

Corporate Presentation

2017/18 Interim Results

21 February 2018



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Agenda

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Financial Review

Review of Operations

Future Plans and Strategies

Open Forum

Financial Review



1H 2017/18 Highlights

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Loss for the period attributable to owners was HK\$12 million, mainly due to the decrease in the profit derived from the retail and export franchising business in Hong Kong and Macau segment, which was a result of the continuously weak and competitive apparel retailing environment and foreign exchange fluctuation.



The Group's revenue decreased by 5%, while same-store sales declined by 2% yet same-store sales growth became positive in the second quarter, gross margin increased by 2% points to 53%.



The performance of the mainland China market and the Taiwan market was improving with positive growth in same-store sales.



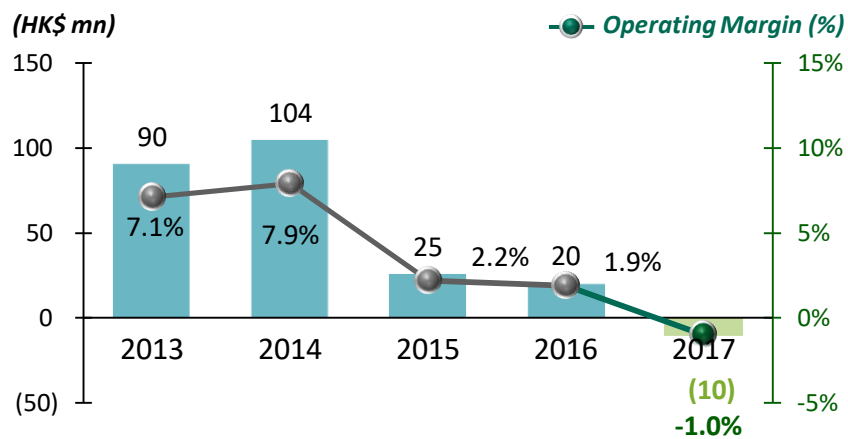
Maintained a healthy financial position with a net cash balance of HK\$354 million. Also, the Group held an investment fund of HK\$233 million and a note receivable of HK\$39 million.

Results Highlights

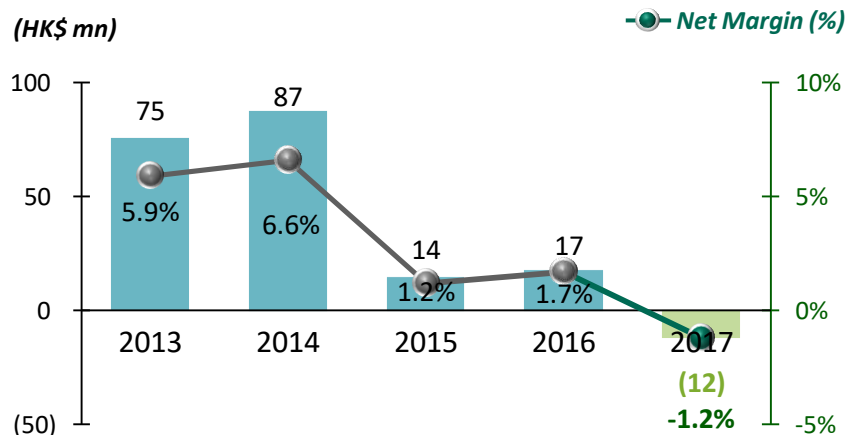
	For the six months ended 31 Dec		
(HK\$ mn)	2017	2016	Change
Revenue	974	1,022	-5%
Gross profit	512	519	-1%
Gross margin (%)	53%	51%	+2% pts
EBITDA	1	38	-97%
Operating profit / (loss)	(10)	20	-148%
Profit / (loss) for the period attributable to owners	(12)	17	-170%
Basic earnings / (loss) per share (HK cents)	(0.72)	1.03	-170%
Dividend per share (HK cents)	1.22	-	n/a
- Interim	-	1.22	-100%
- Special interim	-	-	-

