

The background features a repeating pattern of white sports icons on a light brown 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 Interim 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

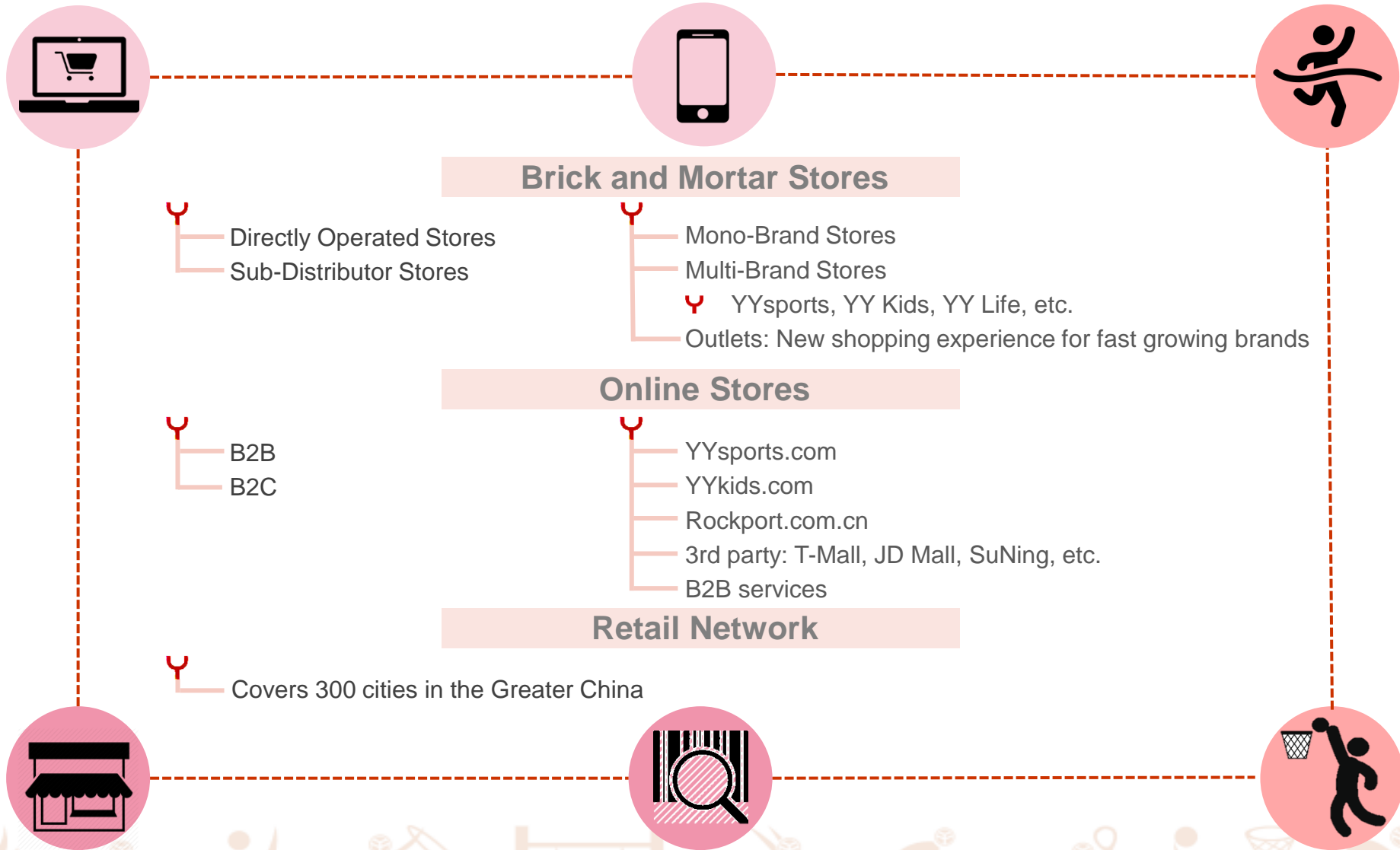
- Y Leading distributor of footwear, apparel & accessories for international brands in China
 - Y A key partner to Nike and adidas
 - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
 - Y Store locations include department stores, shopping malls,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



