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Corporate Presentation

2014/15
Annual Results

16 September 2015



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Agenda

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Financial Review

Review of Operations

Future Plans and Strategies

Open Forum

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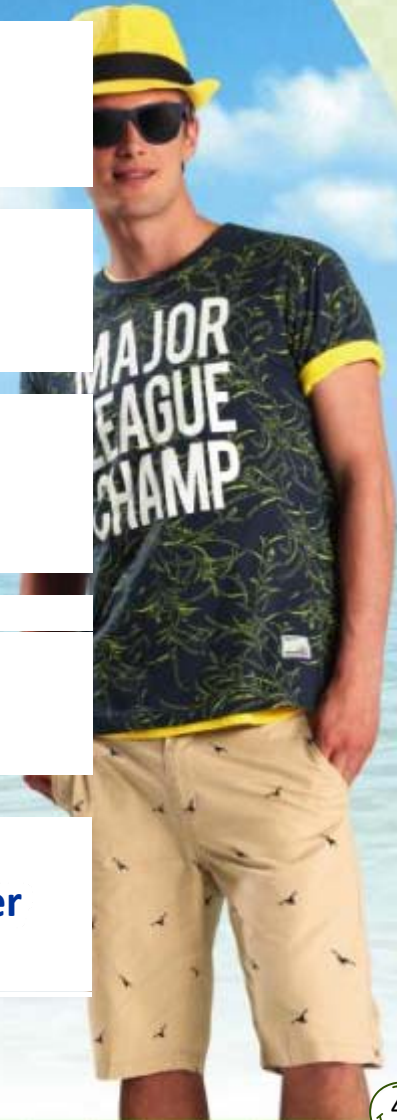
Financial Review



FY 2014/15 Highlights

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- The Group saw a slight decrease of 1% in sales while recorded 1% same-store sales growth
- Hong Kong and Macau segment, which includes the export franchising operations, delivered record-high sales
- Challenging retail conditions in Hong Kong and Macau
- The mainland China, Taiwan and Singapore operations all experienced improvements in segment results
- Financial position further strengthened with remarkable net cash balance at HK\$476 million and slightly improved inventory turnover days



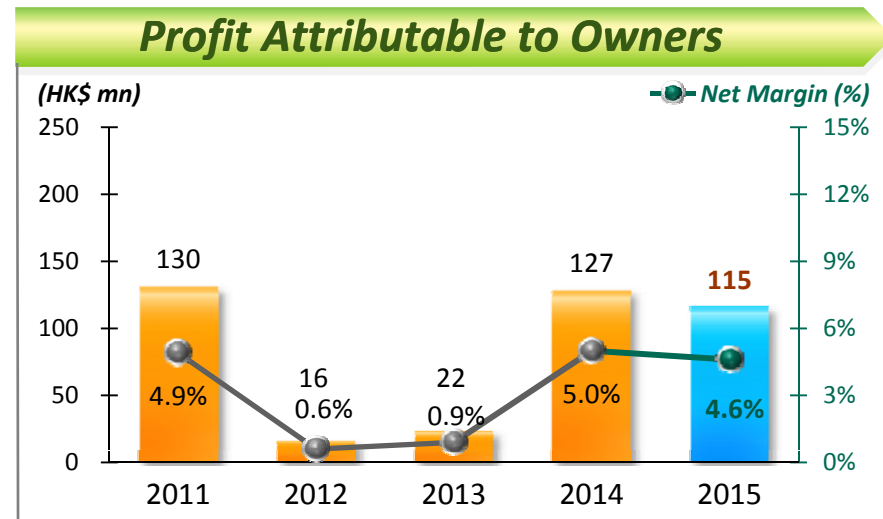
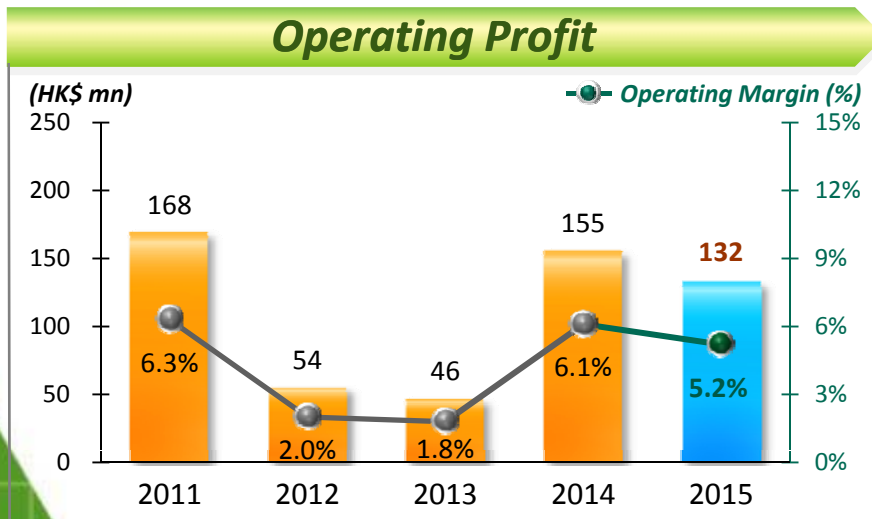
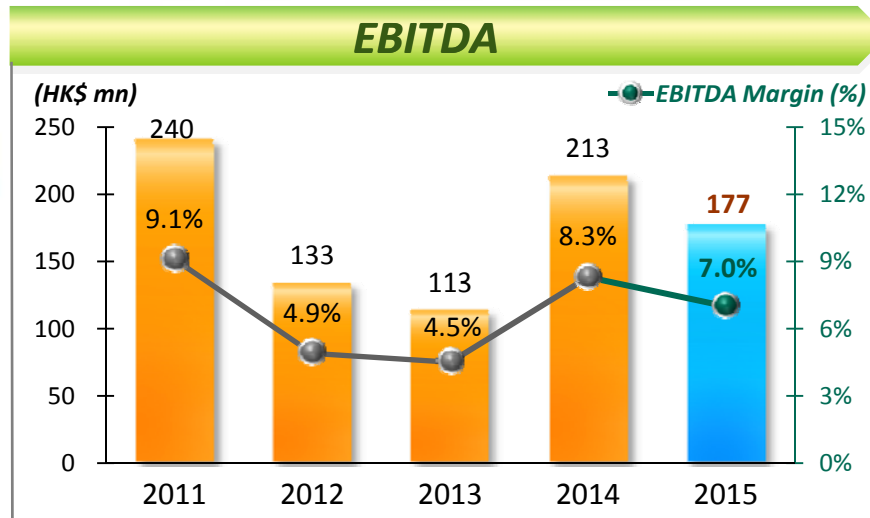
Results Highlights

