

The background features a repeating pattern of white sports icons on a light orange background. The icons include various activities such as hockey, tennis, archery, cycling, badminton, table tennis, basketball, soccer, and others. Each icon is enclosed in a rounded, irregular shape.

Pou Sheng International

F2017 9M Results

(3813.HK)

Note: The figures in the following slides are based on Pou Sheng's management accounts and announcements, and Pou Sheng adopts RMB as its reporting currency

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Pou Sheng Key Business Activities

Y Retail Business

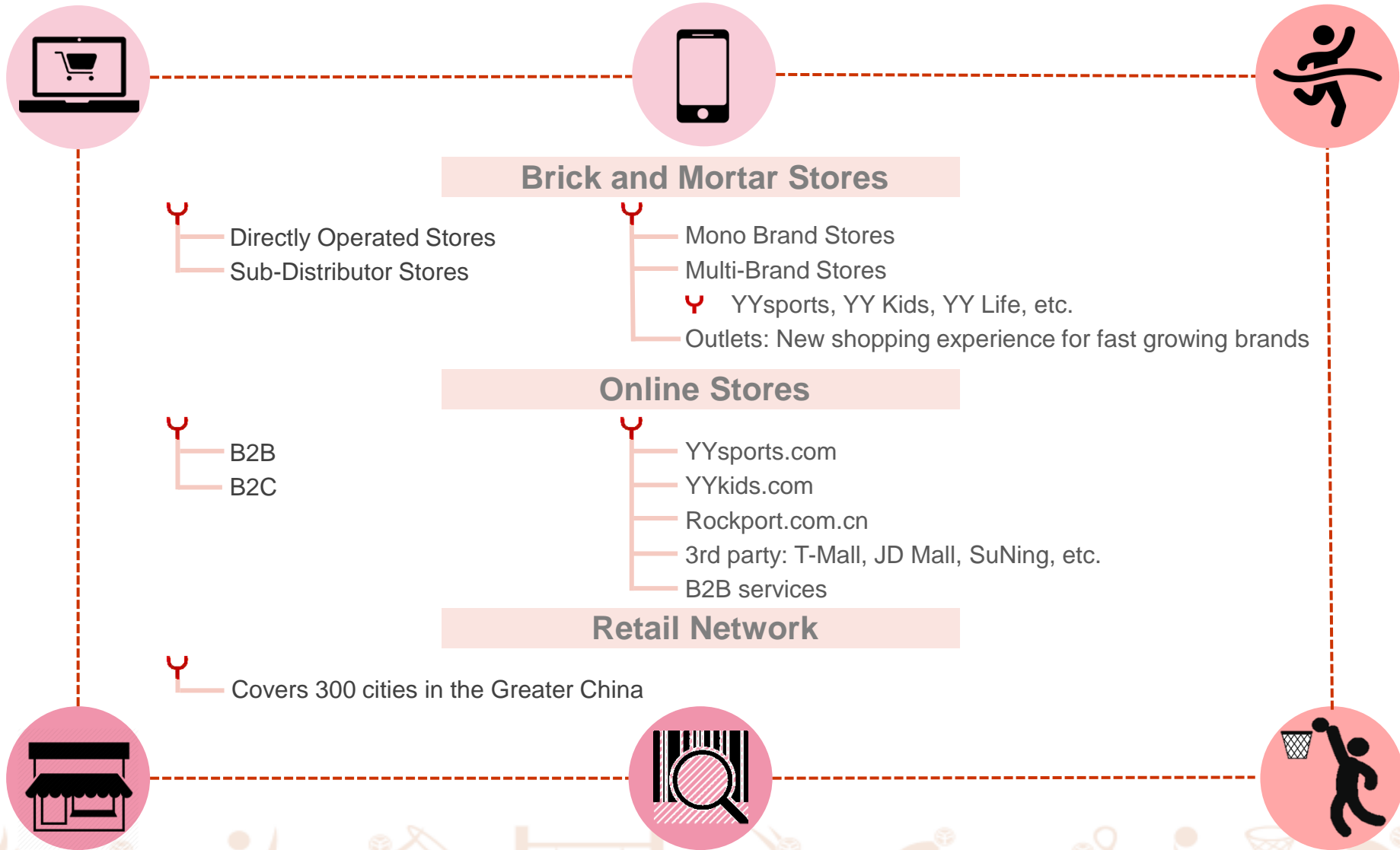
- Y Leading distributor of footwear, apparel & accessories for international brands in China
 - Y A key partner to Nike and adidas
 - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
 - Y Store locations include department stores, shopping malls,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

