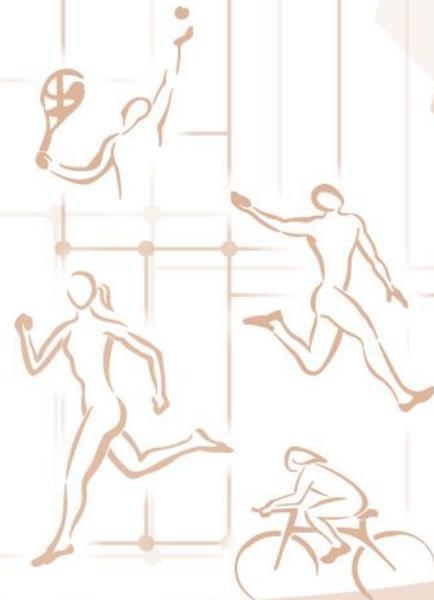
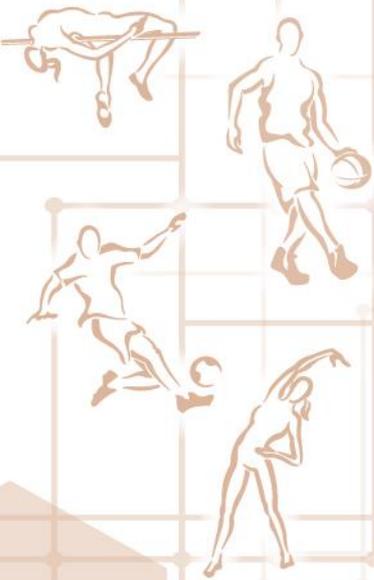




