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.

POU SHENG INTERNATIONAL (HOLDINGS) LIMITED
寶勝國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

FINAL RESULTS
FOR THE FIFTEEN MONTHS ENDED DECEMBER 31, 2012

THE GROUP'S FINANCIAL HIGHLIGHTS

	For the fifteen months ended December 31, 2012	For the year ended September 30, 2011	**Percentage increase (decrease)**
Revenue *(US$'000)*	**2,182,450**	1,589,802	**37.3%**
Operating profit *(US$'000)*	**2,708**	82,078	**(96.7)%**
(Loss) profit attributable to owners of the Company *(US$'000)*	**(69,151)**	53,670	**–**
Basic (loss) earnings per share *(US Cents)*	**(1.56)**	1.25	**–**

RESULTS

The directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company") are pleased to announce the audited consolidated results of the Company and its subsidiaries collectively referred to as (the "Group") for the fifteen months ended December 31, 2012 with comparative figures for the year ended September 30, 2011 as follow:

Consolidated Income Statement

For the fifteen months ended December 31, 2012

	Notes	**For the fifteen months ended December 31, 2012** *US$'000*	For the year ended September 30, 2011 *US$'000*
Revenue	3	**2,182,450**	1,589,802
Cost of sales		**(1,538,014)**	(1,107,456)
Gross profit		**644,436**	482,346
Other income and gains/losses		**35,944**	37,694
Selling and distribution expenses		**(573,673)**	(366,718)
Administrative expenses		**(103,999)**	(71,244)
Operating profit		**2,708**	82,078
Interests on bank borrowings wholly repayable within five years		**(22,772)**	(9,984)
Finance income		**5,210**	5,845
Finance costs – net		**(17,562)**	(4,139)
Share of results of associates		**313**	697
Share of results of jointly controlled entities		**(13,768)**	(3,182)
Gain on deemed disposal of a jointly controlled entity		**5,898**	18,767
Gain on disposal of properties		**4,685**	–
Gain on deregistration of subsidiaries		**–**	341
Impairment loss of intangible assets		**(8,485)**	–
Impairment losses of interests in associates		**(3,040)**	(500)
Impairment losses of interests in jointly controlled entities		**(6,305)**	(1,500)
Impairment loss of an available-for-sale investment		**–**	(100)
Fair value changes on derivative financial instruments		**(20,916)**	(15,601)
Fair value changes on consideration payable for acquisition of business		**(2,085)**	–
(Loss) profit before taxation		**(58,557)**	76,861
Income tax expense	4	**(9,860)**	(22,051)
(Loss) profit for the period/year	5	**(68,417)**	54,810

	Note	For the fifteen months ended December 31, 2012 US$'000	For the year ended September 30, 2011 US$'000
Attributable to:			
Owners of the Company		**(69,151)**	53,670
Non-controlling interests		**734**	1,140
		(68,417)	54,810
(Loss) earnings per share	6		
– basic		**US(1.56) cents**	US1.25 cents
– diluted		**US(1.56) cents**	US1.25 cents

Consolidated Statement of Comprehensive Income

For the fifteen months ended December 31, 2012

	For the fifteen months ended December 31, 2012 US$'000	For the year ended September 30, 2011 US$'000
(Loss) profit for the period/year	**(68,417)**	54,810
Other comprehensive income		
Exchange difference arising on translation	**28,493**	30,755
Total comprehensive (expense) income for the period/year	**(39,924)**	85,565
Attributable to:		
Owners of the Company	**(41,058)**	83,718
Non-controlling interests	**1,134**	1,847
	(39,924)	85,565

Consolidated Statement of Financial Position

At December 31, 2012

	Note	**December 31, 2012** *US$'000*	September 30, 2011 *US$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**124,449**	117,173
Deposit paid for acquisition of property, plant and equipment		**470**	918
Prepaid lease payments		**24,466**	24,321
Rental deposits and prepayments		**23,159**	25,927
Deposit paid for proposed acquisition of a business		**–**	3,127
Intangible assets		**134,031**	111,882
Goodwill		**82,977**	42,226
Interests in associates		**2,611**	8,387
Loans to associates		**2,407**	7,536
Interests in jointly controlled entities		**19,373**	41,950
Loans to jointly controlled entities		**30,491**	45,878
Deposit paid for acquisition of the remaining interest in a jointly controlled entity		**–**	1,219
Long-term loan receivables		**827**	8,311
Available-for-sale investments		**–**	–
Derivative financial instruments		**–**	22,363
Pledged bank deposits		**–**	12,507
Deferred tax assets		**4,051**	1,978
		449,312	475,703
CURRENT ASSETS			
Inventories		**591,670**	400,806
Trade and other receivables	7	**323,233**	285,035
Taxation recoverable		**6,033**	1,369
Bank balances and cash		**128,488**	172,688
		1,049,424	859,898
Assets classified as held for sale		**1,674**	37,168
		1,051,098	897,066

