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 INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2015

THE GROUP'S FINANCIAL HIGHLIGHTS

	For the six months ended June 30,		
	2015	2014	**Percentage increase**
Revenue *(US$'000)*	**1,187,201**	966,593	**22.8%**
Operating profit *(US$'000)*	**55,149**	15,846	**248.0%**
Profit (loss) attributable to owners of the Company *(US$'000)*	**26,325**	(1,842)	**N/A**
Basic earnings (loss) per share *(US cent)*	**0.49**	(0.03)	**N/A**

RESULTS

The board (the "Board") of directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended June 30, 2015 with comparative figures for the corresponding period in 2014 as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended June 30, 2015

	Notes	**For the six months ended June 30, 2015** *US$'000* **(unaudited)**	2014 *US$'000* (unaudited)
Revenue	3	**1,187,201**	966,593
Cost of sales		**(805,376)**	(678,712)
Gross profit		**381,825**	287,881
Other operating income and gains (losses)		**7,568**	5,971
Selling and distribution expenses		**(292,050)**	(235,752)
Administrative expenses		**(42,194)**	(42,254)
Operating profit		**55,149**	15,846
Finance costs		**(4,328)**	(5,330)
Finance income		**1,312**	1,395
Finance costs – net		**(3,016)**	(3,935)
Share of results of an associate		**13**	(516)
Share of results of joint ventures		**(295)**	(1,265)
Other gains (losses)		**(8,497)**	(2,442)
Profit before taxation		**43,354**	7,688
Income tax expense	4	**(14,647)**	(10,281)
Profit (loss) for the period	5	**28,707**	(2,593)
Attributable to:			
Owners of the Company		**26,325**	(1,842)
Non-controlling interests		**2,382**	(751)
		28,707	(2,593)
Earnings (loss) per share	7		
– Basic		**US0.49 cent**	US(0.03) cent
– Diluted		**US0.49 cent**	US(0.03) cent

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2015

	For the six months ended June 30,	
	2015	2014
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit (loss) for the period	**28,707**	(2,593)
Other comprehensive income (expense)		
An item that will not be reclassified subsequently to profit or loss		
Exchange difference arising on translation	**1,481**	(20,273)
Total comprehensive income (expense) for the period	**30,188**	(22,866)
Attributable to:		
Owners of the Company	**27,765**	(21,790)
Non-controlling interests	**2,423**	(1,076)
	30,188	(22,866)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At June 30, 2015

	Notes	At June 30, 2015 US$'000 (unaudited)	At December 31, 2014 US$'000 (audited)
Non-current assets			
Property, plant and equipment		**94,329**	94,414
Deposit paid for acquisition of property, plant and equipment		**3,090**	1,875
Prepaid lease payments		**22,934**	23,226
Rental deposits and prepayments		**17,011**	17,480
Intangible assets		**109,636**	113,405
Goodwill		**82,977**	82,977
Interest in an associate		**2,042**	2,022
Interests in joint ventures		**9,012**	9,292
Loans to joint ventures		**10,030**	17,246
Long-term loan receivable		**8,055**	8,044
Available-for-sale investment		**–**	–
Deferred tax assets		**68**	1,003
		359,184	370,984
Current assets			
Inventories		**526,274**	597,179
Trade and other receivables	8	**372,810**	316,228
Taxation recoverable		**619**	328
Bank balances and cash		**117,722**	43,743
		1,017,425	957,478
Current liabilities			
Trade and other payables	9	**275,801**	206,856
Taxation payable		**8,548**	1,967
Bank borrowings		**142,021**	196,545
		426,370	405,368
Net current assets		**591,055**	552,110
Total assets less current liabilities		**950,239**	923,094

	At June 30, 2015 US$'000 (unaudited)	At December 31, 2014 US$'000 (audited)
Non-current liabilities		
Consideration payable for acquisition of business	**15,808**	16,436
Deferred tax liabilities	**30,459**	31,388
	46,267	47,824
Net assets	**903,972**	875,270
Capital and reserves		
Share capital	**6,909**	6,909
Reserves	**880,076**	853,797
Equity attributable to owners of the Company	**886,985**	860,706
Non-controlling interests	**16,987**	14,564
Total equity	**903,972**	875,270

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. BASIS OF PREPARATION

The condensed consolidated interim financial information have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting".

