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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, 2023**

SUMMARY

The Board announces the unaudited consolidated results of the Group for the three months ended March 31, 2023. 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 profit attributable to owners of the Company for the three months ended March 31, 2023 was approximately RMB220.0 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, 2023 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, 2023

	For the three months ended March 31,	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	5,837,606	5,480,555
Cost of sales	<u>(3,877,878)</u>	<u>(3,535,838)</u>
Gross profit	1,959,728	1,944,717
Other operating income and gains (losses)	61,281	69,971
Selling and distribution expenses	(1,483,974)	(1,648,440)
Administrative expenses	<u>(204,353)</u>	<u>(171,713)</u>
Operating profit	332,682	194,535
Finance costs	(25,737)	(44,608)
Finance income	7,080	5,132
	<u>(18,657)</u>	<u>(39,476)</u>
Profit before taxation	314,025	155,059
Income tax expense	<u>(85,040)</u>	<u>(47,478)</u>
Profit for the period	<u>228,985</u>	<u>107,581</u>
Attributable to:		
Owners of the Company	219,962	102,043
Non-controlling interests	<u>9,023</u>	<u>5,538</u>
	<u>228,985</u>	<u>107,581</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2023

	For the three months ended March 31,	
	2023	2022
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	228,985	107,581
Other comprehensive income		
<i>An item that may be reclassified subsequently to profit or loss</i>		
Exchange differences arising on translation of foreign operations	<u>654</u>	<u>403</u>
Total comprehensive income for the period	<u>229,639</u>	<u>107,984</u>
Attributable to:		
Owners of the Company	220,616	102,446
Non-controlling interests	<u>9,023</u>	<u>5,538</u>
	<u>229,639</u>	<u>107,984</u>

The Group's unaudited consolidated results for the three months ended March 31, 2023 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, 2022 (the "2022 Annual Report").

In the current period, the Group has applied, for the first time, certain new and amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants which are mandatorily effective for the annual period beginning on or after January 1, 2023 for the preparation of the Group’s unaudited consolidated financial statements for the three months ended March 31, 2023. Of these, amendments to HKAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction” are relevant to the Group’s unaudited consolidated financial statements for the three months ended March 31, 2023. Upon the application of the amendments, the Group recognised a deferred tax asset associated with the lease liabilities amounting to approximately RMB703.8 million and approximately RMB553.3 million at January 1, 2022 and December 31, 2022 respectively and a deferred tax liability associated with the right-of-use assets amounting to approximately RMB671.9 million and approximately RMB520.7 million at January 1, 2022 and December 31, 2022 respectively. There is no effect on the opening balance of accumulated profits at January 1, 2022 and January 1, 2023. Details of the changes in accounting policies are discussed in note 2 to the consolidated financial statements as disclosed in the 2022 Annual Report. Other than that, the application of the new and amendments to HKFRSs does not have material impact on the Group’s unaudited consolidated results and financial positions for the current or prior periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Results summary

For the three months ended March 31, 2023, the Group recorded revenue of approximately RMB5,837.6 million, representing an increase of 6.5% compared with the same period of last year while profit attributable to owners of the Company increased by 115.6% to approximately RMB220.0 million.

Following the lifting of all control measures in mainland China, shopping mall footfall and in-store traffic continued to recover gradually. The Group’s efforts in retail refinement strategy and efficiency enhancements, as well digital acceleration, alongside a sequential recovery of purchasing intent across mainland China and low base effect stemming from the escalation of lockdowns in late March last year, led the way to a sound recovery. Meanwhile, the sales recovery helped push up operating leverage, which together with cost control measures supported an improvement in the profitability of the Group.

Financial highlights

	For the three months ended March 31,		YoY % change
	2023 RMB million	2022 RMB million	
Revenue	5,837.6	5,480.6	6.5%
Operating profit	332.7	194.5	71.0%
Profit for the period	229.0	107.6	112.8%
Profit attributable to owners of the Company	220.0	102.0	115.6%
			Change
Operating profit margin	5.7%	3.5%	+2.2% points
Net profit margin	3.9%	2.0%	+1.9% points

By Order of the Board
Yu Huan-Chang
Chairman

Hong Kong, May 10, 2023

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

Executive Directors:

Mr. Yu Huan-Chang (Chairman), Mr. Liao, Yuang-Whang and Mr. Hu, Chia-Ho

Non-executive Directors:

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

Independent Non-executive Directors:

Mr. Chen, Huan-Chung, Mr. Feng Lei Ming and Mr. Liu, Hsi-Liang

Website: www.pousheng.com