Y Sport Services Platform

- Y Provides full range of sports services
 - Y Products + Services
 - Y 364 + 1
 - Y Online & Offline
 - Y Mainland China & Taiwan



Omni-Channel Strategy Across China



Operation Efficiency

Based on RMB



Inventory Days

145

150



Receivable Days

28

28



Payable Days

22

18

2016

9M17

Pou Sheng Store Performance

Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2016	5,560	3,199	8,759
Net New Store + / (-) *	(96)	(47)	(143)
As at September 30, 2017	5,464	3,152	8,616

* Disposal of certain subsidiaries in the current period: reduced directly operated 153 stores & sub-distributors 323 stores

Same Store Sales Growth (SSSg)

2017	1Q	2Q	3Q	4Q
Directly Operated Stores	1.9%	5.6%	1.5%	



Distinguished Partners and Events



Pou Sheng Financial Highlights *(in RMB)*

	9M F2017		9M F2016*		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	13,883	100.00	12,165	100.00	14.1%
Cost of Sales	(9,086)	-65.45	(7,811)	-64.21	16.3%
Gross Profit	4,797	34.55	4,354	35.79	10.2%
SG&A	(4,358)	-31.39	(3,724)	-30.61	17.0%
Other Income & Expenses, net	193	1.39	153	1.26	26.1%
Operating Profit	632	4.55	783	6.44	-19.3%
Share of Results of A&JV	(2)	-0.01	(10)	-0.08	-80.0%
Finance Cost & Other Gains/(Losses)	(84)	-0.60	(15)	-0.12	460.0%
Income Tax	(191)	-1.38	(224)	-1.84	-14.7%
Profit for the Period	355	2.56	533	4.38	-33.4%
Profit attrib. to Owners	337	2.43	522	4.29	-35.4%

Source: Based on Pou Sheng's Results Announcement

* The figures for the nine months ended September 30, 2016 have been restated due to the application of merger accounting

Pou Sheng Financial Highlights *(in USD)*

	9M F2017		9M F2016		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	2,031,507	100.00	1,844,999	100.00	10.1%
Cost of Sales	(1,329,635)	-65.45	(1,184,670)	-64.21	12.2%
Gross Profit	701,872	34.55	660,329	35.79	6.3%
SG&A	(634,737)	-31.24	(557,852)	-30.24	13.8%
Other Income & Expenses, net	25,342	1.25	19,790	1.07	28.1%
Operating Profit	92,477	4.55	122,267	6.63	-24.4%
Share of Results of A&JV	(272)	-0.01	(1,547)	-0.08	-82.4%
Finance Cost & Other Gains/(Losses)	(12,283)	-0.60	(2,232)	-0.12	450.3%
Income Tax	(27,980)	-1.38	(34,019)	-1.84	-17.8%
Profit for the Period	51,942	2.56	84,469	4.58	-38.5%
Profit attrib. to Owners	49,305	2.43	82,774	4.49	-40.4%

Source : Internal analysis report (figures rounded); various accounting **reclassification** and **adjustments** are made to some of the 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 RMB)*

(RMB'mn)	<u>9M F2017</u>	<u>9M F2016</u>
Depreciation & Amortization	305.4	179.2
EBITDA*	931.0	979.4
Capital Expenditure	430.7	290.9

	<u>30 September 2017</u>	<u>31 December 2016</u>
Total Borrowings	2,575	1,666
Net Total Borrowings	2,197	1,183
Total Debt to Equity (%)	40.4%	27.2%
Net Debt to Equity (%)	34.5%	19.3%