Profitability

Operating Profit / (Loss)



Profit / (Loss) Attributable to Owners



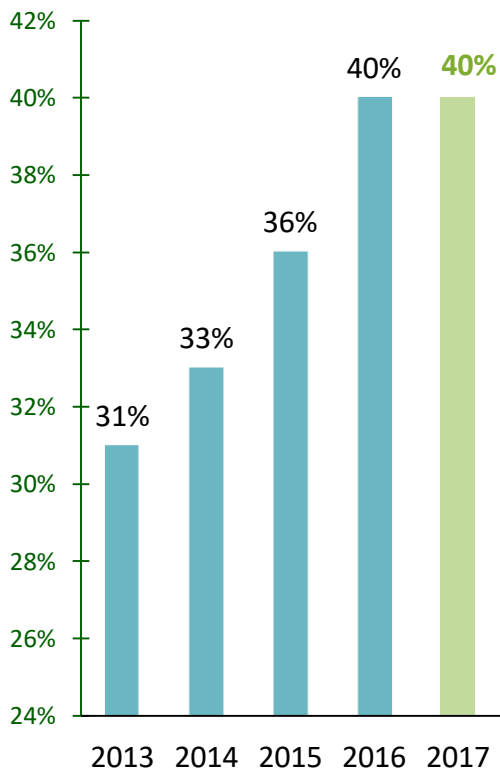
For the six months ended 31 Dec



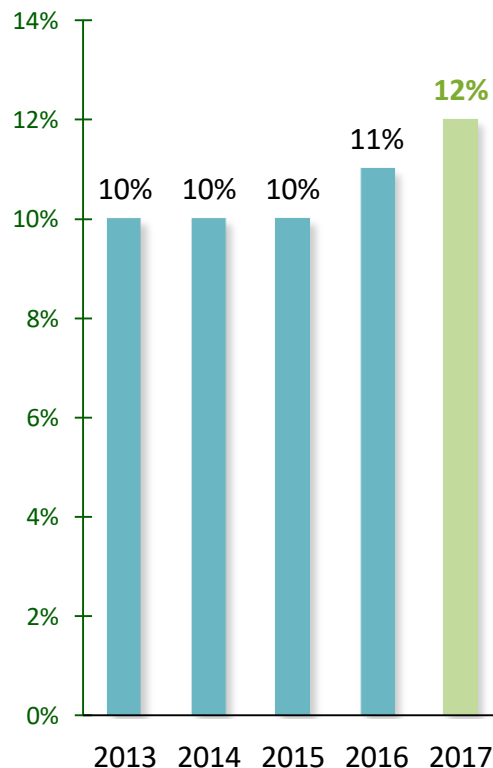
Operating Expenses Breakdown

e Total operating expenses accounted for 56% (2016: 52%) of total revenue

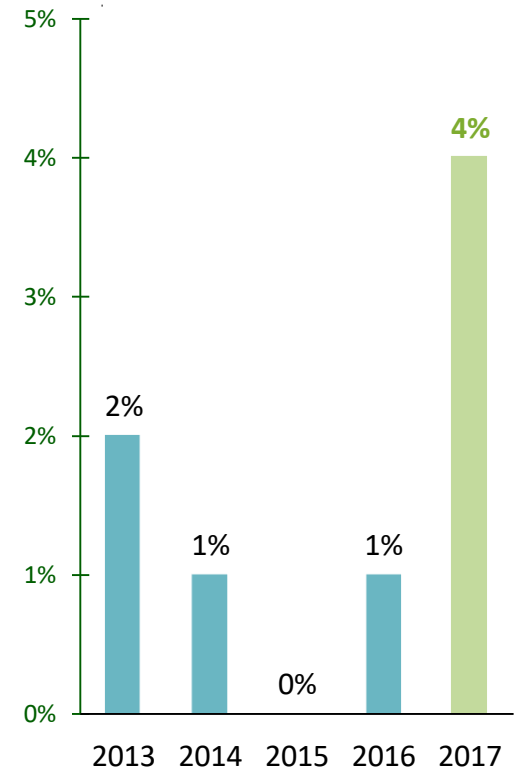
Selling and Distribution Expenses as a % of revenue