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

The accounting policies applied are consistent with those of the annual financial statements for the year ended December 31, 2014.

Adoption of amendments to Hong Kong Financial Reporting Standards ("HKFRSs") effective in the current period

In the current interim period, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011 – 2013 Cycle

The adoption of the amendments to HKFRSs has had no material effect on the amounts reported in this condensed consolidated interim financial information or disclosures set out in this condensed consolidated interim financial information.

3. REVENUE AND SEGMENTAL INFORMATION

The Group is principally engaged in the distribution and retailing of sportswear and footwear products and leasing of large scale commercial spaces to retailers and distributors for concessionaire sales. Information is reported on a regular basis to the chief operating decision maker ("CODM"), being the Board of Directors of the Company, for the purposes of resource allocation and assessment of segment performance. As the Group is now focusing on developing its business from products perspective to best streamline its operations, it has changed in the current year the structure of its internal reports that are provided to the CODM for their reviews. Specifically, discrete financial information in respect of "retail business", "brand licensee business", and "manufacturing business", which was previously provided to the CODM on a regular basis in prior years, is no longer made available to the CODM. The Group has determined that with effect from January 1, 2015, it has only one reportable segment. Accordingly, no segment information is presented other than entity-wide disclosures. Since the structure of the Group's internal organisation has been changed in a manner that causes the composition of its reportable segments to change, the corresponding segment information for the six months ended June 30, 2014 are restated.

Revenue from major business products

The following is an analysis of the Group's revenue from its major business products:

	For the six months ended June 30,	
	2015	2014
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Sales of sportswear and footwear products	**1,178,408**	958,968
Commissions from concessionaire sales	**8,793**	7,625
	1,187,201	966,593

4. INCOME TAX EXPENSE

	For the six months ended June 30,	
	2015	2014
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Taxation attributable to the Company and its subsidiaries:		
Current tax:		
Hong Kong Profits Tax *(note i)*	**–**	–
People's Republic of China ("PRC")		
Enterprise Income Tax ("EIT") *(note ii)*	**14,503**	9,450
Overseas income tax *(note iii)*	**179**	792
	14,682	10,242
Deferred tax (credit) charge	**(35)**	39
	14,647	10,281

notes:

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods.

(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 enterprise income tax law, implementation rules and notices in the PRC, except as follows.

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. Certain subsidiaries are engaged in the state-encouraged industries under the Catalogue and the Directors of the Company consider that the relevant subsidiaries are eligible for the preferential tax rate of 15% in both periods.

(iii) Overseas

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

5. PROFIT (LOSS) FOR THE PERIOD

	For the six months ended June 30,	
	2015	2014
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Profit (loss) for the period has been arrived at after charging (crediting):		
Total staff cost (included in selling and distribution expenses and administrative expenses)	**107,770**	87,653
Operating lease rentals and concessionaire fees in respect of shopping malls/retail outlets (included in selling and distribution expenses)	**142,846**	117,111
Depreciation of property, plant and equipment	**14,486**	12,114
(Reversal of allowance) allowance for inventories, net	**(7,723)**	21,362
Release of prepaid lease payments	**324**	328
Amortisation of intangible assets (included in selling and distribution expenses)	**3,941**	3,839
Net exchange (gain) loss (included in other operating income and gains (losses))	**(413)**	5,578
Subsidies, rebates and other income from suppliers (included in other operating income and gains (losses))	**(7,398)**	(7,791)
Impairment loss recognised on trade receivables (included in other operating income and gains (losses))	**4,033**	2,114
Impairment loss recognised on other receivables (included in other operating income and gains (losses))	**1,590**	947
Loss on deregistration of subsidiaries (included in other gains (losses))	**–**	233
Impairment losses on loans to joint ventures (included in other gains (losses))	**6,568**	2,845
Fair value gain on consideration payable for acquisition of business (included in other gains (losses))	**(637)**	(562)
Fair value gain on structured bank deposit (included in other gains (losses))	**–**	(74)
Impairment loss on consideration receivable for disposal of properties (included in other gains (losses))	**2,566**	–

