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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 NINE MONTHS ENDED SEPTEMBER 30, 2019

SUMMARY

The Board announces the unaudited consolidated results of the Group for the nine months ended September 30, 2019. 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 nine months ended September 30, 2019 was approximately RMB605.7 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 nine months ended September 30, 2019 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 nine months ended September 30, 2019

	For the nine months ended September 30,	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	19,995,970	16,636,094
Cost of sales	(13,159,835)	(11,130,769)
Gross profit	6,836,135	5,505,325
Other operating income and gains (losses)	253,326	208,312
Selling and distribution expenses	(5,201,836)	(4,437,171)
Administrative expenses	(787,446)	(582,191)
Operating profit	1,100,179	694,275
Finance costs	(178,267)	(107,621)
Finance income	8,736	5,143
Finance cost - net	(169,531)	(102,478)
Share of results of joint ventures	1,072	299
Other losses	(9,951)	-
Profit before taxation	921,769	592,096
Income tax expense	(267,720)	(187,810)
Profit for the period	654,049	404,286
Attributable to:		
Owners of the Company	605,691	389,341
Non-controlling interests	48,358	14,945
	654,049	404,286

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2019

	For the nine months ended September 30,	
	2019	2018
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	654,049	404,286
Other comprehensive (expense)/income		
<i>An item that may be reclassified subsequently to profit or loss</i>		
Exchange difference arising on translation of foreign operations	(268)	129
Total comprehensive income for the period	653,781	404,415
Attributable to:		
Owners of the Company	605,544	389,114
Non-controlling interests	48,237	15,301
	653,781	404,415

The Group's unaudited consolidated results for the nine months ended September 30, 2019 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, 2018.

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, 2019. Except as described below, the adoption of these new standards and amendments to HKFRSs has had no material effect on the results or financial positions of the Group.

Financial impact of initial application of HKFRS 16 "Leases"

The Group selected the modified retrospective approach for the application of HKFRS 16 as lessee. The application of this new standard would result in changes in measurement, presentation and disclosure as indicated in the last annual report for the year ended December 31, 2018. In respect of the consolidated income statement for the nine months ended September 30, 2019 as disclosed, the operating profit increased by RMB13.7 million and the profit for the period decreased by RMB41.6 million which was mainly derived from the imputed interest of RMB69.1 million due to the application of this new standard.

MANAGEMENT DISCUSSION AND ANALYSIS

Results summary

For the nine months ended September 30, 2019, the Group recorded revenue of approximately RMB19,996.0 million, representing an increase of 20.2% compared with the same period last year while net profit attributable to owners of the Company increased by 55.6% to approximately RMB605.7 million compared with approximately RMB389.3 million recorded in the same period in 2018.

Financial highlights

	For the nine months ended September 30,		YoY % change
	2019 RMB million	2018 RMB million	
Revenue	19,996.0	16,636.1	20.2%
Operating profit	1,100.2	694.3	58.5%
Profit for the period	654.0	404.3	61.8%
Profit attributable to owners of the Company	605.7	389.3	55.6%
			Increase
Operating profit margin	5.5%	4.2%	1.3% point
Net profit margin	3.3%	2.4%	0.9% point

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, November 13, 2019

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