Administrative Expenses as a % of revenue



Other Operating Expenses as a % of revenue



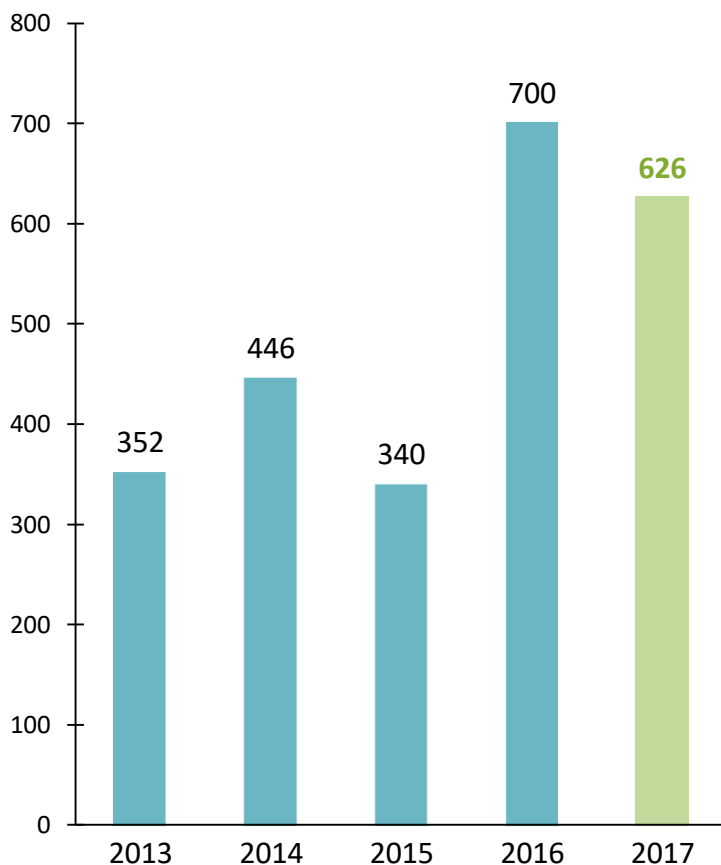
For the six months ended 31 Dec

Solid Financial Position

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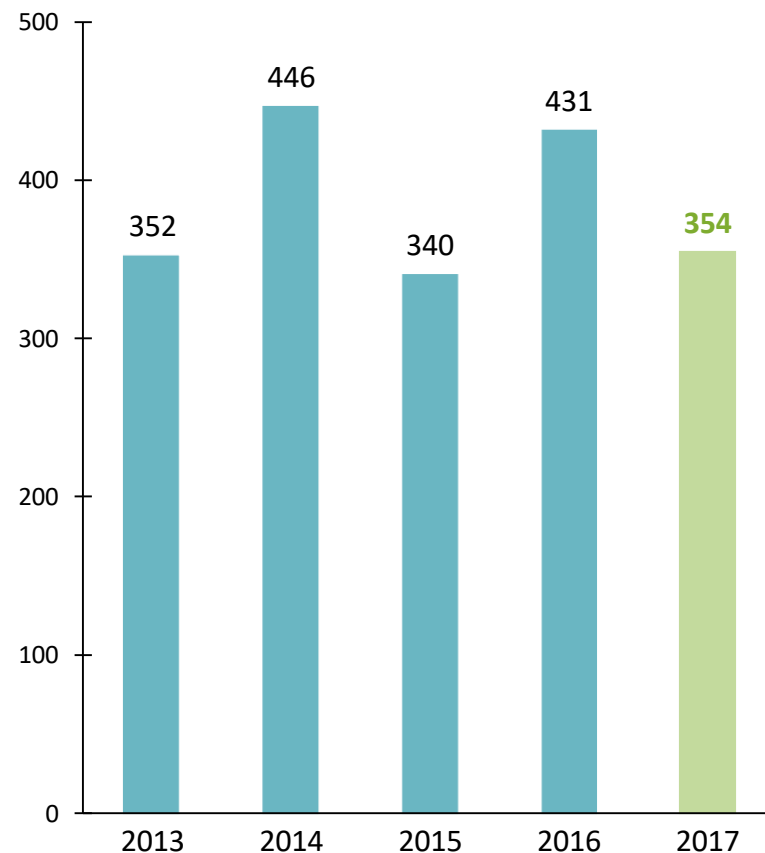
Cash and Bank Balances + Investment Fund + Note Receivable