	Note	December 31, 2012 US$'000	September 30, 2011 US$'000
CURRENT LIABILITIES			
Trade and other payables	8	**193,259**	279,577
Taxation payable		**6,867**	5,298
Bank borrowings		**313,040**	168,187
		513,166	453,062
NET CURRENT ASSETS		**537,932**	444,004
TOTAL ASSETS LESS CURRENT LIABILITIES		**987,244**	919,707
NON-CURRENT LIABILITIES			
Bank borrowings		**14,247**	–
Consideration payable for acquisition of business		**17,980**	–
Deferred tax liabilities		**36,945**	30,403
		69,172	30,403
NET ASSETS		**918,072**	889,304
CAPITAL AND RESERVES			
Share capital		**6,850**	5,513
Reserves		**894,873**	868,819
Equity attributable to owners of the Company		**901,723**	874,332
Non-controlling interests		**16,349**	14,972
TOTAL EQUITY		**918,072**	889,304

Notes to the Consolidated Financial Statements

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

As set out in the announcement of the Company issued on May 30, 2012, the financial year end date of the Company and the Group has been changed from September 30 to December 31 to align the financial year end dates of the Company's subsidiaries that are established in the People's Republic of China (the "PRC"), which are required under relevant laws to close their accounts with the financial year end on December 31. Accordingly, the current accounting period covers a period of fifteen months from October 1, 2011 to December 31, 2012. The corresponding comparative amounts shown for the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover a period of twelve months from October 1, 2010 to September 30, 2011 and therefore not entirely comparable with those of the current period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

In the current period, the Group has applied the following new and revised standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
Amendments to HKFRS 7	Financial Instruments: Disclosures – Transfers of Financial Assets
Amendments to HK(IFRIC) – Int 14	Prepayments of a Minimum Funding Requirement
HKAS 24 (as revised in 2009)	Related Party Disclosures

The application of the new and revised HKFRSs in the current period has had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual Improvements 2009 – 2011 Cycle[1]
Amendments to HKFRS 1	Government Loans[1]
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[3]
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance[1]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[2]
HKFRS 9	Financial Instruments[3]
HKFRS 10	Consolidated Financial Statements[1]
HKFRS 11	Joint Arrangements[1]
HKFRS 12	Disclosure of Interests in Other Entities[1]
HKFRS 13	Fair Value Measurement[1]
HKAS 19 (as revised in 2011)	Employee Benefits[1]
HKAS 27 (as revised in 2011)	Separate Financial Statements[1]
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures[1]
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income[4]
Amendments to HKAS 12	Deferred Tax: Recovery of Underlying Assets[5]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[2]
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine[1]

[1] Effective for annual periods beginning on or after January 1, 2013.
[2] Effective for annual periods beginning on or after January 1, 2014.
[3] Effective for annual periods beginning on or after January 1, 2015.
[4] Effective for annual periods beginning on or after July 1, 2012.
[5] Effective for annual periods beginning on or after January 1, 2012.

HKFRS 9 "Financial Instruments"

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 amended in 2010 includes the requirements for the classification and measurement of financial liabilities and for derecognition.

Key requirements of HKFRS 9 are described as follows:

All recognised financial assets that are within the scope of HKAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for annual periods beginning on or after January 1, 2015, with earlier application permitted.

The directors anticipate that, based on the financial instruments of the Group as at December 31, 2012, the adoption of HKFRS 9 will have no material effect on the Group's financial assets and financial liabilities.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011). Key requirements of these five standards are described below:

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and Separate Financial Statements" that deal with consolidated financial statements. HK (SIC) – Int 12 "Consolidation – Special Purpose Entities" will be withdrawn upon the effective date of HKFRS 10. Under HKFRS 10, there is only one basis for consolidation, that is, control. In addition, HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in Joint Ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. HK (SIC) – Int 13 "Jointly Controlled Entities – Non-monetary Contributions by Venturers" will be withdrawn upon the effective date of HKFRS 11. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements. In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations. In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate consolidation.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

In July 2012, the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 were issued to clarify certain transitional guidance on the application of these five HKFRSs for the first time. These five standards, together with the amendments relating to the transitional guidance, are effective for annual periods beginning on or after January 1, 2013 with earlier application permitted provided that all of these standards are applied at the same time.

The directors are in the process of determining the financial impacts of the application of these five standards on amounts reported in the consolidated financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 "Investment Entities"

The amendments to HKFRS 10 introduce an exception to consolidating subsidiaries for an investment entity, except where the subsidiaries provide services that relate to the investment entity's investment activities. Under the amendments to HKFRS 10, an investment entity is required to measure its interests in subsidiaries at fair value through profit or loss. To qualify as an investment entity, certain criteria have to be met. Specifically, an entity is required to:

- obtain funds from one or more investors for the purpose of providing them with professional investment management services;

- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and

- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments to HKFRS 12 and HKAS 27 have been made to introduce new disclosure requirements for investment entities.

