

bossini 
be happy



Corporate Presentation

2013/14 Interim Results

25 February 2014



- Ⓔ The information contained in this presentation is intended solely for your personal reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning Bossini International Holdings Limited (the “Company”). The Company makes no representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.
- Ⓔ In addition, the information contains projections and forward-looking statements that may reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.
- Ⓔ This presentation does not constitute an offer or invitation to purchase or subscribe for any securities or financial instruments or to provide any investment service or investment advice, and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.

Agenda

bossini



⑧ **Financial Review**

⑧ **Review of Operations**

⑧ **Future Plans and Strategies**

bossini 
be happy

Financial Review



1H 2013/14 Highlights

bossini



The Group experienced a decrease in revenue of 5%, which was largely driven by the consolidation of the Group's non-performing stores in mainland China and Taiwan



Profit for the period attributable to owners increased 119% year-on-year



The Hong Kong segment business delivered record-high sales, the Hong Kong and mainland China retail operations both enjoyed double-digit increase in same-store sales



Maintained a strong financial position with net cash of HK\$352 million



Inventory turnover days was 99 days, slightly improved compared with the same period last year

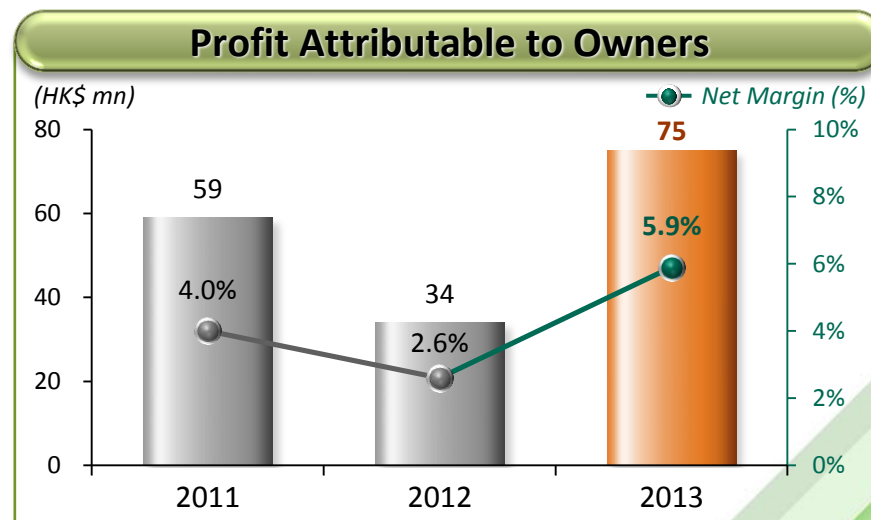
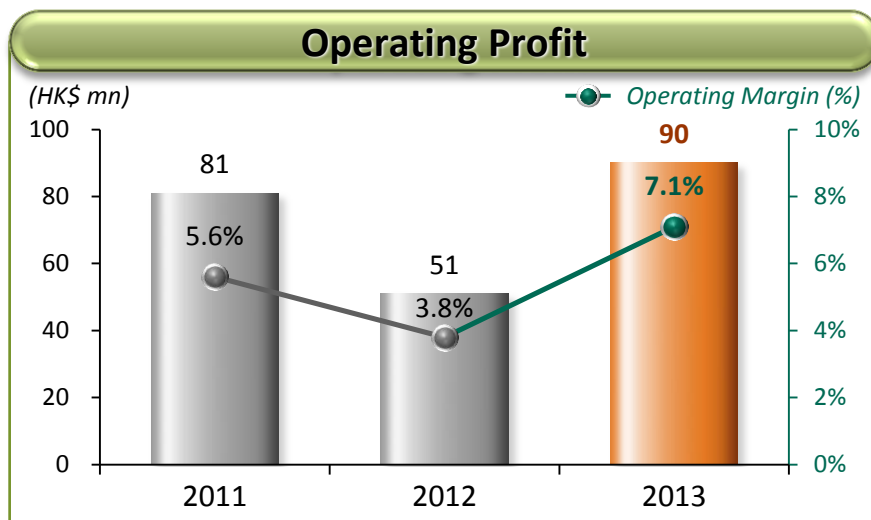
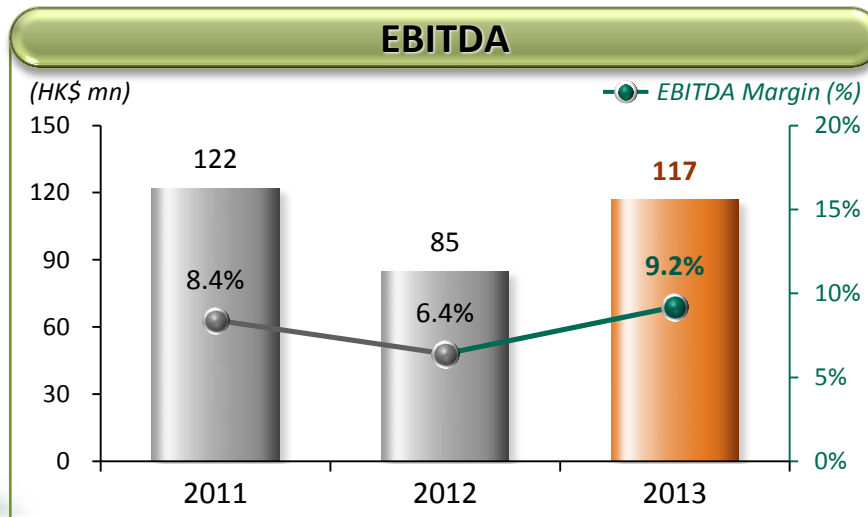
Results Highlights