6. DIVIDEND

No dividends were paid or declared during the reported period. The Directors do not propose the payment of an interim dividend (six months ended June 30, 2014: nil).

7. EARNINGS (LOSS) PER SHARE

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

	For the six months ended June 30,	
	2015	2014
	US$'000	*US$'000*
	(unaudited)	(unaudited)
Earnings (loss):		
Earnings (loss) for the period attributable to owners of the Company for the purposes of basic and diluted earnings (loss) per share	**26,325**	(1,842)

	For the six months ended June 30,	
	2015	2014
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	**5,350,676,571**	5,376,278,781
Effect of dilutive potential ordinary shares:		
– Unvested awarded shares	**15,579,492**	–
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	**5,366,256,063**	5,376,278,781

The weighted average number of ordinary shares shown above has been arrived at after deducting the shares held by the trustee of the share award scheme of the Company.

The computation of diluted earnings (loss) per share 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 in each of the relevant periods.

8. TRADE AND OTHER RECEIVABLES

	At June 30, 2015 US$'000 (unaudited)	At December 31, 2014 US$'000 (audited)
Trade receivables	**216,069**	168,535
Deposits, prepayments and other receivables	**156,741**	147,693
	372,810	316,228

The Group 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 and bills receivables net of allowance for doubtful debts, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	At June 30, 2015 US$'000 (unaudited)	At December 31, 2014 US$'000 (audited)
0 to 30 days	**161,102**	131,168
31 to 90 days	**40,970**	20,774
Over 90 days	**13,997**	16,593
	216,069	168,535

9. TRADE AND OTHER PAYABLES

	At June 30, 2015 *US$'000* (unaudited)	At December 31, 2014 *US$'000* (audited)
Trade payables	**99,323**	83,389
Bills payables	**495**	264
Receipt in advance from customers	**47,809**	45,354
Amounts due to related and connected parties	**47,835**	750
Accruals and other payables	**80,339**	77,099
	275,801	206,856

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

	At June 30, 2015 *US$'000* (unaudited)	At December 31, 2014 *US$'000* (audited)
0 to 30 days	**95,279**	81,559
31 to 90 days	**3,114**	1,216
Over 90 days	**1,425**	878
	99,818	83,653

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group visions to be the leading distributor in the Greater China region, specializes in sports & lifestyle market offering products & service that enhance the life of the consumers. During the last six months, the majority of revenue was derived from the retail business operations engaging in the sales of various international brand sportswear products including footwear, apparel and accessories to consumers through either our directly operated retail outlets, or to the retail outlets of our sub-distributors. As at June 30, 2015, the Group had 4,586 directly operated retail outlets and 2,691 sub-distributors' retail outlets. Within the network of the regional joint ventures, there were 504 directly operated retail outlets and 340 sub-distributors' retail outlets. The Group has been actively building up its exclusive distribution business, especially with international brands. During the period, the Group was the exclusive distributor for O'Neill (in Mainland China, Hong Kong and Macau), Rockport (in Mainland China), Oakley (in Mainland China mono-brand store channel), Sperry (in Taiwan) & Keds (in Taiwan).

In addition, we also cover the brand license business, by which the Group has the exclusive rights to design, develop, manufacture, market and distribute, and the flexibility to set retail prices for the brand products at the designated markets for a specified period of time. During the period, the Group was the brand licensee for Hush Puppies (in Taiwan) and for PONY (in Mainland China and Taiwan).