Pou Sheng International 2019 1Q Results

14 May 2019



Disclaimer

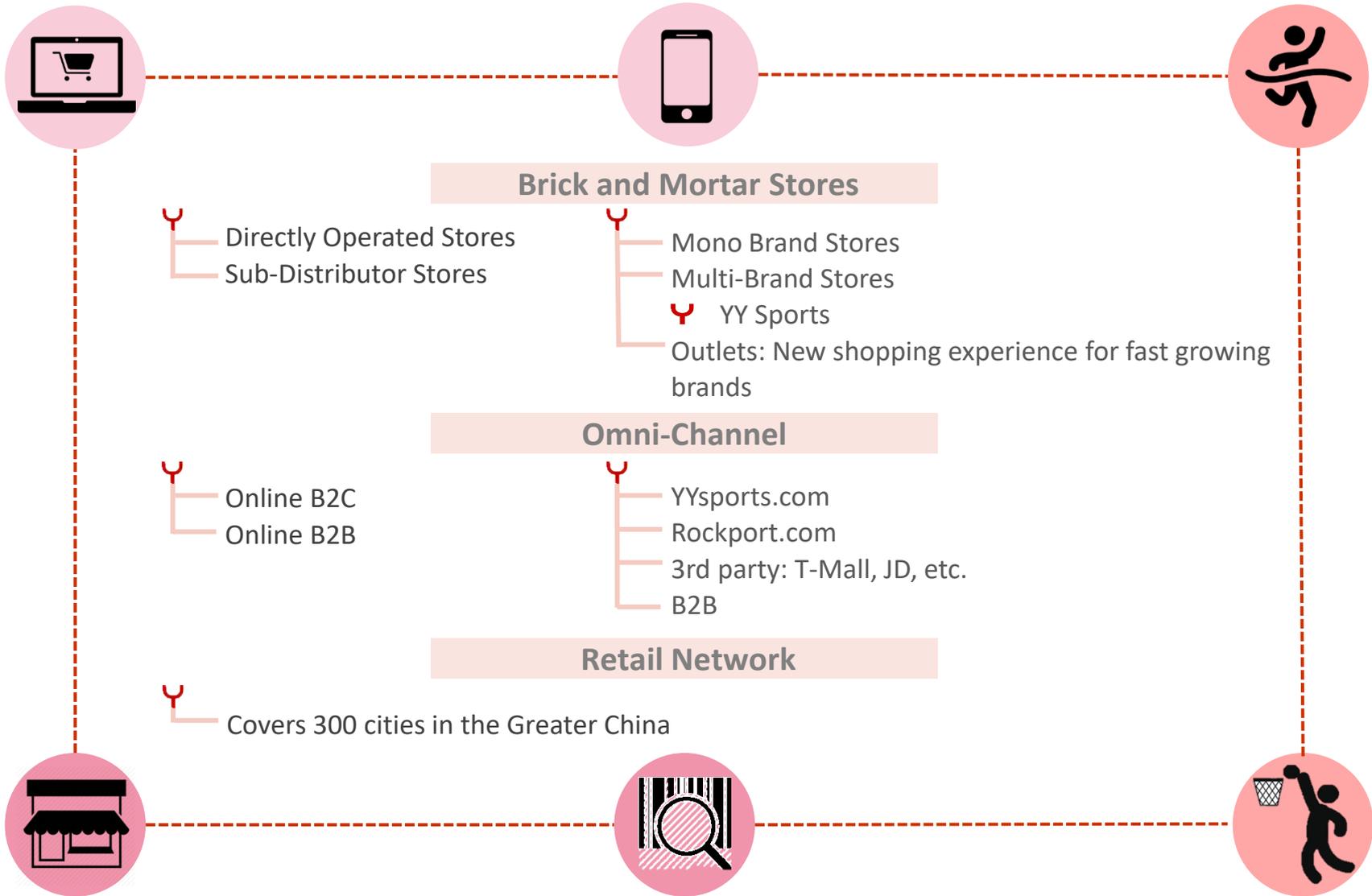


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Pou Sheng Retail Strategy Across China



Distinguished Partners and Events



Pou Sheng Financial Highlights



	RMB'mn			US\$'000		
	1Q 2019	1Q 2018	Y-o-Y	1Q 2019	1Q 2018	Y-o-Y
Revenue	6,597	5,503	+19.88%	976,120	858,518	+13.70%
Gross Profit	2,234	1,859	+20.17%	330,606	289,972	+14.01%
<i>Gross Profit Margin</i>	33.87%	33.78%	+0.09pp	33.87%	33.78%	+0.09pp
Operating Profit	356	252	+41.27%	52,637	39,350	+33.77%
<i>Operating Profit Margin</i>	5.39%	4.58%	+0.81pp	5.39%	4.58%	+0.81pp
Profit attrib. to Owners of PS	192	141	+36.17%	28,390	22,030	+28.87%
<i>Profit attrib. to Owners Margin</i>	2.91%	2.57%	+0.34pp	2.91%	2.57%	+0.34pp

Source: Based on Pou Sheng's announcement on the HKEX website for the unaudited consolidated income statements of 1Q2019 & 1Q2018
For more details, please refer to Appendix

For 1Q 2019, The operating profit increased by RMB 3.5 million and the profit for the period decreased by RMB12.3 million due to the application of HKFRS16.