Q-o-Q Improvement – 1Q vs 2Q 2017

	1Q 17	2Q 17	+ / (-)	1H 17
Revenue (RMB'mn)	4,674	4,841	▲ 3.6%	9,515
Gross Profit Margin	33.6%	35.6%	▲ 2.0%	34.6%
Operating Profit Margin	4.5%	6.1%	▲ 1.6%	5.3%
SSSg	1.9%	5.6%	▲ 3.7%	3.7%
Direct Store Discount %	23.0%	22%	▼ 1.0%	22.0%
Inventory Days	137	131	▼ 6 days	131
Net Store Increase*:				
- Directly Operated	(15)	72	-	57
- Sub-Distributors	99	61	-	160
Total	84	133	-	217
CAPEX (RMB'mn)	104	173	-	277

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

Operation Efficiency

Based on RMB



Inventory Days

145

131



Receivable Days

28

28



Payable Days

22

10

2016

6M17

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)	(163)	(259)
As at June 30, 2017	5,464	3,036	8,500

* 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%		

Distinguished Partners and Events



Pou Sheng Financial Highlights *(in RMB)*

	6M F2017		6M F2016		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	9,515	100.00	8,313	100.00	14.5%
Cost of Sales	(6,223)	-65.40	(5,354)	-64.41	16.2%
Gross Profit	3,292	34.60	2,959	35.59	11.4%
SG&A	(2,920)	-30.69	(2,496)	-30.03	17.0%
Other Income & Expenses, net	134	1.41	108	1.30	24.1%
Operating Profit	506	5.32	571	6.87	-11.4%
Share of Results of A&JV	(3)	-0.03	(7)	-0.08	-57.1%
Finance Cost & Other Gains/(Losses)	(53)	-0.56	(7)	-0.08	657.1%
Income Tax	(138)	-1.45	(174)	-2.09	-20.7%
Profit for the Period	312	3.28	383	4.61	-18.5%
Profit attrib. to Owners	299	3.14	371	4.46	-19.4%

Source: Based on Pou Sheng's Results Announcement

YY 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 6M 2016 have been restated to RMB accordingly.

Pou Sheng Financial Highlights *(in USD)*

	6M F2017		6M F2016		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	1,379,599	100.00	1,268,388	100	8.8%
Cost of Sales	(902,285)	-65.40	(816,926)	64.41	10.5%
Gross Profit	477,314	34.60	451,462	35.59	5.7%
SG&A*	(421,879)	-30.58	(376,413)	-29.68	12.1%
Other Income & Expenses, net*	17,894	1.30	14,053	1.11	27.3%
Operating Profit	73,329	5.32	89,102	7.02	17.7%
Share of Results of A&JV	(358)	-0.03	(966)	-0.08	-62.9%
Finance Cost & Other Gains/(Losses)	(7,751)	-0.56	(1,119)	-0.09	592.7%
Income Tax	(20,050)	-1.45	(26,563)	-2.09	-24.5%
Profit for the Period	45,170	3.27	60,454	4.77	-25.3%
Profit attrib. to Owners	43,296	3.14	58,731	4.63	-26.3%

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 RMB)*

(RMB'mn)	<u>6M F2017</u>	<u>6M F2016</u>
Depreciation & Amortization	193	118
EBITDA	695	704
Capital Expenditure	277	144

	<u>30 June 2017</u>	<u>31 December 2016</u>
Total Borrowings	2,172	1,666
Net Total Borrowings	1,723	1,183
Total Debt to Equity (%)	34.3%	27.2%
Net Debt to Equity (%)	27.2%	19.3%