FINANCIAL REVIEW

For the first six months, the Group recorded revenue of US$1,187.2 million, representing an increase of 22.8% as compared with the same period last year. For gross profit, the Group recorded US$381.8 million which was an increase of 32.6% against the same period last year. Finally, the profit attributable to owners of the Company in the current period was US$26.3 million, a significant improvement compared with the loss attributable to owners of the Company of US$1.8 million in the first half of fiscal year 2014.

REVENUE

Total revenue for the Group increased by 22.8% to US$1,187.2 million for the six months ended June 30, 2015, as compared with US$966.6 million reported in the same period last year. The increase was due to continued improvement in efficiency of the operations as well as stronger market demand.

GROSS PROFIT

Gross profit for the Group amounted to US$381.8 million and the gross profit margin was 32.2%. Both gross profit amount and gross profit margin were better than the comparable figures achieved in the same period last year. The better gross profit was due to the growth in sales, better inventory management and less drastic discounting.

SELLING AND DISTRIBUTION EXPENSES AND ADMINISTRATIVE EXPENSES

The various changes to the store network implemented by management helped to increase efficiency and management control. Selling and distribution expenses and administrative expenses of the Group for the period were in aggregate US$334.2 million, representing an US$56.2 million, or 20.2% increase, as compared with the last corresponding period. In terms of percentage, the ratio of expenses to revenue was 28.2% (2014: 28.8%).

OPERATING PROFIT

The Group operating profit margin for the period was 4.6%, and operating profit was US$55.1 million, a substantial improvement compared with the operating profit of US$15.8 million in the same period last year.

OTHER GAINS (LOSSES) ARISING OTHER THAN OPERATING ACTIVITIES

The Group incurred various gains (losses) from a variety of situations amounting the net losses of US$8.5 million in the first six months. Amongst others, there were impairment losses on (1) loans to joint ventures of US$6.6 million and (2) consideration receivable for disposal of properties of US$2.6 million.

PROFIT FOR THE PERIOD

Due to the aforementioned reasons, profit for the Group for the six months ended June 30, 2015 was US$28.7 million which was a large improvement over the loss of US$2.6 million in the same period last year.

WORKING CAPITAL EFFICIENCY

The average inventory turnover period for the period was 127 days (2014: 160 days). The reduction in inventory turnover period was due to the tighter scrutiny of inventory at the stores and the increase in consumer spending during the period. The Group continues to explore different strategies for managing inventory so as to optimize working capital levels. The average trade receivables turnover period was 30 days (2014: 31 days), which remained consistent with the credit terms of 30 to 60 days that the Group gives to its department store counters and retail distributors. The average trade and bills payables turnover period was 21 days (2014: 24 days).

LIQUIDITY AND FINANCIAL RESOURCES

As at June 30, 2015, the Group's cash and cash equivalents were US$117.7 million (December 31, 2014: US$43.7 million) and working capital (current assets minus current liabilities) was US$591.1 million (December 31, 2014: US$552.1 million). Our total bank borrowings decreased by 27.7% to US$142.0 million from US$196.5 million as at December 31, 2014 and are repayable within one year. The Group's current ratio was 239% (December 31, 2014: 236%). The gearing ratio (total borrowings to total equity) was 16% (December 31, 2014: 22%).

During the period, net cash generated from operating activities was US$101.5 million. The Group believes its liquidity requirements will be satisfied with a combination of capital generated from operating activities and bank borrowings in the future. Net cash used in investing activities was US$13.9 million, of which US$17.0 million was used to purchase of property, plant and equipment. Net cash used in financing activities was US$14.0 million. During the period, the Group raised and repaid bank borrowings of US$205.6 million and US$260.4 million respectively.

CAPITAL EXPENDITURE

The Group's capital expenditures primarily comprised of payments and deposits for purchase of furniture, fixtures and equipment and leasehold improvement. During the period under review, the total capital expenditure was US$17.0 million (2014: US$9.1 million).

