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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, 2024**

SUMMARY

The Board announces the unaudited consolidated results of the Group for the three months ended March 31, 2024. 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, 2024 was approximately RMB174.4 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, 2024 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, 2024

	For the three months ended March 31,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	5,400,250	5,837,606
Cost of sales	<u>(3,606,288)</u>	<u>(3,877,878)</u>
Gross profit	1,793,962	1,959,728
Other operating income and gains (losses)	54,691	61,281
Selling and distribution expenses	(1,369,248)	(1,483,974)
Administrative expenses	<u>(202,063)</u>	<u>(204,353)</u>
Operating profit	277,342	332,682
Finance costs	<u>(18,281)</u>	<u>(25,737)</u>
Finance income	<u>14,167</u>	<u>7,080</u>
	<u>(4,114)</u>	<u>(18,657)</u>
Profit before taxation	273,228	314,025
Income tax expense	<u>(91,531)</u>	<u>(85,040)</u>
Profit for the period	<u>181,697</u>	<u>228,985</u>
Attributable to:		
Owners of the Company	174,371	219,962
Non-controlling interests	<u>7,326</u>	<u>9,023</u>
	<u>181,697</u>	<u>228,985</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2024

	For the three months ended March 31,	
	2024	2023
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	181,697	228,985
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>1,019</u>	<u>654</u>
Total comprehensive income for the period	<u>182,716</u>	<u>229,639</u>
Attributable to:		
Owners of the Company	175,390	220,616
Non-controlling interests	<u>7,326</u>	<u>9,023</u>
	<u>182,716</u>	<u>229,639</u>

The Group's unaudited consolidated results for the three months ended March 31, 2024 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, 2023.

In the current period, the Group has applied certain 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, 2024 for the preparation of the Group's unaudited consolidated results for the three months ended March 31, 2024. The adoption of these amendments to HKFRSs has had no material impact on the unaudited consolidated results and financial positions of the Group for the current or prior periods.

MANAGEMENT DISCUSSION AND ANALYSIS

Results summary

For the three months ended March 31, 2024, the Group recorded revenue of approximately RMB5,400.3 million, representing a decrease of 7.5% compared with the same period of last year while profit attributable to owners of the Company decreased by 20.7% to approximately RMB174.4 million.

The sales momentum of the Group during the first quarter of 2024 softened due to weak store traffic in certain parts of mainland China, while contending with a high base led by the ‘revenge spending’ phenomenon that followed the reopening of physical sales channels in the same period of last year. Nevertheless, omni-channel sales remained relatively resilient as the Group pressed ahead with its digital transformation strategy amid a mixed operating environment.

The Group continued to focus on agility and sustained growth through a range of initiatives to ensure decent profitability and working capital efficiency. Its margins during the period were maintained at a healthy level, with an unfavourable channel mix being offset by well-managed discount controls and cost reductions. Despite the short term challenges, the Group maintained solid financial strength backed by a decent net cash position.

Financial highlights

	For the three months ended March 31,		
	2024 <i>RMB million</i>	2023 <i>RMB million</i>	YoY % change
Revenue	5,400.3	5,837.6	-7.5%
Operating profit	277.3	332.7	-16.6%
Profit for the period	181.7	229.0	-20.7%
Profit attributable to owners of the Company	174.4	220.0	-20.7%
			Change
Operating profit margin	5.1%	5.7%	-0.6 ppt
Net profit margin	3.4%	3.9%	-0.5 ppt

By Order of the Board
Yu Huan-Chang
Chairman

Hong Kong, May 13, 2024

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

Executive Directors:

Mr. Yu Huan-Chang (Chairman), Mr. Hu, Chia-Ho and Mr. Chen, Li-Chieh (Chief Financial Officer)

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