

The background features a repeating pattern of white sports icons on a light orange background. The icons include various sports such as hockey, tennis, archery, cycling, badminton, table tennis, basketball, soccer, and others. The icons are arranged in a grid-like pattern, with some overlapping.

Pou Sheng International

F2017 3M Results

(3813.HK)

Note: The figures in the following slides are based on Pou Sheng's management accounts and announcements

Disclaimer

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Pou Sheng Key Business Activities

Y Retail Business

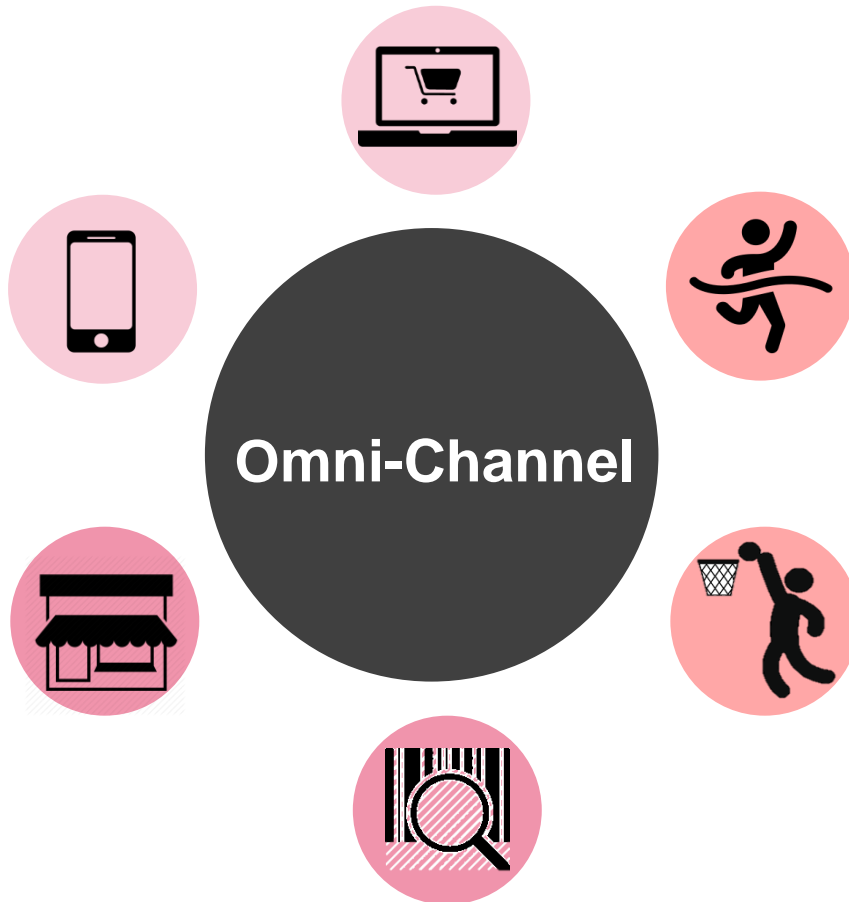
- Y Leading distributor of footwear, apparel & accessories for international brands in China
 - Y A key partner to Nike and Adidas
 - Y Sells through directly owned stores, or on a wholesale basis to sub-distributors
 - Y Store locations include department stores, shopping malls, sports cities & street level
- Y Brand licensee Business

Y Sports Service Platform

- Y Provides full range of sports services in Taiwan and China
 - Y Hosts and executes major sports events
 - Y Acts as a sports agent: Represents 30+ athletes in baseball, basketball and others sports area
 - Y Operates sports centers and supplies professional personal training services



Omni-Channel Strategy Across China



Y Brick and Mortar Stores:

- Y Mono Brand Store
- Y Multi-Brand Store
- Y YY Sports, YY Kids, YY Life, Outlet, etc.

Y Online Stores:

- Y YYsports.com
- Y YYkids.com
- Y Ponychina.com
- Y Rockport.com.cn
- Y 3rd party: T-Mall, JD Mall, SuNing, etc.