FOREIGN EXCHANGE

The Group conducted its business primarily in Mainland China with substantially all of its transactions denominated and settled in Renminbi. An appreciation or depreciation between US dollars and Renminbi may result in an exchange difference arising on translation which is recognized either as other comprehensive income or expense in the condensed consolidated statement of comprehensive income as the US dollar is used as our reporting currency. As at June 30, 2015, the Group had no significant hedge for the foreign exchange exposure. Notwithstanding the Group is concerned with the volatility of the US dollar against the RMB exchange rate and may enter in foreign exchange forward contract or foreign currency options, to hedge against the currency risk arising from foreign currency transactions when necessary.

BUSINESS MODEL

The operating environment for the Group has seen gradual improvement year on year compared to year 2014. First, the economies outside of the Greater China region are still improving; with economic indicators in North America signaling mature growth and indicators in Europe suggesting an initial phase of growth has just begun. With strength in the global economy becoming more obvious, it is most probable that the Mainland China economy will experience a moderate level of growth as opposed to a full scale hard landing in the near future: economic indicators show that Mainland China continues to have a resilient economy despite some indications of lower activity. The Central Government in Mainland China has taken actions that demonstrate they understand the issues that need to be managed within the economy, and there has been some pick up in consumption in certain industries. The sportswear industry has been reporting respectable sales figures for both the international brands as well as the domestic brands. Many industry observers feel that the earlier problems of excess shop outlets and excess inventory in the industry distribution channels have almost been resolved. The stage has been set for sportswear brands to move on to a gradual trend of increasing sales and a higher level of profits.

The Group continues to pursue its goal of becoming a leading retailer in the sportswear industry and to be the best partner of international athletic brands in Mainland China. The Group is a leading distributor of international brand athletic apparel and footwear in the first and second tier cities, reaching out to consumers either by selling to them through directly owned stores, or by wholesaling products to sub-franchisees through their stores that sell athletic apparel and footwear to consumers. The Group's main concern is to continue improving the efficiency of its sales network using a combination of techniques. The Group works closely with the brands to 1) help them understand the changing tastes of consumers in Mainland China so that they can develop effective marketing campaigns and 2) help them make appropriate estimates of the sell-through capacity for the market to allow for better management of inventories. For the operation of the stores, the Group has taken various actions. The effective monitoring of key performance indicators has been implemented to assess store efficiency and profitability. The improvements in store efficiency and profitability are achieved through a) the better management of human resources; b) broader integration and optimization of information technology and logistics; and c) more timely information to determine the better selling items and to take action to acquire those products with good sell through.

Our present scale makes us one of the key national retailers for a number of international brands, such as Nike and Adidas. To maintain our advantage, we will closely observe the behavior of consumers in Mainland China, making sure we understand their sophistication and desires. Besides constantly assessing our portfolio mix to ensure we have the best portfolio of brands, we have 1) expanded our capabilities to distribute outdoor performance branded apparel and footwear; 2) been preparing to launch a new multi-brand store format for selected stores to capture consumer spending in a more effective manner; and 3) established e-commerce platforms to facilitate off-line and on-line connection with consumers.

In addition, for our brand licensee business, apart from sports brands, the Group will also pursue opportunities to participate in the outdoor leisure brand business to benefit from markets trends and to enrich its business portfolio so as to develop another avenue for sales growth. The Group continues to explore collaboration opportunities with foreign brands that a) allow for the development of brand strength; b) offer a broad range of products; and c) provide sufficient flexibility so that suitably designed products will be created to fulfill the specific needs of consumers in Mainland China market.

