<u><u>1,528,168</u></u>	<u><u>1,005,296</u></u>
Earnings per share attributable to equity holders of the Company			
Basic	7	<u><u>HK26.03 cents</u></u>	<u><u>HK21.59 cents</u></u>
Diluted	7	<u><u>HK25.97 cents</u></u>	<u><u>HK21.59 cents</u></u>

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

		As at 31 December	
		2020	2019
	Note	HK\$'000	HK\$'000
ASSETS			
Non-current assets			
Intangible assets		197,251	146,943
Property, plant and equipment	9	1,382,474	1,211,091
Right-of-use assets		416,460	415,989
Prepayments for property, plant and equipment		49,446	59,421
Deferred income tax assets		7,908	76,540
		<u>2,053,539</u>	<u>1,909,984</u>
Current assets			
Inventories		469,789	375,757
Trade and bills receivables	10	2,014,298	1,750,049
Prepayments, deposits and other receivables		319,089	282,719
Restricted cash		17,822	25,890
Cash and cash equivalents		10,921,095	690,064
Tax recoverable		7,505	6,228
		<u>13,749,598</u>	<u>3,130,707</u>
Total assets		<u><u>15,803,137</u></u>	<u><u>5,040,691</u></u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	11	57,471	—
Other reserves		9,920,729	58,853
Retained earnings		1,701,221	2,804,226
		<u>11,679,421</u>	<u>2,863,079</u>
Total equity		<u><u>11,679,421</u></u>	<u><u>2,863,079</u></u>

CONSOLIDATED BALANCE SHEET (continued)
AS AT 31 DECEMBER 2020

		As at 31 December	
		2020	2019
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
LIABILITIES			
Non-current liabilities			
Deferred government grant		64,377	61,843
Borrowings		—	207,396
Deferred income tax liabilities		78,456	98,698
Lease liabilities		25,609	33,824
		<u>168,442</u>	<u>401,761</u>
Current liabilities			
Trade payables	12	548,044	511,922
Contract liabilities		30,779	16,188
Accruals and other payables		812,095	746,871
Amounts due to related companies		505	1,076
Dividend payable	8	2,300,000	48,261
Current income tax liabilities		231,716	218,679
Borrowings		—	206,529
Lease liabilities		32,135	26,325
		<u>3,955,274</u>	<u>1,775,851</u>
Total liabilities		<u>4,123,716</u>	<u>2,177,612</u>
Total equity and liabilities		<u>15,803,137</u>	<u>5,040,691</u>
Net current assets		<u>9,794,324</u>	<u>1,354,856</u>
Total assets less current liabilities		<u>11,847,863</u>	<u>3,264,840</u>

NOTES

1 General information

Blue Moon Group Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in the design, research, development, manufacture and sale of (i) personal hygiene products, (ii) home care products, and (iii) fabric care products in the People’s Republic of China (the “**PRC**”).

The Company is a limited liability company incorporated in the Cayman Islands on 27 December 2007. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The ordinary shares of the Company (the “**Shares**”) are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) since 16 December 2020.

Ms. PAN Dong is the ultimate controlling shareholder of the Company and Mr. LUO Qiu Ping, a director of the Company, is the husband of Ms. PAN Dong.

The consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), unless otherwise stated and have been approved for issue by the Board on 29 March 2021.

2 Basis of preparation

(a) *Compliance with HKFRS and the HKCO*

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“**HKFRS**”) and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622 (“**HKCO**”).

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies.

(b) *Historical cost convention*

The consolidated financial statements have been prepared on a historical cost basis.

(c) *Amended standards and revised conceptual framework adopted by the Group*

The Group has applied the following amendments to standards and revised conceptual framework for the first time or their annual reporting period commencing 1 January 2020:

HKFRS 3 (Amendments)	Definition of business
HKAS 1 and HKAS 8 (Amendments)	Amendments to definition of material
HKAS 39, HKFRS 7 and HKFRS 9 (Amendments)	Hedge accounting
Conceptual Framework for Financial Reporting 2018	Revised conceptual framework for financial reporting

The amendments and revised conceptual framework listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2 Basis of preparation (continued)

(d) *New standards and amendments to standards not yet adopted*

A new accounting standard and certain amendments to standards have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to HKFRS 16	COVID-19-related rent concessions	1 June 2020
HKFRS 17	Insurance contracts	1 January 2021
Amendments to Hong Kong Accounting Standards (“HKAS”) 3	Update reference to the conceptual framework	1 January 2022
Amendments to HKAS 16	Proceeds before intended use	1 January 2022
Amendments to HKAS 37	Onerous contracts — costs of fulfilling a contract	1 January 2022
Annual Improvements Project (Amendments)	Annual improvements to HKFRSs 2018–2020	1 January 2022
Amendments to HKAS 1	Classification of liabilities as current or non-current	1 January 2023
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The directors of the Company are of the opinion that the adoption of the above new standard and amendments to existing standards would not have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions. The Group intends to adopt the above new standard and amendments to existing standards when they become effective.

3 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (“CODM”).

The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors of the Company that make strategic decisions.

The CODM reviews the performance of the Group on a regular basis.

As substantial business operations of the Group relate to the manufacturing, selling and distribution of cleaning products, the CODM makes decisions about resources allocation and performance assessment based on the entity-wide consolidated financial information. Accordingly, there is only one single operating segment for the Group qualified as reportable segment under HKFRS 8. No separate segmental analysis is presented in the consolidated financial statements.