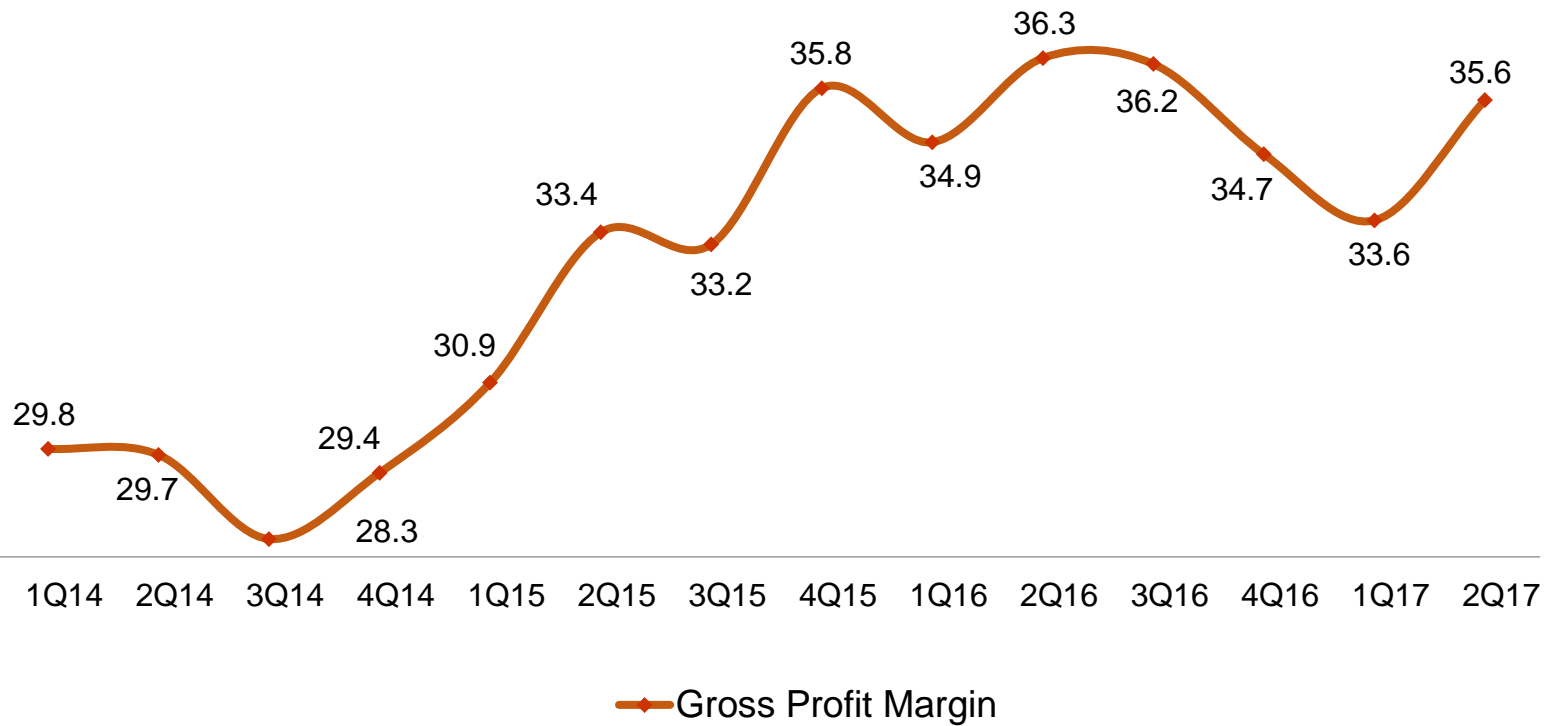
	<u>6M F2017</u>	<u>6M F2016</u>
Total Debt to EBITDA <i>(X) annualized</i>	1.6 X	0.8 X
Net Debt to EBITDA <i>(X) annualized</i>	1.2 X	0.6 X
Return on Equity (%) <i>annualized</i>	9.9%	12.6%
Return on Asset (%) <i>annualized</i>	6.1%	8.4%

Source: Internal analysis report (figures rounded)