PROSPECTS

The Group is optimistic about a sustainable long-term growth of the sports industry in Mainland China as consumers increasingly recognize that physical activity is an important component for maintaining good health, that their rising incomes makes sportswear affordable to them, and as a result of the greater publicity surrounding global sporting events, they will find it more entertaining to participate in outdoor and sports activities. The State Council has issued its strategy blueprint regarding its vision for the nation's fitness and the development of the sports industry. The council will provide unwavering support to the sports industry and expects by year 2025 the industry will have a value in excess of US$800 billion (equal to RMB5 trillion). Major athletic and outdoor performance brands continue to be active in developing the opportunities in Mainland China. These performance brands have also dedicated resources and staff to study and understand the nature of the Mainland China market. Together with the Group, these brands have also been strategizing how best to help consumers recognize that “performance” athletic or outdoor products have superior features compared to lifestyle products. The Group believes that as consumers become more knowledgeable, their appreciation of functional products will increase.

We believe that year 2015 will be more favorable to the Group as compared to last year and will serve as a solid foundation for good operating performance in 2016.

HUMAN RESOURCES

As at June 30, 2015, the Group had a total of 22,900 employees. The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers award shares to eligible employees in order to provide them with incentives and to recognize their contributions and ongoing efforts. In addition, the Group provides 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

The Company adopted a share option scheme which has a term of 10 years commencing on May 14, 2008. In order to provide greater flexibility to the Board in the treatment of outstanding share options held by the grantees in the event that they cease to become a participant, certain terms of the share option scheme were amended on March 7, 2012 (the “Share Option Scheme”).

No share options were granted, exercised, lapsed or cancelled under the Share Option Scheme during the six months ended June 30, 2015. As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme is 330,405,000 shares, representing approximately 6.14% of the total number of issued shares of the Company. As at June 30, 2015, an aggregate of 55,012,000 shares are issuable for share options granted (including 54,637,000 fully-vested shares options) under the Share Option Scheme, representing approximately 1.02% of the total number of issued shares of the Company.

SHARE AWARD SCHEME

The Company adopted a share award scheme (the “Share Award Scheme”) which shall be valid and effective for a term of 10 years commencing on May 9, 2014. Any proposed award must be recommended by the Remuneration Committee and approved by the Board. The total number of shares to be awarded under the Share Award Scheme shall not exceed 2% of the issued share capital of the Company as at the date of grant. The maximum number of shares which may be awarded to a selected participant (including vested and non-vested shares) shall not exceed 1% of the issued share capital of the Company from time to time.

Eligible participant(s) selected by the Board for participation in the Share Award Scheme shall have no right to any dividend held under the trust which shall form part of the residual cash or any of the returned shares. The trustee of the Share Award Scheme shall not exercise the voting rights in respect of any shares held under the trust (including but not limited to the awarded shares, the returned shares, any bonus shares and scrip shares).

During the six months ended June 30, 2015, 8,900,000 share awards were granted and 1,492,000 share awards were lapsed under the Share Award Scheme. As at June 30, 2015, an aggregate of 18,908,000 share awards which are subject to certain vesting conditions, remain unvested.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended June 30, 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities, except that the trustee of the Share Award Scheme, pursuant to the terms of the trust deed of the Share Award Scheme, purchased on the Stock Exchange a total of 20,000,000 shares of the Company at a total consideration of approximately US$1.6 million.

REVIEW OF ACCOUNTS

The audit committee of the Company has reviewed the accounting principles and practices adopted by the Group and in the course have discussed with the management, the internal controls and financial reporting matters related to the preparation of the unaudited condensed consolidated interim financial information for the six months ended June 30, 2015.

The external auditor has reviewed the interim financial information for the six months ended June 30, 2015 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

CORPORATE GOVERNANCE

During the six months ended June 30, 2015, the Company has applied the principles of and has complied with all code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

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") as set out in Appendix 10 to the Listing Rules as the Company's code of conduct for dealings in securities of the Company by Directors. All Directors have confirmed, following specific enquiry by the Company that they have complied with the required standard set out in the Model Code throughout the six months ended June 30, 2015.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM 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 interim report 2015 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 customers, 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, August 13, 2015

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 and Mr. Li I-nan are the Non-executive Directors; and Mr. Chen Huan-Chung, Mr. Hsieh, Wuei-Jung and Mr. Shan Xue are the Independent Non-executive Directors.

Website: www.pousheng.com