An analysis of the Group’s non-current assets excluding deferred income tax assets, by geographical locations, is as follows:

	2020 HK\$’000	2019 HK\$’000
Hong Kong	3,344	4,589
Mainland China	2,042,287	1,828,855
	<u>2,045,631</u>	<u>1,833,444</u>

4 Revenue

(a) Revenue by products

	2020 HK\$'000	2019 HK\$'000
Revenue recognised at a point in time:		
Fabric care products	5,595,885	6,177,613
Personal hygiene products	835,738	418,545
Home care products	564,725	453,747
	<u>6,996,348</u>	<u>7,049,905</u>

(b) Revenue from external parties contributing 10% or more of the total revenue of the Group

	2020 HK\$'000	2019 HK\$'000
Customer A	1,191,829	1,014,095
Customer B	927,910	961,014
	<u>2,119,739</u>	<u>1,975,109</u>
Total	<u>2,119,739</u>	<u>1,975,109</u>

Except for customer A and B, no other customer individually contributed to more than 10% of the Group's total revenue for the years ended 31 December 2020 and 2019.

Following the outbreak of the COVID-19 pandemic in early 2020, certain customers of the Group encountered difficulties in selling the goods purchased from the Group prior to the COVID-19 pandemic, i.e. before 31 December 2019, and requested for return of goods to the Group. Taking into consideration of long term business relationship, the Group has agreed to accept return of unsold products from certain customers on a one-off basis. Accordingly, returned goods with sales amount of HK\$143,863,000 has been accounted for as a deduction to the sales for the year ended 31 December 2020 ("COVID-19 sales return").

All of the Group's revenue was generated from customers in the PRC for the years ended 31 December 2020 and 2019, accordingly, no revenue by geographical location is presented.

5 Expenses by nature

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Cost of raw materials consumed	2,256,348	2,059,549
Changes in inventories of finished goods and work in progress	(64,964)	218,739
Manufacturing overheads (excluding depreciation)	20,821	11,574
Employee benefits expense	1,292,838	1,668,697
Advertising expenses	407,314	404,659
Promotion expenses	368,803	294,912
Transportation expenses	512,331	452,588
Other tax expenses	68,901	76,182
Rental expenses related to short term leases	29,273	23,183
Depreciation of property, plant and equipment (<i>Note 9</i>)	126,349	102,674
Depreciation of right-of-use assets	29,603	36,023
Amortisation of intangible assets	25,534	15,213
Auditor's remuneration		
— Audit services	4,300	3,075
— Non-audit services	291	—
Travelling expenses	28,321	59,756
Motor expenses	11,876	13,260
Consumables	7,118	9,271
Office expenses	4,312	3,281
Recruitment fee	4,333	6,649
Utility expenses	26,986	26,265
Consulting fee	18,389	26,694
Maintenance expenses	19,361	14,579
Loss/(gain) on disposals of plant and equipment, net	2,265	(298)
Loss on disposals of property, net	—	376
Listing expenses	59,451	—
Others	61,430	70,882
	<u>5,321,584</u>	<u>5,597,783</u>

6 Income tax expense

The amount of income tax charged to the consolidated profit or loss is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Current income tax		
— PRC corporate income tax	383,056	313,482
Deferred income tax expense	57,180	82,142
Income tax expense	<u>440,236</u>	<u>395,624</u>

(a) *Hong Kong profits tax*

No provision for Hong Kong profits tax has been made as the Company and its subsidiaries have no assessable profit arising in or deriving from Hong Kong during the year ended 31 December 2020 (2019: Nil).

6 Income tax expense (continued)

(b) PRC corporate income tax (“CIT”)

Current income tax expense primarily represents the provision for CIT for subsidiaries operating in the PRC. These subsidiaries are subject to CIT on their taxable income as reported in their respective statutory financial statements in accordance with the relevant tax laws and regulations in the PRC.

Guangzhou Blue Moon Industrial Co., Ltd. had been qualified as a New and Hi-Tech Enterprise (“NHTE”) and enjoyed a preferential income tax rate of 15% since 2014, which was subject to review and renewal every three years. The NHTE certificate remained valid for 3 years from November 2017 to November 2020. As Guangzhou Blue Moon Industrial Co., Ltd did not renew the certificate after expiration date, the standard income tax rate of 25% was adopted for 2020.

Blue Moon (Chongqing) Co., Ltd. has been qualified as a Western Region Encouragement Industrial Enterprise and enjoyed a preferential income tax rate of 15% since 2017, which is subject to review and renewal of the local government.

7 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted number of ordinary shares in issue.

	2020	2019
Profit attributable to equity holders of the Company used in calculating basic and diluted earnings per share (<i>HK\$'000</i>)	1,309,411	1,079,617
Weighted number of ordinary shares in issue (<i>'000</i>) (<i>Note</i>)	5,030,620	5,000,000
Basic earnings per share (<i>HK cent per share</i>)	<u>26.03</u>	<u>21.59</u>

Note:

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the years ended 31 December 2020 and 2019 has been determined on the assumption that the capitalisation issue had been effective from 1 January 2019.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

A reconciliation of the weighted average number of ordinary shares used in calculating the basic and diluted earnings per share is as follows:

	2020 <i>'000</i>	2019 <i>'000</i>
Weighted number of ordinary shares used in calculating basic earnings per share	5,030,620	5,000,000
Weighted average number of ordinary shares assumed to have been issued at no consideration on deemed exercise of all options outstanding during the year	<u>12,279</u>	<u>—</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>5,042,899</u>	<u>5,000,000</u>
	2020 <i>HK cent</i>	2019 <i>HK cent</i>
Diluted earnings per share attributable to the ordinary equity holders of the Company	<u>25.97</u>	<u>21.59</u>

8 Dividends

As at 31 December 2019, the dividend payable represented dividend declared in prior years but not yet settled, of which HK\$37,000,000 was settled during the year ended 31 December 2019.