Y Retail Network:

- Y Covers 300 cities in the Greater China

Operation Efficiency

Based on RMB



Inventory Days

145

137



Receivable Days

28

27



Payable Days

22

20

2016

3M17

Pou Sheng Stores

Number of Stores

	Directly Operated	Wholesale	Total Stores
As at December 31, 2016	5,560	3,199	8,759
Net New Store + / (-)	(15)	99	84
As at March 31, 2017	5,545	3,298	8,843

Same Store Sales Growth (SSSg)

	3M	1H	9M	2017
Directly Operated Stores	2%			

Distinguished Partners and Events



PCG Bros Services Scope



Events
Operations



Brands
Services



Corporate
Events



Visual
Design



Digital
Platforms



Live
TV



Film
Maker



Sports
Agent



Marketing
Consultant



Sports Center
Operations



Personal
Training



Store Fronts and Shopping Experience



Partners with Top International Sports
and Iconic Leisure Brands



YYsports Brand Image



New YYsports Concept to Capture Higher Sports & Leisure Consumption



Pou Sheng Financial Highlights *(in RMB)*

	3M F2017		3M F2016		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	4,674	100.00	4,086	100.00	14.4%
Cost of Sales	(3,105)	-66.43	(2,660)	-65.10	16.7%
Gross Profit	1,569	33.57	1,426	34.90	10.0%
SG&A	(1,426)	-30.51	(1,211)	-29.64	17.8%
Other Income & Expenses, net	69	1.48	53	1.30	30.2%
Operating Profit	212	4.54	268	6.56	-20.9%
Share of Results of A&JV	(6)	-0.13	(9)	-0.22	-33.3%
Finance Cost & Other Gains/(Losses)	(23)	-0.49	(14)	-0.34	64.3%
Income Tax	(74)	-1.58	(96)	-2.35	-22.9%
Profit for the Period	109	2.33	149	3.65	-26.9%
Profit Attrib. to Owners	104	2.23	143	3.50	-27.3%

Source: Based on Pou Sheng's Results Announcement

⚡ Pou Sheng has changed its presentation currency for the preparation of its consolidated financial statements from US\$ to RMB starting from the 2016 interim results. The comparative figures for the 3M 2016 have been restated to RMB accordingly

Pou Sheng Financial Highlights *(in USD)*

	3M F2017		3M F2016		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	676,420	100.00	619,907	100.00	9.1%
Cost of Sales	(449,388)	-64.44	(403,631)	-65.11	11.3%
Gross Profit	227,032	33.56	216,276	34.89	5.0%
SG&A*	(205,660)	-30.40	(181,424)	-29.27	13.4%
Other Income & Expenses, net*	9,217	1.36	6,841	1.10	34.7%
Operating Profit	30,589	4.52	41,693	6.73	-26.6%
Share of Results of A&JV	(877)	-0.13	(1,318)	-0.21	-33.5%
Finance Cost & Other Gains/(Losses)	(3,380)	-0.50	(2,055)	-0.33	64.5%
Income Tax	(10,650)	-1.57	(14,592)	-2.35	-27.0%
Profit for the Period	15,682	2.32	23,728	3.83	-33.9%
Profit attrib. to Owners	15,001	2.22	22,797	3.68	-34.2%

Source: Internal analysis report (figures rounded)

* Various accounting **reclassification** and **adjustments** are made to these figures when consolidating Pou Sheng numbers into the Yue Yuen Group in order to comply with the requirements of accounting standards

Pou Sheng Financial Ratios *(in USD)*

(US\$ mn)	<u>3M F2017</u>	<u>3M F2016</u>
Depreciation & Amortization	12.8	8.7
EBITDA	43.4	50.4
Capital Expenditure	15.0	10.6

	<u>31 March 2017</u>	<u>31 March 2016</u>
Total Borrowings	202.7	151.7
Net Total Borrowings	179.2	110.7
Total Debt to Equity (%)	22.3%	16.8%
Net Debt to Equity (%)	19.8%	12.3%

	<u>3M F2017</u>	<u>3M F2016</u>
Total Debt to EBITDA <i>(X) annualized</i>	1.2 X	0.8 X
Net Debt to EBITDA <i>(X) annualized</i>	1.0 X	0.5 X
Return on Equity (%) <i>annualized</i>	6.7%	10.2%
Return on Asset (%) <i>annualized</i>	4.0%	6.3%

