

Corporate Presentation

2015/16 Annual Results

21 September 2016



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Agenda

Financial Review

Review of Operations

Future Plans and Strategies

Open Forum





Financial Review

FY 2015/16 Highlights

- The Group experienced a decrease in total revenue of 8%. Same-store sales decreased 6%, with a narrowed decline of 1% in 2H 2015/16 compared with 12% decline in 1H 2015/16
- All regions recorded improvements in same-store sales in 2H 2015/16 compared with 1H 2015/16
- Gross profit was HK\$1,107 million, with a gross margin down by 2% points to 48%
- Profit for the year increased 153% with amount of HK\$292 million, while excluding the gain on disposal of property and leaseback arrangement of HK\$268 million, profit decreased 79% to HK\$25 million
- Continued to expand the export franchising business, by adding 28 stores with footprint across 28 countries
- Maintained a healthy financial position with a record-high net cash balance of HK\$512 million and improved inventory turnover days



Results Highlights

<i>(HK\$ mn)</i>	<i>For the year ended 30 Jun</i>		
	2016	2015	Change
Revenue	2,319	2,523	-8%
Gross profit	1,107	1,264	-12%
Gross margin (%)	48%	50%	-2% pts
EBITDA*	356	177	+101%
Operating profit*	304	132	+130%
Profit for the year attributable to owners*	292	115	+153%
Basic EPS* (HK cents)	17.87	7.08	+152%
Dividends per share (HK cents)			
-Interim	Nil	2.70	-100%
-Special interim	1.22	Nil	n/a
-Final	Nil	4.38	-100%
-Special final	1.22	Nil	n/a

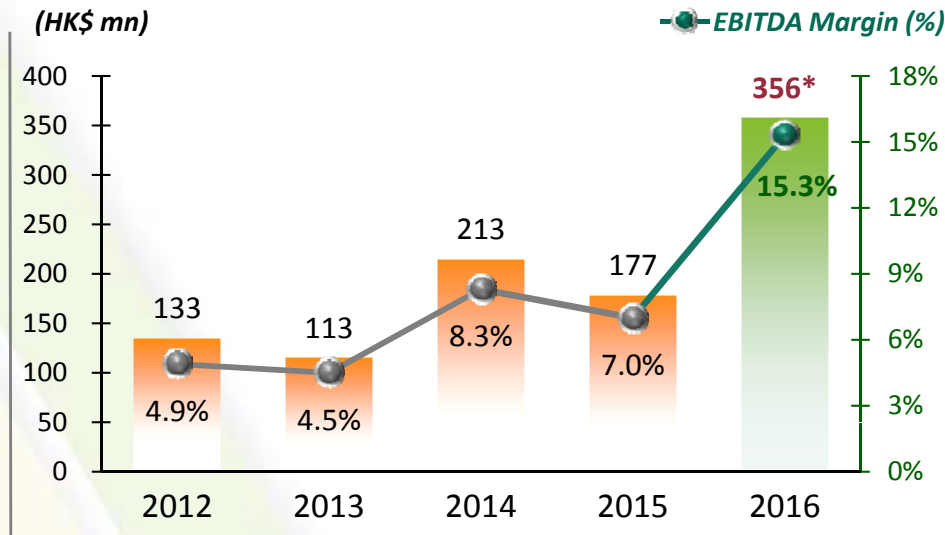
* Including the gain on disposal of property and leaseback arrangement of HK\$268 million (2015: Nil)



