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POU SHENG INTERNATIONAL (HOLDINGS) LIMITED

寶勝國際(控股)有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 3813)

**UNAUDITED RESULTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

SUMMARY

The board of directors (the “Directors”) of Pou Sheng International (Holdings) Limited (the “Company” and the “Board”, respectively) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the nine months ended September 30, 2016. This announcement is made in line with the Company’s current practice to publish its financial results quarterly and pursuant to paragraph 13.09(2) of the Listing Rules and Part XIVA of the SFO.

The unaudited consolidated profit attributable to owners of the Company for the nine months ended September 30, 2016 was approximately RMB545.8 million.

The Board is making this announcement of the Group’s unaudited consolidated results for the nine months ended September 30, 2016 in line with its current practice to publish the Group’s financial results quarterly and pursuant to paragraph 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Part XIVA of the Securities and Futures Ordinance (Cap.571) (the “SFO”).

CONSOLIDATED INCOME STATEMENT
For the nine months ended September 30, 2016

	For the nine months ended September 30,			
	2016 <i>RMB'000</i> (unaudited)	2015 <i>RMB'000</i> (unaudited)	2016 <i>US\$'000</i> (unaudited)	2015 <i>US\$'000</i> (unaudited)
			<i>(FOR INFORMATION PURPOSE ONLY)</i>	
Revenue	12,164,815	10,903,587	1,844,999	1,742,956
Cost of sales	(7,811,006)	(7,359,481)	(1,184,670)	(1,176,425)
Gross profit	4,353,809	3,544,106	660,329	566,531
Other operating income & gains (losses)	155,034	72,427	23,513	11,577
Selling and distribution expenses	(3,215,136)	(2,709,536)	(487,629)	(433,123)
Administrative expenses	(487,558)	(411,460)	(73,946)	(65,773)
Operating profit	806,149	495,537	122,267	79,212
Finance costs	(42,305)	(40,498)	(6,416)	(6,473)
Finance income	9,621	16,205	1,459	2,590
Finance cost – net	(32,684)	(24,293)	(4,957)	(3,883)
Share of results of an associate	(7,225)	(66)	(1,096)	(11)
Share of results of joint ventures	(2,974)	(1,137)	(451)	(182)
Other gains (losses)	17,976	(41,292)	2,726	(6,601)
Profit before taxation	781,242	428,749	118,489	68,535
Income tax expense	(224,301)	(125,758)	(34,019)	(20,102)
Profit for the period	<u>556,941</u>	<u>302,991</u>	<u>84,470</u>	<u>48,433</u>
Attributable to:				
Owners of the Company	545,760	284,789	82,774	45,524
Non-controlling interests	11,181	18,202	1,696	2,909
	<u>556,941</u>	<u>302,991</u>	<u>84,470</u>	<u>48,433</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the nine months ended September 30, 2016

	For the nine months ended September 30,			
	2016	2015	2016	2015
	<i>RMB'000</i>	<i>RMB'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
			<i>(FOR INFORMATION PURPOSE ONLY)</i>	
Profit for the period	556,941	302,991	84,470	48,433
Other comprehensive income (expense)				
<i>An item that will not be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation to presentation currency	–	–	(14,129)	(17,673)
<i>An item that may be reclassified subsequently to profit or loss</i>				
Exchange differences arising on translation of foreign operations	1,637	(1,086)	–	–
Total comprehensive income for the period	<u>558,578</u>	<u>301,905</u>	<u>70,341</u>	<u>30,760</u>
Attributable to:				
Owners of the Company	547,306	283,703	68,755	28,192
Non-controlling interests	11,272	18,202	1,586	2,568
	<u>558,578</u>	<u>301,905</u>	<u>70,341</u>	<u>30,760</u>

The Group's unaudited consolidated results for the nine months ended September 30, 2016 have been prepared in accordance with the accounting policies adopted by the Group as disclosed in the last annual report for the year ended December 31, 2015.

In the current period, the Group has applied a number of amendments to Hong Kong Financial Reporting Standards ("Amendments to HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants, which are effective for the Group's financial year beginning on January 1, 2016. The adoption of these Amendments to HKFRSs has had no material effect on the results or financial positions of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

Change in Presentation Currency

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 with substantially all of its transactions denominated and settled in RMB. The presentation of USD amounts in this financial information is for information purpose only.

Summary

For the nine months ended September 30, 2016, the Group recorded revenue of RMB12,164.8 million, representing an increase of 11.6% compared with the same period last year while net profit attributable to Owners of the Company increased by 91.6% to RMB545.8 million compared with RMB284.8 million in 2015.

Financial Highlights

	For the nine months ended September 30,		YoY
	2016	2015	
	<i>RMB million</i>	<i>RMB million</i>	<i>% change</i>
Revenue	12,164.8	10,903.6	11.6%
Operating profit	806.1	495.5	62.7%
Profit for the period	556.9	303.0	83.8%
Profit attributable to Owners of the Company	545.8	284.8	91.6%
			Increase
Operating profit margin	6.6%	4.5%	2.1% point
Net profit margin	4.6%	2.8%	1.8% point

By Order of the Board
Wu, Pan-Tsu
Chairman

Hong Kong, November 11, 2016

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

Executive Directors

Mr. Wu, Pan-Tsu (Chairman) and Mr. Kwan, Heh-Der (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