



bossini 

Corporate Presentation

2016/17 Annual Results

20 September 2017

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Agenda



Financial Review

Review of Operations

Future Plans and Strategies

Open Forum





Financial Review

FY 2016/17 Highlights

- The Group experienced a decrease in total revenue of 13%. Same-store sales declined by 8%
- Gross profit decreased 8% with gross margin rose 3% points to 51%. Same-store gross profit declined by 5%
- Profit attributable to owners was HK\$5 million. Basic earnings per share amounted to HK0.30 cent
- Continued to expand the export franchising business, by adding 23 stores net with footprint across 26 countries
- Maintained a healthy financial position with a net cash balance of HK\$396 million. Held an investment fund of HK\$233 million and a note receivable of HK\$39 million



Results Highlights

<i>(HK\$ mn)</i>	<i>For the year ended 30 Jun</i>		
	2017	2016	Change
Revenue	2,020	2,319	-13%
Gross profit	1,023	1,107	-8%
Gross margin (%)	51%	48%	+3% pts
EBITDA*	42	356	-88%
Operating profit*	10	304	-97%
Profit for the year attributable to owners*	5	292	-98%
Basic EPS* (HK cents)	0.30	17.87	-98%
Dividends per share (HK cents)			
- Special interim	1.22	1.22	0%
- Final	1.22	Nil	n/a
- Special final	0.61	1.22	-50%

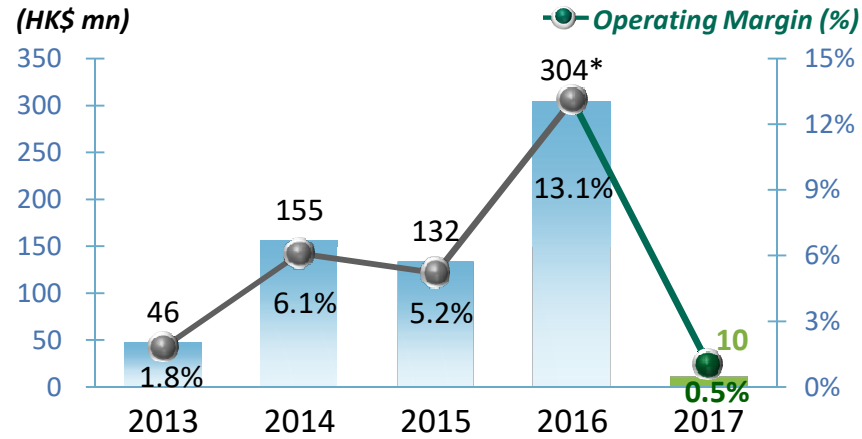
*Including a non-recurring gain on disposal of property of HK\$265 million for the year ended 30 Jun 2016