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	For the year ended 30 Jun		
(HK\$ mn)	2015	2014	Change
Revenue	2,523	2,548	-1%
Gross profit	1,264	1,301	-3%
Gross margin (%)	50%	51%	-1% pt
EBITDA	177	213	-17%
Operating profit	132	155	-15%
Profit for the year attributable to owners	115	127	-9%
Basic EPS (HK cents)	7.08	7.83	-10%
Dividends per share (HK cents)			
• Interim	2.70	2.30	+17%
• Final	4.38	3.17	+38%
• Special final	Nil	1.56	-100%
Payout ratio (%)	100%	90%	+10% pts

Profitability

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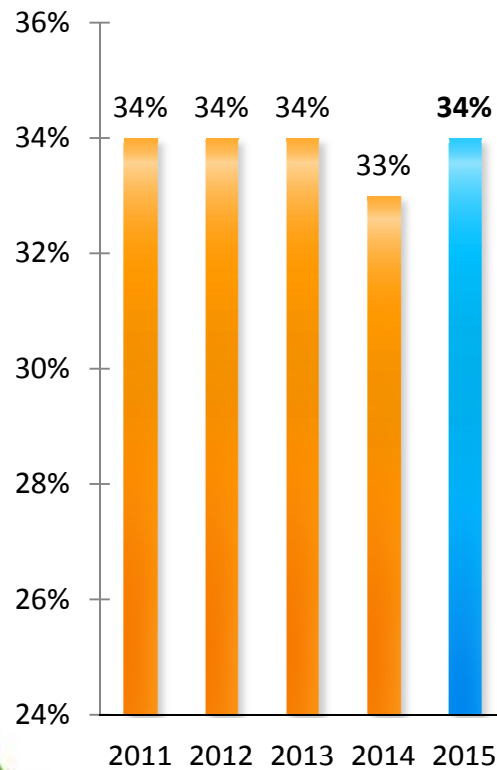
For the year ended 30 Jun

Operating Expenses Breakdown

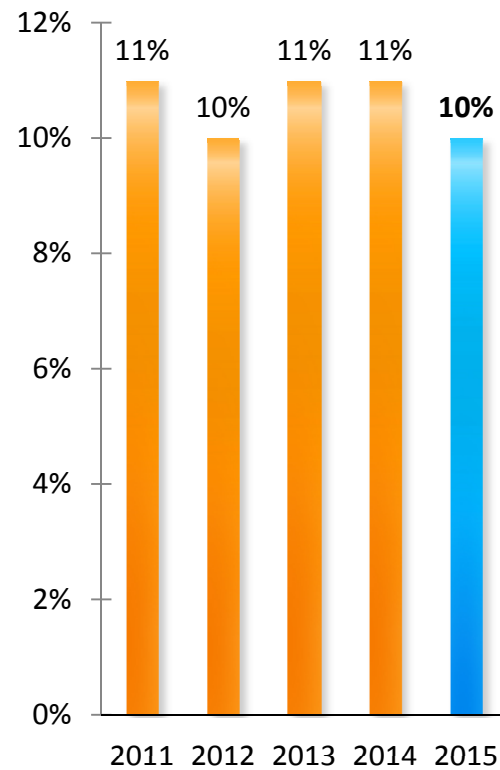
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📌 Total operating expenses accounted for 46% (2014: 46%) of total revenue

