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 YEAR ENDED DECEMBER 31, 2016

THE GROUP'S FINANCIAL HIGHLIGHTS

	For the year ended December 31,		Percentage increase
	2016	2015 (restated)	
Revenue *(RMB'000)*	**16,236,384**	14,465,564	**12.2%**
Operating profit *(RMB'000)*	**924,156**	598,959	**54.3%**
Profit attributable to owners of the Company *(RMB'000)*	**560,579**	396,592	**41.3%**
Basic earnings per share *(RMB cents)*	**10.72**	7.45	**43.9%**
Dividend per share			
Interim dividend *(HK$)*	**0.02**	–	**N/A**
Final dividend (proposed) *(HK$)*	**0.02**	–	**N/A**

RESULTS

The board (the "Board") of directors (the "Directors") of Pou Sheng International (Holdings) Limited (the "Company") is 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, 2016 with comparative figures for the corresponding year in 2015 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended December 31, 2016

	Notes	**2016 RMB'000**	2015 RMB'000 (restated)	**2016 US$'000**	2015 US$'000
				(FOR INFORMATION PURPOSE ONLY)	
Revenue	4	**16,236,384**	14,465,564	**2,443,730**	2,300,174
Cost of sales		**(10,467,944)**	(9,647,897)	**(1,575,525)**	(1,534,115)
Gross profit		**5,768,440**	4,817,667	**868,205**	766,059
Other operating income and gains (losses)		**228,178**	121,002	**34,342**	19,247
Selling and distribution expenses		**(4,415,748)**	(3,724,350)	**(664,612)**	(592,213)
Administrative and other expenses		**(656,714)**	(615,360)	**(98,841)**	(97,865)
Operating profit		**924,156**	598,959	**139,094**	95,228
Finance costs		**(61,881)**	(54,766)	**(9,314)**	(8,709)
Finance income		**11,367**	18,234	**1,711**	2,900
Finance costs – net		**(50,514)**	(36,532)	**(7,603)**	(5,809)
Share of results of an associate		**(7,225)**	(2,222)	**(1,087)**	(353)
Share of results of joint ventures		**(4,691)**	(6,157)	**(706)**	(979)
Other gains (losses)	5	**(29,803)**	(21,590)	**(4,486)**	(3,433)
Profit before taxation		**831,923**	532,458	**125,212**	84,654
Income tax expense	6	**(262,312)**	(149,323)	**(39,480)**	(23,744)
Profit for the year	7	**569,611**	383,135	**85,732**	60,910
Attributable to:					
Owners of the Company		**560,579**	396,592	**84,373**	63,050
Non-controlling interests		**9,032**	(13,457)	**1,359**	(2,140)
		569,611	383,135	**85,732**	60,910
Earnings per share	9				
– Basic		**RMB10.72 cents**	RMB7.45 cents	**US1.61 cents**	US1.18 cents
– Diluted		**RMB10.61 cents**	RMB7.42 cents	**US1.60 cents**	US1.18 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended December 31, 2016

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
Profit for the year	**569,611**	383,135	**85,732**	60,910
Other comprehensive income (expense)				
An item that will not be reclassified subsequently to profit or loss				
Exchange difference arising on translation to presentation currency	**–**	–	**(51,241)**	(46,222)
An item that may be reclassified subsequently to profit or loss				
Exchange difference arising on translation of foreign operations	**7,551**	2,072	**81**	(15)
Total comprehensive income for the year	**577,162**	385,207	**34,572**	14,673
Attributable to:				
Owners of the Company	**565,969**	398,182	**33,340**	17,447
Non-controlling interests	**11,193**	(12,975)	**1,232**	(2,774)
	577,162	385,207	**34,572**	14,673

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2016

	Note	**December 31, 2016**	December 31, 2015	January 1, 2015	**December 31, 2016**	December 31, 2015	January 1, 2015
		RMB'000	*RMB'000*	*RMB'000*	***US$'000***	*US$'000*	*US$'000*
			(restated)		*(FOR INFORMATION PURPOSE ONLY)*		
Non-current assets							
Property, plant and equipment		**902,732**	707,427	586,876	**129,778**	107,575	94,414
Deposit paid for acquisition of property, plant and equipment		**55,224**	9,006	11,655	**7,939**	1,369	1,875
Prepaid lease payments		**143,621**	140,327	144,371	**20,647**	21,339	23,226
Rental deposits and prepayments		**127,335**	113,813	108,656	**18,306**	17,307	17,480
Intangible assets		**614,678**	657,401	704,924	**88,367**	99,968	113,405
Goodwill		**532,450**	545,748	536,210	**76,545**	84,523	82,977
Interest in an associate		**–**	10,411	12,633	**–**	1,451	2,022
Interests in joint ventures		**51,791**	67,061	58,188	**7,446**	10,035	9,292
Loans to joint ventures		**17,500**	47,500	107,203	**2,516**	7,223	17,246
Long-term loan receivable		**–**	–	50,000	**–**	–	8,044
Available-for-sale investments		**2,156**	1,999	–	**310**	304	–
Deferred tax assets		**–**	428	5,151	**–**	65	1,003
		2,447,487	2,301,121	2,325,867	**351,854**	351,159	370,984
Current assets							
Inventories		**4,400,649**	3,910,362	3,712,064	**632,641**	594,633	597,179
Trade and other receivables	10	**2,412,346**	2,104,757	1,965,674	**346,797**	320,061	316,228
Taxation recoverable		**1,526**	7,248	2,038	**219**	1,102	328
Pledged bank deposits		**–**	5,997	–	**–**	912	–
Bank balances and cash		**482,635**	297,182	271,907	**69,384**	45,191	43,743
		7,297,156	6,325,546	5,951,683	**1,049,041**	961,899	957,478
Assets classified as held for sale		**299,133**	–	–	**43,004**	–	–
		7,596,289	6,325,546	5,951,683	**1,092,045**	961,899	957,478