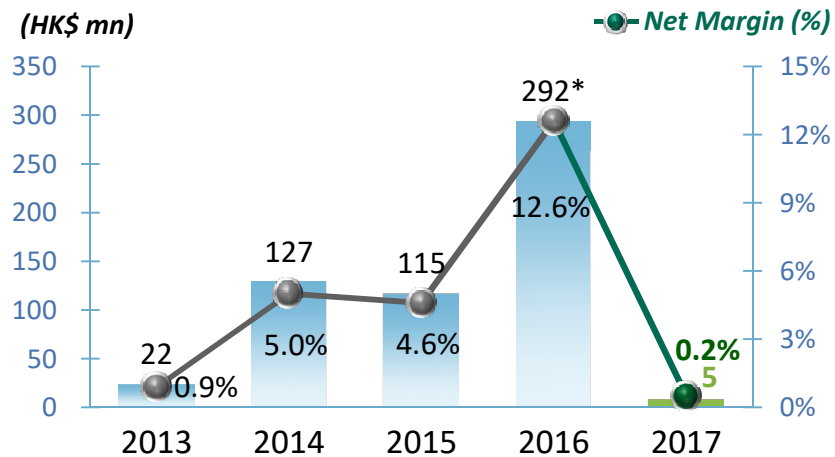
Profitability



Operating Profit



Profit Attributable to Owners



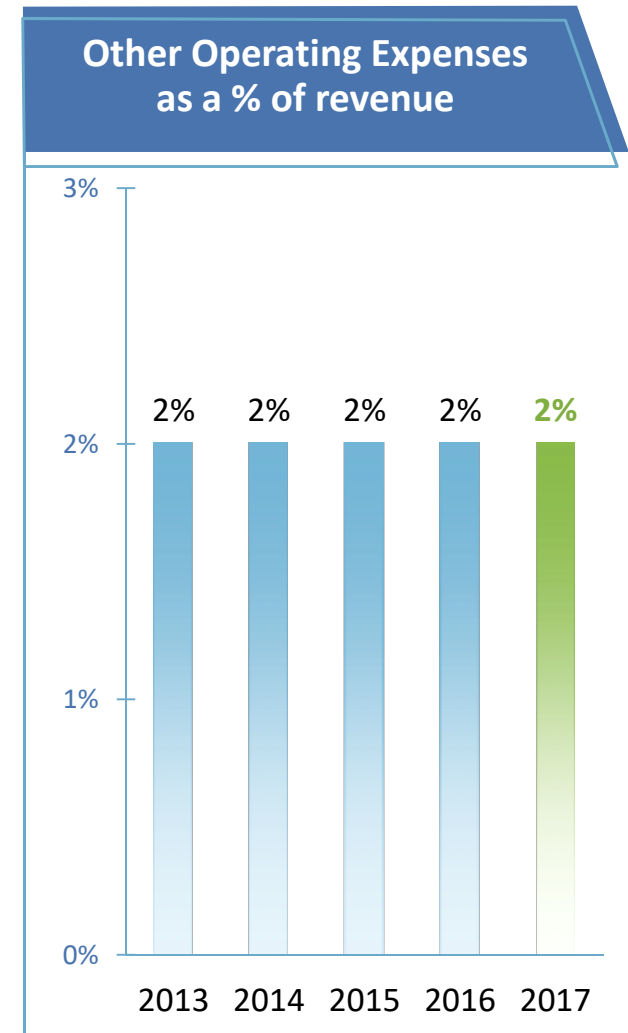
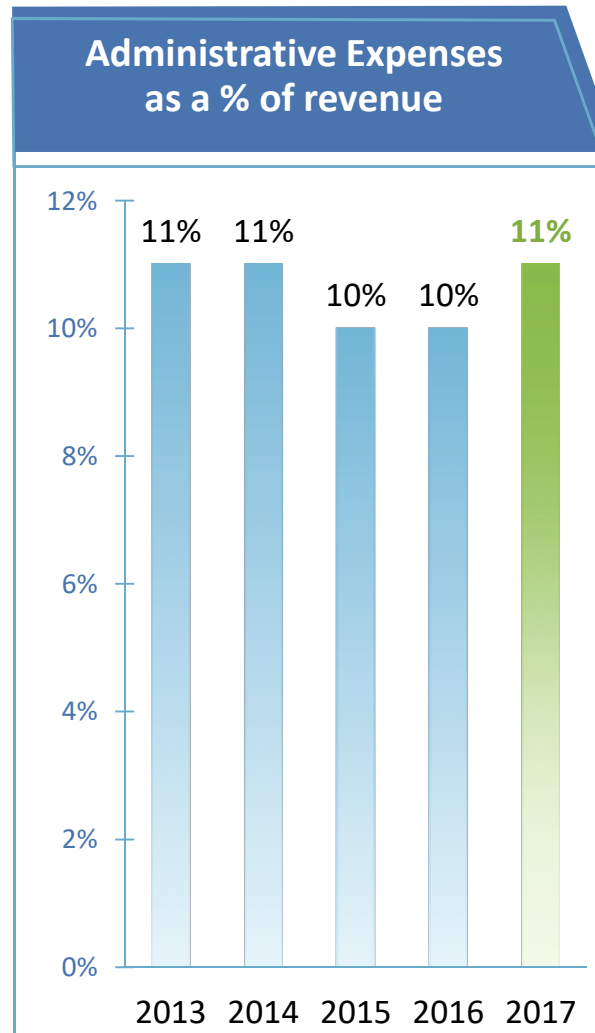
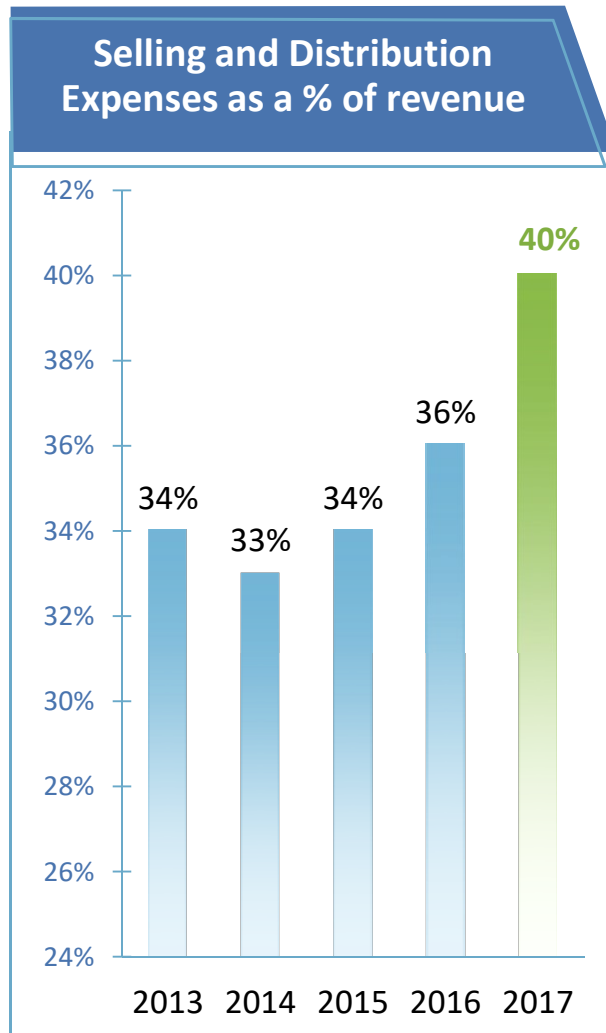
For the year ended 30 Jun