The amendments to HKFRS 10, HKFRS 12 and HKAS 27 are effective for annual periods beginning on or after January 1, 2014, with early application permitted. The directors anticipate that the application of the amendments will have no effect on the Group as the Company is not an investment entity.

HKFRS 13 "Fair Value Measurement"

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial Instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted. The directors anticipate that the application of the new standard may result in more extensive disclosures in the consolidated financial statements.

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 "Presentation of Items of Other Comprehensive Income" introduce new terminology for the statement of comprehensive income and income statement. Under the amendments to HKAS 1, a "statement of comprehensive income" is renamed as "statement of profit or loss and other comprehensive income" and an "income statement" is renamed as a "statement of profit or loss". The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require items of other comprehensive income to be grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in future accounting periods.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE AND SEGMENTAL INFORMATION

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "CODM"), being the board of directors of the Company, for the purpose of resource allocation and performance assessment, as set out below for which discrete financial information is available.

(i) retailing of sportswear products and footwear products and commissions from leasing of large scale commercial spaces to retailers and distributors for concessionaire sales ("Retail Business");

(ii) distribution of licensed sportswear products and footwear products ("Brand Licensee Business"); and

(iii) manufacturing and sales of OEM footwear products ("Manufacturing Business").

The following is an analysis of the Group's revenue and results by operating segment for the period/year under review.

Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segment:

For the fifteen months ended December 31, 2012

	Retail Business US$'000	Brand Licensee Business US$'000	Manufacturing Business US$'000	Segment total US$'000	Eliminations US$'000	Consolidated US$'000
REVENUE						
External sales – sportswear and footwear products	1,962,277	73,822	129,801	2,165,900	–	2,165,900
External sales – commissions from concessionaire sales	16,550	–	–	16,550	–	16,550
Inter-segment sales*	–	21,117	–	21,117	(21,117)	–
Total segment revenue	1,978,827	94,939	129,801	2,203,567	(21,117)	2,182,450
RESULTS						
Segment results	21,054	(17,135)	3,376	7,295	–	7,295
Reconciling items:						
Central administrative expenses						(4,587)
Finance costs – net						(17,562)
Share of results of associates						313
Share of results of jointly controlled entities						(13,768)
Gain on deemed disposal of a jointly controlled entity						5,898
Gain on disposal of properties						4,685
Impairment loss of intangible assets						(8,485)
Impairment losses of interests in associates						(3,040)
Impairment losses of interests in jointly controlled entities						(6,305)
Fair value changes on derivative financial instruments						(20,916)
Fair value changes on consideration payable for acquisition of business						(2,085)
Loss before taxation						(58,557)

Segment revenue and results

For the year ended September 30, 2011

	Retail Business *US$'000*	Brand Licensee Business *US$'000*	Manufacturing Business *US$'000*	Segment total *US$'000*	Eliminations *US$'000*	Consolidated *US$'000*
REVENUE						
External sales – sportswear and footwear products	1,370,875	60,487	148,786	1,580,148	–	1,580,148
External sales – commissions from concessionaire sales	9,654	–	–	9,654	–	9,654
Inter-segment sales*	2,072	16,956	–	19,028	(19,028)	–
Total segment revenue	1,382,601	77,443	148,786	1,608,830	(19,028)	1,589,802
RESULTS						
Segment results	69,456	3,951	15,435	88,842	–	88,842
Reconciling items:						
Central administrative expenses						(6,764)
Finance costs – net						(4,139)
Share of results of associates						697
Share of results of jointly controlled entities						(3,182)
Gain on deemed disposal of a jointly controlled entity						18,767
Gain on deregistration of subsidiaries						341
Impairment losses of interests in associates						(500)
Impairment losses of interests in jointly controlled entities						(1,500)
Impairment loss of an available-for-sale investment						(100)
Fair value changes on derivative financial instruments						(15,601)
Profit before taxation						76,861

* *Inter-segment sales are charged at prevailing market rates*

Segment results represent profit (loss) earned (incurred) by each segment without absorption of reconciling items, details of which are set out above. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

4. INCOME TAX EXPENSE

	For the fifteen months ended December 31, 2012	For the year ended September 30, 2011
	US$'000	*US$'000*
Taxation attributable to the Company and its subsidiaries:		
Current year:		
Hong Kong Profits Tax *(note i)*	**721**	743
PRC Enterprise Income Tax ("EIT") *(note ii)*	**14,101**	20,788
Overseas income tax *(note iii)*	**2,751**	988
	17,573	22,519
(Over)underprovision in prior years:		
PRC EIT	**(196)**	1,026
Overseas income tax	**166**	–
	(30)	1,026
Current tax charge – total	**17,543**	23,545
Deferred tax credit	**(7,683)**	(1,494)
	9,860	22,051

notes:

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% (year ended September 30, 2011: 16.5%) of the estimated assessable profit for the period.