	Note	**December 31, 2016** **RMB'000**	December 31, 2015 RMB'000 (restated)	January 1, 2015 RMB'000	**December 31, 2016** **US$'000**	December 31, 2015 US$'000	January 1, 2015 US$'000
					(FOR INFORMATION PURPOSE ONLY)		
Current liabilities							
Trade and other payables	11	**2,006,378**	2,069,832	1,283,328	**288,438**	315,428	206,856
Taxation payable		**64,664**	42,582	12,230	**9,296**	6,475	1,967
Bank borrowings		**1,375,826**	368,682	1,221,722	**197,790**	56,064	196,545
Consideration payable for acquisition of business		**60,439**	74,301	–	**8,689**	11,299	–
Bank overdrafts		**–**	100,230	–	**–**	15,242	–
		3,507,307	2,655,627	2,517,280	**504,213**	404,508	405,368
Liabilities associated with assets classified as held for sale		**230,309**	–	–	**33,109**	–	–
		3,737,616	2,655,627	2,517,280	**537,322**	404,508	405,368
Net current assets		**3,858,673**	3,669,919	3,434,403	**554,723**	557,391	552,110
Total assets less current liabilities		**6,306,160**	5,971,040	5,760,270	**906,577**	908,550	923,094
Non-current liabilities							
Consideration payable for acquisition of business		**–**	–	102,169	**–**	–	16,436
Deferred tax liabilities		**172,649**	183,310	195,108	**24,820**	27,875	31,388
		172,649	183,310	297,277	**24,820**	27,875	47,824
Net assets		**6,133,511**	5,787,730	5,462,993	**881,757**	880,675	875,270
Capital and reserves							
Share capital		**46,523**	46,877	46,873	**6,855**	6,910	6,909
Reserves		**6,057,008**	5,695,497	5,325,611	**870,593**	866,868	853,797
Equity attributable to owners of the Company		**6,103,531**	5,742,374	5,372,484	**877,448**	873,778	860,706
Non-controlling interests		**29,980**	45,356	90,509	**4,309**	6,897	14,564
Total equity		**6,133,511**	5,787,730	5,462,993	**881,757**	880,675	875,270

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company's functional currency is Renminbi ("RMB"). The presentation currency of the consolidated financial statements in prior financial years was United States Dollars ("USD"). Starting from January 1, 2016, the Group has changed its presentation currency for the preparation of its consolidated financial statements from USD to RMB in order to allow for greater transparency of the underlying performance of the Group as the principal operations of the Group are conducted in the People's Republic of China ("PRC") with substantially all of its transactions denominated and settled in RMB. The Directors consider that it is more appropriate to use RMB as the presentation currency in presenting the operating results and financial positions of the Group. The presentation of USD amounts in the consolidated financial statements is for information purpose only.

For the purpose of presenting the consolidated financial statements of the Group in RMB, the assets and liabilities for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period. Income and expenses for the consolidated income statement are translated at the average exchange rates for the month of the transactions, unless exchange rates fluctuate significantly during the period, in which case, the exchange rates prevailing at the dates of transactions are used. The share capital, the share premium and reserves are translated at the exchange rate at the date when the amount was determined (i.e. the rate at the date of transaction for an item measured in terms of the historical cost). The non-controlling interests for the consolidated statement of financial position are translated into RMB at the closing rate at the end of the reporting period.

2. APPLICATION OF MERGER ACCOUNTING

On November 14, 2016, Winning Team Holdings Limited, an indirect wholly-owned subsidiary of the Company, acquired from Key International Co., Ltd., an indirect wholly-owned subsidiary of Yue Yuen Industrial (Holdings) Limited ("Yue Yuen"), an intermediate holding company of the Company, the entire equity interests in PCG Bros (Holdings) Co. Limited ("PCG Bros") for a cash consideration of US$9,226,008.82 (equivalent to approximately RMB62,634,000). PCG Bros and its subsidiaries (collectively referred to as the "PCG Bros Group") are principally engaged in sports marketing and organisation of sports events in Taiwan.