*Including a non-recurring gain on disposal of property of HK\$265 million for the year ended 30 Jun 2016

Operating Expenses Breakdown

e Total operating expenses accounted for 53% (2016: 48%) of total revenue



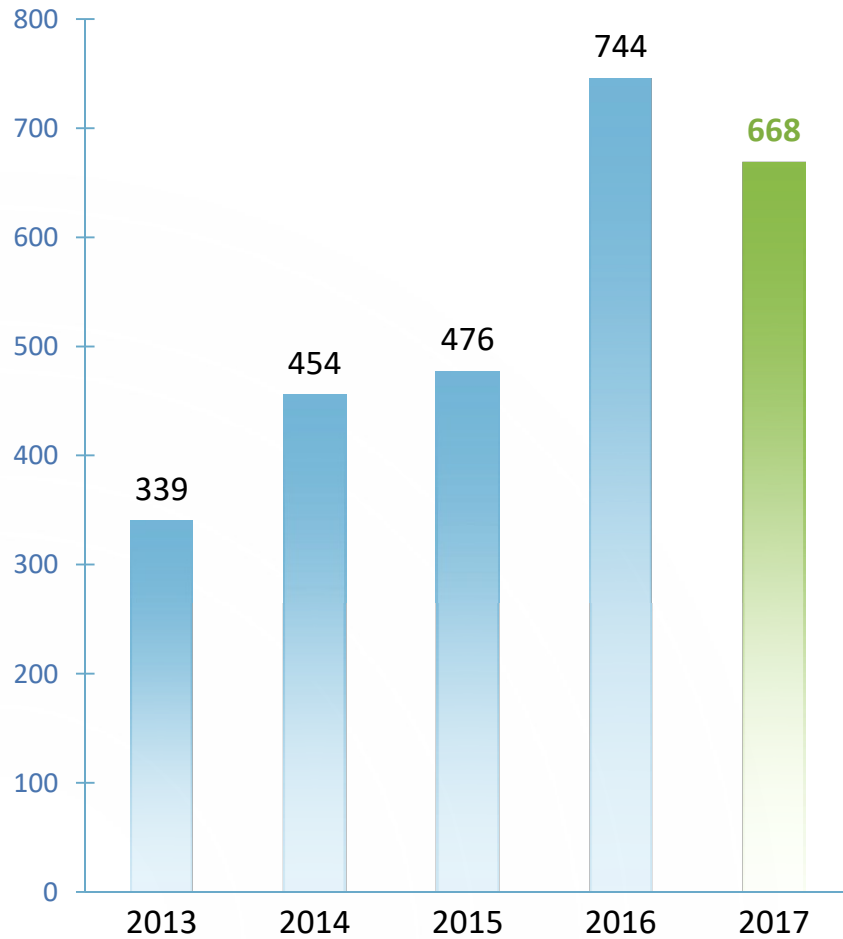
For the year ended 30 Jun



Solid Financial Position

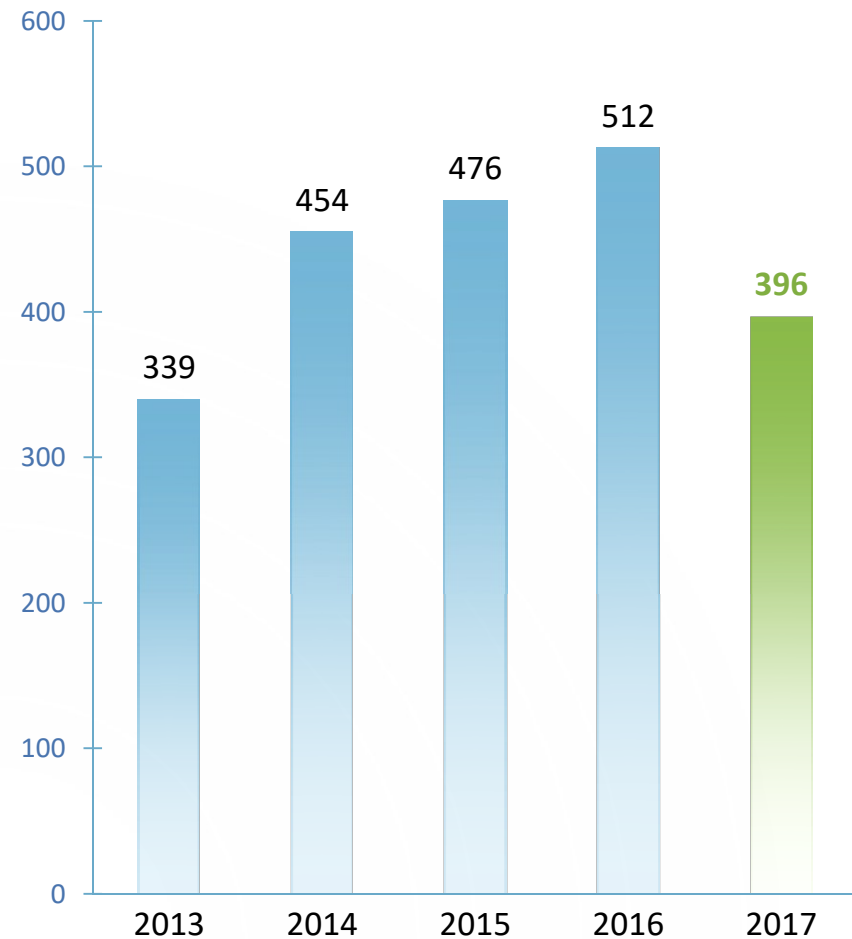
Cash and Bank Balances + Investment Fund + Note Receivable