(ii) PRC

PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant income tax rules and regulations in the PRC, except as follows:

(a) Pursuant to the relevant laws and regulations in the PRC, certain of the Group's PRC subsidiaries are exempted from PRC income tax for two years starting from their first profit-making year, followed by a 50% reduction in the applicable tax rate for the next three years. These tax holidays and concessions expired in 2012.

For entities which were entitled to unutilised tax holidays (including two-year exemption and three-year half rate) under the then existing preferential tax treatments, the unutilised tax holiday are allowed to be carried forward to future years until their expiry. However, if an entity did not commence its tax holiday due to its loss position, the tax holiday is deemed to commence from 2008 onwards. Certain PRC subsidiaries were loss-making up to 2008, their tax holidays are therefore deemed to commence in 2008.

(b) Pursuant to《財政部、國家稅務總局、海關總署關於西部大開發稅收優惠政策問題的通知》(Caishui【2001】No. 202), the relevant state policy and with approval obtained from tax authorities in charge, certain subsidiaries which are located in specified provinces of Western China and engaged in a specific state-encouraged industry were subject to a preferential tax rate of 15% during the period from 2001 to 2010 when the annual revenue from the encouraged business exceeded 70% of its total revenue in a fiscal year. Such preferential tax treatment is further extended for a period of ten years from 2011 to 2020 on the condition that the enterprise must be engaged in state-encouraged industries as defined under the "Catalogue of Encouraged Industries in the Western Region" (the "Catalogue") pursuant to 《【財政部、海關總署、國家稅務總局】關於深入實施西部大開發戰略有關稅收政策問題的通知》(Caishui【2011】No. 58) issued in 2011. The directors of the Company consider that the relevant subsidiaries are engaged in the state-encouraged industries under the Catalogue and continue to enjoy the preferential tax rate of 15% in the current period.

(iii) Overseas

Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

5. (LOSS) PROFIT FOR THE PERIOD/YEAR

	For the fifteen months ended December 31, 2012	For the year ended September 30, 2011
	US$'000	*US$'000*
(Loss) profit for the period/year has been arrived at after charging (crediting):		
Directors' and chief executive's emoluments	**1,343**	1,119
Retirement benefit scheme contributions, excluding directors and the chief executive	**20,523**	11,724
Equity-settled share-based payments, excluding directors and the chief executive	**2,122**	2,233
Other staff costs	**209,311**	124,246
Total staff costs	**233,299**	139,322
Auditor's remuneration	**581**	526
Depreciation of property, plant and equipment	**43,949**	27,380
Release of prepaid lease payments	**800**	620
Amortisation of intangible assets (included in selling and distribution expenses)	**10,083**	5,746
Loss on disposal of property, plant and equipment	**3,704**	1,411
Cost of inventories recognised as an expense	**1,538,014**	1,107,456
Research and development expenditure recognised as an expense	**3,596**	3,631
Impairment loss of intangible assets	**8,485**	–
Impairment loss (reversal of impairment loss) recognised on trade receivables (included in other income and gains/losses)	**3,899**	(460)
Impairment loss recognised on other receivables (included in other income and gains/losses)	**608**	2,014
Allowance (reversal of allowance) for inventories, net (included in other income and gains/losses)	**1,088**	(4,782)
Subsidies, rebates and other income from suppliers (included in other income and gains/losses)	**(26,196)**	(19,783)
Net exchange gain (included in other income and gains/losses)	**(1,618)**	(4,083)
Share of taxation of associates (included in share of results of associates)	**191**	511
Share of taxation of jointly controlled entities (included in share of results of jointly controlled entities)	**(2,041)**	1,413

6. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

	For the fifteen months ended December 31, 2012	For the year ended September 30, 2011
	US$'000	*US$'000*
(Loss) earnings:		
(Loss) profit for the period/year attributable to owners of the Company for the purposes of basic and diluted (loss) earnings per share	**(69,151)**	53,670

	For the fifteen months ended December 31, 2012	For the year ended September 30, 2011
Number of shares:		
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share	**4,426,441,854**	4,309,485,163

The computation of diluted (loss) earnings per share for the period/year does not assume the exercise of the Company's share options because the exercise prices of those options were higher than the average market price of the shares for the period/year.