The Group and PCG Bros Group are both under the control of Yue Yuen before and after the date of acquisition, and that control is not transitory. The Group and PCG Bros Group are regarded as continuing entities as at the date of business combinations and hence the acquisition has been accounted for as combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 "Merger Accounting for Common Control Combinations" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Accordingly, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the years ended December 31, 2015 and 2016 include the financial performance, changes in equity and cash flows of PCG Bros Group as if the current group structure upon the completion of the group reorganisation had been in existence throughout the years ended December 31, 2015 and 2016, or since their respective dates of incorporation or establishment where this is a shorter period. The consolidated statement of financial position of the Group as at December 31, 2015 has been restated to include the assets and liabilities of the companies comprising PCG Bros Group as if the current group structure had been in existence as at December 31, 2015.

The effects of all transactions between the Group and the PCG Bros Group, whether occurring before or after the acquisition, are eliminated in preparing the consolidated financial statements. The transaction costs for the acquisition were recognised as expenses in the consolidated income statement.

3. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to HKFRS 11	Accounting for Acquisitions of Interest in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's consolidated financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

4. 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, being the Board, for the purposes of resource allocation and assessment of segment performance. As there is only one reportable segment, no segment information is presented other than entity-wide disclosures.

Revenue from major business products

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

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
			(FOR INFORMATION PURPOSE ONLY)	
Sales of sportswear and footwear products	**16,131,960**	14,358,879	**2,428,013**	2,283,210
Commissions from concessionaire sales	**104,424**	106,685	**15,717**	16,964
	16,236,384	14,465,564	**2,443,730**	2,300,174

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

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
			(FOR INFORMATION PURPOSE ONLY)	
Impairment losses on loans to joint ventures	**(30,000)**	(53,600)	**(4,515)**	(8,523)
Impairment loss on goodwill	**(14,047)**	–	**(2,114)**	–
Impairment losses on property, plant and equipment	**(2,512)**	–	**(378)**	–
Impairment losses on rental deposits and prepayments	**(9,928)**	–	**(1,495)**	–
Impairment loss on consideration receivable for disposal of properties	**–**	(16,000)	**–**	(2,544)
Gain on disposal of a joint venture	**–**	600	**–**	95
Gain on disposal of an associate	**10,048**	–	**1,512**	–
(Impairment loss) reversal of impairment loss recognised on interest in a joint venture	**(579)**	15,030	**(87)**	2,390
Fair value gain on consideration payable for acquisition of business	**17,215**	32,380	**2,591**	5,149
	(29,803)	(21,590)	**(4,486)**	(3,433)

6. INCOME TAX EXPENSE

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	*US$'000*	*US$'000*
			(FOR INFORMATION PURPOSE ONLY)	
Taxation attributable to the Company and its subsidiaries:				
Current year:				
Hong Kong Profits Tax *(note i)*	**–**	–	**–**	–
PRC Enterprise Income Tax ("EIT") *(note ii)*	**235,309**	162,108	**35,416**	25,777
Overseas income tax *(note iii)*	**752**	1,264	**113**	201
	236,061	163,372	**35,529**	25,978
Under(over)provision in prior years:				
Hong Kong Profits Tax	**4**	–	**1**	–
PRC EIT	**36,551**	(7,440)	**5,501**	(1,183)
Overseas income tax	**(15)**	529	**(2)**	84
	36,540	(6,911)	**5,500**	(1,099)
Current tax charge – total	**272,601**	156,461	**41,029**	24,879
Deferred tax credit	**(10,289)**	(7,138)	**(1,549)**	(1,135)
	262,312	149,323	**39,480**	23,744

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 has been made as the 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、國家税務總局關於深入實施西部大開發戰略有關税收政策問題的通知》(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 business 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 is entitled to pay EIT at the rate of 15% after its application is approved by the in-charge taxation authorities. Certain subsidiaries of the Company which are located in the specified provinces of Western Regions and engaged in the business activities under the New Catalogue. The Directors 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.

7. PROFIT FOR THE YEAR

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
Profit for the year has been arrived at after charging (crediting):				
Directors' and chief executives' emoluments	**3,927**	6,093	**591**	969
Retirement benefit scheme contributions, excluding directors and the chief executive	**197,093**	153,624	**29,665**	24,427
Equity-settled share-based payments, excluding directors and the chief executive	**6,677**	2,434	**995**	387
Other staff costs	**1,499,285**	1,241,420	**225,664**	197,404
Total staff costs	**1,706,982**	1,403,571	**256,915**	223,187
Auditor's remuneration	**4,101**	3,593	**617**	571
Depreciation of property, plant and equipment	**207,280**	163,332	**31,198**	25,973
Reversal of allowance for inventories, net	**(1,972)**	(10,737)	**(297)**	(1,707)
Release of prepaid lease payments	**4,081**	4,044	**614**	643
Amortisation of intangible assets (included in selling and distribution expenses)	**43,049**	47,612	**6,479**	7,571
Research and development expenditure recognised as an expense	**360**	295	**54**	47
Share of taxation of an associate (included in share of result of an associate)	**–**	233	**–**	37
Share of taxation of joint ventures (included in share of results of joint ventures)	**(28)**	75	**(4)**	12

For the years ended December 31, 2015 and 2016, cost of inventories recognised as an expense represents cost of sales as shown in the consolidated income statement.