In January 2020, the Company declared a dividend of HK\$36,664,000 and dividend totalled HK\$84,925,000 have been settled by the Company during the year ended 31 December 2020.

In June 2020, Blue Moon (BVI) Limited, a directly held subsidiary of the Company, declared a dividend of HK\$2,335,000,000 to the Company. Accordingly, the Company recognised a dividend receivable of HK\$2,335,000,000 as at 31 December 2020.

On 28 June 2020, the Company declared an interim dividend of HK\$2,300,000,000 to the then immediate sole shareholder of the Company. Such dividend is subject to and conditional upon the completion of the listing of the Company on or before 31 December 2021. Upon the successful listing of the Company on 16 December 2020, a dividend payable of HK\$2,300,000,000 was recognised. Subsequent to 31 December 2020, the dividend was fully paid by the Company.

The rates for dividends and the number of shares ranking for dividends are not presented as such information is not considered meaningful for the purpose of this report.

A dividend in respect of the year ended 31 December 2020 of HK6.9 cents per share was proposed by the Board of Directors on 29 March 2021 and to be approved by the shareholders in the forthcoming annual general meeting.

This proposed final dividend, amounting to HK\$396,551,729, has not been recognised as a liability in the consolidated financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2021.

9 Property, plant and equipment

	Buildings HK\$'000	Leasehold improvements HK\$'000	Plant and machinery HK\$'000	Furniture, fixtures and equipment HK\$'000	Motor vehicles HK\$'000	Construction- in-progress HK\$'000	Total HK\$'000
As at 1 January 2020							
Cost	798,510	11,244	591,560	140,839	28,338	161,173	1,731,664
Accumulated depreciation	(95,102)	(11,244)	(312,691)	(86,630)	(14,906)	—	(520,573)
Net book amount	<u>703,408</u>	<u>—</u>	<u>278,869</u>	<u>54,209</u>	<u>13,432</u>	<u>161,173</u>	<u>1,211,091</u>
Year ended 31 December 2020							
Opening net book amount	703,408	—	278,869	54,209	13,432	161,173	1,211,091
Additions	28,291	—	23,812	19,511	—	197,482	269,096
Disposals	(25,830)	—	(21,152)	(1,394)	—	—	(48,376)
Transfer	194,727	—	78,096	16,639	—	(289,462)	—
Depreciation	(30,925)	—	(69,976)	(22,595)	(2,853)	—	(126,349)
Exchange differences	50,093	—	15,059	3,888	497	7,475	77,012
Closing net book amount	<u>919,764</u>	<u>—</u>	<u>304,708</u>	<u>70,258</u>	<u>11,076</u>	<u>76,668</u>	<u>1,382,474</u>
As at 31 December 2020							
Cost	1,050,651	11,244	682,861	179,514	28,904	76,668	2,029,842
Accumulated depreciation	(130,887)	(11,244)	(378,153)	(109,256)	(17,828)	—	(647,368)
Net book amount	<u>919,764</u>	<u>—</u>	<u>304,708</u>	<u>70,258</u>	<u>11,076</u>	<u>76,668</u>	<u>1,382,474</u>

10 Trade and bills receivables

	2020 HK\$'000	2019 HK\$'000
Trade receivables	1,968,978	1,724,707
Bills receivables	57,900	37,131
	<u>2,026,878</u>	<u>1,761,838</u>
Less: Loss allowance	(12,580)	(11,789)
	<u>2,014,298</u>	<u>1,750,049</u>

The Group allows a credit period of up to 90 days to its customers. The aging analysis of trade and bills receivables as at the year end date, based on invoice date, is as follows:

	2020 HK\$'000	2019 HK\$'000
0–30 days	1,064,708	1,124,774
31–60 days	434,812	298,211
61–180 days	373,777	326,521
Over 180 days	153,581	12,332
	<u>2,026,878</u>	<u>1,761,838</u>

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and bills receivables.

11 Share capital

	Number of shares	Share Capital HK\$'000
<u>Authorised ordinary shares of HK\$0.01 each:</u>		
At 1 January 2019, 31 December 2019 and 1 January 2020	38,000,000	380
Increase in authorised share capital (<i>Note (a)</i>)	9,962,000,000	99,620
	<u>10,000,000,000</u>	<u>100,000</u>
At 31 December 2020	<u>10,000,000,000</u>	<u>100,000</u>
<u>Ordinary shares of HK\$0.01 each, issued and fully paid:</u>		
At 1 January 2019, 31 December 2019 and 1 January 2020	10,000	—
Issuance of ordinary shares upon		
— capitalisation issue (<i>Note (b)</i>)	4,999,990,000	50,000
— initial public offering (<i>Note (c)</i>)	747,126,500	7,471
	<u>5,747,126,500</u>	<u>57,471</u>
At 31 December 2020	<u>5,747,126,500</u>	<u>57,471</u>

Notes:

- On 14 September 2020, pursuant to the written resolution passed by the shareholders, the authorised share capital of the Company was increased from 38,000,000 shares of a single class with a par value of HK\$0.01 each to a total of 10,000,000,000 shares of a single class with a par value of HK\$0.01 each.
- Pursuant to shareholders' resolutions passed on 23 November 2020, the Company allotted and issued a total of 4,999,990,000 shares by way of capitalisation of the sum of HK\$49,999,900 standing to the credit of the share premium account of the Company before the listing.
- On 16 December 2020, 747,126,500 ordinary shares of HK\$0.01 each were issued at an offer price of HK\$13.16 per share upon the listing of the Company's shares on the Stock Exchange. Gross proceeds from the issuance of these shares amounted to approximately HK\$9,832,184,000, with approximately HK\$7,471,000 and HK\$9,610,280,000 being credited to the share capital and share premium account of the Company respectively, after net off with listing expenses of approximately HK\$214,433,000.

12 Trade payables

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Trade payables	<u>548,044</u>	<u>511,922</u>

At 31 December 2020, the aging analysis of the trade payables based on invoice date is as follows:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i>
Up to 3 months	547,209	510,654
3 to 6 months	—	1,268
6 months to 1 year	<u>835</u>	<u>—</u>
	<u>548,044</u>	<u>511,922</u>

BUSINESS REVIEW

The outbreak of the Novel Coronavirus Disease (“**COVID-19**”) brought forth unprecedented challenges and had a profound impact on global economies, including the Chinese economy. With the change in consumers’ household care routines and cleaning habits to cope with COVID-19, household care products have become daily necessities for Chinese consumers and this resulted in a steady growth in demand for household care products.

The outbreak of COVID-19 in early 2020 impacted the operations and financial performance of the Group in the first half of the financial year ended 31 December 2020, and has put stress on its operating capabilities. Even though the Group’s business operations were temporarily suspended due to the outbreak of the COVID-19, the Group resumed production of disinfectant products at full capacity on 26 January 2020 and committed to delivering products to more people in need amid the outbreak of COVID-19. In the early months of 2020, with most traditional sales and distribution channels temporarily closed, e-commerce channels became a more popular retail model with consumers. Leveraging on this change in consumer behaviour, the Group was able to capitalise on its strategy to develop its online sales and distribution channels, and seize more business opportunities. As the impact of COVID-19 in China gradually subsided in the second half of 2020 and the work and lives of the Chinese people gradually returned to normal, the business, operations and financial performance of the Group have also resumed and recovered. The Group looks forward to leveraging its advantages and leadership in the industry to continue providing excellent products and services to its consumers and remains optimistic amidst this changing market environment.

As part of its business strategy to solidify its market position, the Group worked to upgrade and improve the quality of its existing household care products, expand its product categories and strengthen premium product offerings in order to capture business opportunities resulting from the increased awareness of public and personal health and hygiene, enhanced consumption demands, and growing consumer preferences for convenient cleaning solutions in China. At the same time, the Group also strived to win consumers’ trust by promoting scientific cleaning knowledge via the Company’s online and offline channels, and enriching its consumer services.

The Group's product development evolves around consumers and is driven by innovation to provide cleaning solutions for consumers in the PRC. In the past year, in the face of the ever-changing social developments and COVID-19, the Group launched a variety of new products in the fields of personal care, fabric care, and other cleaning tools in order to meet the diverse cleaning needs of consumers. For instance, in the past year, the Group launched a new type of antibacterial foaming liquid soap, named Blue Moon foam Antibacterial Liquid Soap (藍月亮泡沫抑菌洗手液), that effectively suppresses bacteria and provides extended period of protection after each wash. The Group also introduced the Foam Time Kitchen Liquid Soap (泡沫時光廚房洗手液), a kitchen liquid soap which utilises deodorization technology to remove odour residues, with amino acid surfactant as the main active ingredient.

The Group also upgraded and launched new versions of the following products in the past year:

- Blue Moon Concentrated Softener (藍月亮濃縮柔順劑), a concentrated softener that adopts the technology of densely arranged soft molecules to make clothes more supple after washing.
- Blue Moonlight Bleach (藍色月光色漬淨), a stain remover that adopts a new generation of professional high-energy reactive oxygen species stain removal technology to remove stains while eliminating bacteria at the same time.

In addition, the Group also expanded its existing product offerings and developed cleaning tools to further meet the cleaning needs of customers. The Group developed the following cleaning tools in the past year:

- Moon House Dishwashing Cloth (月亮小屋洗碗網花), a dishwashing net flower, which is a new type of tableware cleaning tool with invention patent that adopts an innovative three-dimensional netting structure, which can continuously generate foam and efficiently removes all kinds of stains while being gentle on tableware surfaces.

The Group also expanded its high-end product offering in order to capture more of the higher-end market and to strengthen the Group's position as a high-end personal care brand. In the past year, the Group upgraded the Jinxiang Amino Acid Liquid Soap (淨享氨基酸洗手露) which uses an innovative hydration balance technology to reduce moisture loss and avoid drying out hands after washing. In terms of packaging, the Group also actively responded to the national call for green environmental protection and resources conservation and introduced refill packages to aid the sustainable development of society.

