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 YEAR ENDED DECEMBER 31, 2015

THE GROUP'S FINANCIAL HIGHLIGHTS

	For the year ended December 31, 2015	2014	Percentage increase
Revenue *(US$'000)*	**2,300,174**	1,980,575	16.1%
Operating profit *(US$'000)*	**96,671**	33,555	188.1%
Profit attributable to owners of the Company *(US$'000)*	**64,498**	4,649	1,287.4%
Basic earnings per share *(US Cents)*	**1.21**	0.09	1,244.4%

RESULTS

The board (the "Board") of 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 year ended December 31, 2015 with comparative figures for the corresponding year in 2014 as follows:

Consolidated Income Statement

For the year ended December 31, 2015

	Notes	**2015** ***US$'000***	2014 *US$'000*
Revenue	2	**2,300,174**	1,980,575
Cost of sales		**(1,534,115)**	(1,400,022)
Gross profit		**766,059**	580,553
Other operating income and gains (losses)		**18,931**	23,744
Selling and distribution expenses		**(592,050)**	(495,131)
Administrative and other expenses		**(96,269)**	(75,611)
Operating profit		**96,671**	33,555
Finance costs		**(8,703)**	(9,973)
Finance income		**2,899**	3,606
Finance costs – net		**(5,804)**	(6,367)
Share of results of an associate		**(353)**	(426)
Share of results of joint ventures		**(979)**	(3,880)
Other gains (losses)	3	**(3,433)**	(2,512)
Profit before taxation		**86,102**	20,370
Income tax expense	4	**(23,744)**	(13,882)
Profit for the year	5	**62,358**	6,488
Attributable to:			
Owners of the Company		**64,498**	4,649
Non-controlling interests		**(2,140)**	1,839
		62,358	6,488
Earnings per share	6		
– basic		**US1.21 cents**	US0.09 cent
– diluted		**US1.21 cents**	US0.09 cent

Consolidated Statement of Comprehensive Income
For the year ended December 31, 2015

	2015	2014
	US$'000	*US$'000*
Profit for the year	**62,358**	6,488
Other comprehensive expense		
An item that will not be reclassified subsequently to profit or loss		
Exchange difference arising on translation	**(46,222)**	(22,209)
Total comprehensive income (expense) for the year	**16,136**	(15,721)
Attributable to:		
Owners of the Company	**18,910**	(17,158)
Non-controlling interests	**(2,774)**	1,437
	16,136	(15,721)

Consolidated Statement of Financial Position
At December 31, 2015

	Note	2015 US$'000	2014 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**106,764**	94,414
Deposit paid for acquisition of property, plant and equipment		**1,362**	1,875
Prepaid lease payments		**21,339**	23,226
Rental deposits and prepayments		**17,307**	17,480
Intangible assets		**99,968**	113,405
Goodwill		**82,977**	82,977
Interest in an associate		**1,451**	2,022
Interests in joint ventures		**10,035**	9,292
Loans to joint ventures		**7,223**	17,246
Long-term loan receivable		**–**	8,044
Available-for-sale investment		**–**	–
Deferred tax assets		**65**	1,003
		348,491	370,984
CURRENT ASSETS			
Inventories		**594,633**	597,179
Trade and other receivables	7	**312,880**	316,228
Taxation recoverable		**1,102**	328
Pledged bank deposits		**912**	–
Bank balances and cash		**43,207**	43,743
		952,734	957,478

	Note	2015 US$'000	2014 US$'000
CURRENT LIABILITIES			
Trade and other payables	8	**309,196**	206,856
Taxation payable		**6,475**	1,967
Bank overdrafts		**15,242**	–
Bank borrowings		**55,000**	196,545
Consideration payable for acquisition of business		**11,299**	–
		397,212	405,368
NET CURRENT ASSETS		**555,522**	552,110
TOTAL ASSETS LESS CURRENT LIABILITIES		**904,013**	923,094
NON-CURRENT LIABILITIES			
Consideration payable for acquisition of business		**–**	16,436
Deferred tax liabilities		**27,875**	31,388
		27,875	47,824
NET ASSETS		**876,138**	875,270
CAPITAL AND RESERVES			
Share capital		**6,910**	6,909
Reserves		**862,331**	853,797
Equity attributable to owners of the Company		**869,241**	860,706
Non-controlling interests		**6,897**	14,564
TOTAL EQUITY		**876,138**	875,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

In the current year, the Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants.