(HK\$ mn)



Net Cash *

(HK\$ mn)



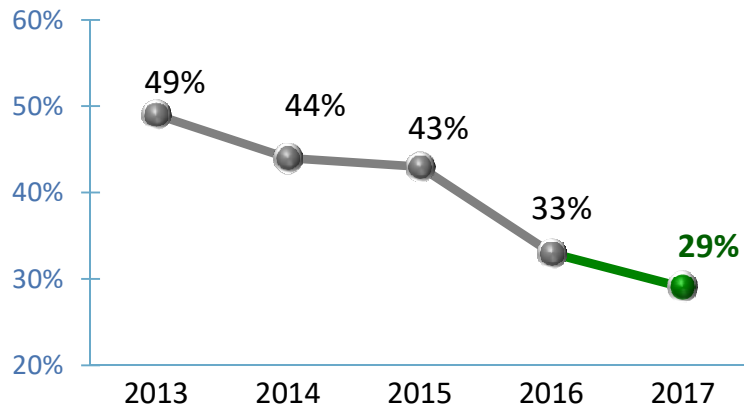
* Time deposits, cash and bank balances less bank borrowings

At 30 Jun

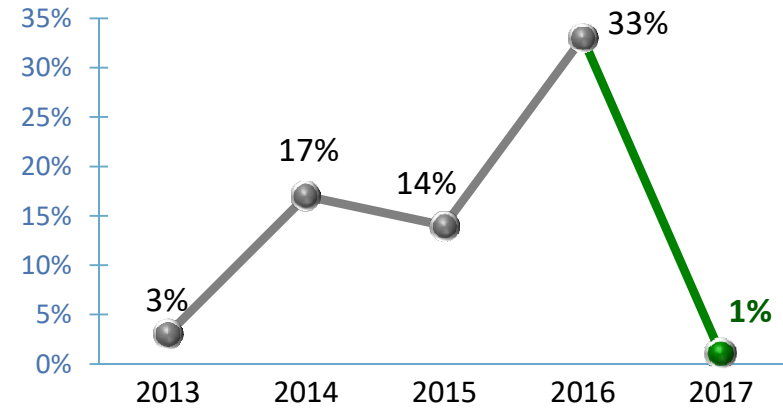


Solid Financial Position

Total Liabilities to Equity Ratio

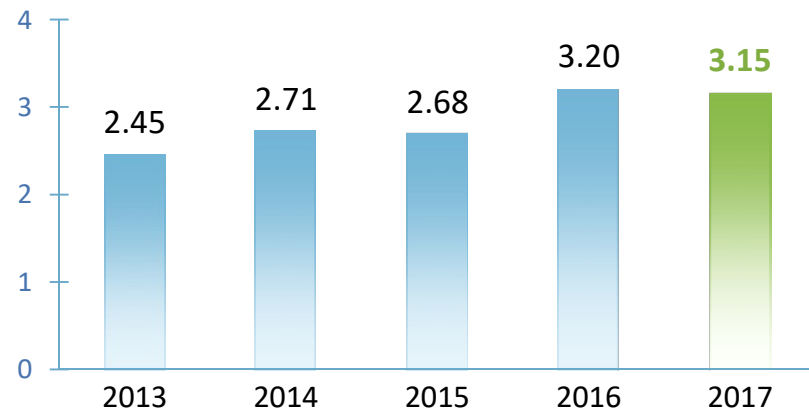


Return on Equity



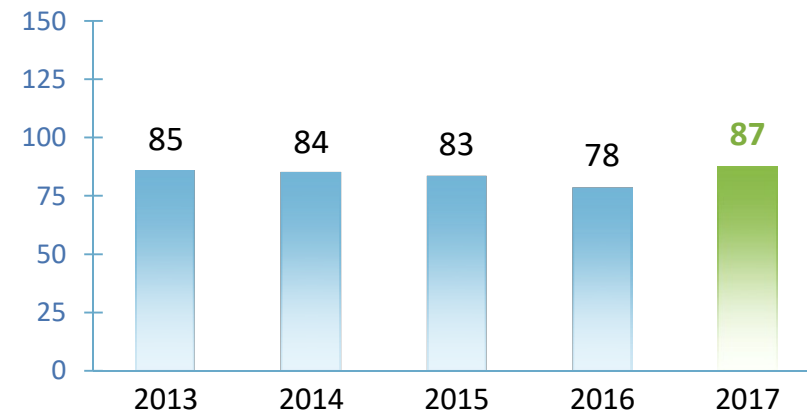
Current Ratio

(Times)