In 2020, the Company was ranked first in brand power in the industry in the liquid laundry detergent and liquid soap category for the tenth consecutive year. During the Singles' Day events in 2020, the Company topped the bestselling lists of laundry detergents on certain major e-commerce platforms. Relying on years of development in e-commerce and having built extensive offline network, the Group was able to optimize its omni-channel sales and distribution infrastructure, and to increase its product penetration even further. During the year, the Group consolidated its partnership with major e-commerce platforms and took advantage of e-commerce platforms' strategic initiatives to deepen its product penetration and reach a broader consumer base. In the meantime, the Group continued to strengthen its cooperation offline with national and regional retailers and distributors and leverage the extensive offline network of these customers to better serve its consumers in local communities. The Group has also increased its offline retail coverage to include new retail locations such as pharmacies, cosmetics stores, maternity stores and gas stations.

During the past year, the Group has further enhanced its engagement with consumers through a series of value-added services and activities which complemented its product sales. The Group continued to carry out its knowledge-based marketing strategy to provide household care-related knowledge and insights for consumers based on its research and production experience. Through the customer service hotline, online consultations and other after-sales services, the Group was able to increase its consumer reach and serve consumers in more ways, while also refining its strategy to better suit consumers' preferences based on the insights collected.

During the past year, the Group has also firmly practiced its business initiative of becoming a socially responsible enterprise and putting the health and wellbeing of people as one of its top initiatives. After a short period of business suspension due to the sudden outbreak of COVID-19 in early 2020, the Group resumed its production of disinfectant products at full capacity on 26 January 2020 and was committed to delivering its products to more people in need during the COVID-19 pandemic. The Group donated RMB5.3 million worth of disinfectant products to non-profit organisations in Hubei Province to support the supply to medical personnel and the public. As a result of its efforts and contributions, Blue Moon received the 2020 Responsible Brand Award at the China Charity Festival. As the impact of COVID-19 subsides in China and the Group's businesses, operations and financial performance resume and recover, the Company looks forward to continually providing excellent products and services to consumers.

FINANCIAL REVIEW

For the year ended 31 December 2020, the Group recorded revenue of approximately HK\$6,996.3 million, which remained relatively stable as compared to approximately HK\$7,049.9 million for the year ended 31 December 2019. The Group recorded operating profit of approximately HK\$1,746.1 million, which represents an increase of approximately 16.3% compared to that of the year ended 31 December 2019.

Revenue

The Group's revenue remained relatively stable at approximately HK\$6,996.3 million for the year ended 31 December 2020. It was primarily due to a decrease in the sales of fabric care products, which is largely offset by an increase in the sales of personal hygiene products and home care products, both attributable to the impact of COVID-19. While COVID-19 weakened the consumers' demand for fabric care products as consumers temporarily reduced outdoor activities due to social distancing during COVID-19, it has increased consumers' awareness of personal hygiene, which in turn results in significant growth in the revenue generated from sales of personal hygiene products and home care products. The following table sets forth a breakdown of the Group's revenue from sales of products by product category for the periods indicated.

	Year ended 31 December				Change (%)
	2020		2019		
	Revenue <i>HK\$'000</i>	Total (%)	Revenue <i>HK\$'000</i>	Total (%)	
Fabric care products	5,595,885	80.0	6,177,613	87.6	(9.4)
Personal hygiene products	835,738	11.9	418,545	5.9	99.7
Home care products	564,725	8.1	453,747	6.5	24.5
Total	<u>6,996,348</u>	<u>100.0</u>	<u>7,049,905</u>	<u>100.0</u>	<u>(0.8)</u>

The Group sells products through online sales channels (primarily e-commerce platforms and online stores), key account clients (primarily hypermarkets and supermarkets) and offline distributors. The following table sets forth a breakdown of the Group's revenue contribution by channel for the periods indicated.

	Year end 31 December				Change (%)
	2020		2019		
	Revenue HK\$'000	Total (%)	Revenue HK\$'000	Total (%)	
Online sales channels	3,774,453	53.9	3,328,158	47.2	13.4
Direct sales to key account clients	993,642	14.2	996,582	14.1	(0.3)
Offline distributors	2,228,253	31.9	2,725,165	38.7	(18.2)
Total	<u>6,996,348</u>	<u>100.0</u>	<u>7,049,905</u>	<u>100.0</u>	<u>(0.8)</u>

Cost of Sales

Costs of sales remained relatively stable at approximately HK\$2,482.6 million for the year ended 31 December 2020 as compared to approximately HK\$2,526.9 million for the year ended 31 December 2019.

Gross Profit

The Group's gross profit remained relatively stable at approximately HK\$4,513.8 million for the year ended 31 December 2020 as compared to approximately HK\$4,523.0 million for the year ended 31 December 2019. The gross profit margin remained relatively stable at 64.5% for 2020 as compared to 64.2% for 2019.

Other Income and Other Gains, Net

The Group's net other income and other gains increased by approximately 40.0% from approximately HK\$51.5 million for the year ended 31 December 2019 to approximately HK\$72.1 million for the year ended 31 December 2020, primarily due to an increase in government grants to offset the impact of COVID-19.

Selling and Distribution Expenses

The Group's selling and distribution expenses decreased by approximately 13.2% from approximately HK\$2,323.1 million for the year ended 31 December 2019 to approximately HK\$2,016.6 million for the year ended 31 December 2020, primarily due to the decrease in employee benefit expenses as the Group (i) temporarily streamlined its offline sales force due to less customer traffic in offline channels as a result of COVID-19 and subsequently optimised its sales force; and (ii) benefited from government subsidies in response to COVID-19 that reduced its employee social insurance expenses.