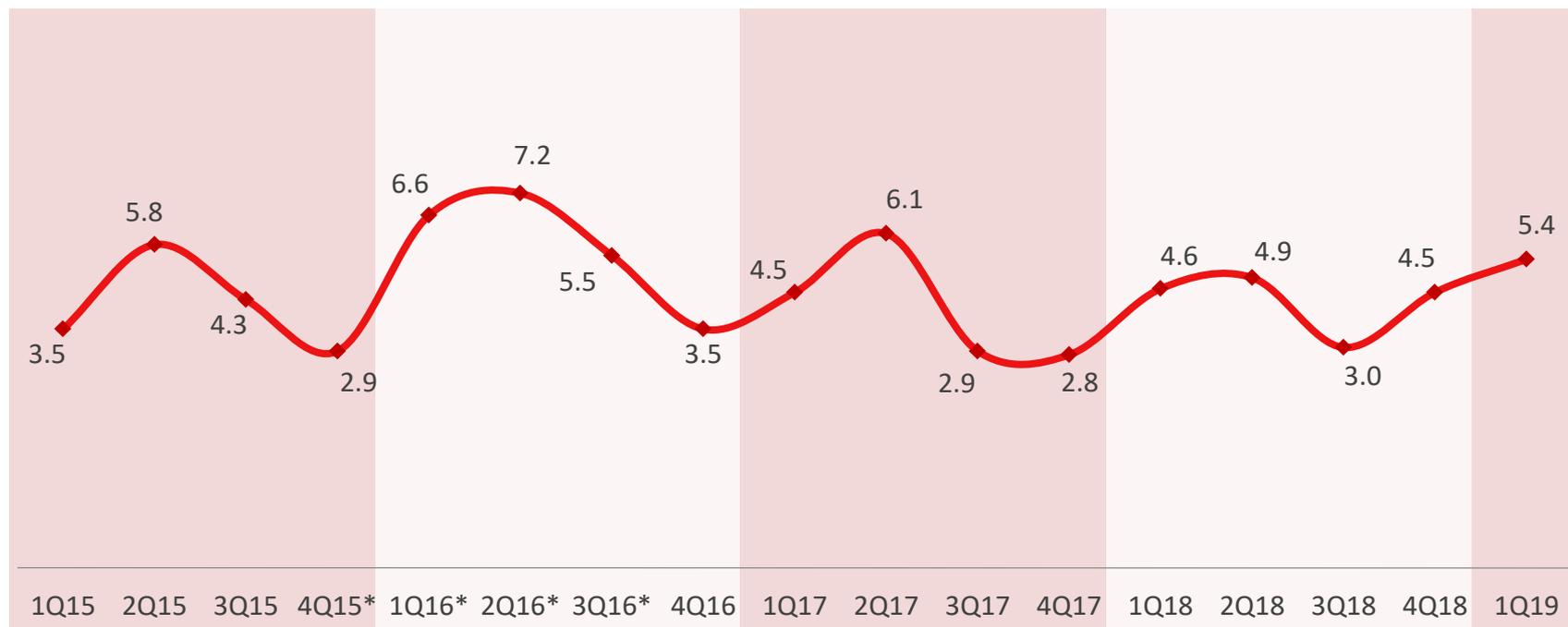
Pou Sheng GP Margin Trend

(%)



Pou Sheng OP Margin Trend

(%)



◆ Operating Profit Margin

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

Pou Sheng Financial Ratios (in RMB)



(RMB'mn)	<u>1Q 2019</u>	<u>1Q 2018</u>
Depreciation & Amortization	301.3	124.5
EBITDA	660.9	376.6
Capital Expenditure	78.7	78.8

	<u>31 March 2019</u>	<u>31 December 2018</u>
Total Borrowings*	3,181	3,531
Net Borrowings	2,510	2,800
Total Borrowings to Equity	43.9%	50.2%
Net Borrowings to Equity	34.6%	39.8%