8. DIVIDENDS

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
			(FOR INFORMATION PURPOSE ONLY)	
Dividends recongised as distribution during the year:				
2016 Interim dividend of HK$0.02 per share (2015: nil)	**90,069**	–	**12,948**	–

Subsequent to the end of the reporting period, final dividend in respect of the year ended December 31, 2016 of HK$0.02 (2015: nil) has been proposed by the Directors and will be paid to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company (the "Register of Members") on June 2, 2017.

The proposed final dividend is subject to approval by the Shareholders at the forthcoming annual general meeting.

9. EARNINGS PER SHARE

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

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
Earnings:				
Earnings for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	**560,579**	396,592	**84,373**	63,050

	2016	2015
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,231,652,944**	5,326,078,624
Effect of dilutive potential ordinary shares:		
– Share options	**16,380,940**	–
– Unvested awarded shares	**33,690,061**	20,965,261
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,281,723,945**	5,347,043,885

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 per share for the year ended December 31, 2015 did 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 during that period.

10. TRADE AND OTHER RECEIVABLES

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
Trade receivables	**1,292,686**	1,161,869	**185,838**	176,681
Deposits, prepayments and other receivables	**1,119,660**	942,888	**160,959**	143,380
	2,412,346	2,104,757	**346,797**	320,061

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:

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
			(FOR INFORMATION PURPOSE ONLY)	
0 to 30 days	**1,028,966**	881,879	**147,925**	134,104
31 to 90 days	**207,358**	211,679	**29,810**	32,189
Over 90 days	**56,362**	68,311	**8,103**	10,388
	1,292,686	1,161,869	**185,838**	176,681

11. TRADE AND OTHER PAYABLES

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
Trade payables	**286,463**	637,464	**41,182**	96,936
Bills payables	**203,637**	162,428	**29,275**	24,700
Receipt in advance from customers	**457,015**	352,202	**65,701**	53,558
Amounts due to related and connected parties	**295,900**	321,547	**42,539**	48,896
Accrued staff costs	**265,719**	229,065	**38,201**	34,832
Sales discount and rebate payables	**16,538**	27,350	**2,378**	4,159
Other tax payables	**66,967**	20,720	**9,626**	3,149
Deposit received for sale of assets classified as held for sale	**5,500**	–	**791**	–
Other accruals and payables	**408,639**	319,056	**58,745**	49,198
	2,006,378	2,069,832	**288,438**	315,428

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:

	2016	2015	**2016**	2015
	RMB'000	*RMB'000*	***US$'000***	*US$'000*
		(restated)	*(FOR INFORMATION PURPOSE ONLY)*	
0 to 30 days	**445,442**	786,102	**64,037**	119,539
31 to 90 days	**6,148**	8,412	**884**	1,279
Over 90 days	**38,510**	5,378	**5,536**	818
	490,100	799,892	**70,457**	121,636

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.

ANNUAL GENERAL MEETING

The forthcoming 2017 annual general meeting of the Company will be held on Friday, May 26, 2017 (the "2017 AGM"). Notice of the 2017 AGM will be published and issued to the Shareholders in due course.

FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK$0.02 per share to the Shareholders whose names appear on the Register of Members on Friday, June 2, 2017, amounting to approximately HK$107 million, subject to approval by the Shareholders at the 2017 AGM. Together with an interim dividend of HK$0.02 per share already paid, total dividend for the year will amount to HK$0.04 per share (2015: nil).

CLOSURE OF REGISTER OF MEMBERS

Entitlement to attend and vote at the 2017 AGM

For the purpose of ascertaining entitlement to attend and vote at the 2017 AGM (the "Entitlement to 2017 AGM"), the Register of Member will be closed from Monday, May 22, 2017 to Friday, May 26, 2017, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the 2017 AGM, all transfer documents 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 no later than 4:30 p.m. on Friday, May 19, 2017. The record date for Entitlement to 2017 AGM will be Monday, May 22, 2017.

Entitlement to the proposed final dividend

For the purpose of ascertaining entitlement to the proposed final dividend (the "Entitlement to Final Dividend"), the Register of Member will be closed from Friday, June 2, 2017 to Wednesday, June 7, 2017, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend payable on Friday, June 16, 2017, all transfer documents 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 no later than 4:30 p.m. on Thursday, June 1, 2017. Dividend warrants will be despatched on Friday, June 16, 2017. The record date for Entitlement to Final Dividend will be Friday, June 2, 2017.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Business Model and Environment

The Group strives to position itself as the focal point for distributing international brands functional footwear and apparel in the PRC. The Group is dedicated to provide the best in class consumer experience to its customers by transforming from transactional points of sale to an integrated sports services provider that provides experiential points of service – from distribution of international branded sports footwear and apparel, design and marketing of licensed branded footwear, as well as providing sports management and events platforms in Greater China. Presently, the Group is a leading distributor of footwear and apparel for international brands that have strong and established market positions in first and second-tier cities in the PRC. It is also continuing to develop its multi-brand strategy, leveraging off its success with existing customers to form partnerships with other fashionable and outdoor performance brands that are looking to access the PRC's vibrant, but competitive, retail market. To further expand its capability to distribute international athletic brands in the PRC, the Group further rolled out versatile omni-channels that offer customers an optimal shopping experience at both brick-and-mortar stores and digital stores.