Inventory Turnover

(Days)



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

At 30 Jun

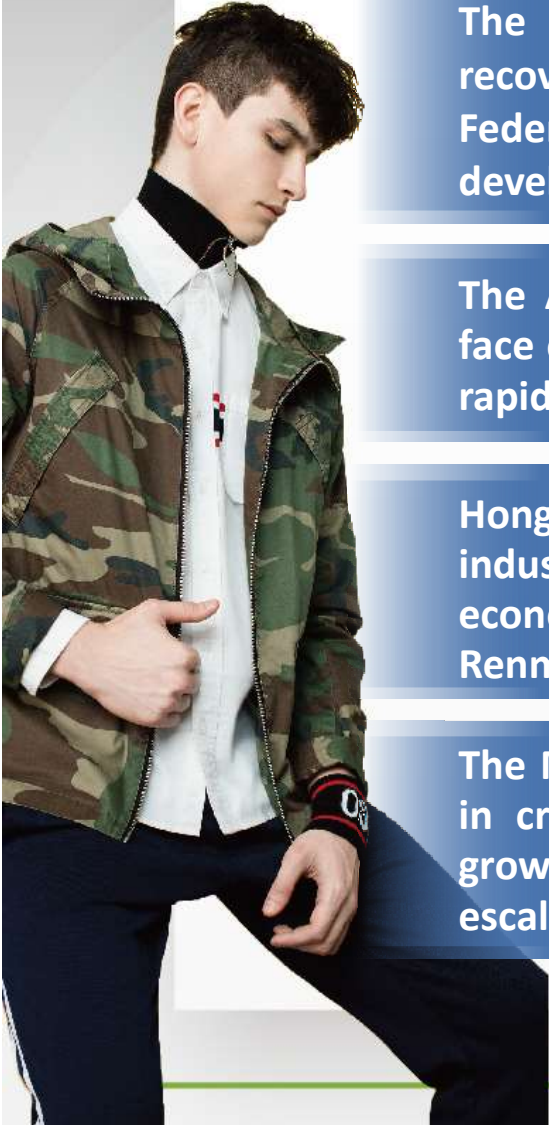




Review of Operations

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Operating Environment in 2016/17



The global economy is picking up steadily as the cyclical recovery continues, yet the United States trade policies and the Federal Reserve Bank's rate hike cycle influence economic developments in other major economies

The Asia-Pacific region continues its strong growth, in the face of widespread concerns about growing protectionism, a rapidly aging society and slow productivity growth

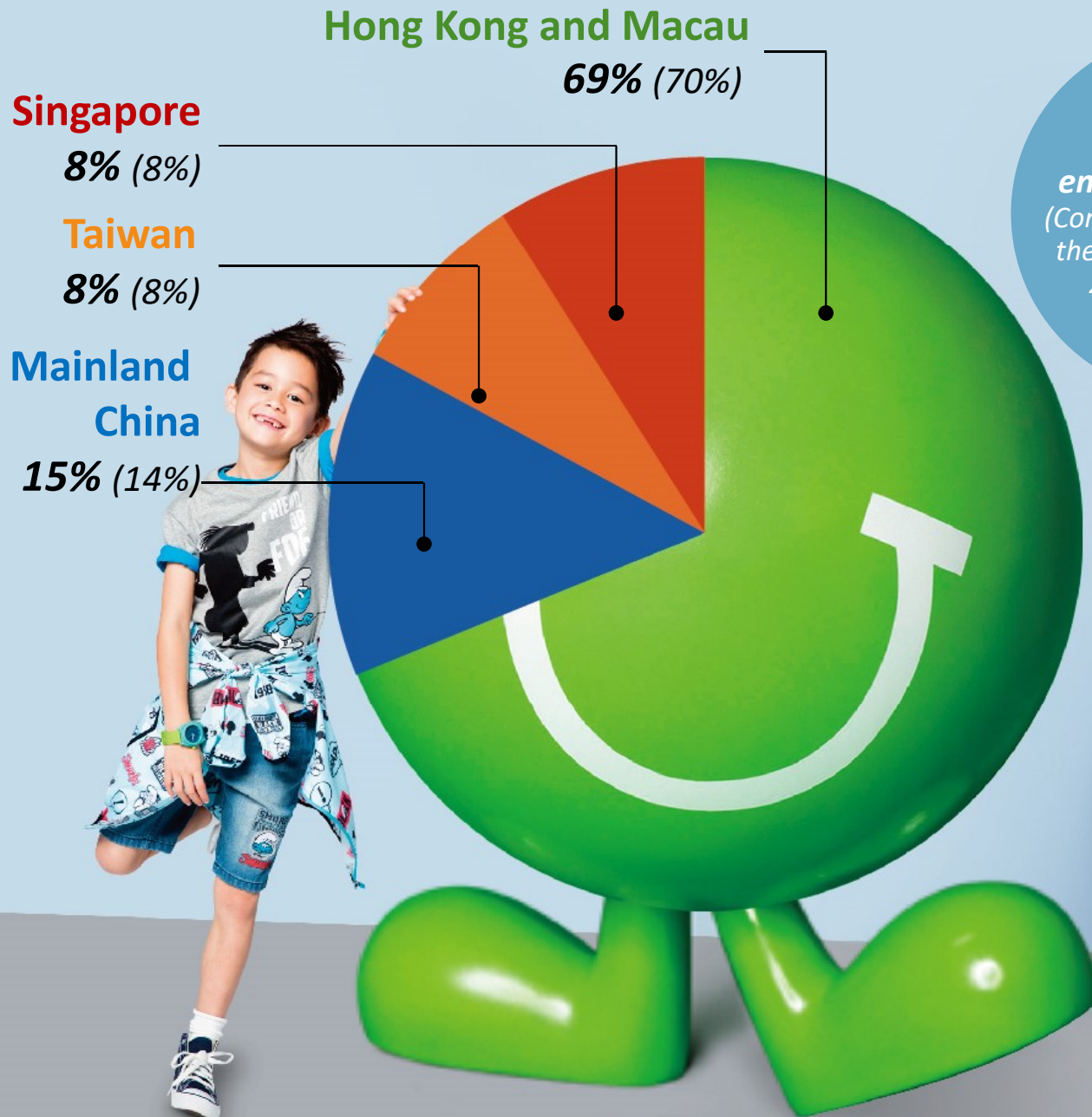
Hong Kong's economy sustained the improving trend, retail industry continued to decline owing to the volatile global economy, mainland China's "one trip per week" policy, weaker Renminbi and changes in tourist spending patterns