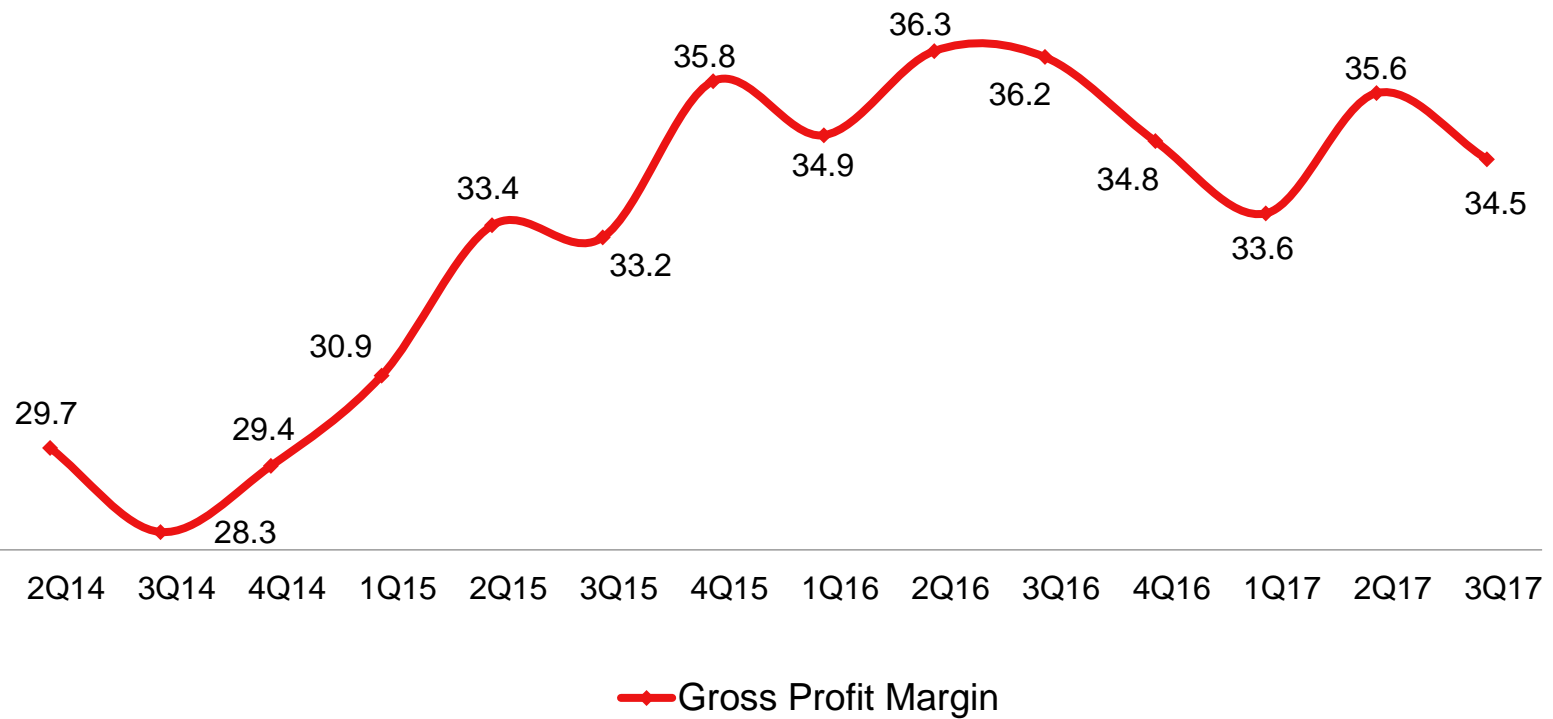
	<u>9M F2017</u>	<u>9M F2016</u>
Total Debt to EBITDA <i>(X) annualized*</i>	2.1 X	1.2 X
Net Debt to EBITDA <i>(X) annualized*</i>	1.8 X	0.9 X
Return on Equity (%) <i>annualized*</i>	7.4%	11.6%
Return on Asset (%) <i>annualized*</i>	4.2%	6.8%