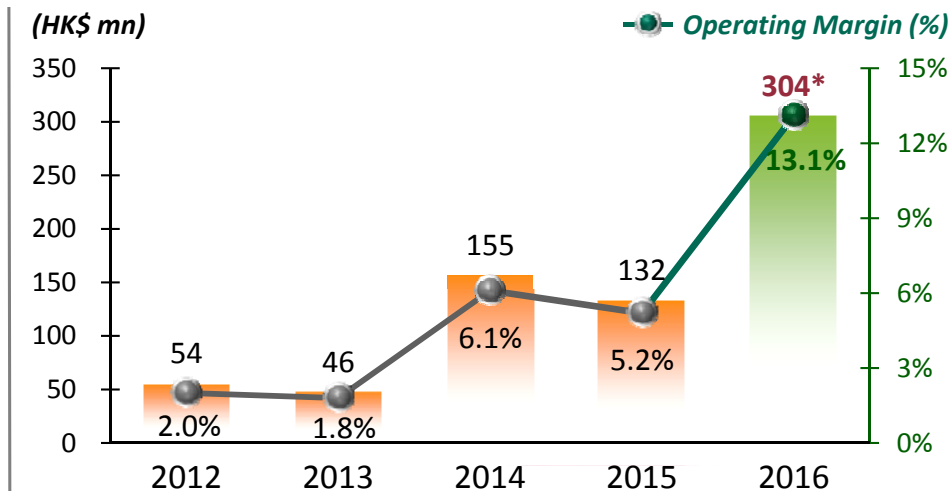
Profitability



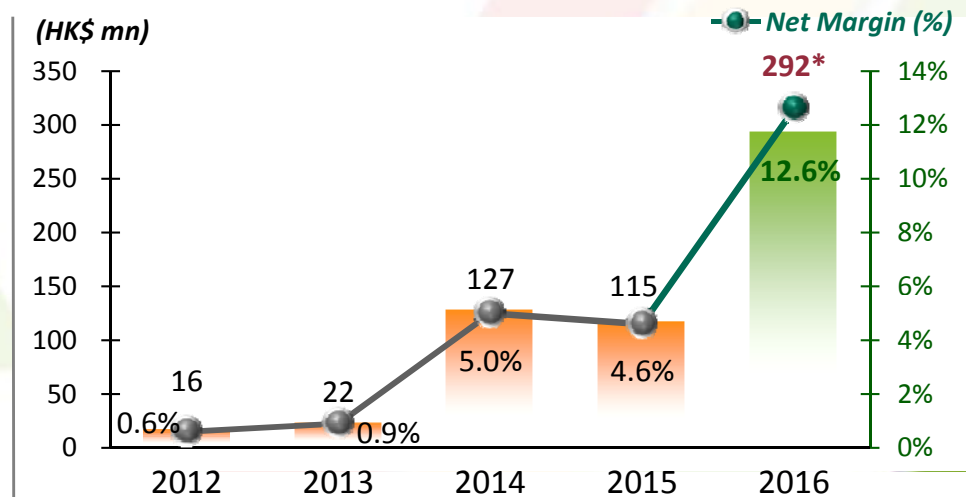
EBITDA



Operating Profit



Profit Attributable to Owners



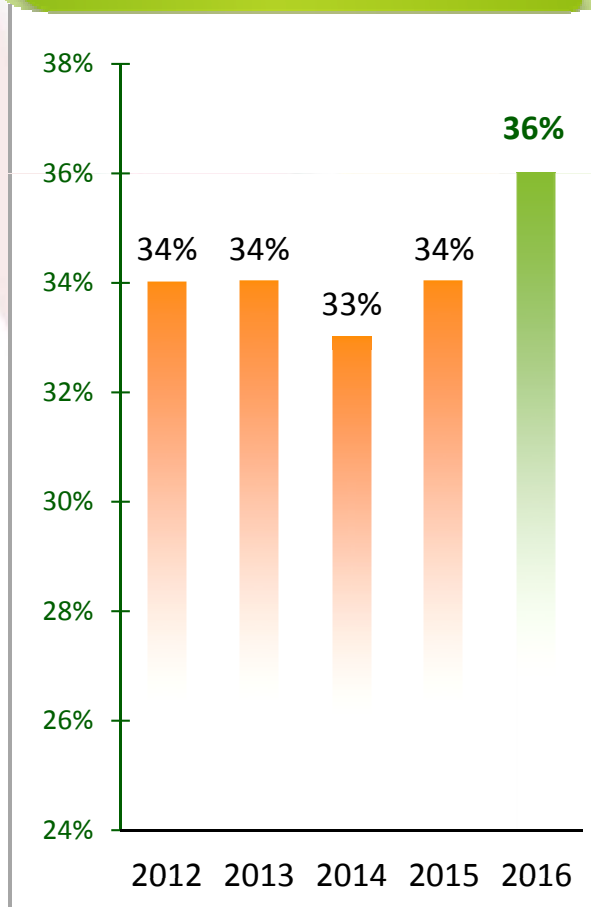
For the year ended 30 Jun

* Including the gain on disposal of property and leaseback arrangement of HK\$268 million

