

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Goodbaby

International

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)

VOLUNTARY ANNOUNCEMENT REVENUE PERFORMANCE FOR THE THREE MONTHS ENDED 31 MARCH 2019

Based on the unaudited consolidated management accounts of Goodbaby International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), the revenue for the three months ended 31 March 2019 (the “**Period**”) was approximately HK\$1,973.7 million, representing a slight decline of 1.3% from approximately HK\$1,998.9 million from the corresponding period in 2018. 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 constant currency basis¹, the Group’s revenue for the Period recorded a 1.7% increase compared with the corresponding period in 2018.

(HK\$ million)	Three months ended 31 March				Change (%)	Change on constant currency basis (%)
	2019 (unaudited)		2018 (unaudited)			
Revenue	\$1,973.7		\$1,998.9		-1.3%	1.7%
	Amount	% of Revenue	Amount	% of Revenue	Change (%)	Change on constant currency basis (%)
Strategic Brands Revenue	<u>1,637.0</u>	<u>82.9%</u>	<u>1,548.0</u>	<u>77.4%</u>	<u>5.7%</u>	<u>9.4%</u>
Cybex	578.3	29.3%	413.2	20.7%	40.0%	48.0%
gb	614.9	31.1%	654.2	32.7%	-6.0%	-1.6%
Evenflo	443.8	22.5%	480.6	24.0%	-7.7%	-8.8%

Overview

During the Period, the Group’s core strategic brands of Cybex, gb and Evenflo recorded an overall 5.7% growth in revenue (9.4% growth on constant currency basis) from the revenue of the corresponding period in 2018. As a result of the Group’s focused strategy, the Group’s strategic brands represent nearly 83% of the total revenue for the Period compared to approximately 77% in the corresponding period of 2018.

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

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

- **Cybox** brand global revenue performance is attributable to the continued strong brand performance and enhanced logistics capabilities in EMEA which, in addition, allowed management to refocus on commercial initiatives. In particular, Cybox car seats and wheeled goods sales performance in EMEA region was a key driver of growth in the Period. Additionally, key regional markets outside EMEA are achieving significant sales growth through continued brand building and further channel expansion.
- **gb** brand overall revenue performance stabilized in the Period with strong sales growth in home textiles and apparel offset by a decrease in durables (primarily car seats). The rate of durables' quarterly revenue year-on-year decline in the China market has improved the past two consecutive quarters as a result of China market leadership change, new product launches and execution of a revised wholesale distribution strategy.
- **Evenflo** brand revenue performance in the Period continued to be impacted by the lingering effects of the liquidation of Toys R Us, Inc. ("TRU") and its subsidiary Babies R Us ("BRU") in early 2018 and overall lack of consumer confidence caused by the government shutdown in the United States of America in December 2018 and January 2019. This uncertainty produced less than expected results from certain retail promotions in early 2019. No revenue was contributed by TRU/BRU in the Period compared to approximately HK\$15.5 million in the corresponding period of 2018. As sales to TRU/BRU ceased in the first quarter of 2018, there will be no further impact of TRU/BRU on a quarterly basis. The majority of the overall decline in the Period was experienced in January 2019 and was offset by a slight increase in sales in March 2019 as compared to March 2018.

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\$336.7 million as compared to approximately HK\$450.8 million in the corresponding period of 2018. This approximate 25.3% decrease (approximate 24.9% decrease on constant currency basis) in revenue is closely tied to reduced focus on the Group's tactical brands and private label business and higher purchases from the Group's key Blue Chip customers in the corresponding period of 2018 resulting from their inventory buildup. The Group's relationship with its Blue Chip customers remains 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, 9 May 2019

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.