bossini

(HK\$ mn)	For the six months ended 31 Dec		
	2013	2012	Change
Revenue	1,273	1,334	-5%
Gross profit	628	636	-1%
Gross margin (%)	49	48	+1% pt
EBITDA	117	85	+38%
Operating profit	90	51	+79%
Profit for the period attributable to owners	75	34	+119%
Basic EPS (HK cents)	4.60	2.10	+119%
Dividend per share (HK cents)			
• Interim	2.30	0.63	+265%
• Special interim	-	1.05	-100%

Improved Profitability

bossini



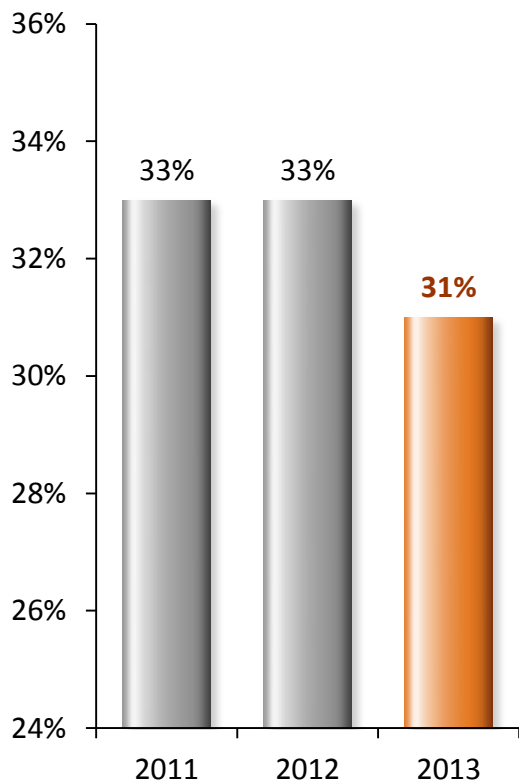
For the six months ended 31 Dec

Operating Expenses Breakdown

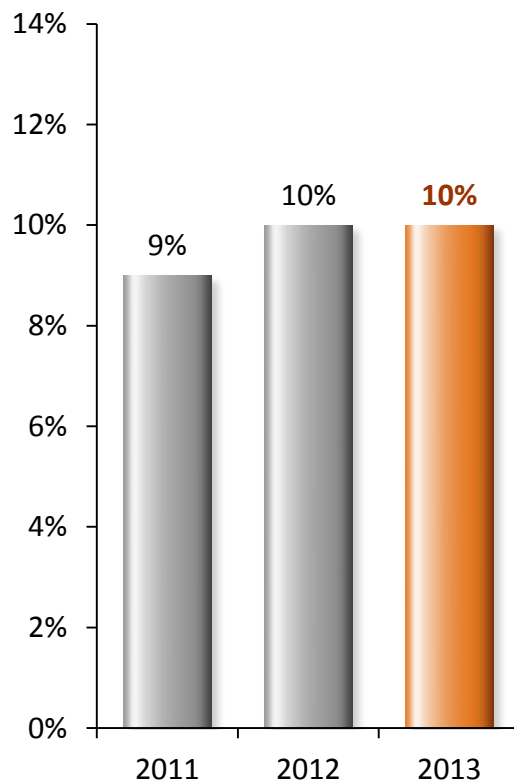
bossini

🔄 Total operating expenses accounted for 43% (2012: 45%) of revenue

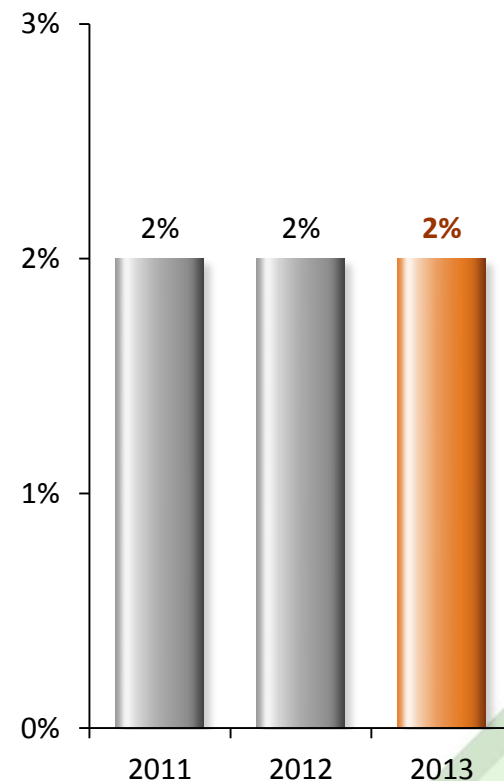
Selling and Distribution Costs
as a % of revenue



Administrative Expenses
as a % of revenue




Other Operating Expenses
as a % of revenue



For the six months ended 31 Dec

Solid Financial Position

bossini

	At 31 Jan 2014	At 31 Dec 2013	At 31 Dec 2012
Cash and bank balances (HK\$ mn)	457	352	344
Net cash* (HK\$ mn)	457	352	344

* Time deposits, cash and bank balances less bank borrowings

	At 31 Dec 2013	At 31 Dec 2012
Current ratio (times)	2.43	2.35
Total liabilities to equity ratio (%)	51	54
Return on equity (%)	19	9
Inventory turnover [#] (days)	99	100

[#] Inventory held at period end divided by annualised cost of sales times 365 days

bossini 
be happy!