Source: Internal analysis report (figures rounded)

* the figures for the nine months ended September 30, 2106 have been restated due to the application of merger accounting

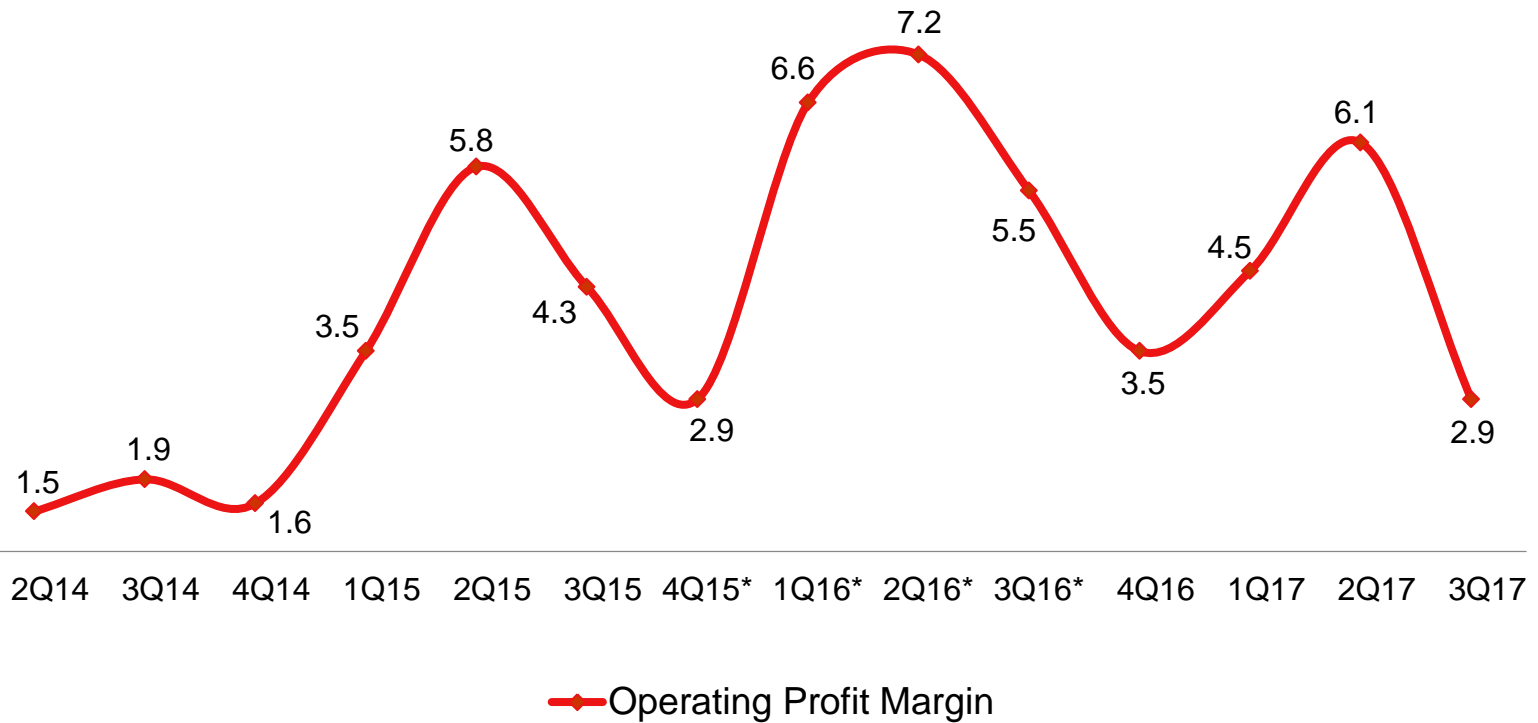
Pou Sheng GP Margin Trend

(%)