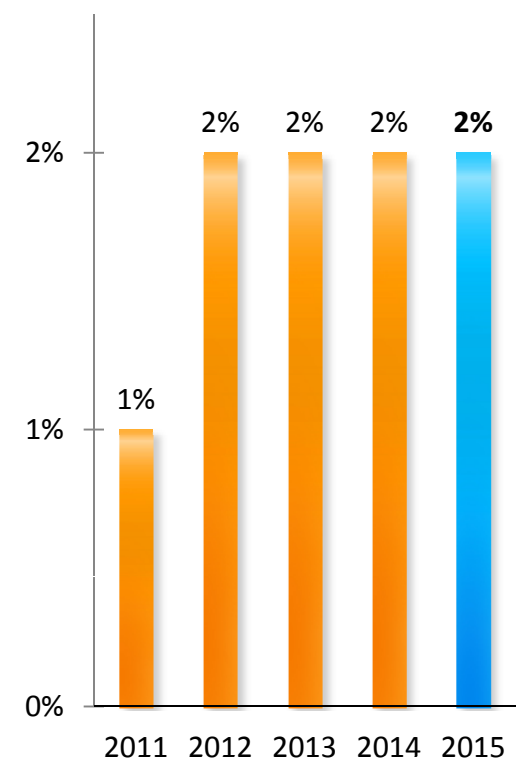
Selling and Distribution Expenses as a % of revenue