Review of Operations



Operating Environment in 1H 2013/14 **bossini**

**Global economy showed modest rebound,
powered by high-income economies**

**Emerging markets have conversely experienced
a slowdown particular in Asia**

**Deteriorating conditions in apparel retailing industry
with some competitors struggled to destock**

Growth of e-tailing business

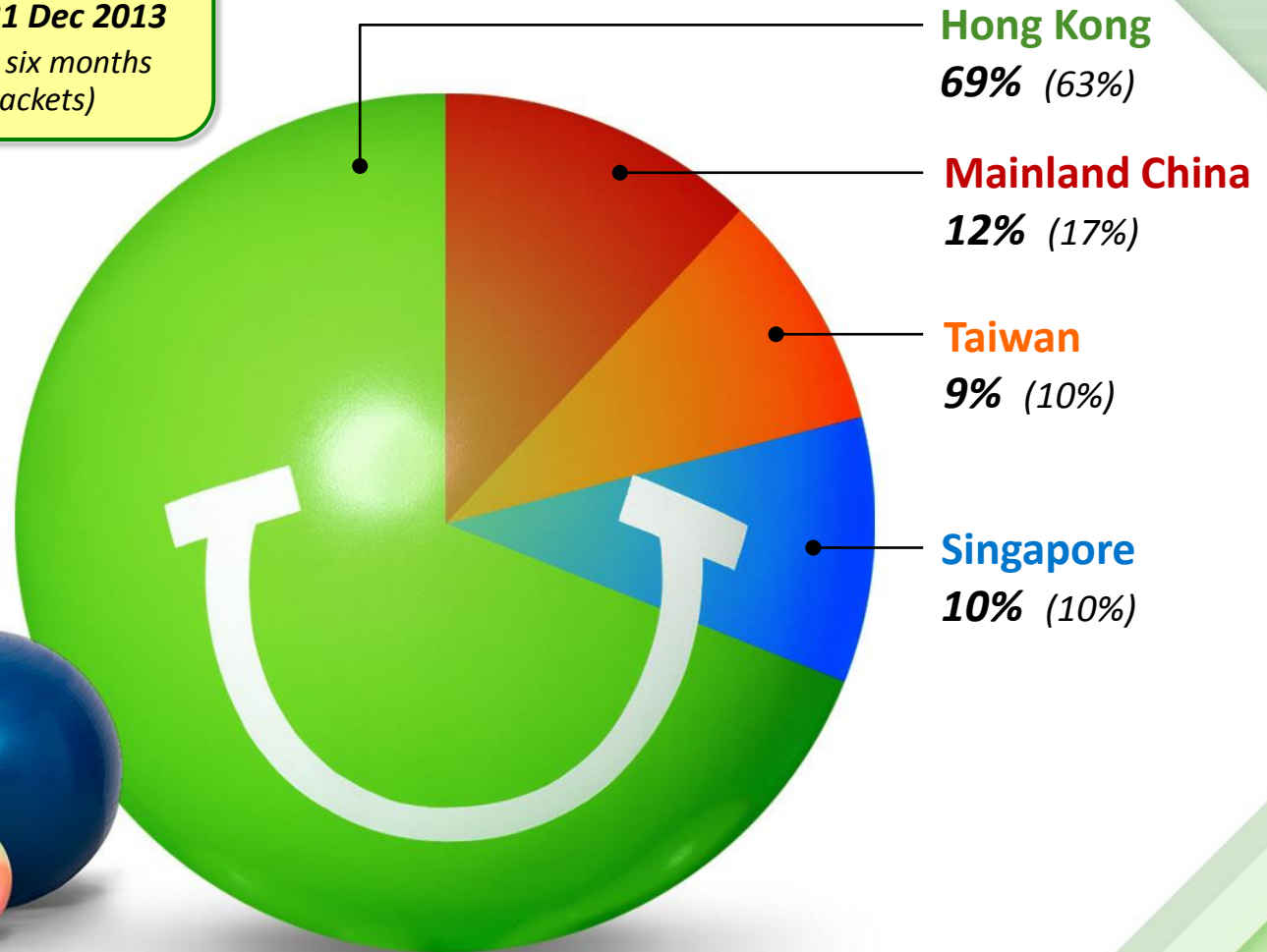


Revenue Analysis

bossini

Revenue by Geographical Market

For the six months ended 31 Dec 2013
(Comparative figures for the six months
ended 31 Dec 2012 in brackets)




Retail Performance by Region

bossini

- Overall same-store sales during the period under review grew by 7% (2012: 0%)
- Hong Kong and mainland China recorded double-digit growth on same-store sales

Same-store Sales Growth*

	For the six months ended 31 Dec		
	2013	2012	Change
 Hong Kong	11%	5%	+6% pts
Mainland China	12%	-5%	+17% pts
Taiwan	-6%	-19%	+13% pts
Singapore	-3%	5%	-8% pts
Total	7%	0%	+7% pts

Operating Margins

For the six months ended 31 Dec		
2013	2012	Change
12%	14%	-2% pts
-3%	-23%	+20% pts
-8%	-15%	+7% pts
-2%	1%	-3% pts
7%	4%	+3% pts

Operating Profit (HK\$ mn)

For the six months ended 31 Dec		
2013	2012	Change
107	122	-12%
(5)	(52)	+90%
(9)	(20)	+55%
(3)	1	-400%
90	51	+79%

* For directly managed stores only

No. of Stores by Region

bossini

			
	At 31 Dec 2013	At 30 Jun 2013	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong	41	41	0
Mainland China	127	144	-17
Taiwan	78	85	-7
Singapore	32	30	+2
Sub-total	278	300	-22
<i>No. of Franchised Stores</i>			
Mainland China	126	156	-30
Other countries	591	561	+30
Sub-total	717	717	0
Total	995	1,017	-22

International Footprint

bossini

🌐 A total of 995 (30 Jun 2013: 1,017) stores with presence in 40 countries and regions

253
(300)

Directly managed and franchised stores in mainland China

591
(561)