General and Administrative Expenses

General and administrative expenses increased by approximately 10.0% from approximately HK\$747.8 million for the year ended 31 December 2019 to approximately HK\$822.4 million for the year ended 31 December 2020, primarily due to the listing expenses incurred in 2020 related to the Company's listing in Hong Kong.

Provision for impairment losses of financial assets

Additional provision for impairment losses of financial assets amounted to approximately HK\$0.8 million was provided for during the year, primarily due to increase in gross trade receivables as at 31 December 2020 as compared to 31 December 2019.

Operating Profit

As a result of the foregoing, the Group's operating profit increased by approximately 16.3% from approximately HK\$1,501.8 million for the year ended 31 December 2019 to approximately HK\$1,746.1 million for the year ended 31 December 2020.

Finance Income and Costs

Finance income increased by approximately 89.5% from approximately HK\$5.7 million for the year ended 31 December 2019 to approximately HK\$10.8 million for the year ended 31 December 2020, primarily in line with the increase in bank balance during the year.

Finance costs decreased by approximately 77.3% from approximately HK\$32.2 million for the year ended 31 December 2019 to approximately HK\$7.3 million for the year ended 31 December 2020, primarily due to a decrease in interest expenses on bank borrowings due to early repayment in 2020.

Profit before Income Tax

As a result of the foregoing, the Group's profit before income tax increased by approximately 18.6% from approximately HK\$1,475.2 million for the year ended 31 December 2019 to approximately HK\$1,749.6 million for the year ended 31 December 2020.

Income Tax Expense

The Group's income tax expenses increased by approximately 11.3% from approximately HK\$395.6 million for the year ended 31 December 2019 to approximately HK\$440.2 million for the year ended 31 December 2020. The effective income tax rate decreased from approximately 26.8% for the year ended 31 December 2019 to approximately 25.2% for the year ended 31 December 2020, primarily due to deferred tax liabilities recognised for withholding tax to distribute substantially all the retained earnings of the PRC subsidiaries as at 31 December 2019 compared to deferred tax recognised based on the latest dividend payout policy of the Group for the current year.

Profit for the Year and Profit attributable to Equity Holders of the Company

As a result of the foregoing, the Group's profit as well as the profit attributable to equity holders of the Company increased by approximately 21.3% from approximately HK\$1,079.6 million for the year ended 31 December 2019 to approximately HK\$1,309.4 million for the year ended 31 December 2020.

Basic and Diluted Earnings Per Share

Earnings per share (basic and diluted) was approximately HK26.03 cents and HK25.97 cents for the year ended 31 December 2020, respectively.

Liquidity and Financial Resources

As at 31 December 2020, the total bank deposits and cash of the Group, comprising the Group's cash and cash equivalents and restricted cash, amounted to approximately HK\$10,938.9 million, an increase of approximately HK\$10,222.9 million from approximately HK\$716.0 million as at 31 December 2019. The increase in bank deposits and cash was primarily due to the funds raised by the Group from the listing and large amount of funds generated from substantial growth of the Group's performance.

As at 31 December 2020, the net current assets of the Group were approximately HK\$9,794.3 million (31 December 2019: approximately HK\$1,354.9 million). The Group's current ratio (current assets/current liabilities) was approximately 3.48 times (31 December 2019: approximately 1.76 times).

As at 31 December 2020, the Group did not have any borrowings.

Capital Expenditure and Capital Commitment

During the year ended 31 December 2020, the capital expenditure of the Group was approximately HK\$339.4 million, which was primarily used to finance the Group's production capacity expansion for its production bases and the development of computer software.

As at 31 December 2020, the capital commitment of the Group amounted to approximately HK\$187.0 million, which was primarily related to acquisition of property, plant and equipment for production facilities under construction and expansion of production capacity at certain existing production facilities.

Pledge of Assets of the Group

As at 31 December 2020, buildings and land use rights with the carrying amounts of approximately HK\$186.6 million and HK\$229.1 million (31 December 2019: approximately HK\$202.8 million and HK\$220.1 million), respectively, were pledged to banks to secure certain bank facilities of the Group.

As at 31 December 2020, the Group had restricted cash in the amount of HK\$17.8 million (31 December 2019: approximately HK\$25.9 million) which was placed in the bank to secure certain bank facilities.

Exposure to Foreign Exchange

The majority of the Group's subsidiaries are operating in the PRC with most of the transactions and assets denominated in RMB. The conversion of RMB into foreign currencies is subject to the rules and regulations of the foreign exchange control promulgated by the PRC government. Because of the simplicity of the Group's financial structure and current operations, no hedging activities are undertaken by management.

Contingent Liabilities

As at 31 December 2020, the Group had no material contingent liabilities.

Significant Investments, Acquisitions and Disposals

The Company did not have significant investments, acquisitions and disposals during the year ended 31 December 2020.

EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2020

On 28 June 2020, the Company declared an interim dividend of HK\$2,300,000,000 to the then immediate sole shareholder of the Company. Subsequent to 31 December 2020, the dividend was fully paid by the Group using its internal resources and the drawdown of a term loan facility pursuant to the Facility Agreement (as defined in the Company's prospectus dated 4 December 2020 (the "Prospectus")).

On 6 January 2021, an over-allotment option was fully exercised in respect to an aggregate of 112,068,500 Shares and the over-allotment shares were allotted and issued by the Company at the offer price of HK\$13.16 per Share. Net proceeds from the issuance of such over-allotment shares amounted to approximately HK\$1,445 million.