Administrative Expenses as a % of revenue



Other Operating Expenses as a % of revenue

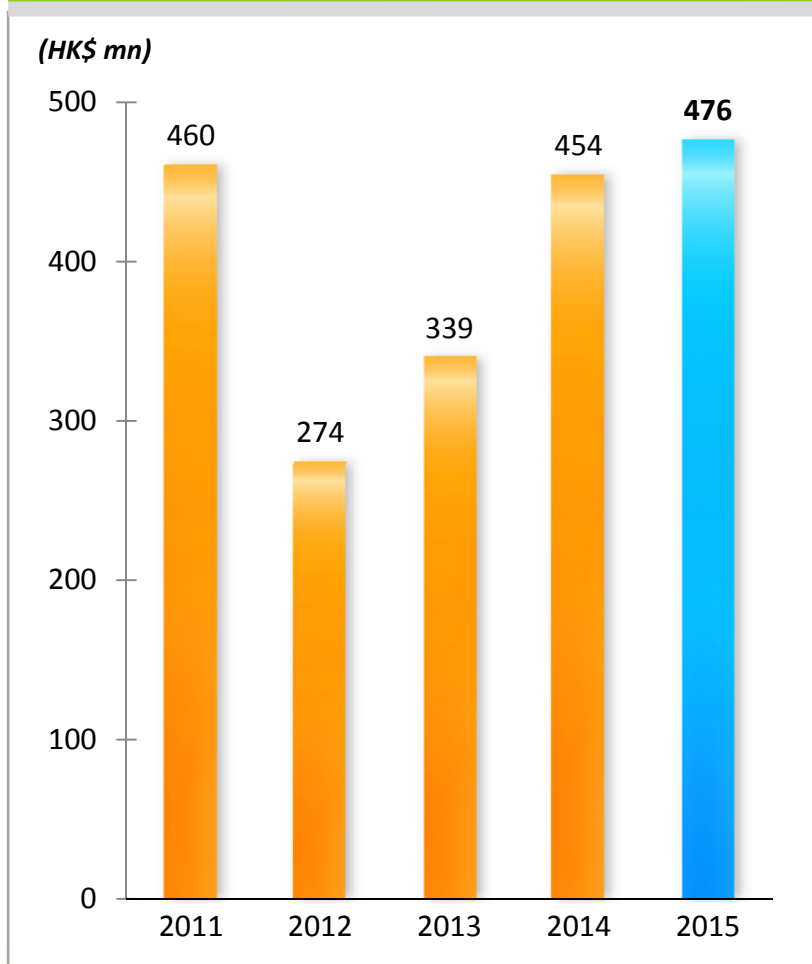


For the year ended 30 Jun

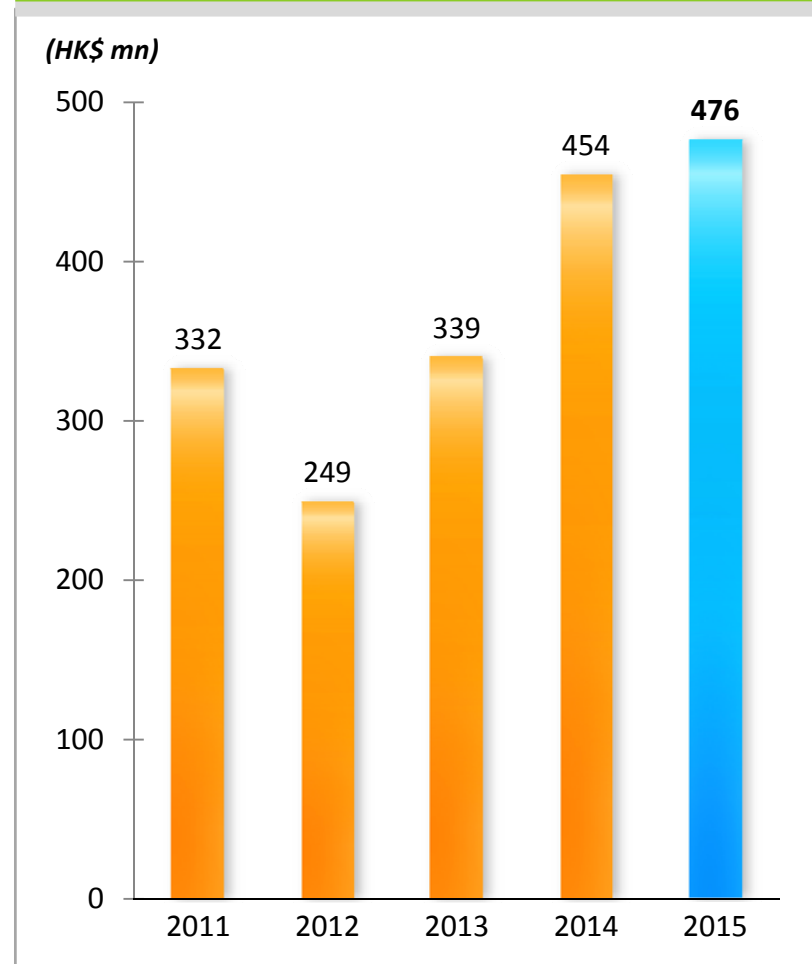
Solid Financial Position

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Cash and Bank Balances



Net Cash*



* Time deposits, cash and bank balances less bank borrowings

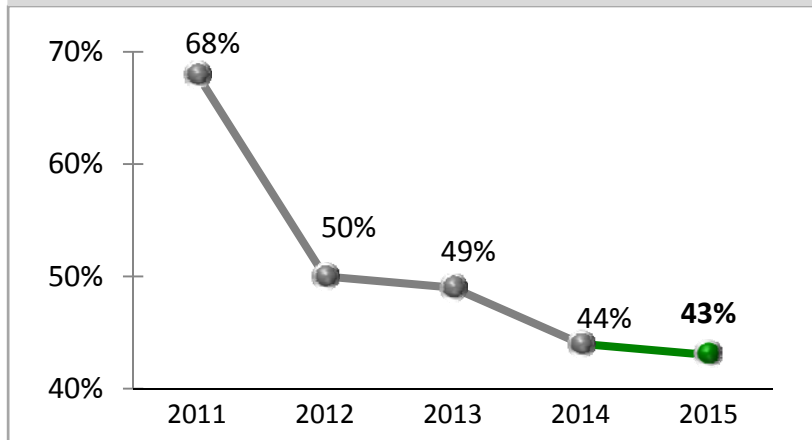
At 30 Jun



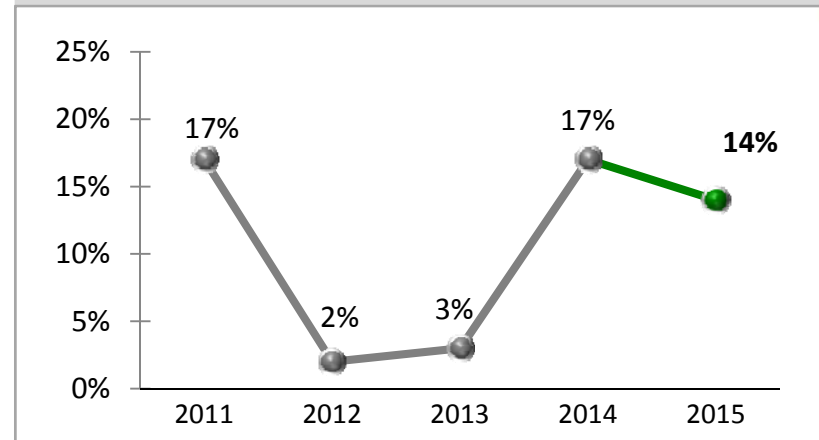
Solid Financial Position

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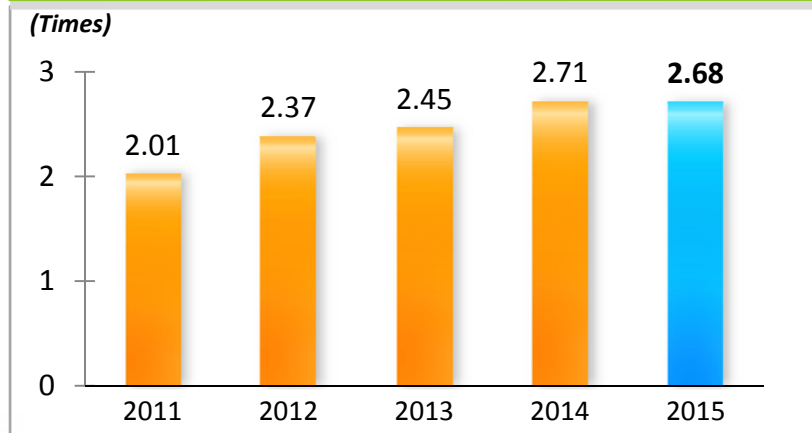
Total Liabilities to Equity Ratio