7. TRADE AND OTHER RECEIVABLES

	December 31, 2012	September 30, 2011
	US$'000	*US$'000*
Trade receivables	**177,148**	170,720
Deposits, prepayments and other receivables	**146,085**	114,315
	323,233	285,035

The Group generally allows an average credit period of 30 days to 60 days which are agreed with each of its trade customers. The aged analysis of the Group's trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	December 31, 2012	September 30, 2011
	US$'000	*US$'000*
0 – 30 days	**164,176**	165,904
31 – 90 days	**10,317**	2,869
Over 90 days	**2,655**	1,947
	177,148	170,720

8. TRADE AND OTHER PAYABLES

	December 31, 2012	September 30, 2011
	US$'000	*US$'000*
Trade payables	**53,742**	147,266
Bills payables	**542**	614
Other payables	**138,975**	131,697
	193,259	279,577

The aged analysis of the Group's trade and bills payables, based on invoice date, is as follows:

	December 31, 2012	September 30, 2011
	US$'000	*US$'000*
0 – 30 days	**51,748**	145,627
31 – 90 days	**1,745**	1,231
Over 90 days	**791**	1,022
	54,284	147,880

FINAL DIVIDEND

The Directors do not propose any final dividend for the fifteen months ended December 31, 2012.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, May 29, 2013 to Friday, May 31, 2013, both days inclusive, during which period no transfer of the Company's shares will be registered. In order to establish the identity of the Company's shareholders who are entitled to attend and vote at the annual general meeting of the Company to be held on Friday, May 31, 2013 all transfer of the shares of the Company accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer agent in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Tuesday, May 28, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

CHANGE OF YEAR-END DATE

On May 30, 2012, pursuant to a resolution of the Board of the Company, the Company's financial year end date was changed from September 30 to December 31 in order to coincide the statutory financial year end date of the Company's subsidiaries incorporated in China. Accordingly, the current financial year covered a fifteen-month period from October 1, 2011 to December 31, 2012 (the "Financial Year" or the "Year") whereas the corresponding comparative figures (which covered a twelve-month period from October 1, 2010 to September 30, 2011) are therefore not entirely comparable with those of the current period.

The Company had prepared the first interim report for the six-month period from October 1, 2011 to March 31, 2012, and the second interim report for the twelve-month period from October 1, 2011 to September 30, 2012.

BUSINESS REVIEW

For each of our businesses, the retail business distributes a wide range of sportswear products, including various sports footwear, apparel and accessories, for certain leading international and domestic sportswear brands to end customers through our directly operated retail outlets, and also to retail sub-distributors on a wholesale basis, which in turn sell the products through their respective retail outlets under our supervision. As at December 31, 2012, the Group had 3,659 directly operated retail outlets and 2,276 retail sub-distributors, and directly retail outlets and retail sub-distributors operated by our regional joint ventures' amounted to 749 and 691 respectively.

For our brand licensee business, in order to cope with the Group's future plan, we early terminated respective brand licensee agreements with Wolverine and Hush Puppies in the Greater China and the PRC respectively on April 30, 2012. At present, the Group remains as the exclusive brand licensee of international brands such as Converse, Reebok and Hush Puppies in specific regions in the Greater China and is also negotiating with several famous outdoors brands such as O'Neill.

The brand licensee agreements entered into by the Group typically granted us exclusive rights to design, develop, manufacture, market and distribute, and the flexibility to set retail prices for products of the licensed brands in specified locations within the Greater China Region for a specified period of time. Moreover, the exclusive brand licensee agreement for Converse in Hong Kong, Macau and Taiwan and for Hush Puppies in Taiwan expired on December 31, 2012. In February 2013, the Group entered into an agreement in respect of the brand licensee arrangement of Hush Puppies in Taiwan to extend the term of the licensee agreement for three years to December 31, 2015. Currently, the Group is in negotiation with Converse to extend the term of the brand licensee agreement in Taiwan for one year to December 31, 2013 and expected that relevant arrangement will be completed shortly.

In our manufacturing business, the Group manufactured OEM/ODM products for various brands, namely Li Ning, ANTA and 361°.

FINANCIAL REVIEW

For the Financial Year, the Group recorded revenue of US$2,182.5 million, representing an increase of US$592.6 million or 37.3% as compared with the last financial year. The increase was mainly attributable to the change of the Company's financial year end date from September 30 to December 31, extending the reporting period of fifteen months currently being reported on when compared with the previous twelve months ended September 30, 2011. The loss attributable to owners of the Company was US$69.2 million while profit attributable to owners of the Company was US$53.7 million in the last financial year.

REVENUE

Our revenue increased by 37.3% to US$2,182.5 million for the fifteen months ended December 31, 2012 (year ended September 30, 2011: US$1,589.8 million). This increase was primarily due to the longer reporting period for the current Financial Year resulted from the change of year end date and the substantial growth in our retail business accompanied by the acquisition of Nike business of Hebei Zhanxin, a former joint venture, and the recognition of acquired business of Pengda. Excluding such acquisitions, the Group's revenue for the current period would have been US$1,943.9 million.