Pou Sheng GP Margin Trend

Based on US\$

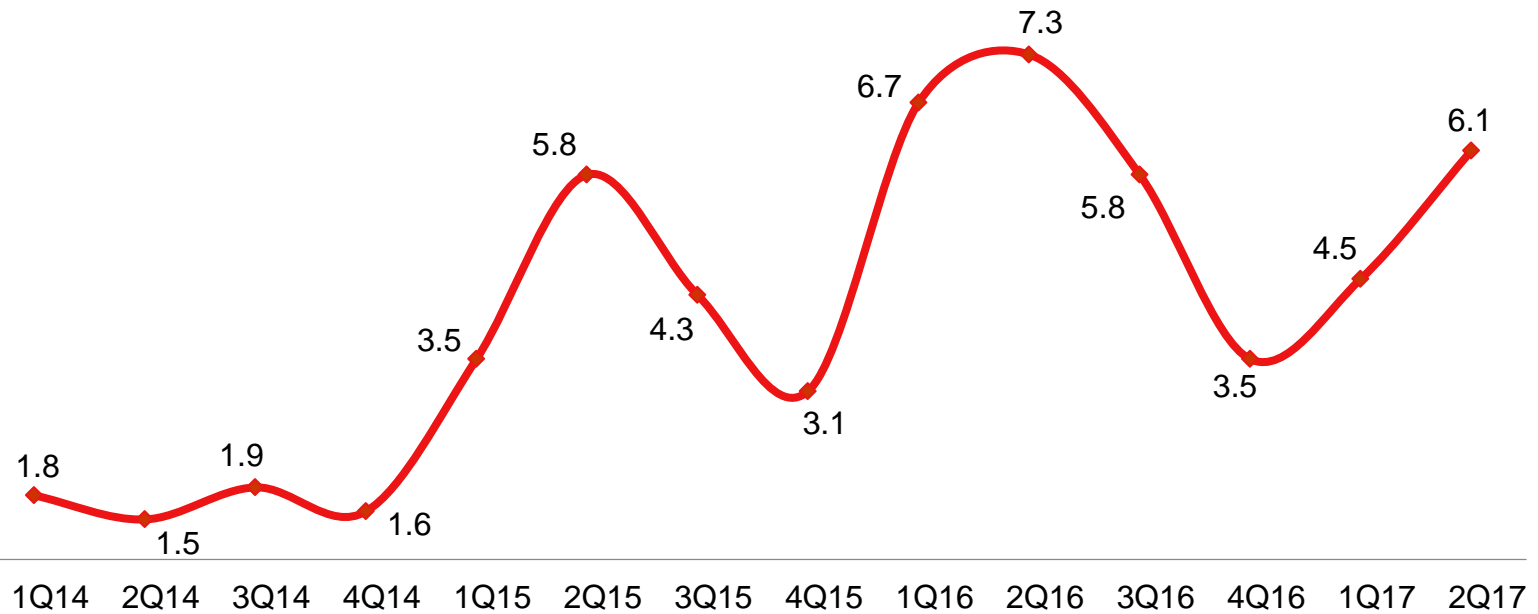
(%)



Pou Sheng OP Margin Trend

Based on US\$

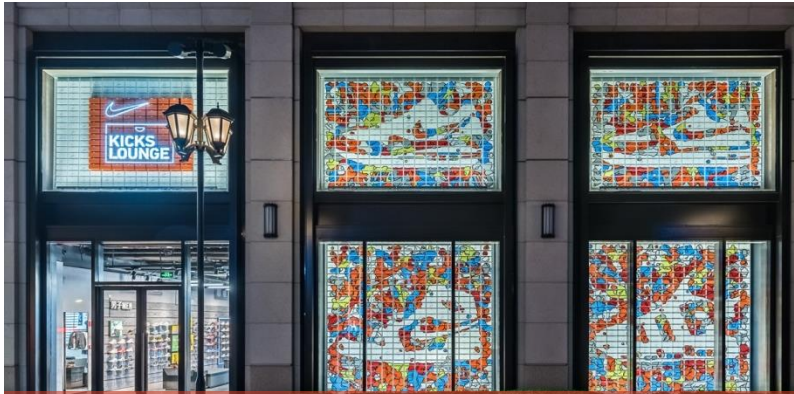
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—◆— Operating Profit Margin



