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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, 2017

#### **SUMMARY**

The board of directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company" and the "Board", respectively) announces the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months ended March 31, 2017. This announcement is made in line with the Company's current practice to publish its financial results quarterly and pursuant to paragraph 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, 2017 was approximately RMB103.7 million.

The Board is making this announcement of the Group's unaudited consolidated results for the three months ended March 31, 2017 in line with its current practice to publish the Group's financial results quarterly and pursuant to paragraph 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, 2017

Revenue       4,674,129       4,086,00         Cost of sales       (3,105,318)       (2,660,49)         Gross profit       1,568,811       1,425,55         Other operating income and gains (losses)       68,802       52,55         Selling and distribution expenses       (1,260,706)       (1,060,55         Administrative and other expenses       (165,538)       (150,15         Operating profit       211,369       267,4         Finance costs       (24,430)       (11,8         Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,6         Share of results of an associate       –       (6,56         Share of results of joint ventures       (6,060)       (2,18         Other gains (losses)       (406)       (4,9)         Profit before taxation       181,953       245,16         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70		For the three months ended March 31,	
Revenue			2016
Revenue		RMB'000	RMB'000
Revenue       4,674,129       4,086,0         Cost of sales       (3,105,318)       (2,660,44         Gross profit       1,568,811       1,425,50         Other operating income and gains (losses)       68,802       52,5         Selling and distribution expenses       (1,260,706)       (1,060,5)         Administrative and other expenses       (165,538)       (150,1)         Operating profit       211,369       267,4         Finance costs       (24,430)       (11,8         Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,6         Share of results of an associate       – (6,50         Share of results of joint ventures       (6,060)       (2,10         Other gains (losses)       (406)       (4,90         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70		(unaudited)	(unaudited)
Cost of sales         (3,105,318)         (2,660,49)           Gross profit         1,568,811         1,425,51           Other operating income and gains (losses)         68,802         52,51           Selling and distribution expenses         (1,260,706)         (1,060,51           Administrative and other expenses         (165,538)         (150,11           Operating profit         211,369         267,44           Finance costs         (24,430)         (11,88)           Finance income         1,480         3,24           Finance cost – net         (22,950)         (8,6           Share of results of an associate         –         (6,5           Share of results of joint ventures         (6,060)         (2,1           Other gains (losses)         (406)         (4,9)           Profit before taxation         181,953         245,1           Income tax expense         (73,589)         (96,20)           Profit for the period         108,364         148,90           Attributable to:         Owners of the Company         103,661         142,70			(restated)
Gross profit Other operating income and gains (losses) Selling and distribution expenses Administrative and other expenses  Operating profit  Coperating profit  Differ the period  1,568,811 1,425,56 68,802 52,55 68,802 52,55 68,802 52,55 68,802 52,55 68,802 52,55 68,802 52,55 68,802 68,802 52,55 68,802 68,802 68,802 68,802 68,802 68,802 68,802 68,802 68,802 68,802 68,802 68,802 61,060,55 61,060,55	Revenue	4,674,129	4,086,055
Other operating income and gains (losses)       68,802       52,5         Selling and distribution expenses       (1,260,706)       (1,060,5)         Administrative and other expenses       (165,538)       (150,1)         Operating profit       211,369       267,4         Finance costs       (24,430)       (11,8)         Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,6)         Share of results of an associate       – (6,5)         Share of results of joint ventures       (6,060)       (2,1)         Other gains (losses)       (406)       (4,9)         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20)         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Cost of sales	(3,105,318)	(2,660,494)
Selling and distribution expenses       (1,260,706)       (1,060,5)         Administrative and other expenses       (165,538)       (150,1)         Operating profit       211,369       267,4         Finance costs       (24,430)       (11,8)         Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,6)         Share of results of an associate       – (6,5)         Share of results of joint ventures       (6,060)       (2,1)         Other gains (losses)       (406)       (4,9)         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Gross profit	1,568,811	1,425,561
Administrative and other expenses       (165,538)       (150,13)         Operating profit       211,369       267,44         Finance costs       (24,430)       (11,83)         Finance income       1,480       3,22         Finance cost – net       (22,950)       (8,63)         Share of results of an associate       – (6,56)         Share of results of joint ventures       (6,060)       (2,13)         Other gains (losses)       (406)       (4,93)         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20)         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Other operating income and gains (losses)	68,802	52,533
Operating profit       211,369       267,44         Finance costs       (24,430)       (11,83         Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,63         Share of results of an associate       – (6,50         Share of results of joint ventures       (6,060)       (2,13         Other gains (losses)       (406)       (4,93         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Selling and distribution expenses	(1,260,706)	(1,060,521)
Finance costs Finance income  (24,430) Finance income  (22,950) Finance cost – net Share of results of an associate Share of results of joint ventures (6,060) Other gains (losses)  (406) Frofit before taxation Income tax expense  (73,589)  Attributable to: Owners of the Company  (11,82) (11,83) (24,430) (11,83) (11,83) (24,430) (11,83) (11,83) (24,430) (11,83) (12,950) (8,60) (6,060) (2,13) (6,060) (2,13) (6,060) (2,13) (6,060) (1,13) (6,060) (1,13) (6,060) (1,13) (6,060) (1,13) (1,14) (	Administrative and other expenses	(165,538)	(150,133)
Finance income       1,480       3,20         Finance cost – net       (22,950)       (8,60         Share of results of an associate       – (6,50         Share of results of joint ventures       (6,060)       (2,10         Other gains (losses)       (406)       (4,90         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Operating profit	211,369	267,440
Finance cost – net  Share of results of an associate  Share of results of joint ventures  Other gains (losses)  Profit before taxation  Income tax expense  Profit for the period  Attributable to:  Owners of the Company  (22,950)  (8,63  (6,560)  (2,13  (6,960)  (2,13  (406)  (4,93  (406)  (4,93  (73,589)  (96,26)  108,364  148,96	Finance costs	(24,430)	(11,858)
Share of results of an associate       — (6,50         Share of results of joint ventures       (6,060)       (2,18         Other gains (losses)       (406)       (4,93         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Finance income	1,480	3,204
Share of results of joint ventures       (6,060)       (2,13)         Other gains (losses)       (406)       (4,93)         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20)         Profit for the period       108,364       148,90         Attributable to:       Owners of the Company       103,661       142,70	Finance cost – net	(22,950)	(8,654)
Other gains (losses)       (406)       (4,92)         Profit before taxation       181,953       245,10         Income tax expense       (73,589)       (96,20)         Profit for the period       108,364       148,90         Attributable to:       0wners of the Company       103,661       142,70	Share of results of an associate	_	(6,503)
Profit before taxation       181,953       245,16         Income tax expense       (73,589)       (96,26)         Profit for the period       108,364       148,96         Attributable to:       0wners of the Company       103,661       142,76	Share of results of joint ventures	(6,060)	(2,184)
Income tax expense       (73,589)       (96,20)         Profit for the period       108,364       148,90         Attributable to:       0wners of the Company       103,661       142,70	Other gains (losses)	(406)	(4,932)
Profit for the period  108,364  Attributable to: Owners of the Company  103,661  148,96	Profit before taxation	181,953	245,167
Attributable to: Owners of the Company  103,661  142,76	Income tax expense	(73,589)	(96,264)
Owners of the Company <b>103,661</b> 142,76	Profit for the period	108,364	148,903
Owners of the Company <b>103,661</b> 142,76	Attributable to:		
		103,661	142,769
	- ·		6,134
<b>108,364</b> 148,90		108,364	148,903