(HK\$ mn)



Net Cash *

(HK\$ mn)

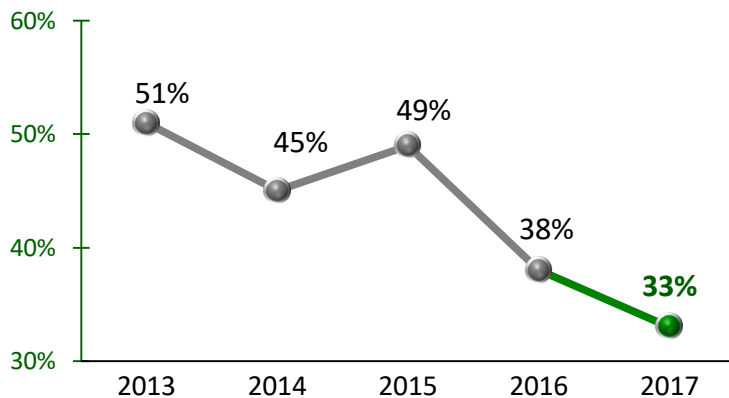


* Time deposits, cash and bank balances less bank borrowings

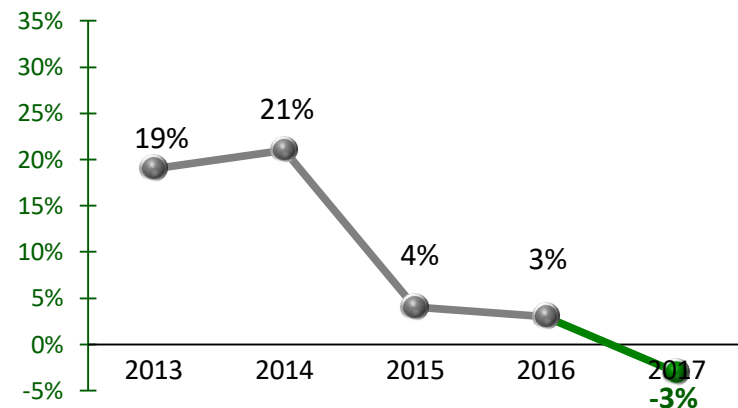
At 31 Dec

Solid Financial Position

Total Liabilities to Equity Ratio

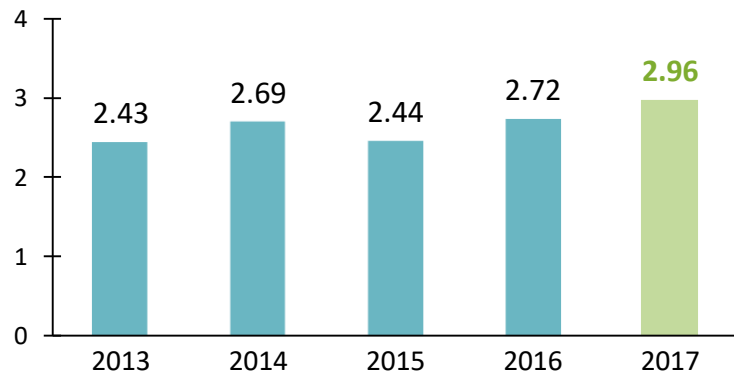


Return on Equity



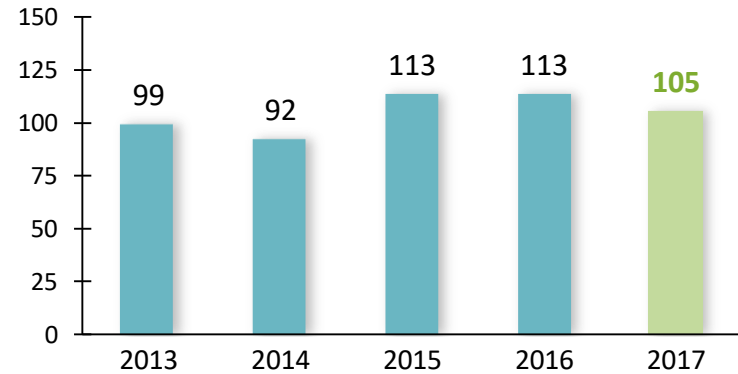
Current Ratio

(Times)



Inventory Turnover

(Days)



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

At 31 Dec

Review of Operations



Revenue Analysis

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Hong Kong and Macau

66% (69%)

Mainland China

18% (15%)

Taiwan

9% (8%)

Singapore

7% (8%)

Revenue by
Geographical Market

**For the six months
ended 31 Dec 2017**

(Comparative figures for the six months
ended 31 Dec 2016 in brackets)



Retail Performance by Segment

	Same-store Sales Growth*		Same-store Gross Profit Growth*	
	For the six months ended 31 Dec		For the six months ended 31 Dec	
	2017	2016	2017	2016
Hong Kong and Macau	-4%	-6%	-3%	0%
Mainland China	9%	-2%	4%	0%
Taiwan	5%	-2%	3%	1%
Singapore	-8%	-8%	-12%	-5%
Total	-2%	-6%	-3%	-1%

* For directly managed stores only

Same-store Performance



	Same-store Sales Growth*		
	1Q 17/18	2Q 17/18	1H 17/18
Hong Kong and Macau	-9%	1%	-4%
Mainland China	3%	13%	9%
Taiwan	-1%	11%	5%
Singapore	-10%	-7%	-8%
Total	-7%	3%	-2%