Store Fronts and Shopping Experience



Partners with Top International Sports
and Iconic Leisure Brands



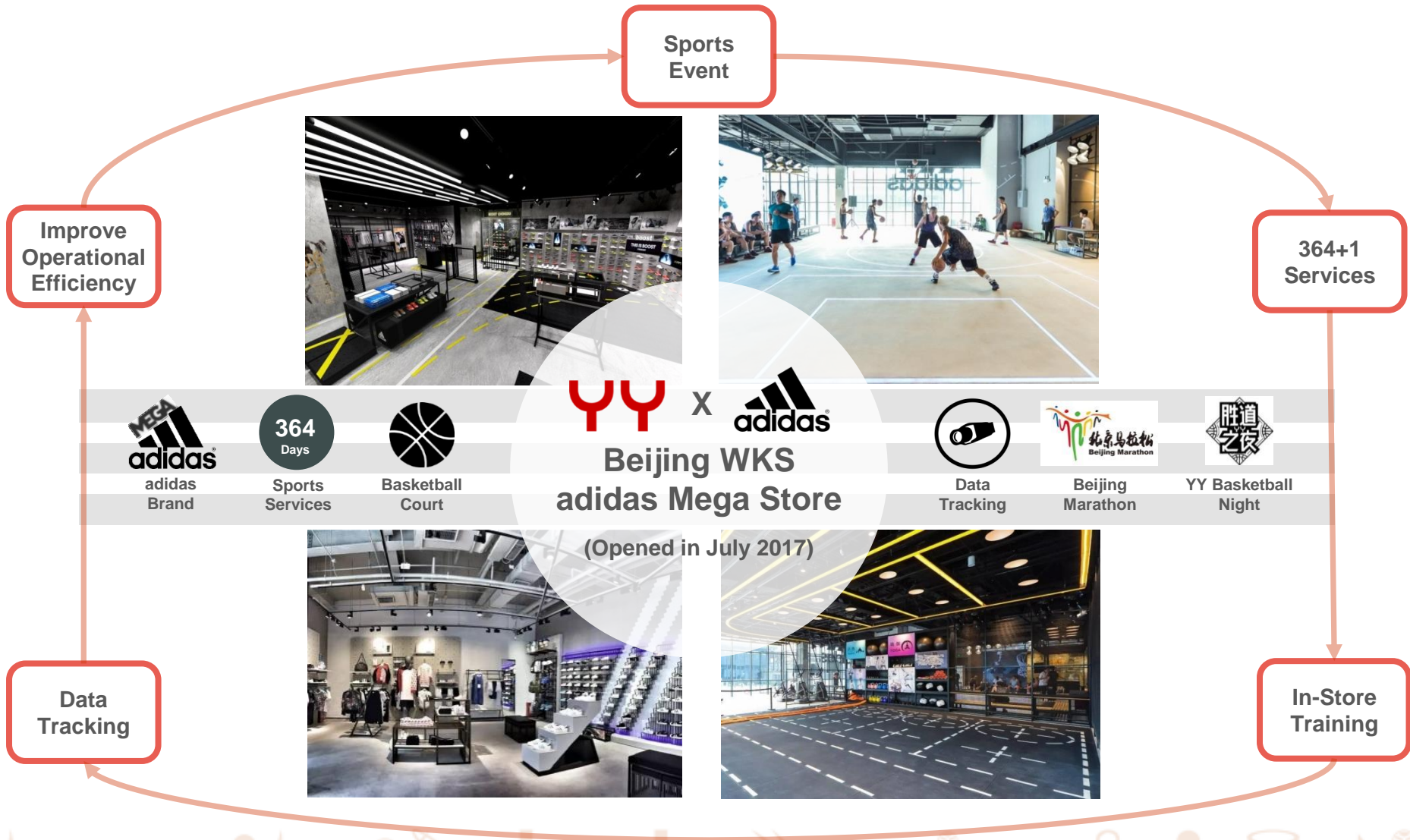
YYsports Service Centers



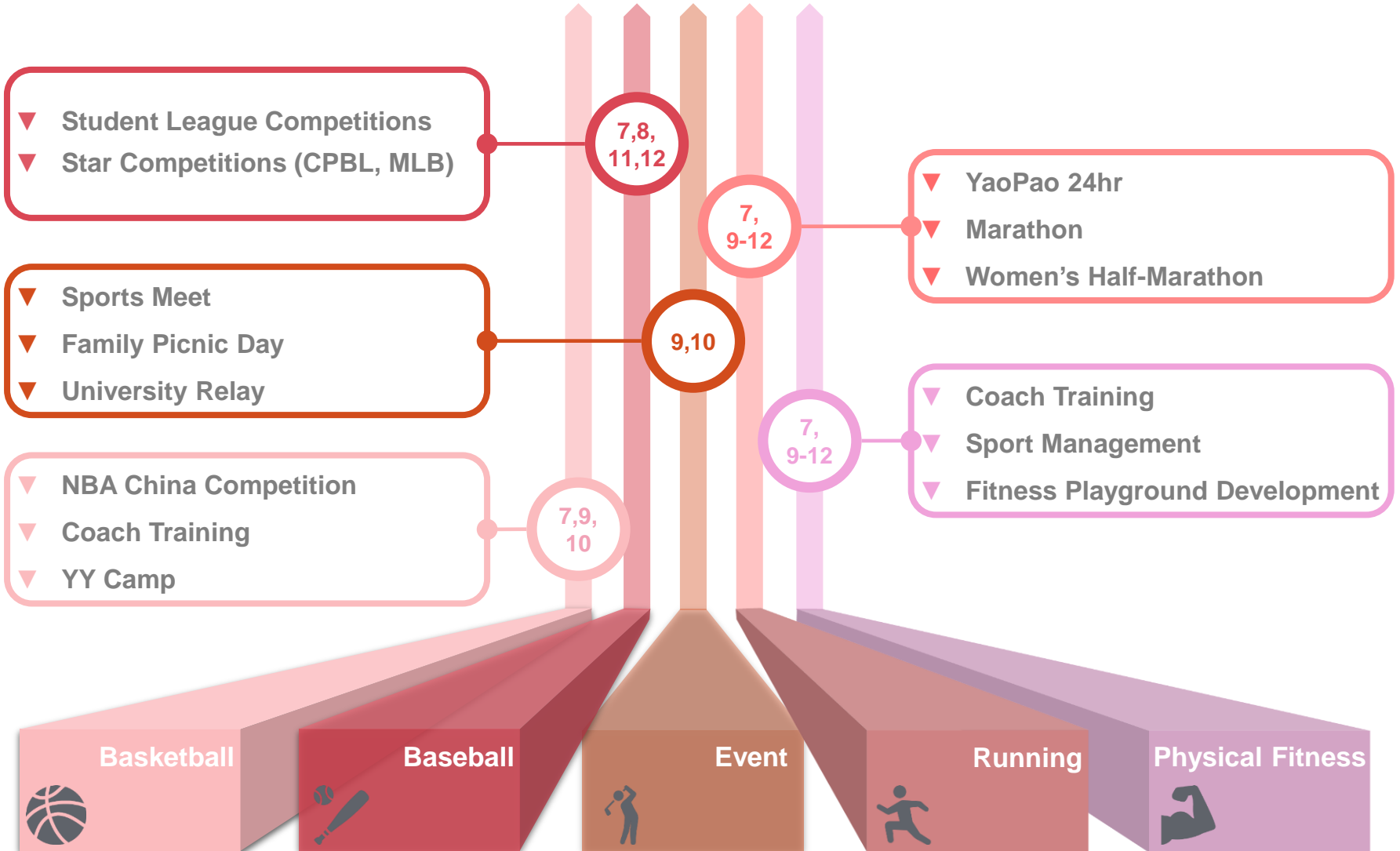
New YYsports Concept to Capture Higher Sports & Leisure Consumption



Brand Partnership Model



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

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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