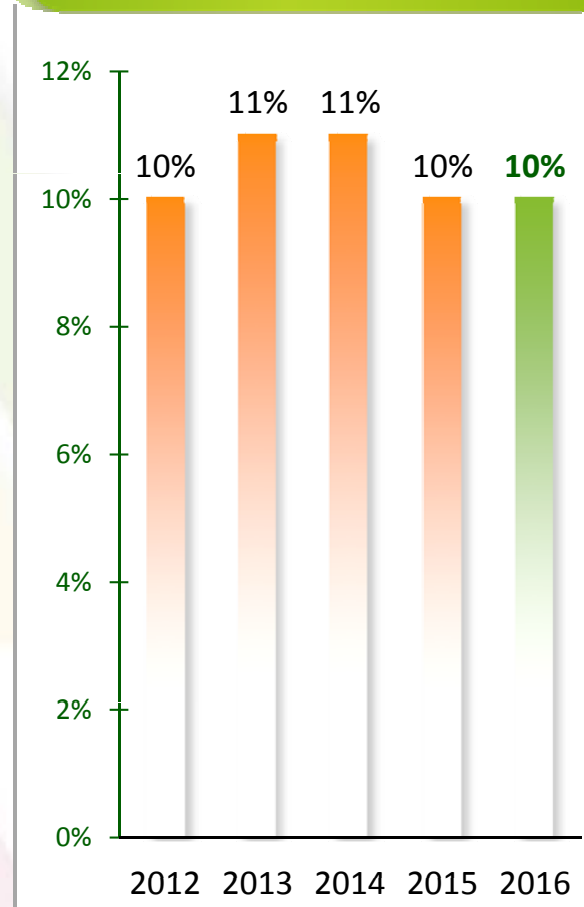
Operating Expenses Breakdown

 Total operating expenses accounted for 48% (2015: 46%) of total revenue

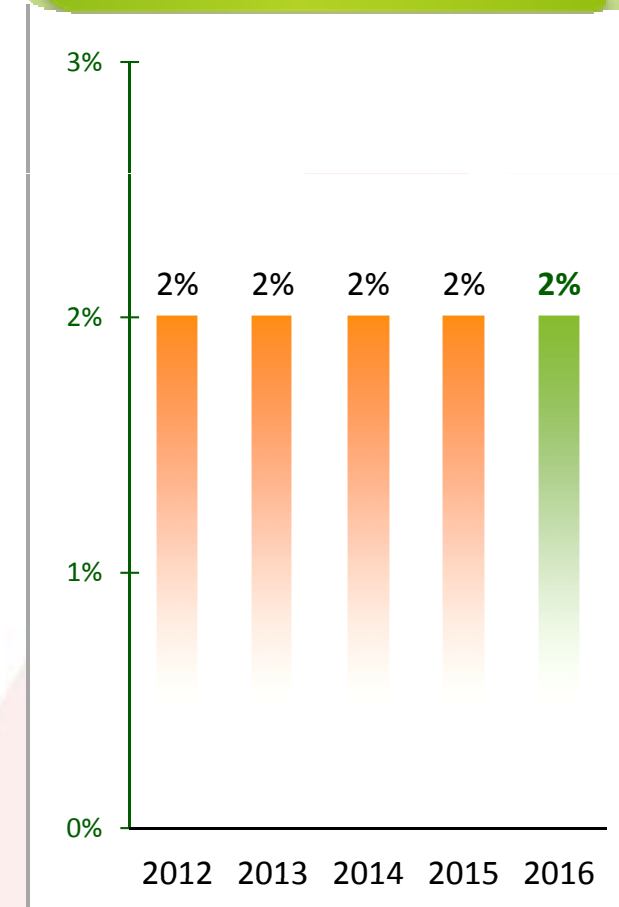
Selling and Distribution Expenses as a % of revenue