* For directly managed stores only

Performance by Segment

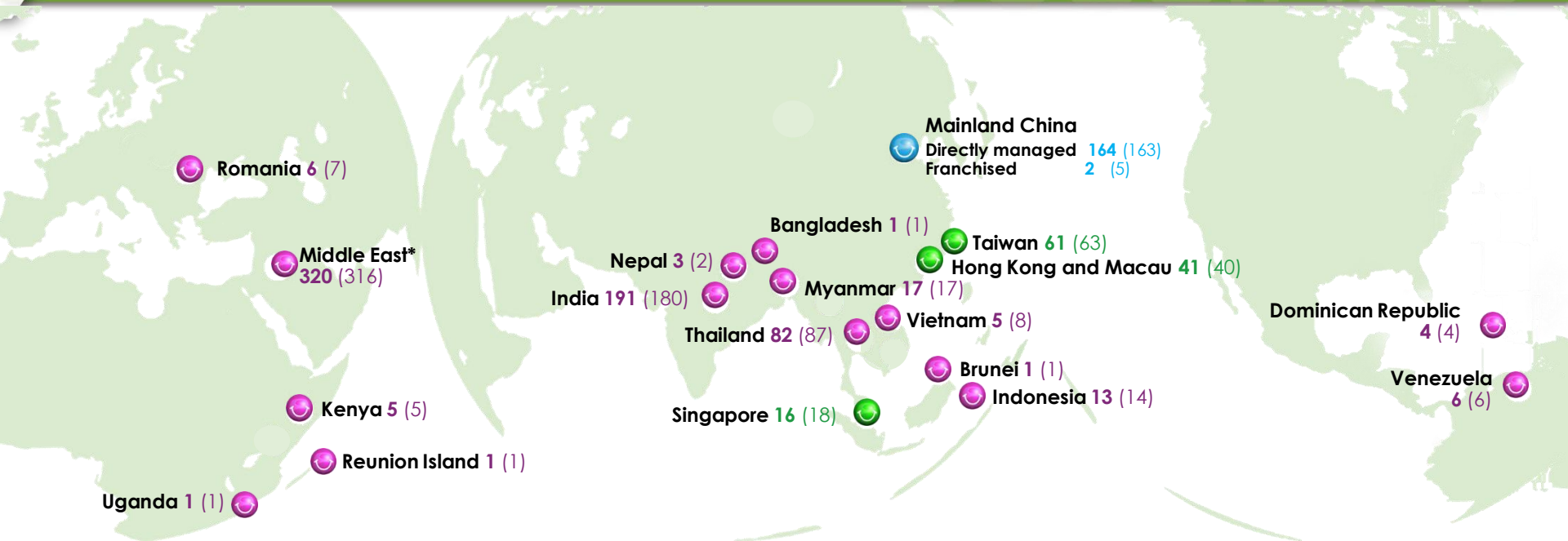
	Operating Profit / (Loss) (HK\$ mn)			Operating Margin		
	For the six months ended 31 Dec			For the six months ended 31 Dec		
	2017	2016	Change	2017	2016	Change
Hong Kong and Macau	12	49	-76%	2%	7%	-5% pts
Mainland China	(12)	(13)	+8%	-7%	-9%	+2% pts
Taiwan	(6)	(11)	+45%	-7%	-14%	+7% pts
Singapore	(4)	(5)	+20%	-6%	-6%	0% pt
Total	(10)	20	-148%	-1%	2%	-3% pts

No. of Stores by Region



	At 31 Dec 2017	At 30 Jun 2017	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	41	40	+1
Mainland China	164	163	+1
Taiwan	61	63	-2
Singapore	16	18	-2
Sub-total	282	284	-2
<i>No. of Franchised Stores</i>			
Mainland China	2	5	-3
Other countries	656	651	+5
Sub-total	658	656	+2
Total	940	940	0

International Footprint



A total of 940 stores (30 June 2017: 940) with presence in 29 countries and regions



At 31 Dec 2017 (comparative figures at 30 Jun 2017 are shown in brackets)

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

Marketing and Branding



- ③ Launched two new licensing programmes in 1H 2017/18, namely *bossini x Emoji* and *bossini x LINE FRIENDS*.



Co-branded and Licensed Products



bossini x Emoji



a day with
emoji

bossini x LINE FRIENDS



Strong Brand Recognition

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Best Influencer Strategy (2017)

Gold Award

(By PR Awards 2017 – Marketing Magazine)



Hong Kong Licensing Awards (2017)

Best Licensee Award - Merit Award

(By Asian Licensing Association)



Caring Company (since 2004)

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



Manpower Developer 1st (since 2010)

- 7 consecutive years
(By Employees Retraining Board)



(HK\$ mn)	For the six months ended 31 Dec 2017
Shop and office renovation	12
I.T. investment	3
Total	15



Future Plans and Strategies



Business Strategies in 2017/18



- Launch more products with a focus on functionality and expand market share for young adults
- Continue to focus on the mainland China market, where the healthy increase in revenue and its e-commerce platform offered high potential for further development
- Nurture growing and promising export markets and further develop the kids' line
- Strengthen supply chain management to increase operational efficiencies
- Continue to launch co-branded and licensing programmes
- Develop a new generation of shop concept to enhance branding and encourage traffic flow

Open Forum