As at December 31, 2016, the Group's nationwide retail network consisted of 5,560 directly operated retail outlets and 3,199 sub-distributor operated retail outlets.

The Group's brand licensee business (non-sport brands) continued to pursue opportunities with international leisure brands. Typically, the brand licensees grants the Group exclusive rights to design, develop, manufacture and market the brand products at designated locations for specified periods of time (across the Greater China region or PRC). During 2016, the brand licensee business of the Group consisted of PONY in the PRC and Taiwan, and Hush Puppies in Taiwan.

The operating environment was mixed during 2016. Despite slowing economic growth in the PRC and unstable weather conditions, the Group's overall performance improved gradually and recorded a steady growth in sales in 2016.

In 4Q 2016, following the acquisition of PCG Bros, the Group has expanded its sport service offerings to include sport consulting, sporting events coordination and execution, and management of fitness facilities and sports clubs. These offerings complement the Group's strategy of providing an experiential sport experience and further enhanced its interaction with sport consumers.

In addition, major international sport events, such as the UEFA European Championship, the 2016 Rio Olympics, and the proliferation of international marathons hosted across the PRC helped stimulate participation in sport and fitness, as well as demand for sportswear.

Furthermore, the Chinese government also enacted supportive policies and promotions to increase public awareness about healthy lifestyles. Spending in the health and leisure industry is also becoming a new driver stimulating domestic demand and boosting economic growth, as the PRC faces declining exports and uncertainty about the global economic recovery. During the second half of the year, the State Council approved its 13^{th} Five-Year Plan, outlining its vision to focus on the fitness and development of the sports industry. With unwavering policy support for the PRC's health and fitness industry, major international athletic and performance brands have dedicated resources and personnel to access the PRC market.

Analysis of Performance

Summary

For the financial year, the Group recorded revenue of RMB16,236.4 million, representing an increase of 12.2% compared with the 2015 financial year. Gross profit was RMB5,768.4 million, an increase of 19.7% against the same period of last year. The Group's operating profit was RMB924.2 million, which was a large increase compared with the operating profit of RMB599.0 million reported in the 2015 fiscal year. In terms of net profit, profit attributable to owners of the Company in the current year was RMB560.6 million, a significant improvement compared with the profit attributable to owners of RMB396.6 million recorded in 2015.

Revenue

Total revenue for the Group increased by 12.2% to RMB16,236.4 million for the year ended December 31, 2016, as compared with RMB14,465.6 million reported in the same period last year. The increase was attributed to same store sales growth, as well as revenue from newly opened stores.

Gross Profit

Gross profit for the Group amounted to RMB5,768.4 million, with a gross profit margin of 35.5%. Both the gross profit and the gross profit margin were higher than the comparable figures achieved in the last financial year. The strong improvement in gross profit was due to reduced discounting, increased sales growth and better inventory management.

Selling & Distribution Expenses and Administrative Expenses

The selling and distribution expenses and administrative expenses of the Group for the financial year was in aggregate RMB5,072.5 million, representing 31.2% of total revenue and an increase of 16.9%, compared with the previous financial year. In order to improve store revenue and efficiency, the management team continued to invest in new stores, human resources and training to reinforce sales skills and quality, as well as in store renovations and upgrades, which resulted in an increase in staff costs, rental expenses and concession fees.

Operating Profit

The Group's operating profit in the financial year was RMB924.2 million, while the operating profit margin was 5.7%, a substantial improvement compared with the operating profit of RMB599.0 million, or 4.1%, in the 2015 financial year.

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 RMB29.8 million in the financial year. Amongst others, there were impairment losses on loans to joint ventures of RMB30.0 million and a fair value gain on consideration payable for the acquisition of business of RMB17.2 million incurred during the financial year.

Profit for the Year

Due to the aforementioned reasons, the Group recorded a net profit of RMB569.6 million for the year, a substantial increase over RMB383.1 million recorded for the last financial year.

Working Capital Efficiency

The average inventory turnover period for the period was 145 days (2015: 144 days). The Group continues to explore different strategies for managing inventory so as to optimize working capital levels. The average trade receivables turnover period was 28 days (2015: 28 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 22 days (2015: 25 days).

Liquidity and Financial Resources

As at December 31, 2016, the Group had cash and cash equivalents of RMB482.6 million (2015: RMB297.2 million) and working capital (current assets minus current liabilities) of RMB3,858.7 million (2015: RMB3,669.9 million). Total bank borrowings were RMB1,375.8 million (2015: RMB468.9 million) and are repayable within one year. Bank borrowings were mainly denominated in RMB and so were cash and cash equivalents. The Group's current ratio was 203.2% (2015: 238.2%).

The Group's gearing ratio for 2016 was 27%, up 14 percentage points from 13% in 2015, which was attributable mainly to an increase 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 used in operating activities was RMB11.4 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 RMB400.0 million, of which RMB454.9 million was used to purchase property, plants and equipment. Net cash generated from financing activities was RMB700.5 million.