Administrative Expenses as a % of revenue



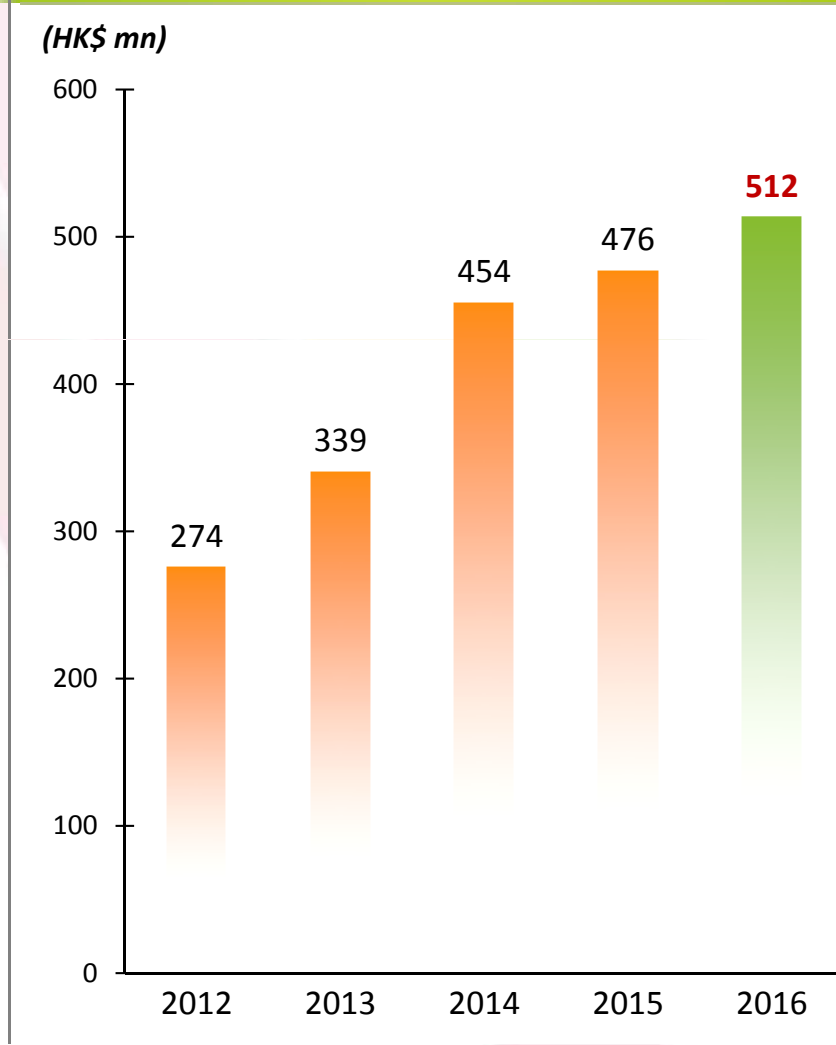
Other Operating Expenses as a % of revenue