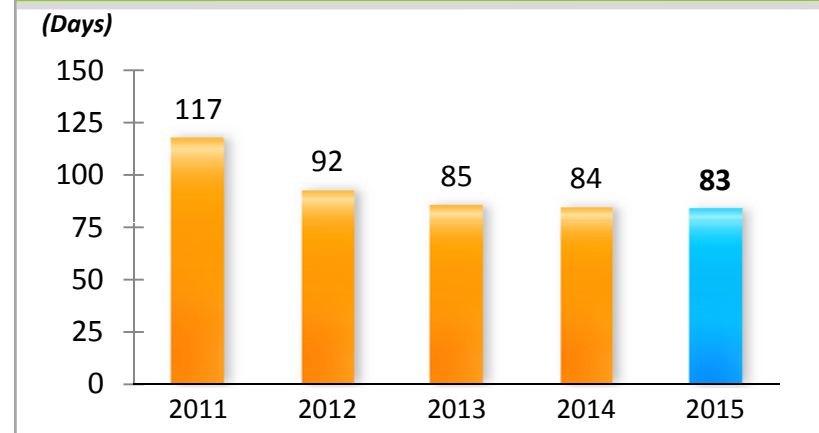
Return on Equity



Current Ratio



Inventory Turnover



Inventory held at year end divided by annualised cost of sales times 365 days

At 30 Jun


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Review of Operations



Operating Environment in 2014/15

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Global economy saw mixed performance with gradual pick up in advanced economies offset by slowdown in emerging markets and developing economies

Hong Kong retail sector slumped mainly due to the declining visitors from mainland China, political uncertainties and the appreciating United States dollar