Capital Expenditure

The Group's capital expenditure primarily comprised of payments for the purchase of furniture, fixtures and equipment and leasehold improvements. For the 2016 fiscal year, total capital expenditure was RMB510.1 million (2015: RMB299.9 million). As at December 31, 2016, the Group had no material capital commitments and contingent liabilities.

Foreign Exchange

The Group conducted its business primarily in the PRC with substantially all of its transactions denominated and settled in RMB. As at December 31, 2016, the Group had no significant hedge for the foreign exchange exposure. An USD/RMB currency swap contract amounting to US$10 million expired on December 20, 2016 and a foreign exchange gain was booked. As the exchange rate of RMB against foreign currencies may be volatile, the Group may enter into forward contracts, currency swaps or options to hedge against the currency risk arising from foreign currency transactions when necessary. Starting from January 1, 2016, the Group's reporting currency has been denominated in RMB.

The Group has a dedicated treasury division and internal treasury policies and approval guidelines to manage and control the Group's exposure to structured deposit investment. The use of derivatives and approval procedures are in accordance to our internal policies and guidelines.

HUMAN RESOURCES

As at December 31, 2016, the Group had approximately 28,600 employees in total. The Group provides competitive remuneration packages that are determined with reference to prevailing salary levels in the market and individual performance. It offers awarded shares and/or share options to eligible employees in order to provide them with incentives and to recognise 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 for employees based on their respective personal career development.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The Group appointed Mr. Lee, Shao-Wu, former executive director, of our controlling shareholder, Yue Yuen, as the Group's interim-acting Chief Executive Officer ("CEO") and executive Director on February 6, 2017, following the resignation of former CEO and executive Director, Mr. Kwan, Heh-Der on January 6, 2017. Mr. Lee has been re-designated as the CEO and executive Director since March 24, 2017 afterwards.

The Group also appointed Mr. Wu, Pan-Tsu, the Chairman of the Board, and Ms. Tsai Patty, Pei Chun, a non-executive Director, as authorized representatives under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively) and Hong Kong Companies Ordinance, respectively.

The Board's swift action demonstrates its commitment to transparency and to ensuring that its corporate philosophy and the interests of Shareholders are aligned.

PROSPECTS AND FUTURE DEVELOPMENTS

Taking into account favorable government policies, rising consumer income – especially among urban professionals and 'millennials' – and the continued shift of consumer spending towards health and fitness, the Group's management continues to be positive about the long-term prospects of health and leisure retailing in Greater China.

The strategic blueprint to boost the PRC's sports industry infrastructure and domestic consumption around health and fitness, as outlined by the State Council National Fitness Plan (2016–2020) and the 'Healthy China Outline 2030', will continue to increase sports-related consumption for the next five to ten years. The Council expects the industry will grow to in excess of RMB1.5 trillion in value by 2020. The China-General Administration of Sport estimates that such initiatives will boost sports-related consumption to 2.5% of disposable income per capita by 2020. Younger millennial consumers in PRC now account for roughly 30% of PRC's total consumption and their spending patterns, which favors personal experiment and healthier choices, meaning that demand for quality sports brands and lifestyle brands will remain resilient.

As more international athletic and performance brands continue to be active and dedicate more resources to developing opportunities arising from the PRC sports industry, the Group should be in strong position to act as a solid partner for these sport brands to manage the complex and fragmented retailing and logistics landscape in the PRC.

The Group will continue to strategically build out its presence with multi-brand portfolios across sports, performance sports and leisure footwear in order to match the growing preference among Chinese consumers for 'life experiences' and healthier lifestyles. By integrating its sports events marketing and sport management capabilities under one platform, the Group aims to provide a sporting service for the whole value chain, which will enable the Group to capture a larger portion of sport marketing and consumption budgets, while also deepening its understanding of the changing taste and preferences of sport consumers.

The Group will strengthen its cooperation with existing global brands by extending its market reach and product selection across Greater China, which includes self-owned mono-brand, multi-brand flagship stores, mega-sport city, and online stores, which combined makes up our omni-channel services. This will enhance the consumer experience and deliver stronger store efficiency. The Group introduced licensed national exclusive brands such as GEOX and Rockport, as well as Carter's – the children's wear line, to enhance its retail product mix.

E-commerce channel and technological adoption are some of the Group's future core development strategies, especially that related to mobile devices and digital payments. This will be further developed as another service platform that will connect with younger consumers' diverse needs for sports, leisure, and health.

To enhance the Group's efficiency in managing its regional retailing hubs and supporting a larger number of experiential points-of-service, as well as adjusting to seasonality for fashionable sportswear and optimizing inventory management, the Group will continue to optimize its logistics network and IT management, integrating its process, operational and retail standardization system across the PRC. These initiatives are expected to further improve the Group's overall operational efficiency and profitability, creating synergies and maximizing benefits for our customers, partners, employees and shareholders.