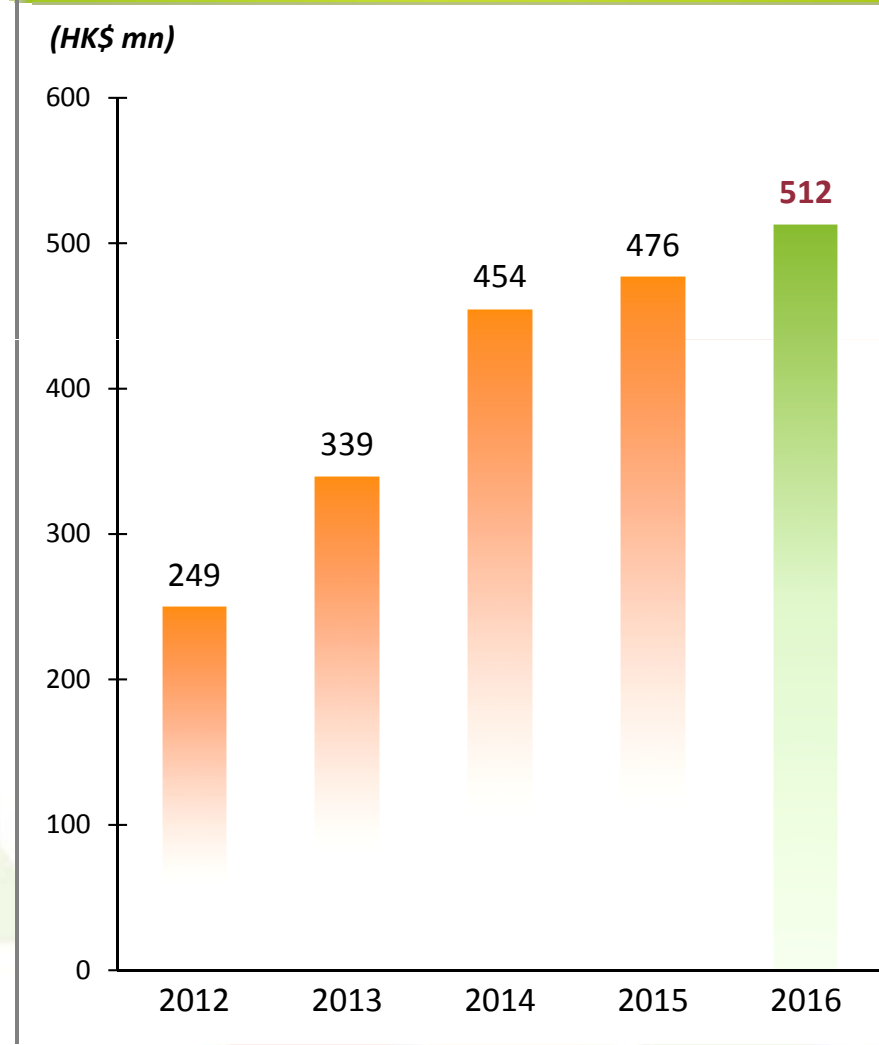
For the year ended 30 Jun

Solid Financial Position

Cash and Bank Balances



Net Cash *



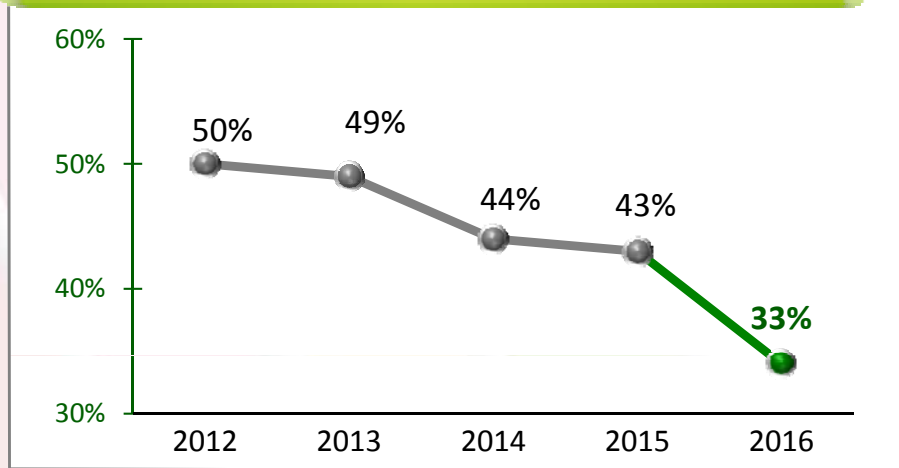
* Time deposits, cash and bank balances less bank borrowings