AWARDS

The Group has received numerous awards and recognitions in recognition of its brand, business operations, products and corporate social responsibility achievements. The table below sets forth a summary of significant awards and recognitions that the Group has received during the year ended 31 December 2020:

Awards / Certifications	Awarding Body
1. China Environmental Label Outstanding Enterprise (中國環境標誌優秀企業)	Ecosystem Development Centre (生態環境發展中心)
2. National COVID-19 Pandemic Prevention and Control Essential Enterprise (全國性疫情防控重點保障企業)	Ministry of Industry and Information Technology of China
3. Guangdong Provincial Intellectual Property (廣東省知識產權示範企業)	Guangdong Administration for Market Regulation (Guangdong Intellectual Property Administration) (廣東省市場監督管理局 (知識產權局))
4. China Community Festival Responsible Brand of 2020 (中國公益節 2020 年度責任品牌)	China Community Festival Organizing Committee (中國公益節組委會)
5. Ranked first in the China Brand Power Index (C-BPI 黃金品牌) of Liquid Laundry Detergent and Liquid Soap	Chnbrand (中國企業品牌顧問有限公司)
6. Guangdong and Hong Kong Cleaner Production Outstanding Participant (Manufacturing) (粵港清潔生產優越夥伴 (製造業))	Environment Bureau of Hong Kong

RESEARCH AND DEVELOPMENT

The Group's business has benefited from its strong track record in research and development. The Group has a two-pronged research and development focus, including (i) introducing new products to meet evolving consumer preferences and to elevate user experience, and (ii) developing and sharing scientific and practical cleaning methods with consumers.

The Group established its Research and Development Technology Centre since the inception of its operation and the Blue Moon Applied Sciences and Laundry Academy dedicated to the development and assessment of laundry products and methods in 2015. As at 31 December 2020, the Group had obtained a total of 678 registered trademarks, 158 patents and 173 copyrights in China.

HUMAN RESOURCES

The Group had approximately 7,898 employees as at 31 December 2020. Salaries of employees are maintained at competitive levels while bonuses are granted on a discretionary basis for rewarding individual performance and contributions to the Group's achievement and results.

OUTLOOK, FUTURE PROSPECTS AND STRATEGIES

The Chinese economy was adversely affected by the outbreak of COVID-19 last year, and the business and financial outcomes of the Group in early 2020 were similarly adversely affected.

Compared with other industries, however, China's household care industry in which the Group operates, suffered a relatively modest negative impact. Despite the economic downturn and ongoing COVID-19 pandemic situation during the early months of the year, the household care industry was able to recover quickly as a result of the increased demand for household care products. While China and other parts of the world are actively fighting COVID-19 with vaccines, quarantines and other measures and striving to restore normal economic and social activities, the Group is optimistic regarding prospects for the household care product industry as well as its business operations.

As a core strategy of the Group's business, the Group plans to expand and upgrade its product offerings to solidify its leading market position. To achieve these strategies, the Group will continue to focus on the research and development of new products, upgrade existing products based on consumer feedback and its industry knowhow and expand into new product categories when appropriate opportunities arise.

The Group considers its omni-channel sales and distribution network to be a vital part of its success and competitive advantage. As a result, the Group plans to further strengthen its omni-channel distribution network and increase product penetration. Specific measures include to continue solidifying its leadership in online channels, including leveraging major e-commerce platforms, and will also expand into emerging platforms such as social e-commerce and the online procurement systems of corporations. Furthermore, the Group intends to strengthen its cooperation with offline distributors to better serve consumers in local communities, and to capture opportunities across different city tiers in China.

The Group intends to continue to win consumers' trust through promotion of scientific cleaning knowledge. The Group differentiates itself by consistently delivering scientific household care knowledge to its consumers. The Group is committed to building a trustworthy brand underpinned by science and professionalism. The Group believes that, as its consumers gain more household care related knowledge, they will increasingly rely on the Group to deliver the lifestyle they deserve.

The Group plans to improve consumer experience by enriching its services. The Group intends to deliver to consumers a carefree "Blue Moon" lifestyle by providing a full suite of products and services. The Group's laundry services help consumers clean stains that are difficult to remove, its cleaning consultants provide consumers with professional advice and its customer service staff offer product support. By strengthening interactions with consumers, the Group obtains a better understanding of their consumption needs which enables the Group to develop better products and increase customer loyalty.

The Group plans to accelerate digitalisation and upgrade manufacturing network to further improve operational efficiency. Specific measures include to continue investing in technology infrastructure to enhance the digitalisation of the Group's systems and to improve the operational efficiency of different aspects of its business, including sales and distribution, supply chain and inventory management and logistics management.

The Group's employees are its most valuable and essential asset, facilitating its success and sustainable development. The Group aims to continuously attract, train and retain high-calibre employees and talent. Moreover, the Group will strive to offer employees a platform to achieve their career aspirations so that both the Group and its employees can succeed. The Group also intends to attract talented individuals who are specialists in relevant skills to support the growth of its business.

CORPORATE GOVERNANCE AND OTHER INFORMATION

DIVIDEND

The Board has resolved to recommend the payment of a final dividend of HK6.9 cents per Share for the year ended 31 December 2020, totaling HK\$396,551,729.

CORPORATE GOVERNANCE

The Company's corporate governance practices are based on the principles and code provisions of the Corporate Governance Code, as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**CG Code**"), and the Company has adopted the CG Code as its own corporate governance code. The CG Code has been applicable to the Company since the Shares were listed on the Main Board of the Stock Exchange on 16 December 2020 (the "**Listing Date**").