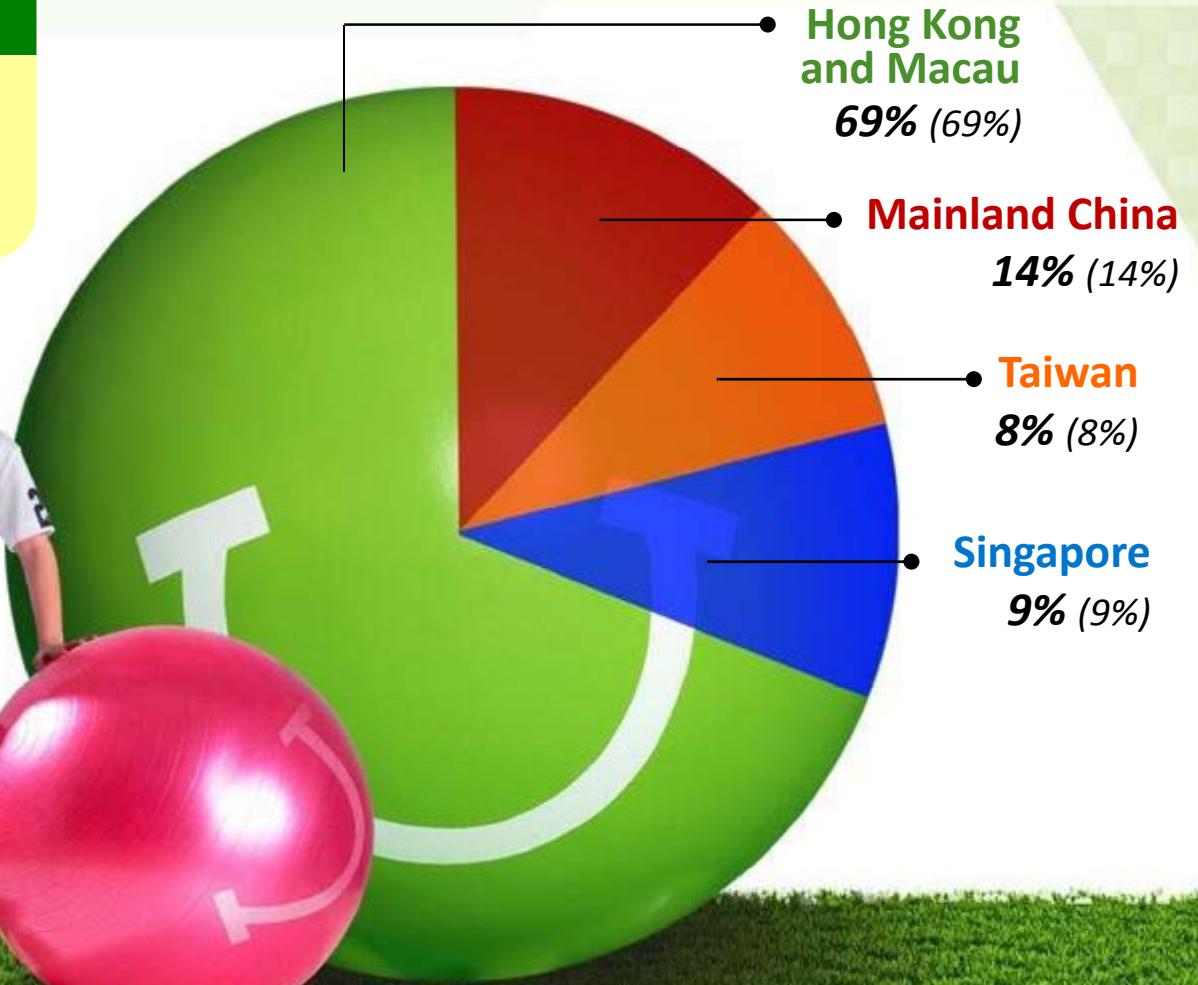
Competition within Hong Kong retail sector remained fierce

Revenue Analysis

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Revenue by Geographical Market

*For the year ended 30 Jun 2015
(Comparative figures for the year
ended 30 Jun 2014 in brackets)*



Performance by Segment

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	Same-store Sales Growth*		Operating Margin			Operating Profit (HK\$ mn)		
	<i>For the year ended 30 Jun</i>		<i>For the year ended 30 Jun</i>			<i>For the year ended 30 Jun</i>		
	2015	2014	2015	2014	Change	2015	2014	Change
Hong Kong and Macau	0%	12%	9%	11%	-2% pts	158	202	-22%
Mainland China	6%	12%	0%	-4%	+4% pts	(1)	(14)	+93%
Taiwan	7%	0%	-5%	-7%	+2% pts	(11)	(14)	+21%
Singapore	-2%	-5%	-7%	-8%	+1% pt	(14)	(19)	+26%
Total	1%	9%	5%	6%	-1% pt	132	155	-15%