Retail Business

Although the exclusive distributor contract for Converse products covering the PRC entered into with Converse expired on December 31, 2011, which affected the Group's wholesale activities in retail business, the revenue from retail business increased by 43.3% on a year-on-year basis to US$1,978.8 million (year ended September 30, 2011: US$1,380.5 million) as a result of acquisitions and mergers and organic growth of businesses for the Year.

Brand Licensee Business

Revenue from our brand licensee business increased by 22% to US$73.8 million (year ended September 30, 2011: US$60.5 million). If not taking into account the effect of a longer accounting period in the current year caused by the change of financial year end date, revenue decreased by 4.8% compared with the previous year, which was primarily due to the early termination of the respective brand licensee agreements with Wolverine and Hush Puppies covering the Greater China and the PRC respectively.

Manufacturing Business

Revenue from our manufacturing business decreased by 12.8% to US$129.8 million (year ended September 30, 2011: US$148.8 million), which was attributable to the decrease of orders from our major customers due to the impact of their terminal inventories. However, the average selling price remained stable during the Year.

GROSS PROFIT AND GROSS PROFIT MARGIN

The Group's gross profit amounted to US$644.4 million for the Year. Gross profit margin was 29.5%, representing a decrease of 0.8 percentage point on a year-on-year basis.

SELLING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

Selling and distribution expenses and administrative expenses of the Group for the Year amounted to US$677.7 million in aggregate, representing 31.1% of its revenue and an increase of 3.6 percentage point as compared with last year. The increase in such expenses was partly due to the higher overall expenses arising from acquisitions and mergers and partly due to the undeveloped and newly-opened shops, driven by additional staff salaries, rentals, inflation and other factors, resulting in a continuous rise in operating costs, particularly staff costs, rentals and concession expenses. The Group focused its efforts on cost control and saving measures.

OPERATING PROFIT

The Group's operating profit for the Year amounted to US$2.7 million and the operating profit margin was 0.1%, representing a decrease of 5.1 percentage point as compared with last year.

SHARE OF RESULTS OF ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

Since joint ventures were mostly licensees of domestic brands, with the continuous adjustment experienced by the retail market of sportswear products in China, they spent more efforts to reduce inventory and intensified price markdown, thus reducing the profit and resulting in losses. Our share of results of associates and jointly controlled entities recorded losses of US$13.5 million in total for the Year.

GAIN ON DEEMED DISPOSAL OF JOINTLY CONTROLLED ENTITIES

During the Year, a non-recurring gain of US$5.9 million on a deemed disposal of a jointly controlled entity was recorded upon completion of the acquisition of remaining 55% equity interests in Hebei Zhanxin, as compared with the gain of US$18.8 million for the previous year, which was attributable to the acquisition of remaining equity interests in a joint venture, Zhejiang Yichuan. The difference in deemed gains is due to the different targets of acquisition.

IMPAIRMENT LOSS OF INTANGIBLE ASSETS

During the fifteen months ended December 31, 2012, the Group recognised an impairment loss of US$8.5 million in relation to intangible assets (the brandnames and the non-compete agreements) arising on acquisition of certain retail business in the PRC acquired in prior years as the recoverable amounts of the relevant cash generating units in future are expected to be lower than their carrying amounts due to the lower-than-expected operating results.

IMPAIRMENT LOSSES OF INTERESTS IN AN ASSOCIATE AND JOINTLY CONTROLLED ENTITIES

During the Financial Year, impairment provisions of US$9.3 million had been made in respect of interests in an associate and certain jointly controlled entities due to the expected disposal of which in the foreseeable future.

FAIR VALUE CHANGES ON DERIVATIVE FINANCIAL INSTRUMENTS

Loss of US$20.9 million in the fair value changes on derivative financial instruments for the Year was mainly attributable to the expectation of the management that call options in respect of acquiring relevant equity interests in an associate, jointly controlled entities and subsidiaries would at no time be exercised during the remaining exercisable period thereof.

LOSS FOR THE YEAR

As a result of the above factors, the Group's loss for the Year was US$68.4 million.

WORKING CAPITAL EFFICIENCY

The average inventory turnover period for the Year was 148 days (2011: 109 days). The longer inventory turnover period was partly due to the necessary stocking for newly opened shops and the increase of inventories at the end of the period as a result of the acquisition of Pengda assets, and partly due to lower-than-expected sales volume of the sportswear retail business for the Year. However, the Group strived to reduce its stocks for the sake of rationalising its inventory level and improving its cash flow. The average trade receivables turnover period was 36 days (2011: 34 days), which remained consistent with the credit terms of 30 to 60 days that the Group granted to its department store counters and retail distributors. The average trade and bill payables turnover period was 30 days (2011: 39 days).