At 30 Jun

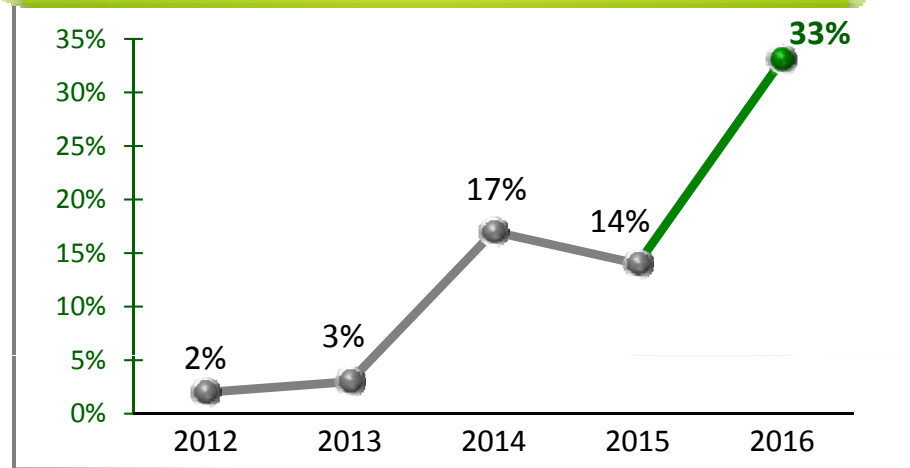


Solid Financial Position

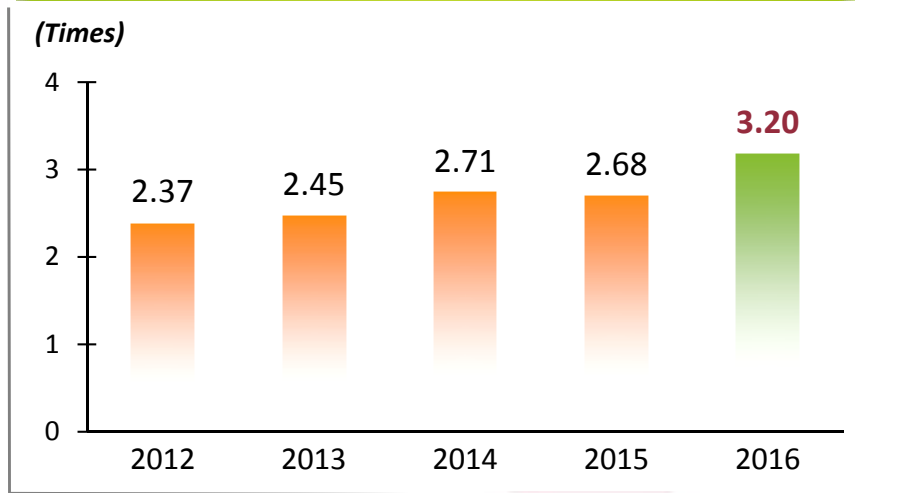
Total Liabilities to Equity Ratio



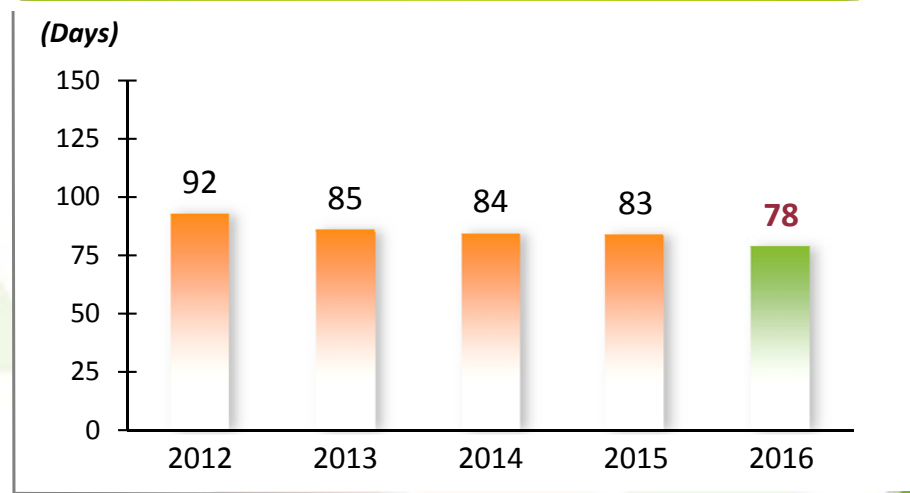
Return on Equity



Current Ratio



Inventory Turnover



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

At 30 Jun



Review of Operations

Operating Environment in 2015/16

The world economy has seen modest growth but has been tempered by increase in uncertainty

Hong Kong's economy continued to be affected by the reduced number of visitors, weak local sentiment and unseasonably warm winter weather during late 2015

