






Corporate Presentation

2018/19 Interim Results
20 February 2019

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Agenda

1. Financial Review
2. Review of Operations
3. Future Plans and Strategies

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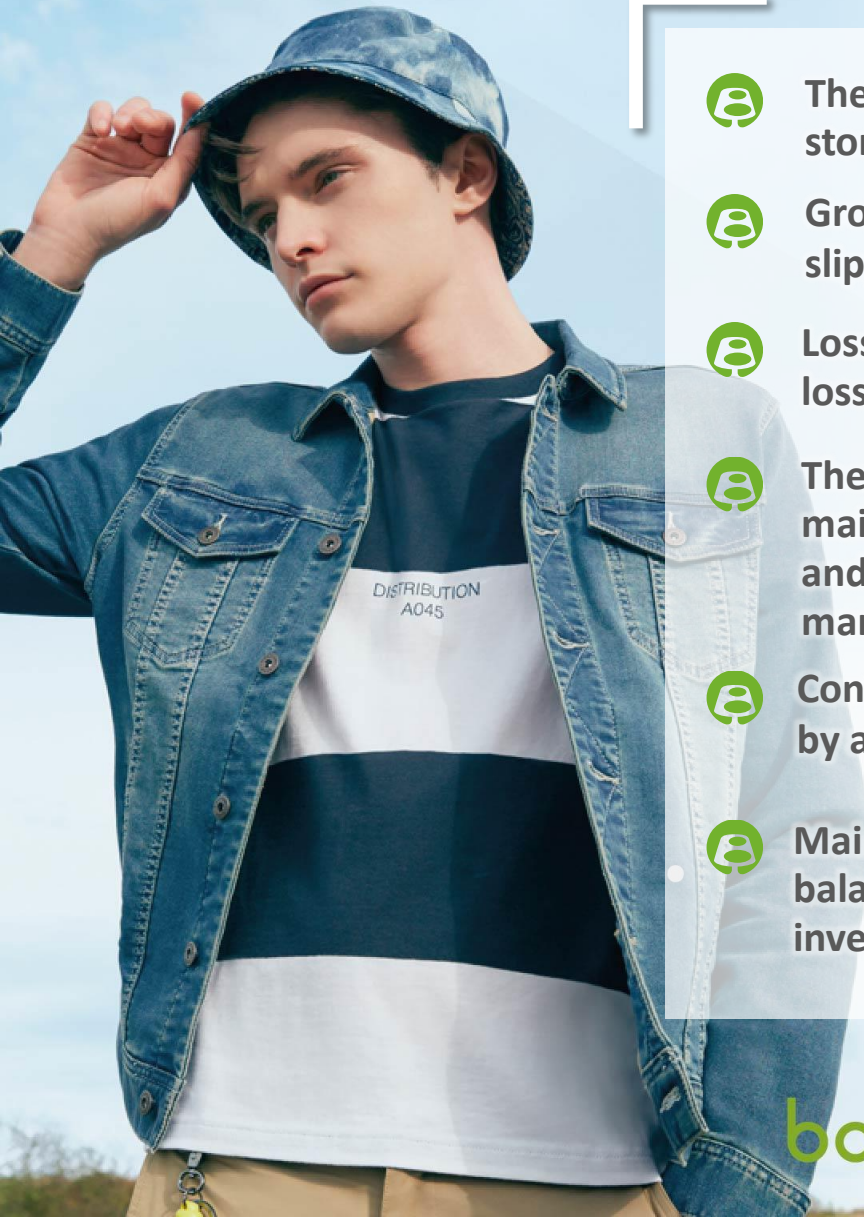
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Financial Review



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1H 2018/19 Highlights



-  The Group's revenue decreased by 10%, while same-store sales declined by 5%
-  Gross profit decreased by 11% and the gross margin slipped 1% point to 52%
-  Loss attributable to owners was HK\$26 million. Basic loss per share amounted to HK1.57 cents
-  The decrease in profit attributable to owners was mainly due to the unseasonal warm winter weather and the weak consumer sentiment in several core markets
-  Continued to expand the export franchising business, by adding 114 stores net
-  Maintained a healthy financial position with a net cash balance of HK\$283 million. Also, the Group held an investment fund of HK\$231 million