The Middle East countries are struggling with the reduction in crude oil production. This put a lid on the economic growth for the year under review together with the quickly escalating political unrest



Revenue Analysis

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*For the year ended 30 Jun 2017
(Comparative figures for the year ended 30 Jun 2016 in brackets)*

Revenue by Geographical Market



Retail Performance by Segment

	<i>Same-store Sales Growth*</i>		<i>Same-store Gross Profit Growth*</i>	
	<i>For the year ended 30 Jun</i>			
	2017	2016	2017	2016
Hong Kong and Macau	-9%	-9%	-4%	-14%
Mainland China	-5%	-5%	-4%	-10%
Taiwan	-7%	-6%	-5%	-10%
Singapore	-11%	6%	-8%	2%
Total	-8%	-6%	-5%	-11%

* For directly managed stores only

Performance by Segment

	Operating Margin			Operating Profit (HK\$ mn)		
	<i>For the year ended 30 Jun</i>					
	2017	2016	Change	2017	2016	Change
Hong Kong and Macau	5%	22%	-17% pts	69	353	-80%
Mainland China	-10%	-6%	-4% pts	(31)	(20)	-55%
Taiwan	-10%	-13%	+3% pts	(16)	(23)	+30%
Singapore	-8%	-3%	-5% pts	(12)	(6)	-100%
Total	0%	13%	-13% pts	10	304	-97%

No. of Stores by Region

	At 30 Jun 2017	At 30 Jun 2016	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	40	42	-2
Mainland China	163	147	+16
Taiwan	63	70	-7
Singapore	18	21	-3
Sub-total	284	280	+4
<i>No. of Franchised Stores</i>			
Mainland China	5	39	-34
Other countries	651	628	+23
Sub-total	656	667	-11
Total	940	947	-7

International Footprint



A total of 940 stores (30 Jun 2016: 947) with presence in 30 countries and regions

168 (186)

Directly managed and franchised stores in mainland China

121 (133)

Directly managed stores in Hong Kong and Macau, Taiwan and Singapore

651 (628)

Export franchised stores

940 (947)

Stores in about 30 countries and regions

At 30 Jun 2017 (comparative figures at 30 Jun 2016 are shown in brackets)

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

Marketing and Branding



- ④ Launched five new licensing programmes in 2016/17, namely *bossini x Disney TSUM TSUM* 《Stack Up The Fun Together》, *bossini x Minions* 《Go Bananas》, *bossini x Disney TSUM TSUM* 《Just Chillin' Out》, *bossini x The Smurfs* 《Follow the Smurfs》 and *bossini x Disney Cars 3* 《Friendship for The Win》



Co-branded and Licensed Products



bossini x Disney TSUM TSUM 《Stack Up The Fun Together》



bossini x Minions 《Go Bananas》



MINIONS COLLECTION BY BOSSINI

GO! BANANAS



bossini x Disney TSUM TSUM 《Just Chillin' Out》



bossini x The Smurfs 《Follow the Smurfs》



bossini x Disney Cars 3 《Friendship for The Win》



Bossini 30th Anniversary

- ④ Launched the “30th Anniversary - MOVE ON n' BEYOND” campaign with “On-The-Go” collection which targets at the continuously expanding market for travelling and outdoor apparels