Competition remained intense for the wearing apparel sector in several core markets



Revenue Analysis

Hong Kong and Macau

70% (69%)

Singapore

8% (9%)

Taiwan

8% (8%)

**Mainland
China**

14% (14%)

**Revenue by
Geographical Market**

**For the year ended
30 Jun 2016**

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




Performance by Segment

	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>		
	2016	2015	2016	2015	Change	2016	2015	Change
Hong Kong and Macau	-9%	0%	22%	9%	+13% pts	353	158	+123%
Mainland China	-5%	6%	-6%	0%	-6% pts	(20)	(1)	-1900%
Taiwan	-6%	7%	-13%	-5%	-8% pts	(23)	(11)	-109%
Singapore	6%	-2%	-3%	-7%	+4% pts	(6)	(14)	+57%
Total	-6%	1%	13%	5%	+8% pts	304	132	+130%

* For directly managed stores only

Same-store Performance

- The overall same-store sales growth accelerated during 2H 15/16

	Same-store Sales Growth*		
	1H 15/16	2H 15/16	FY 15/16
 bossini			
Hong Kong and Macau	-14%	-3%	-9%
Mainland China	-8%	-3%	-5%
Taiwan	-14%	2%	-6%
Singapore	-1%	14%	6%
Total	-12%	-1%	-6%

* For directly managed stores only

No. of Stores by Region

	At 30 Jun 2016	At 30 Jun 2015	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	42	40	+2
Mainland China	147	120	+27
Taiwan	70	69	+1
Singapore	21	28	-7
Sub-total	280	257	+23
<i>No. of Franchised Stores</i>			
Mainland China	39	81	-42
Other countries	628	600	+28
Sub-total	667	681	-14
Total	947	938	+9

International Footprint



A total of 947 stores (2015: 938) with presence in 32 countries and regions

186
(201)
Directly managed and franchised stores in mainland China

133
(137)
Directly managed stores in Hong Kong, Macau, Taiwan and Singapore

628
(600)
Export franchised stores

947
(938)
Stores in about 32 countries and regions

At 30 Jun 2016 (comparative figures at 30 Jun 2015 are shown in brackets)
* The Middle East includes Armenia, Bahrain, Iraq, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia, UAE and Yemen

Marketing and Branding



Launched Licensed Collection with *Frozen*, *STAR WARS*, *Sanrio Characters*, *Skittles & Doublemint* and *Finding Dory* and collaborated with *Ocean Park*, as one of our key strategy for the Group on marketing and branding



Co-branded and Licensed Products



bossini x Frozen Collection

bossini 



Disney
FROZEN



Collaborated with Ocean Park Halloween Bash

bossini 



bossini x STAR WARS Collection

bossini 



STAR WARS

bossini x Sanrio Characters Collection

A DAY WITH SANRIO CHARACTERS



HAPPY EVERYDAY

Yb by bossini x Skittles & Doublemint

bossini @



bossini x Finding Dory Collection

bossini 



A Sea
ADVENTURE
WITH **DORY**



SUMMER HOT.



Disney Pixar
FINDING DORY

Strong Brand Recognition



PR Awards 2015-Bronze Award
Best PR Campaign – Lifestyle

(By Marketing Interactive)



Caring Company 2004-2016

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



Happy Company 2016

- 3 consecutive years
 (By Promoting Happiness Index Foundation)



Best Retailer of The Year-Disney Consumer Products Hong Kong 2015

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



Top 10 eCommerce Website Awards 2016

- 2 consecutive years
 (By GS1 Hong Kong and Retail Asia Expo)



Capex

bossini @



(HK\$ mn)	For the year ended 30 Jun 2016
Shop and office renovation	45
I.T. investment	10
Others	1
Total	56



Future Plans and Strategies

Business Strategies in 2016/17

- Expand market share for young adults and further grow our line of clothing for kids
- Develop more products with focus on better functionality
- Strengthen the supply chain management to increase overall operational efficiency
- Plan to nurture several export markets with high-growth potential and implement cost control initiatives across the Group





Our Vision

To be the most preferred everyday wear brand



Corporate Culture

Continue to live the “7 Habits®” and cultivate “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