LIQUIDITY AND FINANCIAL RESOURCES

As at December 31, 2012, the Group's cash and cash equivalents were US$128.5 million (September 30, 2011: US$172.7 million) and the working capital (current assets minus current liabilities) was US$537.9 million (September 30, 2011: US$444 million). Our total bank borrowings increased by 94.6% to US$327.3 million from US$168.2 million as at September 30, 2011, of which US$313.1 million was repayable within one year and US$14.2 million was repayable after one year but not exceeding two years. Bank borrowings were denominated mainly in Renminbi, and cash and cash equivalents were mainly held in Renminbi as well. The Group's current ratio was 205% (September 30, 2011: 198%). Gearing ratio (total borrowings to total equity) was 36% (September 30, 2011: 19%).

Due to the higher inventory level and the decrease in trade and other payables for the Year, net cash used in operating activities was US$131.9 million. The Group believes our liquidity requirement will be satisfied with a combination of capital generated from operating activities (for example, the on-going operation of Pengda's business and the active reduction of inventories etc.) and bank borrowings in the future. Net cash used in investing activities was US$104.4 million, of which capital expenditure used to purchase of property, plants and equipment was US$38.9 million. Net cash from financing activities was US$189.7 million. The Group had raised and repaid bank borrowings of US$660.3 million and US$513 million respectively.

CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

As at December 31, 2012, the Group had capital commitments of US$11.3 million in respect of an acquisition of remaining interests in a jointly controlled entity. In addition, the Group had contingent liabilities of US$6.5 million in relation to guarantees given to banks in respect of banking facilities granted to jointly controlled entities.

FOREIGN EXCHANGE

The Group conducted its business primarily in the PRC with substantially all of its transactions denominated and settled in Renminbi. An appreciation or depreciation between US dollars and Renminbi may result in translation gains or losses in our financial statements as US dollar is used as our reporting currency. As at December 31, 2012, the Group had no significant hedge for the foreign exchange.

BUSINESS MODEL

During the fiscal year 2013, the operating environment will remain challenging. Weaknesses are seen in consumer sentiment and spending amid uncertainties in the global economy and slowdown of the PRC's growth. For the sports industry under footwear and apparel industry chain, homogeneous competition is apparent among branded companies and retailers due to the over-expansion as a result of the rapid growth in the recent years, and customers' diversified demand for apparel products, resulting in slow sales, accumulation of terminal inventory, and therefore increased efforts in clearance sales. As a result, market players must re-align their business models to a greater extent and perform reconstruction in order to adapt to macro and micro economic changes, which could bring about risks and growth opportunities at the same time.

As the Company plays a leading role in the industry, we have carried out large scale reform and reconstruction in response to such changes, apart from ensuring the current operation scale, our management realized that future growth depends on our ability to improve the productivity of existing stores and enhance the profitability, and our ability to expand into provincial municipals to ensure the growth of our scale and to save expenditures, when we have attained a certain operation scale. Therefore, our priority in 2013 will be given to increasing the productivity and profitability of existing stores. In particular, as to brand cooperation, we must integrate various brand resources to create reasonable win-win situation in the long run. We will streamline the management of the

Company for corporate reorganization, so that we can have the optimal human resources allocation and efficiency in management flow. In addition, to align with the ever-changing market trend, the Group will optimize and upgrade the IT and logistics system in use to set up a base which consolidate all business resources in the whole country, and develop in full force a system which can support unified procurement and immediate distribution/allocation. As our new growth driver, we will carry out a retail innovation project, to develop new channels and marketing models over the existing store entities, for example, the development of multi-brand, mix-and-match and on-line and off-line e-commerce, etc.

After expansion, acquisition and integration in recent years, we are currently one of the most important worldwide retailers of a number of international brands such as Nike and Adidas. To maintain this advantage, we will exploit quality and potential markets to meet with the overall strategy of upgrading consumption in the PRC and the expansion of sales channels of brand companies. While streamlining existing brands and channels, we will also intensify the expansion of outdoor, leisure and sports brands and development of multi-brand channels, to strive for brand diversification while accommodating with the maturing consumers, urbanization of the PRC and differentiating and personalized consumption demands.

In addition, for our brand licensee business, apart from sports brands, the Group will also identify opportunities among outdoor leisure brand business to grasp market trend and enrich its business portfolio in order to create beneficial foundation for future performance growth. Regarding the licensee business of Reebok brand, the short-term objectives of the Group are to increase brand strength, consolidate product lines and develop designed products which meet the consumers' needs in the PRC market. The mid-term objectives are to further expand its retail and distributing network and achieve economy of scale. The long-term objective is to form a business model with a maximized value chain which combines design, development and production.