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 the consolidated financial statements or disclosures set out in the consolidated financial statements.

2. 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 (i) retailing of sportswear products and footwear products and commissions from leasing of large scale commercial spaces to retailers and distributors for concessionaire sales, (ii) distribution of licensed sportswear products and footwear products, and (iii) manufacturing and sales of OEM footwear products and sportswear products, 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 year ended December 31, 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 year ended December 31,	
	2015	2014
	US$'000	*US$'000*
Sales of sportswear and footwear products	**2,283,210**	1,965,136
Commissions from concessionaire sales	**16,964**	15,439
	2,300,174	1,980,575

3. OTHER GAINS (LOSSES) ARISING OTHER THAN OPERATING ACTIVITIES

	2015	2014
	US$'000	*US$'000*
Impairment losses on loans to joint ventures	**(8,523)**	(4,140)
Impairment loss on consideration receivable for disposal of properties	**(2,544)**	–
Gain on disposal of a joint venture	**95**	–
Reversal of impairment loss recognised on interest in a joint venture	**2,390**	–
Fair value gain on consideration payable for acquisition of business	**5,149**	1,576
Gain on deregistration of subsidiaries	**–**	52
	(3,433)	(2,512)

4. INCOME TAX EXPENSE

	2015	2014
	US$'000	*US$'000*
Taxation attributable to the Company and its subsidiaries:		
Current year:		
Hong Kong Profits Tax *(note i)*	**–**	–
People's Republic of China ("PRC") Enterprise Income Tax ("EIT") *(note ii)*	**25,777**	15,582
Overseas income tax *(note iii)*	**201**	1,042
	25,978	16,624
(Over)underprovision in prior years:		
Hong Kong Profits Tax	**–**	49
PRC EIT	**(1,183)**	(2,132)
Overseas income tax	**84**	67
	(1,099)	(2,016)
Current tax charge – total	**24,879**	14,608
Deferred tax credit	**(1,135)**	(726)
	23,744	13,882

notes:

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong Profits Tax had been made as relevant subsidiaries had no assessable profit for both years.

(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、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) and the Bulletin of the State Administration of Taxation [2012] No. 12 issued in 2011 and 2012, during the period from January 1, 2011 to December 31, 2020, any enterprise that is located in the Western Regions and engaged in the industrial activities as listed in the "Catalogue of Encouraged Industries in Western Regions" (the "New Catalogue") as its major business from which the revenue in the current year accounts for more than 70% of its total revenue shall pay EIT at the rate of 15% after its application is approved by the in-charge taxation authorities. Certain subsidiaries of the Group which are located in the specified provinces of Western Regions and engaged in the industrial activities under the New Catalogue. The directors of the Company consider that the relevant subsidiaries are eligible for the preferential tax rate of 15% in both years.

(iii) Overseas

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

5. PROFIT FOR THE YEAR

	2015	2014
	US$'000	*US$'000*
Profit for the year has been arrived at after charging (crediting):		
Directors' and chief executives' emoluments	**969**	805
Retirement benefit scheme contributions, excluding directors and the chief executive	**24,391**	20,233
Equity-settled share-based payments, excluding directors and the chief executive	**387**	75
Other staff costs	**196,688**	159,014
Total staff costs	**222,435**	180,127
Auditor's remuneration	**571**	542
Depreciation of property, plant and equipment	**25,893**	24,028
(Reversal of allowance) allowance for inventories, net	**(1,707)**	18,612
Release of prepaid lease payments	**643**	656
Amortisation of intangible assets (included in selling and distribution expenses)	**7,571**	7,822
Research and development expenditure recognised as an expense	**47**	155
Share of taxation of an associate (included in share of results of an associate)	**37**	174
Share of taxation of joint ventures (included in share of results of joint ventures)	**12**	69

For the years ended December 31, 2015 and 2014, cost of inventories recognised as an expense represents cost of sales as shown in the consolidated income statement.