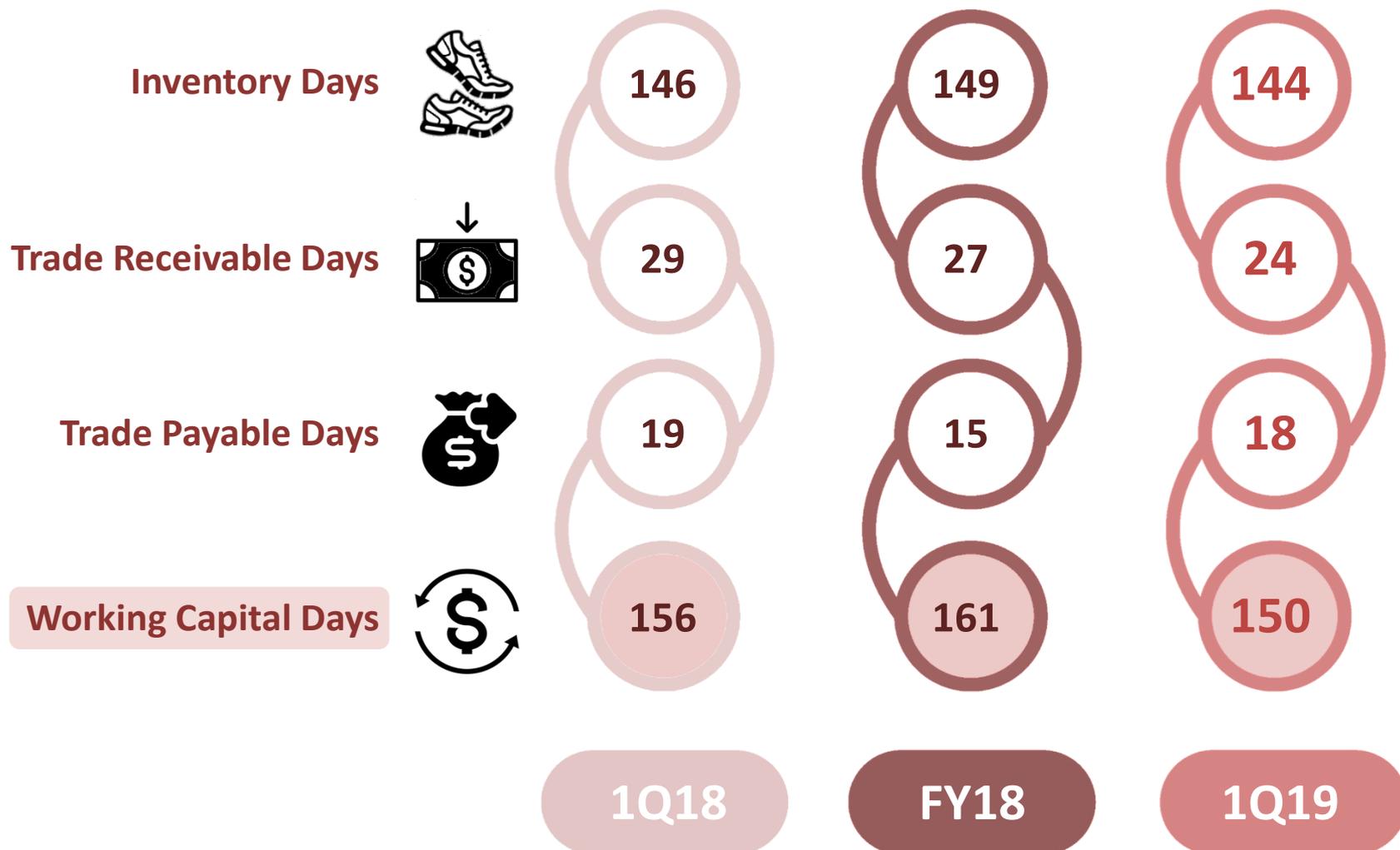
	<u>1Q 2019</u>	<u>1Q 2018</u>
Total Borrowings to EBITDA (<i>X</i>) annualized	1.2 X	2.0 X
Net Borrowings to EBITDA (<i>X</i>) annualized	0.9 X	1.8 X
Return on Owner's Equity <i>LTM</i>	8.4%	6.6%
Return on Asset <i>LTM</i>	4.0%	3.7%

Source: Internal analysis report (figures rounded)

*Total borrowings include bank borrowings and other borrowings

Operation Efficiency

Based on RMB



Pou Sheng Store Performance



Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2018	5,648	3,551	9,199
Net New Store + / (-)	85	109	194
As at March 31, 2019	5,733	3,660	9,393

Same Store Sales Growth (SSSg)

2018	1Q	2Q	3Q	4Q	Full Year
Directly Operated Stores	10.1%	2.2%	8.9%	8.7%	7.4%
2019	1Q				
Directly Operated Stores	8.4%				

