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Goodbaby International Holdings Limited

好孩子國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code : 1086)

REVENUE PERFORMANCE FOR THE THREE MONTHS ENDED 31 MARCH 2020

This announcement is made by Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the unaudited consolidated management accounts of the Company, the revenue for the three months ended 31 March 2020 (the “**Period**”) was approximately HK\$1,639.7 million, representing a decline of 16.9% from approximately HK\$1,973.7 million for the corresponding period in 2019. During the Period, foreign exchange rate fluctuations, especially exchange rate fluctuation between RMB and HKD and between EUR and HKD impacted on the overall revenue growth due to translation of the Group’s revenue from the original currency into the Group’s reporting currency in HKD. On a constant currency basis¹, the Group’s revenue for the Period recorded a 13.5% decrease as compared with the corresponding period in 2019.

(HK\$ million)	Three months ended 31 March					Change on a constant currency basis (%)
	2020 (unaudited)		2019 (unaudited)		Change (%)	
Revenue	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on a constant currency basis (%)
	\$1,639.7		\$1,973.7		-16.9%	-13.5%
Strategic Brands Revenue	<u>1,406.1</u>	<u>85.8%</u>	<u>1,637.0</u>	<u>82.9%</u>	<u>-14.1%</u>	<u>-10.6%</u>
Cybex	514.0	31.4%	578.3	29.3%	-11.1%	-7.4%
gb	449.5	27.4%	614.9	31.1%	-26.9%	-22.5%
Evenflo	442.6	27.0%	443.8	22.5%	-0.3%	1.6%

¹ The constant currency basis is the weighted growth rate on each original currency revenue.

Overview

During the Period, the Group's core Strategic brands of CYBEX, gb and Evenflo recorded an overall 14.1% decrease in revenue (10.6% decrease on a constant currency basis) from the revenue of the corresponding period in 2019.

During the Period, the Group's core Strategic brands performed as follows:

- **CYBEX** brand recorded strong global revenue performance in January prior to the outbreak of the coronavirus disease 2019 (“**COVID-19**”). The overall revenue decline in the Period was primarily due to decreased revenues in China and Asia region caused by the COVID-19 outbreak. Supply chain interruptions due to China factory shutdowns in February until beginning of March led partially to the delay of certain shipments planned for late March into the second quarter of 2020. The closure of retail stores in Europe and Americas beginning in late March further impacted the performance.
- **gb** brand recorded strong revenue performance prior to the outbreak of COVID-19. The overall revenue decline in the Period was directly attributed to the temporary closure of our offline retail stores in late January, partially mitigated by revenues generated from our strong online platforms. As of 31 March 2020, over 95% of our offline retail stores were reopened (with gradually improving store traffic), and we continued the strong performance from our online platforms. Our China market revenue started to significantly improve during March.
- **Evenflo** brand revenue performance remained stable in the Period with minimal negative supply chain impact by leveraging the Group's manufacturing facility in the US. The retail store closures in North America beginning in late March started to impact performance.

During the Period, the Group's revenue from other business including the Group's tactical brands, retailer's private label business and Blue Chip business was approximately HK\$233.5 million as compared to approximately HK\$336.7 million in the corresponding period of 2019. This approximate 30.6% decrease (approximate 27.7% decrease on a constant currency basis) in revenue is closely tied to the decrease of export shipments due to supply chain interruptions and the overall negative business climate in the China market caused by COVID-19. In particular, Blue Chip revenues were stable in January and February but were negatively impacted in March by our China factory shutdown in February and customers started to partially delay orders from end of March to the second quarter.

The spread of COVID-19 has had a direct impact on the Group's performance in the Period and will continue to impact the Group's performance in the second quarter. As each of our Strategic brands' geographic mother markets is in a different stage of the development of COVID-19 and given the very dynamic and volatile situation, we are not in the position to give clear guidance of the Group's full year performance at this moment. However, we have and will continue to take proactive measures to minimize the overall impact. Our Group's liquidity remains very strong.

The above information was prepared based on the unaudited consolidated management accounts of the Group which have neither been reviewed nor audited by the auditors of the Company and may differ from those in the audited or unaudited financial statements of the Group to be published by the Company on yearly and half yearly basis. The operational information for the Period may not reflect the overall performance of the Group for a complete reporting period. Shareholders and potential investors of the Company are advised not to place reliance on the aforesaid information and they are advised to exercise caution in dealing in the securities of the Company.

By Order of the Board
Goodbaby International Holdings Limited
SONG Zhenghuan
Chairman

Hong Kong, 12 May 2020

As at the date of this announcement, the Executive Directors of the Company are Mr. SONG Zhenghuan, Mr. Martin POS, Mr. XIA Xinyue, Mr. LIU Tongyou and Mr. Michael Nan QU; the Non-Executive Directors are Ms. FU Jingqiu and Mr. HO Kwok Yin, Eric; and the Independent Non-Executive Directors are Mr. Iain Ferguson BRUCE, Mr. SHI Xiaoguang, Ms. CHIANG Yun and Mr. JIN Peng.