The Board is of the view that the Company has complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 31 December 2020.

The Board will periodically review and enhance its corporate governance practices to ensure that the Company continues to meet the requirements of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**") as its code of conduct for Directors' securities transactions. Each Director had been given a copy of the code of conduct regarding security transactions upon his/her appointment, and the Company issues two reminders each year thereafter, being 30 days prior to the Board meeting approving the interim results of the Company and 60 days prior to the Board meeting approving the annual results of the Company, reminding the Directors that they are not allowed to deal in the securities of the Company prior to the announcement of the results (the periods during which the Directors are prohibited from dealing in shares), and that all transactions must be conducted according to the Model Code. After having made specific enquiries, each Director has confirmed that he/she has complied with the requirements of the Model Code from the Listing Date and up to the date of this announcement.

INDEPENDENT NON-EXECUTIVE DIRECTORS

From the Listing Date to 31 December 2020, the Board had complied with (i) the requirement that the board of a listed issuer must include at least three independent non-executive directors under Rule 3.10(1) of the Listing Rules; (ii) the requirement that at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules; and (iii) the requirement that the number of independent non-executive directors must represent at least one-third of the Board under Rule 3.10A of the Listing Rules.

The Company has received written confirmation from each of its independent non-executive Directors in respect of his independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company (the “**Audit Committee**”) and the external auditor have reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2020. The Audit Committee has also reviewed the accounting principles and practices adopted by the Group and its internal controls and financial reporting matters.

The figures in respect of the Group’s consolidated balance sheet, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2020 as set out in this preliminary results announcement have been agreed by the Group’s auditor, PricewaterhouseCoopers, to the amounts set out in the Group’s draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary results announcement.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the amended and restated articles of association of the Company, or the applicable laws of the Cayman Islands where the Company is incorporated, which would oblige the Company to offer new Shares on a pro-rata basis to existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

From the Listing Date and up to the date of this announcement, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s listed securities.

SUFFICIENCY OF PUBLIC FLOAT

The Company has obtained a waiver from the Stock Exchange and the Stock Exchange has accepted, under Rule 8.08(1)(d) of the Listing Rules, a lower public float percentage of 24.06% at the issued share capital of the Company.

Based on the information that is publicly available to the Company and within the knowledge of the Directors, from the Listing Date to the date of this announcement, the Company has maintained the prescribed minimum public float permitted by the Stock Exchange.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (“**AGM**”) will be held on Friday, 25 June 2021. The notice of AGM will be published and issued to shareholders (the “**Shareholders**”) on 30 April 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed as follows:

- (a) For the purpose of ascertaining Shareholder’s eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 22 June 2021 to Friday, 25 June 2021, both days inclusive. To be eligible to attend and vote at the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration no later than 4:30 p.m. on Monday, 21 June 2021.
- (b) The final dividend will be payable on or about Friday, 30 July 2021 to the Shareholders whose names appear on the register of members of the Company on Wednesday, 7 July 2021. For the purpose of ascertaining Shareholder’s eligibility for the final dividend, the register of members of the Company will be closed from Monday, 5 July 2021 to Wednesday, 7 July 2021, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the above mentioned final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Branch Share Registrar, Computershare Hong Kong Investor Services Limited, for registration by no later than 4:30 p.m. on Friday, 2 July 2021.

The address of Computershare Hong Kong Investor Services Limited is Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

USE OF NET PROCEEDS FROM THE COMPANY'S GLOBAL OFFERING

The net proceeds (the “**Net Proceeds**”) from the initial public offering of the Shares of the Company in December 2020, together with the issuance of Shares pursuant to the full exercise of the Over-allotment Option (as defined in the Prospectus) in January 2021, after deducting the underwriting commission and other estimated expenses, of HK\$11,004 million are and will be utilised as stated in the Prospectus.

Intended use of Net Proceeds as stated in the Prospectus	Net Proceeds <i>approximately HK\$ million</i>	For the year ended 31 December 2020 Utilised amount <i>approximately HK\$ million</i>	As at 31 December 2020 Unutilised amount <i>approximately HK\$ million</i>
Financing business expansion including production capacity expansion plans and to purchase equipment and machinery to facilitate such expansion plan as well as the development of the Group's laundry services	3,918	—	3,918
Raising brand awareness, further strengthening the Group's sales and distribution network and increasing product penetration	5,766	—	5,766
Working capital and for other general corporate purposes	1,100	—	1,100
Enhancing research and development capabilities	220	—	220
Total	11,004	—	11,004

PUBLICATION OF PRELIMINARY RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This preliminary results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.bluemoon.com.cn), respectively. The annual report of the Company will be dispatched to the Shareholders in due course and will be published on the websites of the Stock Exchange and the Company, respectively.

By Order of the Board
Blue Moon Group Holdings Limited
PAN Dong
Chairman & Executive Director

Hong Kong, 29 March 2021

As at the date of this announcement, the Board comprises Ms. PAN Dong, Mr. LUO Qiuping, Ms. LUO Dong, Mr. POON Kwok Leung and Ms. XIAO Haishan as Executive Directors; Mr. CAO Wei as Non-executive Director; and Mr. Bruno Robert MERCIER, Ms. NGAN Edith Manling and Mr. HU Yebi as Independent Non-executive Directors.