PROSPECTS

In view of the increase in health awareness, disposable income of consumers, sport awareness and participation, the Group remains optimistic about the mid- to long-term future of sports industry. We believe that the demand for functional sports and sports leisure will bring the second upsurge in the industry within next few years. We hope under the above mentioned effort, the profitability of the Group can resume and further enhance. Besides, branded companies are re-allocating their resources to large retailers due to the boom in density of retailers, giving rise to innovative operating models and enormous business opportunities. For example, due to higher rentals and labour cost in the matured sports markets such as Hong Kong and Taiwan, retailers have to increase turnover frequencies and refine management to sustain its profit margin and obtain higher investment return. It means that the underdeveloped market in China still has huge room for improving the prevailing operating conditions.

We believe that after the industry adjustment and as a result of our effort in 2013, the Group will be well positioned for next reform and upspring in the sports industry further with healthy and solid business foundation.

HUMAN RESOURCES

As at December 31, 2012, the Group had a total of 26,400 employees. The Group reviewed the performance of its employees regularly, which serves as a consideration basis in the annual salary review and promotion appraisals. In order to remain competitive in the labor market, we also made reference to remuneration packages offered by other industry players. In addition, we also provided other fringe benefits, such as social insurance, mandatory provident funds, medical coverage and training programs to employees based on their respective personal career development.

SHARE OPTION SCHEME

In order to provide incentives to eligible participants and greater flexibility to the Board of the Company in dealing outstanding options held by the grantees in the event that they cease to be participants, the share option scheme was amended pursuant to a resolution approved in the Company's annual general meeting held on March 7, 2012. As a result, subject to certain conditions, unexercised share options will not be automatically lapsed upon cessation of grantees' employment with the Group. Such amendments are applicable retrospectively to unexercised share options granted on January 21, 2010 and January 20, 2011.

On March 7, 2012, the Company granted to certain participants options under which the holders are entitled to subscribe for ordinary shares of HK$0.01 each in the share capital of the Company at an exercise price of HK$1.05 per share pursuant to the amended share option scheme. 5,400,000 shares will become issuable for subscription pursuant to the exercise of these granted options.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the fifteen months ended December 31, 2012, the Company repurchased 36,800,000 (year ended September 30, 2011: Nil) its own shares on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") as follows:

Month of repurchases	Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration paid (including direct costs)
		HK$	*HK$*	*HK$*
October 2011	34,890,000	1.20	1.00	36,715,000
November 2011	1,910,000	1.19	1.00	2,187,000
	36,800,000			38,902,000

The above repurchased shares were subsequently cancelled and accordingly, the issued share capital of the Company was diminished by the nominal value thereof. The premium payable on repurchase was charged against the share premium account.

The repurchase of the Company's shares during the fifteen months ended December 31, 2012 was effected by the Board, pursuant to the mandate from shareholders, with a view to benefiting shareholders as a whole by enhancing the net asset value and earnings per share of the Group.

Save as disclosed above, the Company had not redeemed any of the Company's listed securities, and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities during the fifteen months ended December 31, 2012.

AUDIT COMMITTEE

The audit committee has reviewed with management and the external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal controls, and financial reporting matters including the review of the audited financial statements.

CORPORATE GOVERNANCE

The Stock Exchange has revised the Code on Corporate Governance Practices (the "Former Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") to Corporate Governance Code (the "New Code") effective from April 1, 2012. During the fifteen months ended December 31, 2012, the Company has applied the principles of and has complied with all code provisions set out in the Former Code and the New Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. All Directors have confirmed, following enquiries made by the Company, that they have complied with the required standards as set out in the Model Code throughout the fifteen months ended December 31, 2012.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.pousheng.com) and the designated issuer website of Stock Exchange (www.hkexnews.hk). The annual report 2012 of the Company will be dispatched to the shareholders of the Company and available on the above websites in due course.

ACKNOWLEDGEMENT

I would like to take this opportunity to express our sincere appreciation of the support from our customer, suppliers and shareholders. I would also like to thank my fellow Directors for their valuable contribution and the staff of the Group for their commitment and dedicated services throughout the period.

By Order of the Board
Tsai David, Nai Fung
Chairman

Hong Kong, March 26, 2013

As at the date of this announcement, Mr. Tsai David, Nai Fung is the Chairman and Non-executive Director; Mr. Kwan, Heh-Der is the Chief Executive Officer and Executive Director; Mr. Wu, Pan-Tsu is the Executive Director; Ms. Tsai Patty, Pei Chun, Ms. Kuo, Li-Lien and Mr. Li I-nan are the Non-executive Directors; and Mr. Chen Huan-Chung, Mr. Hu Sheng-Yih, Mr. Chang Li Hsien, Leslie and Mr. Hsieh, Wuei-Jung are the Independent Non-executive Directors.

Website: www.pousheng.com