Results Highlights

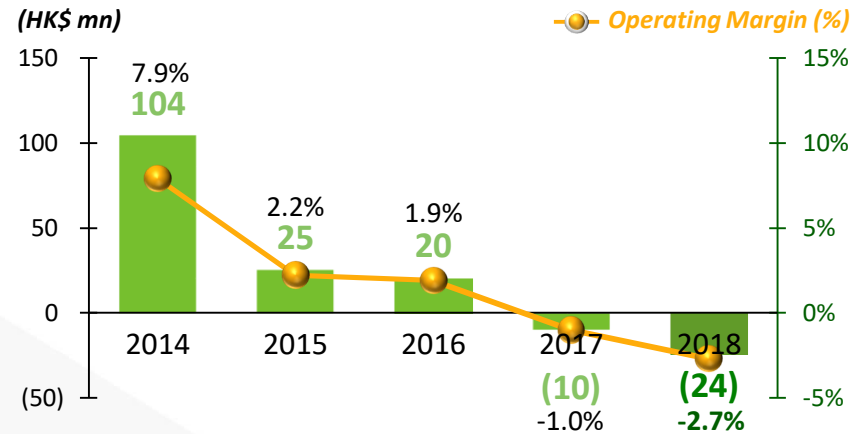
For the six months ended 31 Dec

(HK\$ mn)	2018	2017	Change
Revenue	875	974	-10%
Gross profit	457	512	-11%
Gross margin (%)	52%	53%	-1% pt
EBITDA	(15)	1	-1,378%
Operating loss	(24)	(10)	-150%
Loss for the period attributable to owners	(26)	(12)	-118%
Basic loss per share (HK cents)	(1.57)	(0.72)	-118%
Interim dividend per share (HK cents)	1.22	1.22	0%

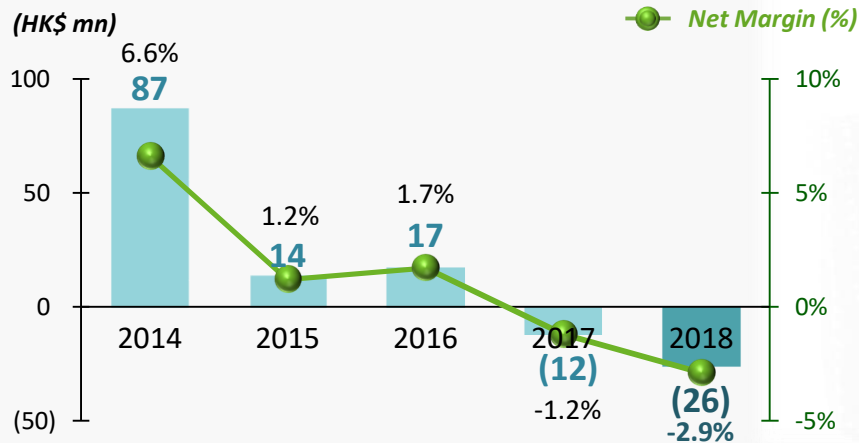
Profitability



Operating Profit / (Loss)



Profit / (Loss) Attributable to Owners



For the six months ended 31 Dec

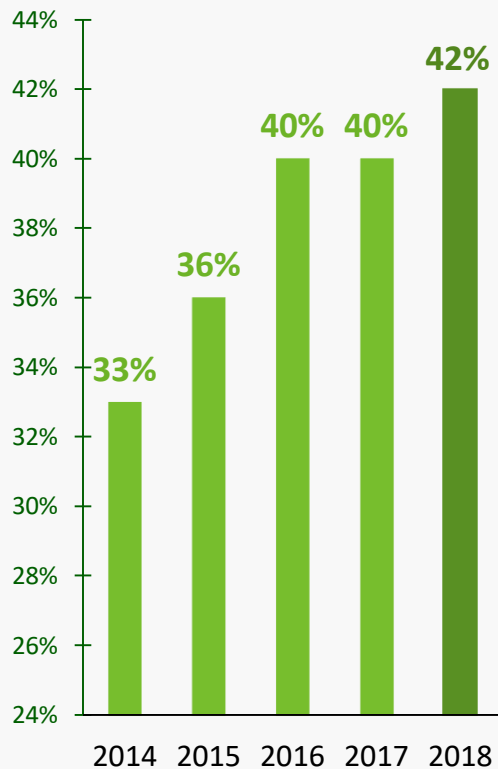
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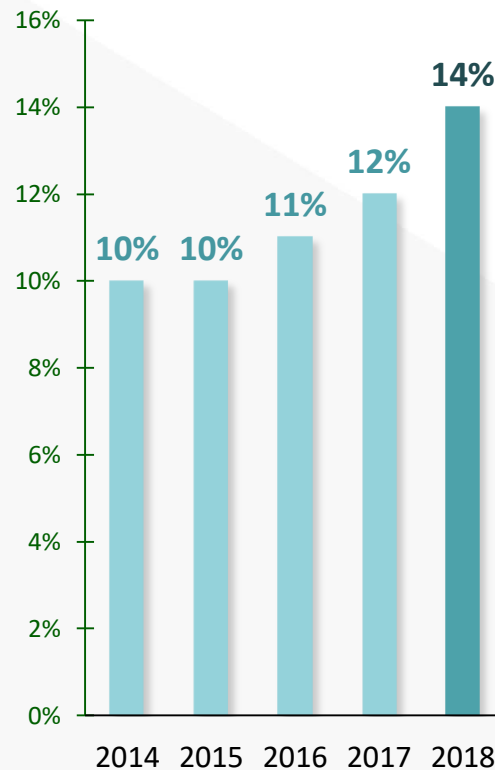
Operating Expenses Breakdown