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended March 31, 2017

	For the three months ended March 31,	
	2017	2016
	RMB'000	RMB'000
	(unaudited)	(unaudited)
		(restated)
Profit for the period	108,364	148,903
Other comprehensive expense		
An item that may be reclassified		
subsequently to profit or loss		
Exchange difference arising on		
translation of foreign operations	(891)	(99)
Total comprehensive income for the period	107,473	148,804
Attributable to:		
Owners of the Company	102,728	142,667
Non-controlling interests	4,745	6,137
Č	<u> </u>	
	107,473	148,804

The Group's unaudited consolidated results for the three months ended March 31, 2017 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, 2016.

In the current period, the Group has applied a number of amendments to Hong Kong Financial Reporting Standards ("Amendments to HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are effective for the Group's financial year beginning on January 1, 2017. 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

#### Application of merger accounting

On November 14, 2016, Winning Team Holdings Limited, an indirect wholly-owned subsidiary of the Company, acquired from Key International Co., Ltd., an indirect wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), an intermediate holding company of the Company, the entire equity interests in PCG Bros (Holdings) Co. Limited ("PCG Bros"). PCG Bros and its subsidiaries (collectively referred to as the "PCG Bros Group") are principally engaged in sports marketing and organisation of sports events in Taiwan.

The Group and PCG Bros Group are both under the control of Yue Yuen before and after the date of acquisition, and that control is not transitory. The Group and PCG Bros Group are regarded as continuing entities as at the date of business combinations and hence the acquisition has been accounted for as combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the HKICPA. Accordingly, the consolidated income statement and consolidated statement of comprehensive income of the Group for the three months ended March 31, 2016 include the financial performance of PCG Bros Group as if the current group structure upon the completion of the group reorganisation had been in existence throughout the three months ended March 31, 2016, or since their respective dates of incorporation or establishment where this is a shorter period.

The effects of all transactions between the Group and the PCG Bros Group, whether occurring before or after the acquisition, are eliminated in preparing the consolidated income statement and consolidated statement of comprehensive income.

#### **Results summary**

For the three months ended March 31, 2017, the Group recorded revenue of RMB4,674.1 million, representing an increase of 14.4% compared with the same period last year while net profit attributable to owners of the Company decreased by 27.4% to RMB103.7 million, which was mainly due to the increase in staff costs and rental expenses, compared with RMB142.8 million, as restated, in 2016.

### Financial highlights

# For the three months ended March 31,

	ciided ivi	chidea maren er,		
	2017	2016	YoY	
	RMB million	RMB million	% change	
		(restated)		
Revenue	4,674.1	4,086.1	14.4%	
Operating profit	211.4	267.4	(20.9)%	
Profit for the period	108.4	148.9	(27.2)%	
Profit attributable to owners of the				
Company	103.7	142.8	(27.4)%	
			Decrease	
Operating profit margin	4.5%	6.5%	2.0% point	
Net profit margin	2.3%	3.6%	1.3% point	

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, May 12, 2017

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. Shan Xue

Website: www.pousheng.com