Strong Brand Recognition



**Best Product of the Year
Disney Consumer Products Hong Kong (2016)**

(By The Walt Disney Company (Asia Pacific) Limited)



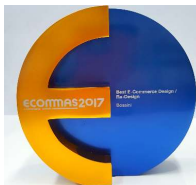
**Outstanding QTS Merchant - Merit Award
Quality Tourism Services (2017)**

(By Hong Kong Tourism Board)



Best E-Commerce Logistics – Gold (2017)

(By Marketing Magazine)



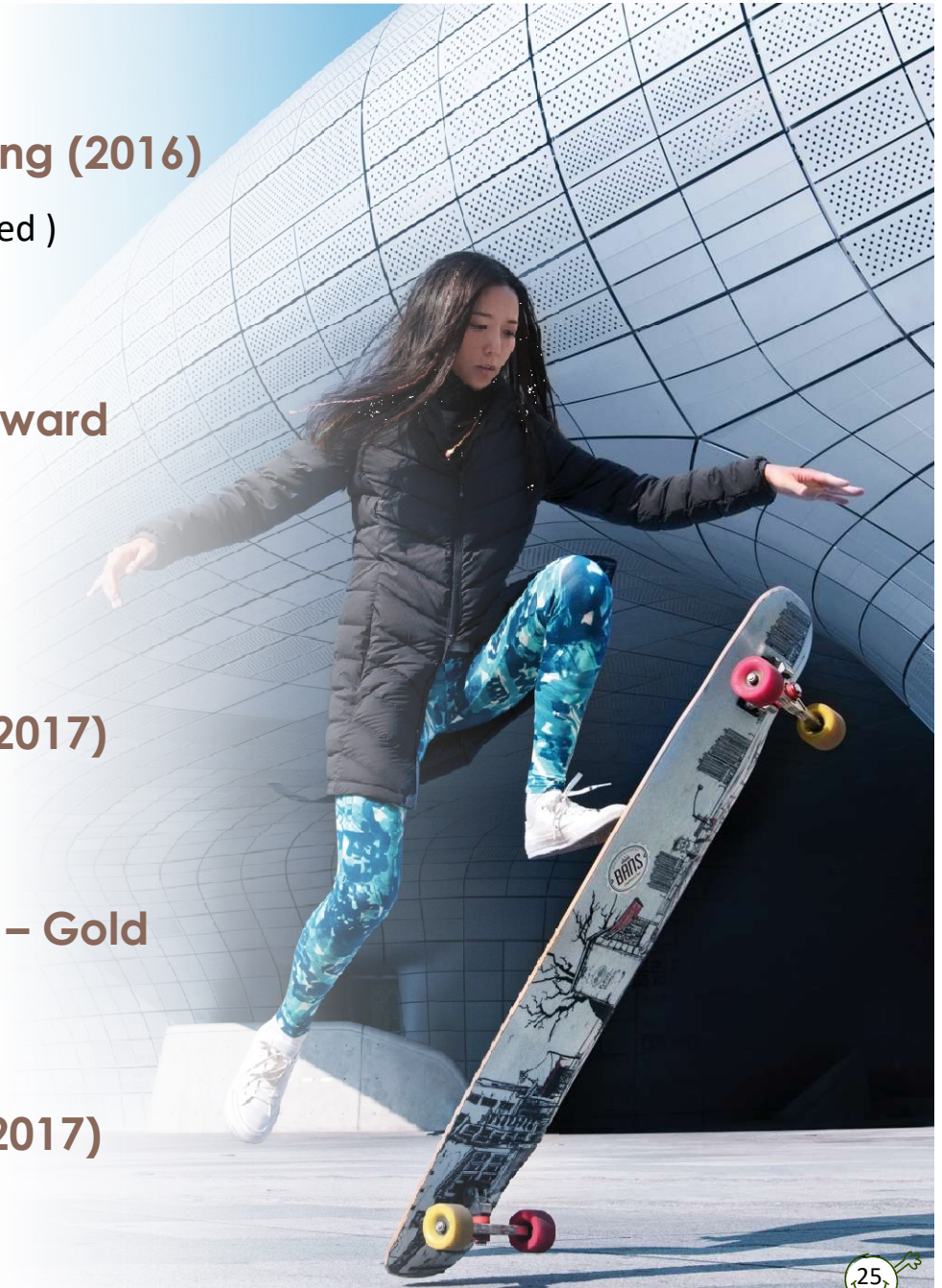
**Best E-Commerce Design/Redesign – Gold
(2017)**

(By Marketing Magazine)



Best E-Commerce Website - Silver (2017)

(By Marketing Magazine)



Strong Brand Recognition



Best Licensee Award - Merit Award Hong Kong Licensing Awards (2017)

(By Asian Licensing Association)



Caring Company (2004-2017)

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



Happy Company (2014-2017)

- 4 consecutive years
(By Promoting Happiness Index Foundation)



Manpower Developer 1st (2010-2018)