6. EARNINGS PER SHARE

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

	2015	2014
	US$'000	*US$'000*
Earnings:		
Earnings for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**64,498**	4,649

	2015	2014
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,326,078,624**	5,367,522,314
Effect of dilutive potential ordinary shares – Unvested awarded shares	**20,965,261**	3,895,890
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,347,043,885**	5,371,418,204

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.

The computation of diluted earnings 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 years.

7. TRADE AND OTHER RECEIVABLES

	2015	2014
	US$'000	*US$'000*
Trade receivables	**176,681**	168,535
Deposits, prepayments and other receivables	**136,199**	147,693
	312,880	316,228

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 date at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	2015	2014
	US$'000	*US$'000*
0 – 30 days	**134,104**	131,168
31 – 90 days	**32,189**	20,774
Over 90 days	**10,388**	16,593
	176,681	168,535

8. TRADE AND OTHER PAYABLES

	2015	2014
	US$'000	*US$'000*
Trade payables	**96,936**	83,389
Bills payables	**24,700**	264
Receipt in advance from customers	**53,458**	45,354
Amounts due to related and connected parties	**45,264**	812
Accruals and other payables	**88,838**	77,037
	309,196	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:

	2015	2014
	US$'000	*US$'000*
0 – 30 days	**119,539**	81,559
31 – 90 days	**1,279**	1,216
Over 90 days	**818**	878
	121,636	83,653

The average credit period for payment of purchases of goods is ranging from 30 days to 60 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

FINAL DIVIDEND

The Directors do not propose any final dividend for the year ended December 31, 2015.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from Wednesday, May 25, 2016 to Friday, May 27, 2016, 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 27, 2016, 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 24, 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business model and environment

The Group desires to be the centre stage for distributing international brand name functional footwear and apparel in the PRC. On the one hand, the Group desires to achieve a reputation as the best partner of international athletic brands in the PRC. On the other hand, the Group wishes to provide the best in class consumer experience to those customers who wish to buy either at a physical store or virtual store. Presently, the Group is a leading distributor of footwear and apparel for certain international brands that have a legacy in the first and second tier cities in the PRC. Products are sold either to consumers through directly owned stores, or indirectly by selling on a wholesale basis to sub-distributors who in turn sell to them. The Group also receives a minor portion of its revenue from distributing items in the performance outdoor category and over time hopes to further increase the sales of this category.

As at December 31, 2015, the Group had 4,943 directly operated retail outlets and 2,893 sub-distributor operated retail outlets. Within the network of the regional joint ventures, there were 422 directly operated retail outlets and 239 retail sub-distributors.

The Group also has a business unit involved with the brand licensee business. The brand licensee agreements entered into typically grant the Group exclusive rights to design, develop, manufacture, market and distribute, and the flexibility to set retail prices for the brand products at the designated locations for specified periods of time. The Group is the brand licensee for Hush Puppies in Taiwan and for PONY in the PRC and Taiwan until December 31, 2018.

The operating environment for the Group exhibited gradual improvement through the first three quarters of 2015. Various factors continue to influence the sportswear industry in the PRC, both in the footwear and apparel categories. First, the global economy was on the path to recovery, with North America achieving growth but with Europe on the other hand achieving a very modest level of growth. With the benign global economic environment as a backdrop, the PRC still continued to experience modest growth in the demand for its goods and services. The leadership in the PRC has been trying to fine tune expectations and policies explicitly, and has been able to give consumers confidence that the PRC can continue to progress further. Consumption in the fourth quarter of 2015 was adversely affected by the unusually warm weather and as a consequence was lower than originally projected earlier in the fiscal year. Despite this setback to a lower level of buying momentum in the last quarter, from an industry standpoint levels of inventory in the channel appeared to be at a near normal state. In general, leading industry participants for the first half of the year reported sales and margins that were healthy compared to many other industries in the PRC.

Analysis of Performance

Summary

For the financial year, the Group recorded revenue of US$2,300.2 million, representing an increase of 16.1% compared with financial year 2014. With regards to gross profit, the Group recorded US$766.1 million which was 32.0% more than the amount recorded for the same period last year. When considering operating profit, the Group earned the sum of US$96.7 million which was a large increase compared with the operating profit of US$33.6 million reported in the fiscal year 2014. In terms of net profit, profit attributable to owners of the Company in the current year was US$64.5 million, a significant improvement compared with the profit attributable to owners of US$4.6 million recorded in 2014.