Efficient & Unique Omni-Channel Model

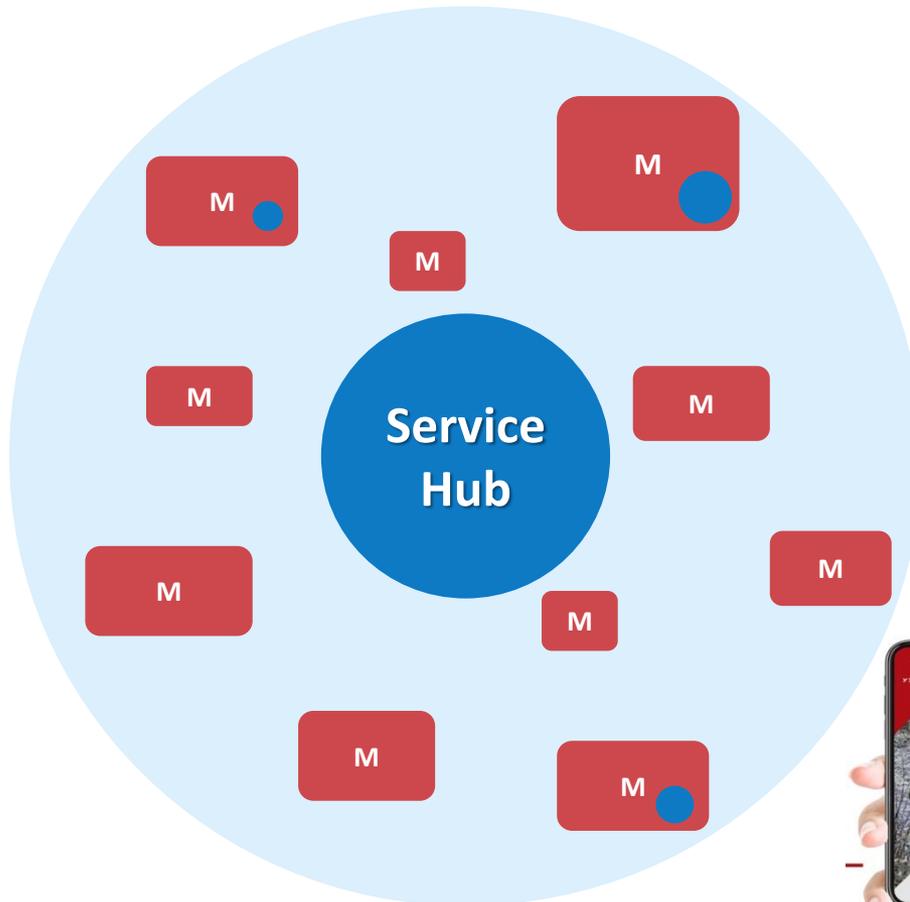
“Low Conversion Offline Network”

+

“Discount Online Network”



“Omni-network with Higher Conversion & ASP”



● Service Hub

- Y Series of **1-day** event
- Y **364 days** fun services
- Y **Products** with stories & outfit advice

M Mono Brand Stores

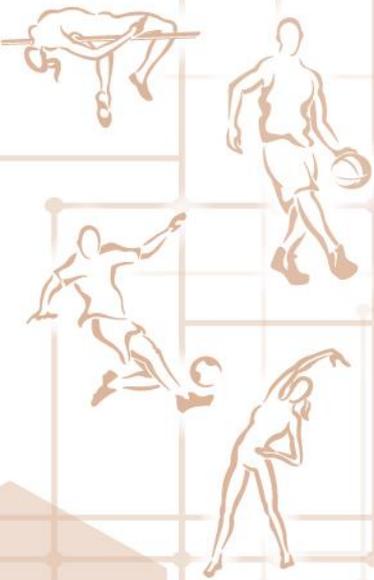
- Y Turning shoppers into loyal members (*Less stores more sales*)
- Y Membership w/ privilege to Service Hub (*CR% ↑*)
- Y Modularized services in mono brand stores (*Uniqueness*)

Online 24/7 Communication Platform

- Y **Magazine-like** contents to “*make sports your life*”
- Y Partnering with **strategic resources** to enact inactive target audiences



Appendix



Company Milestones

- 
- 2019 ● New concept store to be launched in late 2019
 - 2018 ● Recorded over RMB 22bn revenue. Sales channels reached over 9,000
Omni-channel contributed over 10% of total sales
 - 2016 ● Recorded over RMB 15bn revenue
Became sole licensee for Rockport, Levi's footwear and GEOX in China
 - 2014 ● Became sole licensee for Pony in Taiwan & China
 - 2013 ● Recorded over RMB 10bn revenue
 - 2008 ● **Pou Sheng International listed on HKEX (3813.HK)**
 - 2002 ● Became sole licensee for Hush Puppies in Taiwan
 - 2001 ● Entered retail business in China

Pou Sheng Financial Highlights (in RMB)