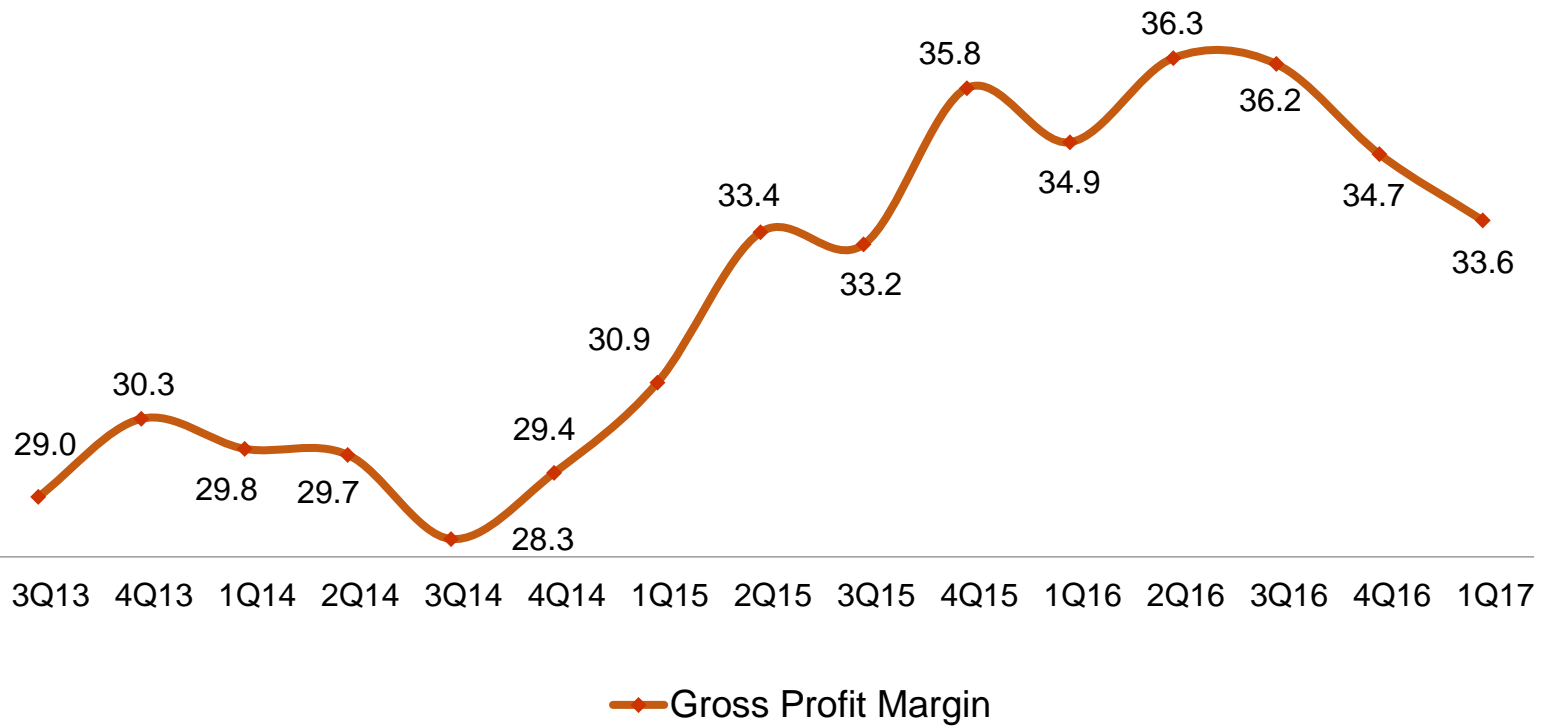
Source: Internal analysis report (figures rounded)