- 7 consecutive years
(By Employees Retraining Board)



Strong Brand Recognition

A recognised Quality Shop for Fifteen Years (2017)

(By Hong Kong Tourism Board)



Award for Breastfeeding Support (2015-2016)

(By Family Council)



Happy Company (2017)

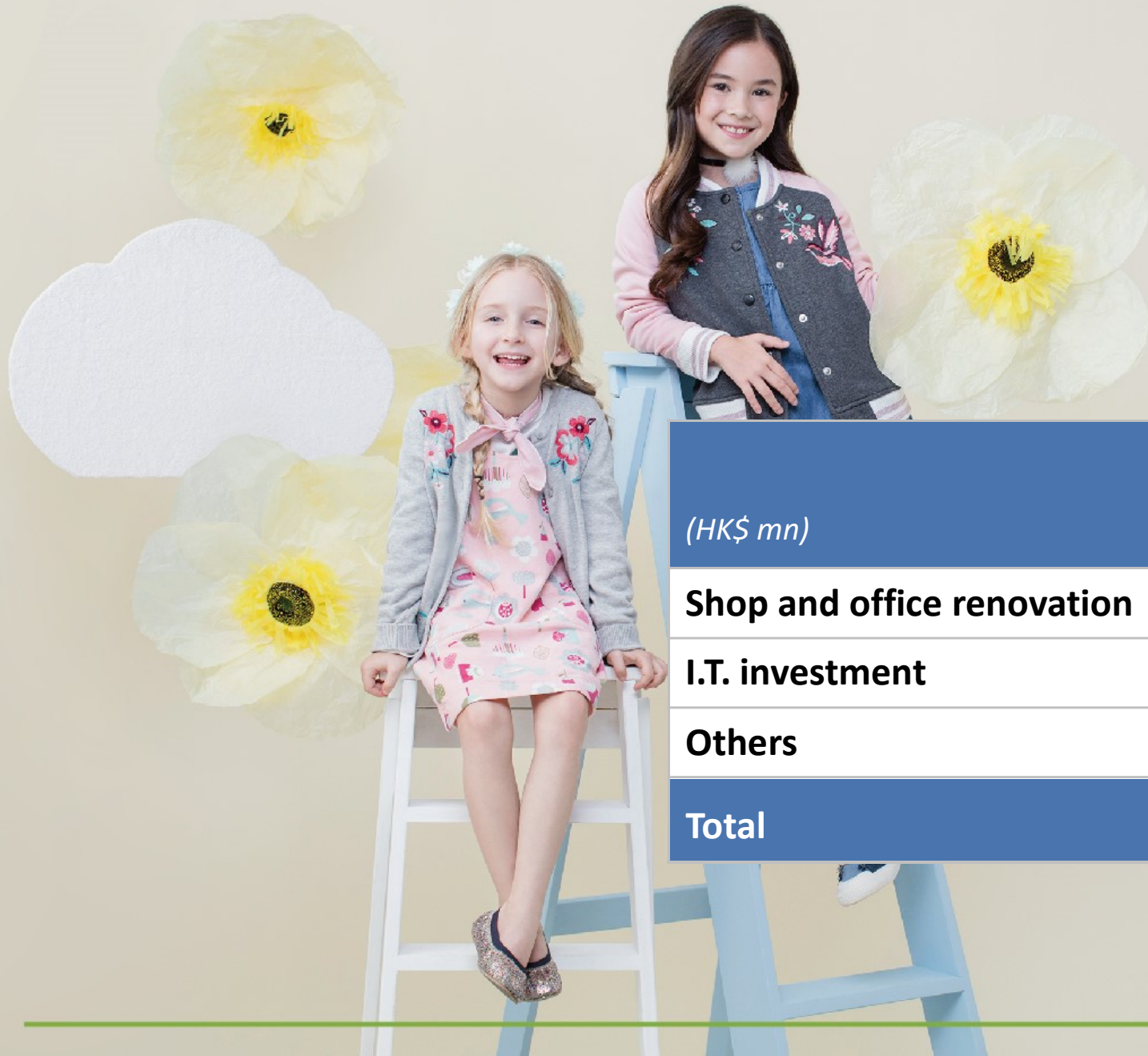
(By Promoting Happiness Index Foundation)



Family-Friendly Employers (2015-2016)

(By Family Council)





<i>(HK\$ mn)</i>	For the year ended 30 Jun 2017
Shop and office renovation	9
I.T. investment	7
Others	1
Total	17



Future Plans and Strategies

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Business Strategies in 2017/18

- Expand the young adult market share and offer more products with a focus on functionality
- Refine product fit and grading system to target a wider customer segment
- Further develop the kids' line along by expanding size choices in the mainland China market
- Boost operational efficiencies by strengthening the supply chain management
- Nurture several promising markets
- Continue to introduce innovative co-branded and licensing programmes
- Impose cost control initiatives



Our Commitments



Our Vision

To be the most preferred everyday wear brand

Corporate Culture

Continue to live the “7 Habits®” and cultivate our “be happy” core 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



Open Forum

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