* For directly managed stores only

No. of Stores by Region

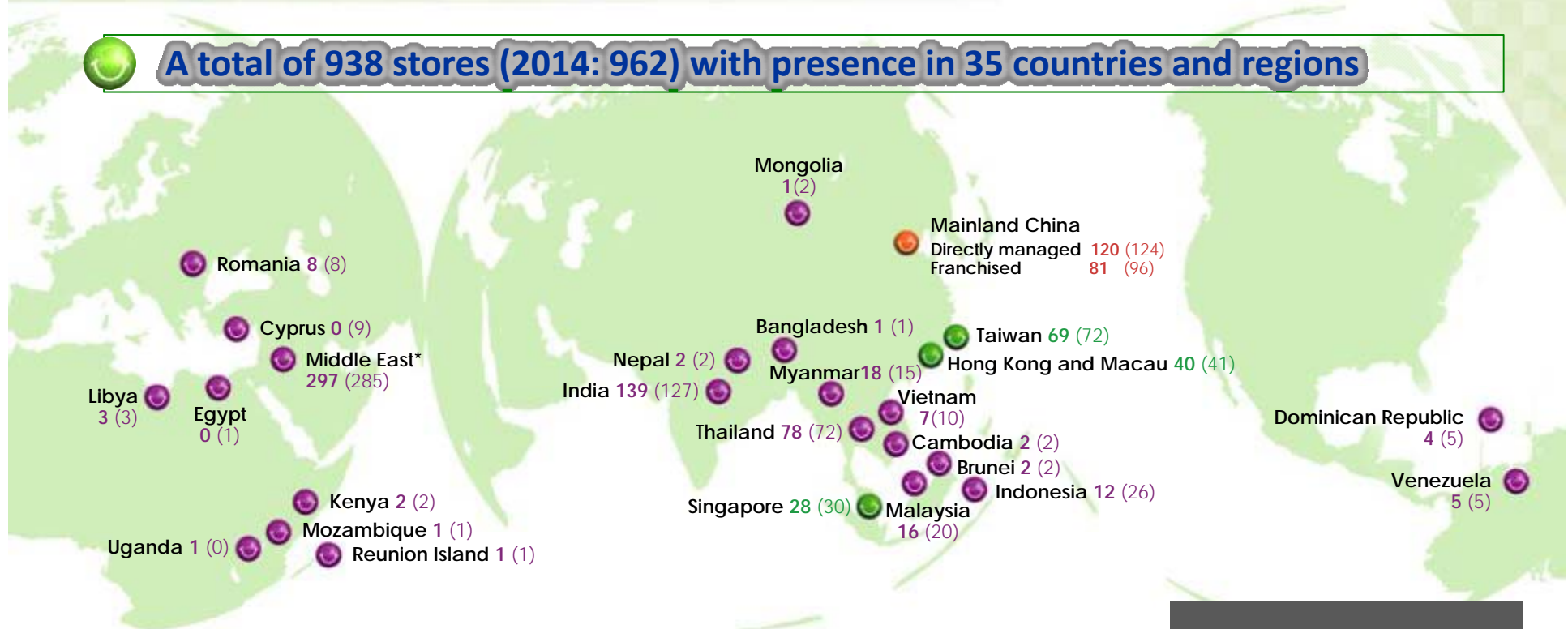
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	At 30 Jun 2015	At 30 Jun 2014	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	40	41	-1
Mainland China	120	124	-4
Taiwan	69	72	-3
Singapore	28	30	-2
Sub-total	257	267	-10
<i>No. of Franchised Stores</i>			
Mainland China	81	96	-15
Other countries	600	599	+1
Sub-total	681	695	-14
Total	938	962	-24

International Footprint

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A total of 938 stores (2014: 962) with presence in 35 countries and regions



201 (220)
Directly managed and franchised stores in mainland China

137 (143)
Directly managed stores in Hong Kong, Macau, Taiwan and Singapore

600 (599)
Export franchised stores

938 (962)
Stores in about 35 countries and regions

At 30 Jun 2015 (comparative figures at 30 Jun 2014 are shown in brackets)

* The Middle East includes Armenia, Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, UAE and Yemen

Marketing and Branding

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- Partnered with *Disney*, *Snoopy* and *DORAEMON*, successfully reach out to shoppers of all age with ranges of clothing and accessories



Co-branded and Licensed Products

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bossini x Disney Classic Collection

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bossini x Find the Snoopy

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bossini x DORAEMON • Better Together bossini



Strong Brand Recognition

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Caring Company 2004-2015

- 11 consecutive years
(By Hong Kong Council of Social Service)



Happy Company 2015

- 2 consecutive years
(By Promoting Happiness Index Foundation)



Top 10 eCommerce Website Awards 2015 (By GS1 Hong Kong & Retail Asia Expo)



Best Brand Halo of the Year - Disney Consumer Products Hong Kong 2014 (By The Walt Disney Company (Asia Pacific))



Outstanding QTS Merchant Bronze Award (Clothing & Accessories) 2015 (By Hong Kong Tourism Board)