Revenue

Total revenue for the Group increased by 16.1% to US$2,300.2 million for the year ended December 31, 2015 (Financial year 2014: US$1,980.6 million). The increase occurred due to growth in the same store sales, as well as growth in the net new store openings for the overall store network. Due to the warmer weather in the fourth quarter, same store sales growth was slower than earlier quarters.

Gross Profit

Gross profit for the Group amounted to US$766.1 million, about 32.0% higher than the same period last year. When looking at the margin, the gross profit margin for 2015 was 33.3% and was 4 percentage points better than the margin in 2014. The improvement in margin was primarily due to the lower discounts granted on the retail sales prices. However, due to the warmer weather in the fourth quarter, sales discounts could not shrink further as originally anticipated earlier in the fiscal year.

Selling & Distribution Expenses and Administrative and Other Expenses

Selling and distribution expenses and administrative and other expenses of the Group for the year were in aggregate US$688.3 million, representing 29.9% of total revenue and an increase of 20.6% compared with the same period last year. As market conditions were good, management was able to expand the absolute number of stores in the Group's network by a mid-teen percentage which in turn leads to the two expense categories increase in terms of the absolute amount. Management monitored the operations closely to ensure efficiency was maintained.

Operating Profit

The Group's operating profit margin was 4.2% and operating profit was US$96.7 million for the year, an improvement compared with the operating profit of US$33.6 million in the financial year 2014.

Other gains (losses) arising other than operating activities

The Group incurred various gains (losses) from a variety of situations amounting to a net loss of US$3.4 million in the current year. Amongst others, there were impairment losses on loans to joint ventures of US$8.5 million and fair value gain on consideration payable for acquisition of business of US$5.1 million incurred during the year. Other net losses in 2014 amounted to US$2.5 million.

Profit for the Year

Due to the aforementioned reasons, the Group recorded a net profit of US$62.4 million for the year as compared with a net profit of US$6.5 million realized in financial year 2014.

Working Capital Efficiency

The average inventory turnover period for the year was 142 days (2014: 160 days). The inventory turnover period was a smaller number on account of: 1) a change of business strategy to enable lower inventory purchases; 2) the Group's successful implementation of approaches to maintain lower average inventory levels so as to optimize working capital levels. The average trade receivables turnover period was 27 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 24 days (2014: 24 days).

Liquidity and Financial Resources

As at December 31, 2015, the Group had cash and cash equivalents of US$43.2 million (2014: US$43.7 million) and total bank borrowings of US$70.2 million (2014: US$196.5 million) and are repayable within one year. Bank borrowings were mainly denominated in Renminbi and so were cash and cash equivalents. Current ratio was 240% (2014: 236%).

The Group's gearing ratio for 2015 was 13%, down 9 percentage points from 22% in 2014, attributable mainly to the decrease in interest-bearing loans. The gearing ratio represented total interest bearing loans (including amount due to a connected party) as a percentage of total equity.

During the year, net cash generated from operating activities was US$145.7 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$40.6 million, of which US$45.3 million was used to purchase of property, plant and equipment. Net cash used in financing activities was US$118.7 million.

Capital Expenditure

The Group's capital expenditure primarily comprised of payments for the purchase of furniture, fixtures and equipment and leasehold improvement. For fiscal year 2015, total capital expenditure was US$46.8 million (2014: US$28.2 million). As at December 31, 2015, the Group had no material capital commitments.

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 an exchange difference arising on translation which is recognized either as other comprehensive income or expense in the consolidated statement of comprehensive income as US dollar is used as our reporting currency. As at December 31, 2015, the Group had no significant hedge for the foreign exchange. However, as the US dollar to RMB exchange rate can be volatile, the Group may enter into foreign currency forward contract to hedge against its currency risk relating to foreign currency transaction when necessary.

To help readers better understand the impacts of changes in the exchange rates of RMB against the US dollar on the consolidated financial statements, below are some key line items of the Company's consolidated income statement assuming Renminbi was used as the reporting currency.