	1Q 2019		1Q 2018		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	6,597	100.00	5,503	100.00	+19.88%
Cost of Sales	(4,363)	-66.13	(3,644)	-66.22	+19.73%
Gross Profit	2,234	33.87	1,859	33.78	+20.17%
SG&A	(1,953)	-29.62	(1,699)	-30.87	+14.95%
Other Income & Expenses, net	75	1.14	92	1.67	-18.48%
Operating Profit	356	5.39	252	4.58	+41.27%
Finance Cost	(57)	-0.86	(33)	-0.59	+72.73%
Share of Results of A&JV	2	0.04	(2)	-0.04	N/A
Income Tax	(96)	-1.46	(73)	-1.33	+31.51%
Profit for the Period	205	3.11	144	2.62	+42.36%
Profit Attrib. to Owners of PS	192	2.91	141	2.57	+36.17%

Source: Based on Pou Sheng's announcement on the HKEX website for the unaudited consolidated income statements of 1Q2019 & 1Q2018

Pou Sheng Financial Highlights (in USD)



	1Q 2019		1Q 2018		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	976,120	100.00	858,518	100.00	+13.70%
Cost of Sales	(645,514)	-66.13	(568,546)	-66.22	+13.54%
Gross Profit	330,606	33.87	289,972	33.78	+14.01%
SG&A	(288,282)	-29.54	(264,203)	-30.78	+9.11%
Other Income & Expenses, net	10,313	1.06	13,581	1.58	-24.06%
Operating Profit	52,637	5.39	39,350	4.58	+33.77%
Finance Cost	(8,430)	-0.86	(5,067)	-0.59	+66.37%
Share of Results of A&JV	396	0.04	(334)	-0.04	N/A
Income Tax	(14,254)	-1.46	(11,423)	-1.33	+24.78%
Profit for the Period	30,349	3.11	22,526	2.62	+34.73%
Profit Attrib. to Owners of PS	28,390	2.91	22,030	2.57	+28.87%

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 Highlights *(in RMB)*



	FY 2018		FY 2017		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	22,677	100.00	18,833	100.00	+20.41%
Cost of Sales	(15,078)	-66.49	(12,239)	-64.99	+23.20%
Gross Profit	7,599	33.51	6,594	35.01	+15.24%
SG&A	(6,913)	-30.49	(6,052)	-32.13	+14.23%
Other Income & Expenses, net	281	1.24	228	1.21	+23.25%
Operating Profit	967	4.26	770	4.09	+25.58%
Finance Cost	(144)	-0.64	(100)	-0.53	+44.00%
Share of Results of A&JV	(1)	-0.00	(4)	-0.02	-75.00%
Other Gains and Losses	-	N/A	(9)	-0.05	N/A
Income Tax	(261)	-1.15	(242)	-1.29	+7.85%
Profit for the Year	561	2.47	415	2.20	+35.18%
Profit Attrib. to Owners of PS	543	2.39	394	2.09	+37.82%

Source: Based on Pou Sheng's announcement on the HKEX website for the audited consolidated income statements of FY2018 & FY2017

Pou Sheng Financial Highlights *(in USD)*



	FY 2018		FY 2017		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	3,421,657	100.00	2,775,400	100.00	+23.29%
Cost of Sales	(2,275,156)	-66.49	(1,803,726)	-64.99	+26.14%
Gross Profit	1,146,501	33.51	971,674	35.01	+17.99%
SG&A	(1,038,884)	-30.37	(886,324)	-31.93	+17.21%
Other Income & Expenses, net	38,270	1.12	28,163	1.01	+35.89%
Operating Profit	145,887	4.26	113,513	4.09	+28.52%
Finance Cost	(21,665)	-0.64	(14,814)	-0.53	+46.25%
Share of Results of A&JV	(140)	-0.00	(526)	-0.02	-73.38%
Other Gains and Losses	-	N/A	(1,321)	-0.05	N/A
Income Tax	(39,452)	-1.15	(35,690)	-1.29	+10.54%
Profit for the Year	84,630	2.47	61,162	2.20	+38.37%
Profit Attrib. to Owners of PS	81,913	2.39	58,110	2.09	+40.96%

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

Thank you
Q&A