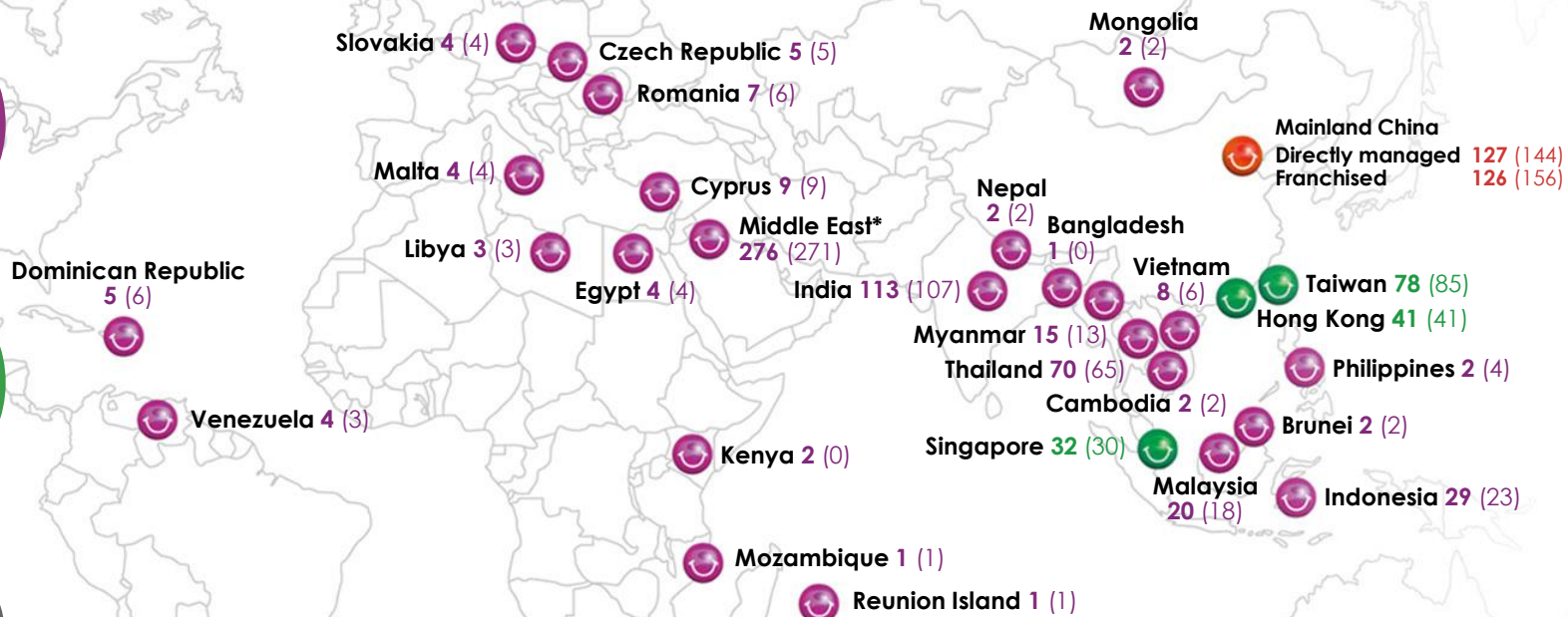
Export franchised stores

151
(156)

Directly managed stores in Hong Kong, Taiwan and Singapore

995
(1,017)

Stores in about 40 countries and regions



At 31 Dec 2013 (comparative figures at 30 Jun 2013 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

bossini



- ⑥ Partnered with *Sesame Street* and *Ocean Park* to successfully reach out to new audiences with ranges that appeal to shoppers of all ages
- ⑥ Renowned movie star Ms. Karen Ng (吳千語) served as the ambassador for the licensing programme of *Sesame Street*



Co-branded and Licensed Products

bossini



Co-branded and Licensed Products

bossini

Collaborated with Ocean Park Halloween Bash



Co-branded and Licensed Products

bossini

bossini x Sesame Street



Strong Brand Recognition

bossini



**Most Popular Brand Award 2013
- The Most Popular Apparel Brand
(by TVB Weekly)**



**Caring Company since 2004
(by Hong Kong Council
of Social Service)**



**Merit QTS Merchant Award
(Retail Category) 2013
(by Hong Kong Tourism Board)**



**Outstanding
Corporate Image Award 2013
(by TVB Weekly)**



Multi-Brand Strategy

bossini



bossini 



bossini 



Yb

Capex

bossini

bossini

(HK\$ mn)

Shop and office renovation

I.T. investment

Others

Total

For the six months
ended 31 Dec 2013

16

4

2

22



bossini 
be happy

Future Plans and Strategies



Business Strategies in 2013/14

bossini



Continuing the expansion into export markets that have been identified as possessing a good potential for growth



Partnering with well-known brands to launch co-branded and licensed products



Unveiling progressively our new store concept across the region and providing our customers with a memorable and pleasant shopping experience as enhancement of brand image



Enhancing our supply chain capability



Future Targets

bossini

Our Vision



To be the most preferred everyday wear brand

Operational Performance



Optimise efficiency and agility across the supply chain

Dividend Payment



Strive to maintain our dividend payout ratio above 50%

Growth Drivers



Continue a targeted expansion in export market