Pou Sheng OP Margin Trend

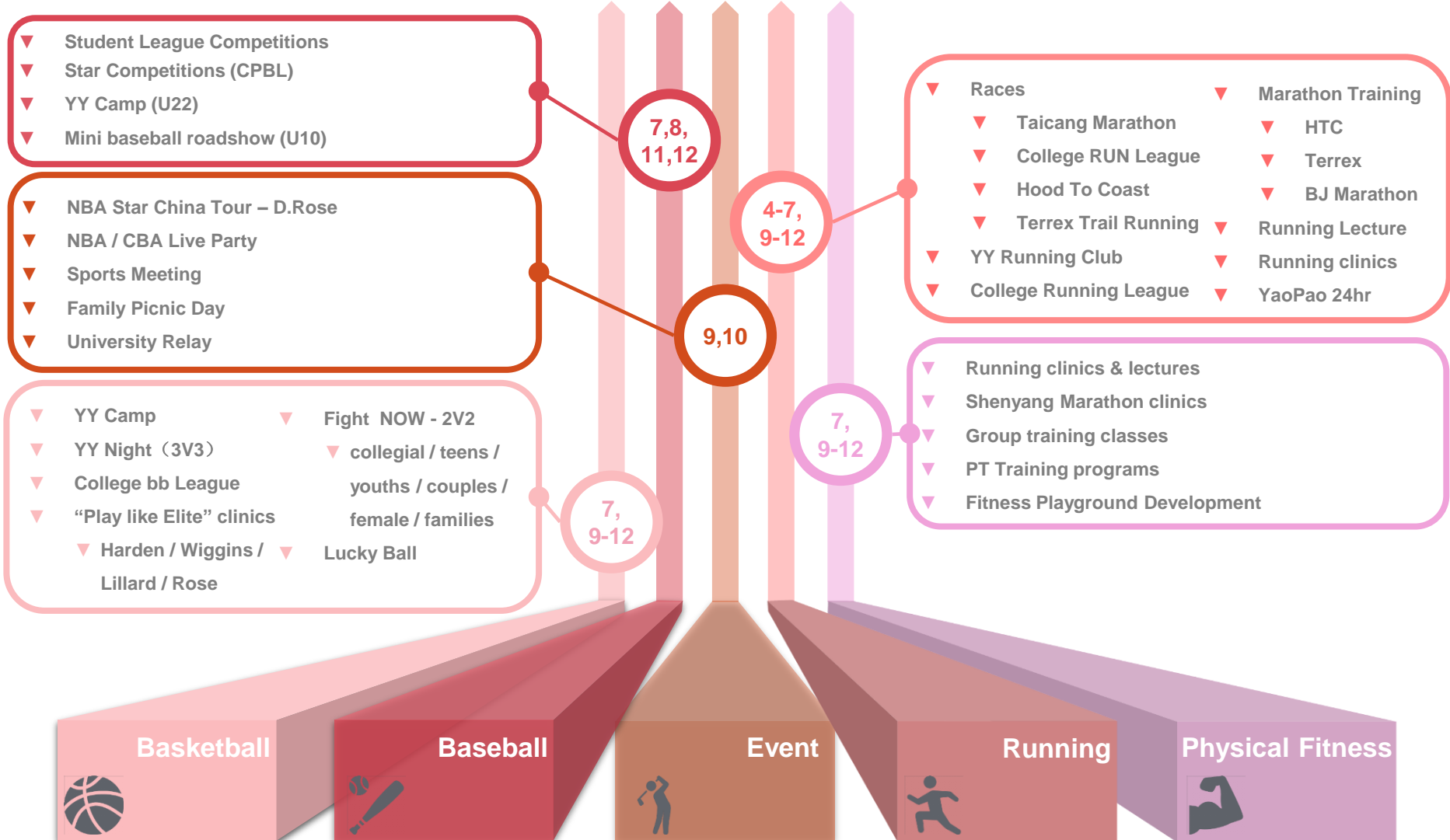
(%)



** the figures have been restated due to the application of merger accounting*



2017 Sports Event Timeline



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)

* 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