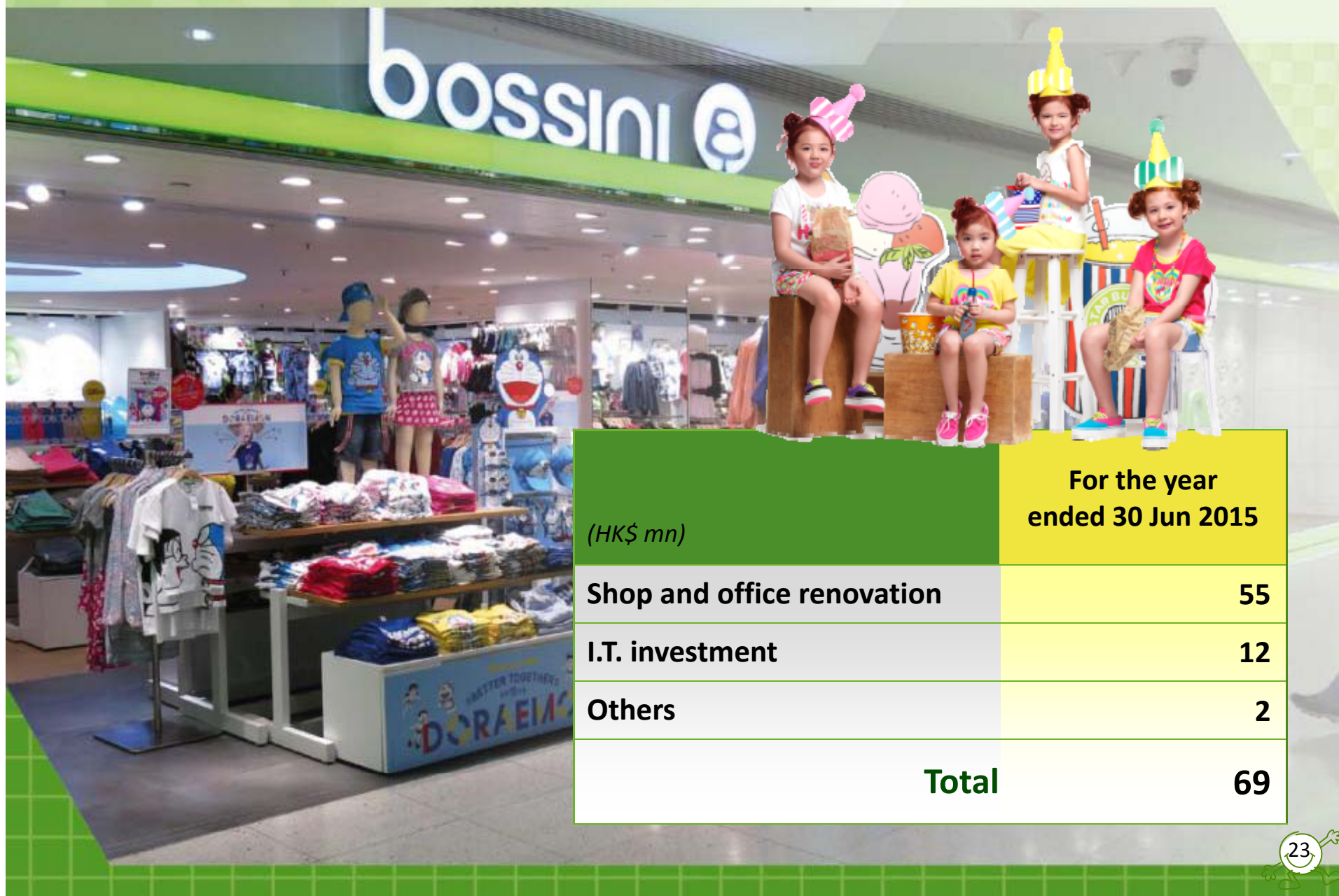
Multi-Brand Strategy

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Capex

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<i>(HK\$ mn)</i>	For the year ended 30 Jun 2015
Shop and office renovation	55
I.T. investment	12
Others	2
Total	69

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Future Plans and Strategies



Business Strategies in 2015/16

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- Expand operations outside Hong Kong and Macau, in order to achieve a more balanced portfolio
- Further expand kids' line, particularly in mainland China
- Implement stringent cost control measures for Hong Kong and Macau
- Continue to implement best practices in Hong Kong to mainland China, Taiwan and Singapore
- Continue to launch co-branded and licensing programmes



Our Commitments

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Our Vision

- To be the most preferred everyday wear brand

Corporate Culture

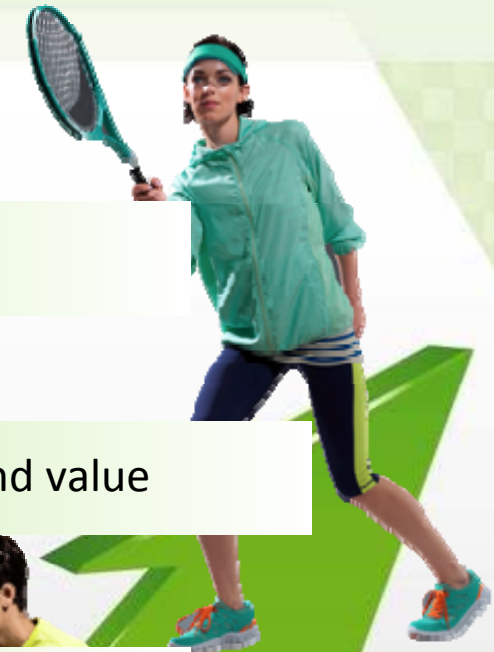
- Continue to live the “7 Habits®” and cultivate “be happy” brand value

Dividend Payment

- Strive to maintain dividend payout ratio above 50%

Human Capital

- The Company and Employees are bonded to serve each other’s interests in the best way possible



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Open Forum