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 282,867,810 shares, representing approximately 5.30% of the total number of issued shares of the Company. As at December 31, 2016, an aggregate of 54,549,190 shares are issuable for share options granted 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, certain terms of the share award scheme were duly amended on November 11, 2016 (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 of the Company and approved by the Board. The total number of shares to be awarded under the Share Award Scheme shall not exceed 4% 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, 2016, 20,926,810 share awards were granted and 3,535,000 share awards were lapsed under the Share Award Scheme. As at December 31, 2016, an aggregate of 45,129,810 share awards which are subject to certain vesting conditions, remain unvested.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended December 31, 2016, the Company repurchased 53,186,000 (2015: nil) of its own shares on 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 cost)**
		HK$	*HK$*	*HK$*
January 2016	53,186,000	1.50	1.37	76,312,700

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 year ended December 31, 2016 was effected by the Board, pursuant to the mandate granted by the Shareholders, with a view to benefiting Shareholders as a whole by enhancing the net asset value and earnings per share of the Company.

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 30,000,000 shares of the Company at a total consideration of approximately HK$70 million (approximately RMB62 million).

Save as disclosed above, the Company did not redeem any of its shares listed and traded on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares during the year ended December 31, 2016.

REVIEW OF ACCOUNTS

The audit committee of the Company (the "Audit Committee") has reviewed with management and the external auditor the Group's consolidated financial statements for the year ended December 31, 2016, the accounting principles and practices adopted and discussed auditing, risk management and internal controls, and financial reporting matters.

CORPORATE GOVERNANCE

During the year ended December 31, 2016, the Company has applied the principles of and has complied with all code provisions contained in the Corporate Governance Code (the "CG Code") set out in Appendix 14 to the Listing Rules. Subsequently, after the year ended December 31, 2016, there are two deviations from the CG Code as explained below:

(i) After the resignation of Mr. Kwan, Heh-Der as CEO and executive Director on January 6, 2017, Mr. Wu, Pan-Tsu, the Chairman of the Board, assumed the role and responsibilities of CEO on a temporary basis until Mr. Lee, Shao-Wu was appointed as an executive Director and acting CEO on February 6, 2017. Mr. Lee was then re-designated as the CEO on March 24, 2017.

    There was no segregation between the role of the Chairman and CEO of the Company during the period from January 6, 2017 up to February 5, 2017. This is a deviation from code provision A.2.1 of the CG Code. The Company believes that it was only a temporary measure while the Company was actively searching for a replacement to fill in the position. As such, the Board does not consider that the segregation of role for such a short period had impaired the balance of power and authority between the Board and the management of the Company given there is a division of responsibility for each of the individual business operations segment of the Group.

(ii) After the resignation of Ms. Chong Yim Kuen as the company secretary of the Company (the "Company Secretary") on January 19, 2017 and up to the date of this announcement, the day-to-day tasks of the company secretary has been carried out by personnel at the Company who possess relevant experience to deal with such tasks. This is a deviation from code provision F.1.1 of the CG Code which stipulates that the company secretary should be an employee of the issuer or external service provider. The Company is looking for a potential suitable candidate to take up the position of Company Secretary as soon as reasonably practicable and will make an announcement if and when an appointment is made.

UPDATES AND FINDINGS ON THE INCIDENT CONCERNING CERTAIN PURPORTED SALES TRANSACTIONS

Reference is made to the announcement of the Company dated January 8, 2017 (the "Announcement") in relation to, among other things, the discovery of certain incorrect sales records in the month of December 2016, which could potentially lead to recognition of revenue for sales transactions that did not take place before end of year 2016 (the "Incident").

Background of the Incident

The Incident was discovered by the internal audit department of the Company (the "Internal Audit Department") while conducting the regular internal audit procedures with respect to the sales and accounting records of the Company for the month ended December 2016. Based on the Internal Audit Department's findings, the amount of the sales transactions involving purported sales of sportswear products to certain bulk sales customers of the Company amounted to approximately RMB132 million (the "Purported Sales"). The Purported Sales were identified to have taken place in the last week of December 2016 and the physical delivery of goods to the bulk sales customers did not take place prior to the year ended December 31, 2016. As the Purported Sales were unusually large as they have (i) exceeded the normal credit limits applicable to the bulk sales customers involved and (ii) involved an inactive bulk sales customer, the Purported Sales were brought to the attention of the Internal Audit Department, which were then reported to the Board. It was further discovered that the Purported Sales were made with an aim to reduce inventory level by December 31, 2016.

In light of the Incident, the Company has immediately approached and informed its external auditor, Deloitte Touche Tohmatsu ("Deloitte") and discussed with Deloitte the appropriate steps that the Company should take. Based on the discussion between the Company and Deloitte, it was decided that Deloitte will prepare audit response in light of the Incident as part of its annual audit work in relation to the Company's financial information for the year ended December 31, 2016. Accordingly, no separate engagement has been entered into between the Company and Deloitte concerning the Incident.

Formation of the IA Team and the Special Review

Following the Incident, the Audit Committee directed the Internal Audit Department to set up a special internal audit team to investigate the Incident and to conduct a special internal review and checking on the accounting records of the Company for the year ended December 31, 2016 in light of the Incident (the "Special Review").

The Audit Committee has dedicated a team of six senior internal auditors from the Internal Audit Department (the "IA Team") to conduct the Special Review. The scope and procedures were designed by the IA Team and approved by the Audit Committee.

