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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, 2020**

SUMMARY

The Board announces the unaudited consolidated results of the Group for the nine months ended September 30, 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 profit attributable to owners of the Company for the nine months ended September 30, 2020 was approximately RMB179.6 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, 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 nine months ended September 30, 2020

	For the nine months ended September 30,	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Revenue	18,341,296	19,995,970
Cost of sales	(12,812,200)	(13,159,835)
Gross profit	5,529,096	6,836,135
Other operating income and gains (losses)	226,302	253,326
Selling and distribution expenses	(4,625,449)	(5,201,836)
Administrative expenses	(695,652)	(787,446)
Operating profit	434,297	1,100,179
Finance costs	(184,893)	(178,267)
Finance income	13,097	8,736
Share of results of joint ventures	(171,796)	(169,531)
Other gain (loss)	7,355	1,072
	514	(9,951)
Profit before taxation	270,370	921,769
Income tax expense	(80,836)	(267,720)
Profit for the period	189,534	654,049
Attributable to:		
Owners of the Company	179,642	605,691
Non-controlling interests	9,892	48,358
	189,534	654,049

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2020

	For the nine months ended September 30,	
	2020	2019
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Profit for the period	189,534	654,049
Other comprehensive income/(expense) <i>An item that may be reclassified subsequently to profit or loss</i>		
Exchange difference arising on translation of foreign operations	<u>1,128</u>	<u>(268)</u>
Total comprehensive income for the period	<u>190,662</u>	<u>653,781</u>
Attributable to:		
Owners of the Company	180,846	605,544
Non-controlling interests	<u>9,816</u>	<u>48,237</u>
	<u>190,662</u>	<u>653,781</u>

The Group's unaudited consolidated results for the nine months ended September 30, 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 amendments to Hong Kong Financial Reporting Standards ("HKFRSs") and the Amendments to References to the Conceptual Framework in HKFRS Standards 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 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 nine months ended September 30, 2020, the Group recorded revenue of approximately RMB18,341.3 million, representing a decrease of 8.3% compared with the same period last year. The gross profit margin decreased 4.1 percentage points as compared to 34.2% in the same period of last year in order to promote sales activities for motivating customer demand after the novel coronavirus (COVID-19) pandemic lockdowns in China. The Group's selling and distribution expenses and administrative expenses for the nine months ended September 30, 2020 were RMB5,321.1 million, a decline of 11.2% compared with the same period of last year. The decrease was attributable to strict cost control measures, access of government subsidies and positive rent negotiations. As a result, net profit attributable to owners of the Company decreased by 70.3% to approximately RMB179.6 million compared with approximately RMB605.7 million recorded in the same period in 2019.

Financial highlights

	For the nine months ended September 30,		
	2020	2019	YoY
	<i>RMB million</i>	<i>RMB million</i>	<i>% change</i>
Revenue	18,341.3	19,996.0	(8.3)%
Operating profit	434.3	1,100.2	(60.5)%
Profit for the period	189.5	654.0	(71.0)%
Profit attributable to owners of the Company	179.6	605.7	(70.3)%
			Decrease
Operating profit margin	2.4%	5.5%	3.1% point
Net profit margin	1.0%	3.3%	2.3% point

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, November 12, 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