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POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

寶勝國際（控股）有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

**UNAUDITED RESULTS
FOR THE THREE MONTHS ENDED MARCH 31, 2020**

SUMMARY

The Board announces the unaudited consolidated results of the Group for the three months ended March 31, 2020. This announcement is made in line with the Company's current practice to publish its financial results quarterly and pursuant to rule 13.09(2) of the Listing Rules and Part XIVA of the SFO.

The unaudited consolidated loss attributable to owners of the Company for the three months ended March 31, 2020 was approximately RMB165.5 million.

The board of directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company" and the "Board", respectively) is making this announcement of the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended March 31, 2020 in line with its current practice to publish the Group's financial results quarterly and pursuant to rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and Part XIVA of the Securities and Futures Ordinance (Cap.571) (the "SFO").

CONSOLIDATED INCOME STATEMENT

For the three months ended March 31, 2020

	For the three months ended March 31,	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	4,947,114	6,597,007
Cost of sales	<u>(3,425,962)</u>	<u>(4,362,643)</u>
Gross profit	1,521,152	2,234,364
Other operating income and gains (losses)	70,179	74,531
Selling and distribution expenses	(1,442,890)	(1,722,194)
Administrative expenses	<u>(192,642)</u>	<u>(230,959)</u>
Operating (loss)/profit	(44,201)	355,742
Finance costs	(68,412)	(58,133)
Finance income	1,990	1,163
	(66,422)	(56,970)
Share of results of joint ventures	<u>(16,522)</u>	<u>2,674</u>
(Loss)/profit before taxation	(127,145)	301,446
Income tax expense	<u>(39,400)</u>	<u>(96,335)</u>
(Loss)/profit for the period	<u><u>(166,545)</u></u>	<u><u>205,111</u></u>
Attributable to:		
Owners of the Company	(165,483)	191,870
Non-controlling interests	<u>(1,062)</u>	<u>13,241</u>
	<u><u>(166,545)</u></u>	<u><u>205,111</u></u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2020

	For the three months ended March 31,	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
(Loss)/profit for the period	(166,545)	205,111
Other comprehensive income		
<i>An item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	78	1,366
Total comprehensive (expense)/income for the period	(166,467)	206,477
Attributable to:		
Owners of the Company	(165,365)	193,216
Non-controlling interests	(1,102)	13,261
	(166,467)	206,477

The Group's unaudited consolidated results for the three months ended March 31, 2020 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the last annual report for the year ended December 31, 2019.

In the current period, the Group has applied a number of new standards and amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial year beginning on January 1, 2020. The adoption of these new standards and amendments to HKFRSs has had no material effect on the results or financial positions of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Results summary

For the three months ended March 31, 2020, the Group recorded revenue of approximately RMB4,947.1 million, representing a decrease of 25.0% compared with the same period last year while there was a loss attributable to owners of the Company of approximately RMB165.5 million. This is mainly attributable to the outbreak of the novel coronavirus (COVID-19) epidemic (the “Epidemic”) and the implementation of various strict control measures by the government in the People’s Republic of China (the “PRC Government”), resulting in the temporary closures of majority of retail stores and certain offices of the Group in February and March of 2020. Although the controls to the outbreak of the Epidemic by the PRC Government are easing in most of the provinces in China, the management expects that consumer spending and business momentum of the Group might need some time to fully recover. As of the date of this announcement, over 99% directly operated stores and sub-distributor stores of the Group have resumed operations.

Financial highlights

	For the three months ended March 31,		YoY
	2020	2019	
	<i>RMB million</i>	<i>RMB million</i>	<i>% change</i>
Revenue	4,947.1	6,597.0	(25.0)%
Operating (loss)/profit	(44.2)	355.7	(112.4)%
(Loss)/profit for the period	(166.5)	205.1	(181.2)%
(Loss)/profit attributable to owners of the Company	(165.5)	191.9	(186.2)%
			Decrease
Operating (loss)/profit margin	(0.9)%	5.4%	6.3% point
Net (loss)/profit margin	(3.4)%	3.1%	6.5% point

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, May 14, 2020

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Wu, Pan-Tsu (Chairman) and Mr. Lee, Shao-Wu (Chief Executive Officer)

Non-executive Directors:

Ms. Tsai Patty, Pei Chun and Mr. Li I-nan

Independent Non-executive Directors:

Mr. Chen, Huan-Chung, Mr. Hsieh, Wuei-Jung and Mr. Feng Lei Ming

Website: www.pousheng.com