As part of the Special Review, the IA Team has carried out special review procedures, including, among others, (i) interviewed relevant personnel of the Group who had given approval to the Purported Sales to understand the reasons and intention for carrying out the transactions and enquired whether the relevant personnel had previously approved or been involved in any other similar transactions, (ii) scrutinized the financial information of individual members of the Group for any unusual sales transactions and analyzed any unusual growth in sales to the top ten bulk sales and wholesale customers of each region of the Group, and (iii) compared the inventory level recorded under the warehouse management inventory system with that recorded under the enterprise resource planning system of the Company, as well as compared revenue against trade receivables recorded for the top ten bulk sales and wholesale customers of each region of the Group, to ascertain that revenue is only recognised for actual credit sales transactions and only upon actual delivery of goods.

Findings on the Special Review

Based on the Special Review, the IA Team did not uncover any other material irregularities or similar findings to the Incident for the year ended December 31, 2016. In particular, no other material irregularities concerning (i) the revenue, inventory level and accounts receivables balances for the year ended and as of December 31, 2016, (ii) the internal controls concerning the sales processes and inventory management processes and (iii) the approval process and authority granted to relevant personnel with respect to sales transactions, were noted during the Special Review.

Measures taken by the Company

In light of the Incident, the Company has taken remedial measures including, among others, (i) all accounting entries relating to the Purported Sales were adjusted to ensure that the Purported Sales have no impact on the audited consolidated financial statements of the Company, (ii) enhanced the internal control measures concerning the sales, inventory management and revenue recognition processes to prevent, among other things, recognition of revenue prior to the actual delivery of goods or early revenue recognition due to time lag in actual delivery of goods to the customers and (iii) terminated the employment of Mr. Chen Kuo-Lung (the ex-chief financial officer of the Company) and transferred two other relevant personnel of the Group who had given approval to the Purported Sales to other administrative roles such that they shall no longer be involved in the sales and inventory control processes of the Group.

Matters addressed and procedures conducted by Deloitte in light of the Incident

Deloitte has identified the Incident as one of the key audit matters and carried out procedures in relation to the Incident as part of the annual audit of the consolidated financial statements for the year ended December 31, 2016. Key audit matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the consolidated financial statements of the current year. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the opinion thereon, the auditor does not provide a separate opinion on these matters.

The procedures in relation to the Incident included, with the assistance of the internal specialists where relevant, (i) obtaining an understanding of the background of the Incident from the Directors and management of the Company, the IA Team and the personnel involved in the Incident; (ii) evaluating the scope of the Special Review, the competence, objectivity and independence of the IA Team, the findings of the Special Review and the conclusions reached by the Audit Committee in respect of the findings and impact of the Special Review, to determine the consequential impact of the Incident on the audit of the Group's consolidated financial statements; and (iii) designing and performing additional procedures, which included background checks on the relevant personnel within the Group, additional customer interviews and background checks as well as extending the customer confirmation procedures and testing of the supporting documentation of the sales recognised in respect of the bulk sales department of the Company.

Without providing a separate opinion on the key audit matters, but on the consolidated financial statements as a whole, Deloitte has reported in its Independent Auditor's Report that the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRSs issued by the HKICPA and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Further details on (i) background of the Incident, (ii) the procedures undertaken by the IA Team and Deloitte in light of the Incident, (iii) the findings on the Special Review, (iv) the measures taken by the Company will be set out in the Corporate Governance Report and the key audit matters addressed by Deloitte will be set out in the Independent Auditor's Report in the Company's 2016 annual report to be issued in due course.

Conclusion

The Audit Committee has reviewed and discussed with management and Deloitte the Group's consolidated financial statements for the year ended December 31, 2016, the accounting principles and practices adopted, auditing, internal controls and financial reporting matters, including (i) the Incident, (ii) the Special Review and (iii) the key audit matters identified and related procedures carried out by Deloitte in the annual audit of the consolidated financial statements for the year ended December 31, 2016.

Based on the discussions with the Audit Committee and reviewed the relevant information of the Incident, the Special Review and the procedures conducted by Deloitte in light of the Incident, the Board considers the Incident is an isolated incident, which only occurred in last week of December 2016 and that appropriate adjustments had been made accordingly. Hence, the Board believes that the Incident does not materially affect the consolidated financial statements of the Group for the year ended December 31, 2016.

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 of the Listing Rules as the Company's code of conduct for dealings in securities of the Company by Directors. Following specific enquiry by the Company to all Directors, each of them have confirmed that they have complied with the required standard set out in the Model Code throughout the year ended December 31, 2016.

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 2016 of the Company will be dispatched to the Shareholders 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
Wu, Pan-Tsu
Chairman

Hong Kong, March 24, 2017

As at the date of this announcement, the Board comprises the following Directors:

Executive Directors:
Mr. Wu, Pan-Tsu (Chairman) and Mr. Lee, Shao-Wu (Chief Executive Officer)

Non-executive Directors:
Ms. Tsai Patty, Pei Chun and Mr. Li I-nan

Independent Non-executive Directors:
Mr. Chen, Huan-Chung, Mr. Hsieh, Wuei-Jung and Mr. Shan Xue

Website: www.pousheng.com