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Pou Sheng GP Margin Trend

Based on US\$

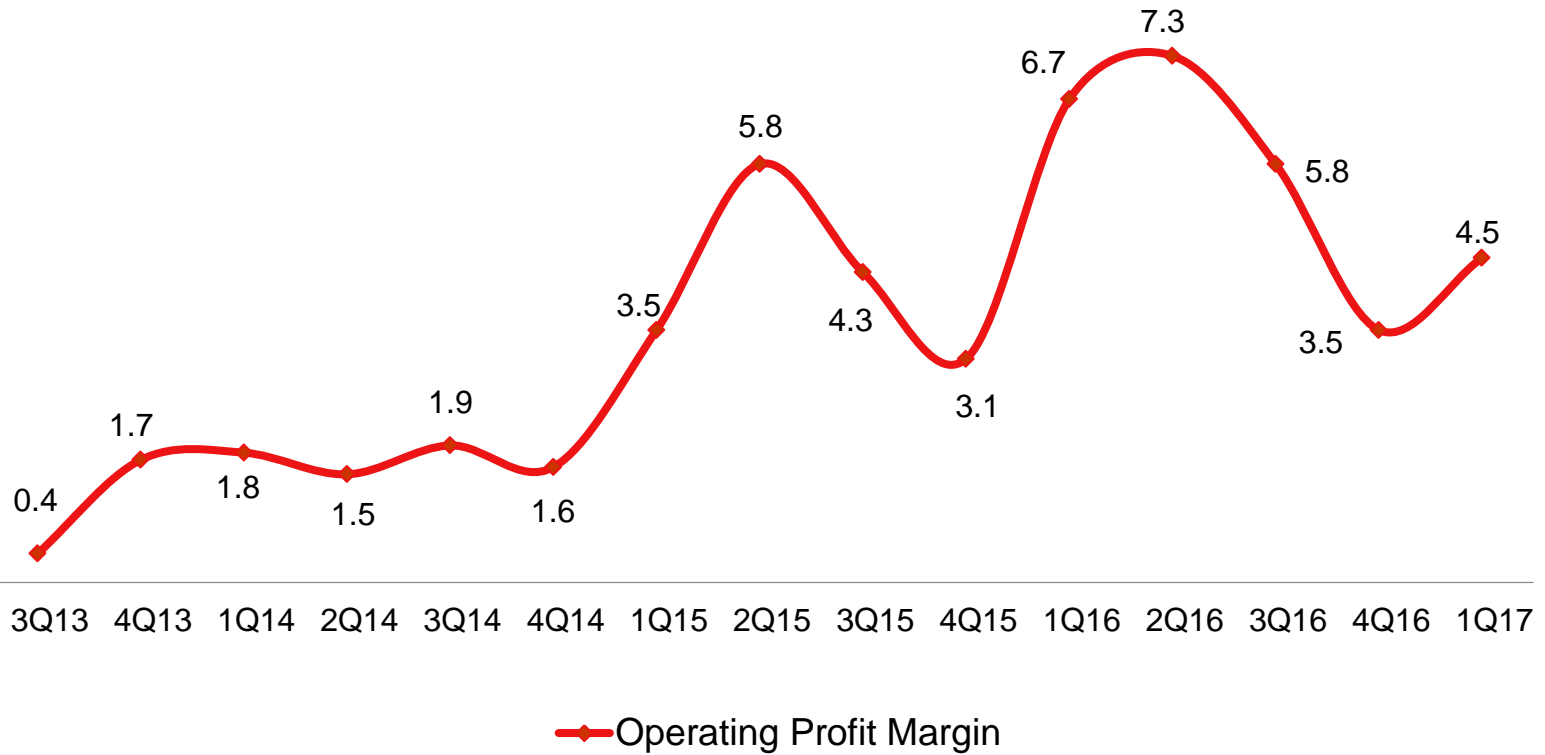
(%)



Pou Sheng OP Margin Trend

Based on US\$

(%)



PS Highlights for 12M F2016 *(in RMB)*

	12M F2016		12M F2015		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	16,236	100.00	14,466	100.00	12.2%
Cost of Sales	(10,468)	-64.47	(9,648)	-66.70	8.5%
Gross Profit	5,768	35.53	4,818	33.30	19.7%
SG&A	(5,072)	-31.24	(4,340)	-30.00	16.9%
Other Income & Expenses, net	228	1.41	121	0.84	88.4%
Operating Profit	924	5.69	599	4.14	54.3%
Share of Results of A&JV	(12)	-0.07	(8)	-0.06	50.0%
Finance Cost & Other Gains/(Losses)	(80)	-0.49	(59)	-0.40	35.6%
Income Tax	(262)	-1.62	(149)	-1.03	75.8%
Profit for the Year	570	3.51	383	2.65	48.8%
Profit attrib. to Owners	561	3.46	397	2.74	41.3%

Source: Based on Pou Sheng's Results Announcement

Y Pou Sheng has changed its presentation currency for the preparation of its consolidated financial statements from USD\$ to RMB starting from the 2016 interim results. The comparative figures for the year 2016 and 2015 have been restated to RMB accordingly

PS Highlights for 12M F2016 *(in USD)*

	12M F2016		12M F2015		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	2,443,730	100.00	2,300,174	100.00	6.2%
Cost of Sales	(1,575,525)	-64.47	(1,534,115)	-66.70	2.7%
Gross Profit	868,205	35.53	766,059	33.30	13.3%
SG&A*	(756,975)	-30.97	(683,402)	-29.71	10.8%
Other Income & Expenses, net*	31,860	1.30	14,014	0.61	127.3%
Operating Profit	143,090	5.86	96,671	4.20	48.0%
Share of Results of A&JV	(1,793)	-0.07	(1,332)	-0.06	34.6%
Finance Cost & Other Gains/(Losses)	(12,066)	-0.49	(9,237)	-0.40	30.6%
Income Tax	(39,468)	-1.62	(23,744)	-1.03	66.2%
Profit for the Year	89,763	3.67	62,358	2.71	44.0%
Profit attrib. to Owners	88,403	3.62	64,498	2.80	37.1%

Source: Internal analysis report (figures rounded)

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