	2015 ***(in RMB millions)***	2014 *(in RMB millions)*	Y-o-Y Change in %
Revenue	**14,465.6**	12,209.1	18.5%
Gross profit	**4,817.7**	3,578.8	34.6%
Operating profit	**608.0**	206.8	194.0%
Profit for the year	**392.2**	40.0	880.5%
Profit attributable to owners of the Company	**405.6**	28.7	1,313.2%

For the purpose of this analysis, amounts denominated in USD have been translated into RMB at an exchange rate of USD1: RMB6.2889 and RMB6.1644 for the two years ended December 31, 2015.

Significant events subsequent to the end of the financial year

Pursuant to the general mandate granted to the board of directors of the Company to repurchase shares at the annual general meeting of the Company held on May 29, 2015, the Company repurchased 53.2 million ordinary shares of the Company (representing approximately 1% of the issued share capital of the Company) from January 15, 2016 to January 22, 2016 for the purpose to enhance the net asset value and earnings per share and will benefit the Company and the shareholders as a whole. The aggregate consideration for the share repurchased was approximately HK$76.3 million (including transaction cost). The Board believes that the current financial resources of the Company would enable it to conduct the shares repurchase while maintaining a solid financial position for the continuation of the Company's business in the current financial year. Pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("the Stock Exchange") (the "Listing Rules"), the Company cancelled the repurchased shares on February 1, 2016.

Prospects and future developments

The Group will continue to search for ways to improve the efficiency of the sales network so as to maximize sales and minimize expenses. The Group works closely with the brands it distributes to help them 1) keep abreast of the trends in consumers' preferences in the PRC so that they can implement meaningful marketing campaigns and 2) make suitable projections of the sell-through capacity for the market to ensure inventories in the channels are not excessive. For the operation of the stores, ongoing efforts are needed to ensure higher average store profitability. Close observation of key performance indicators continues to be important in assessing store efficiency and profitability. Better store efficiency and profitability are achieved through a) the effective management of human resources; b) continuous alignment and optimization of information technology and logistics; and c) real time or near real time information to flag the better selling items and to actively purchase those products with good sell through.

The Group's management continues to be confident about the long-term future of the sports industry, as many consumers in the PRC are aware of the benefits of physical activity as one of the components for keeping good health. The backdrop of rising consumers' incomes allows for more consumption of sportswear and many members of the public are participating in sports. The major sporting events of 2016 are the Olympics and the European Cup. Enthusiasm for marathon activities held across the PRC continues to grow as well as the greater appreciation of the importance of personal fitness: this will lead consumers in the PRC to be interested in purchasing more sportswear over time. The brands should continue to sponsor sports events and marketing activities to boost consumer spending on sportswear products. The Group will not hesitate to assist key international athletic brands in performing actions to enhance consumer demand. The fast retailing apparel items are potential substitutes for functional apparel and must be observed carefully. However, product differentiation and segmentation are sufficiently visible so that consumers take note of the superior features of "functional" athletic or casual products as compared with fast retailing "fashion" products.

Management believes the Group will see incremental improvement in operations for 2016.

HUMAN RESOURCES

As at December 31, 2015, the Group had a total of approximately 25,000 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").

As at the date of this announcement, the total number of shares available for issue under the Share Option Scheme is 328,935,000 shares, representing approximately 6.17% of the total number of issued shares of the Company. As at December 31, 2015, an aggregate of 54,612,000 shares are issuable for share options granted (including 54,237,000 shares for fully-vested share 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 year ended December 31, 2015, 19,170,000 share awards were granted and 2,932,000 share awards were lapsed under the Share Award Scheme. As at December 31, 2015, an aggregate of 27,738,000 share awards which are subject to certain vesting conditions, remain unvested.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 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 80,000,000 shares of the Company at a total consideration of approximately US$10.9 million.

REVIEW OF ACCOUNTS

Disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. 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 audited consolidated financial statements for the year ended December 31, 2015.

CORPORATE GOVERNANCE

During the year ended December 31, 2015, the Company has applied the principles of and has complied with all code provisions contained in the Corporate Governance Code set out 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 year ended December 31, 2015.

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 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 year.

By Order of the Board
Tsai David, Nai Fung
Chairman

Hong Kong, March 23, 2016

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