e Total operating expenses accounted for 58% (2017: 56%) of total revenue

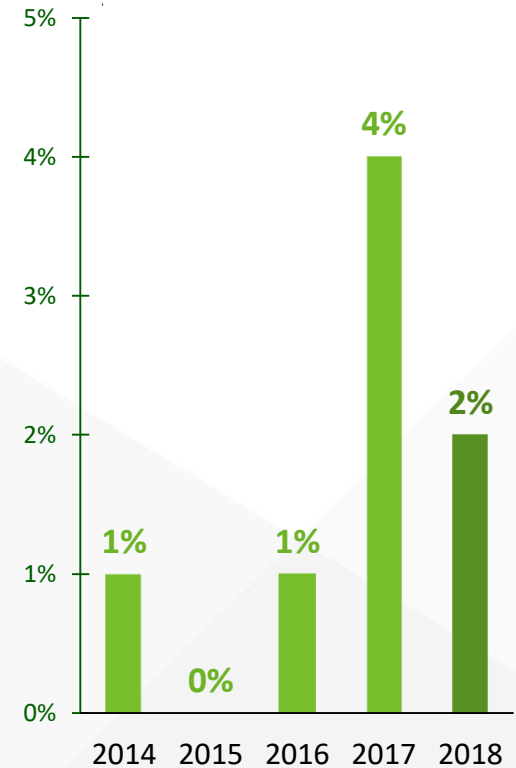
Selling and Distribution Expenses as a % of revenue



Administrative Expenses as a % of revenue



Other Operating Expenses as a % of revenue

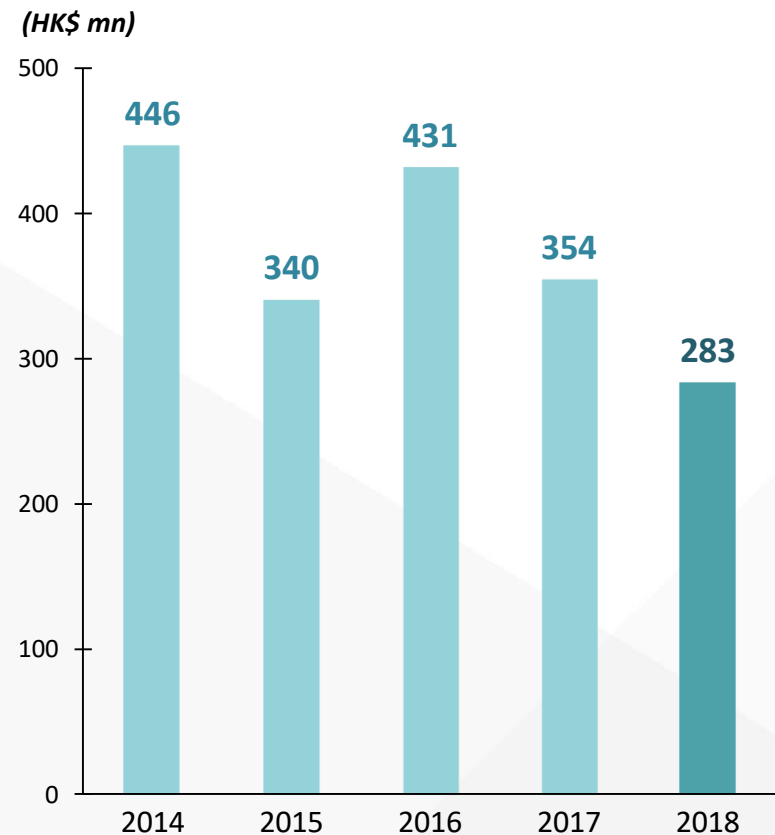
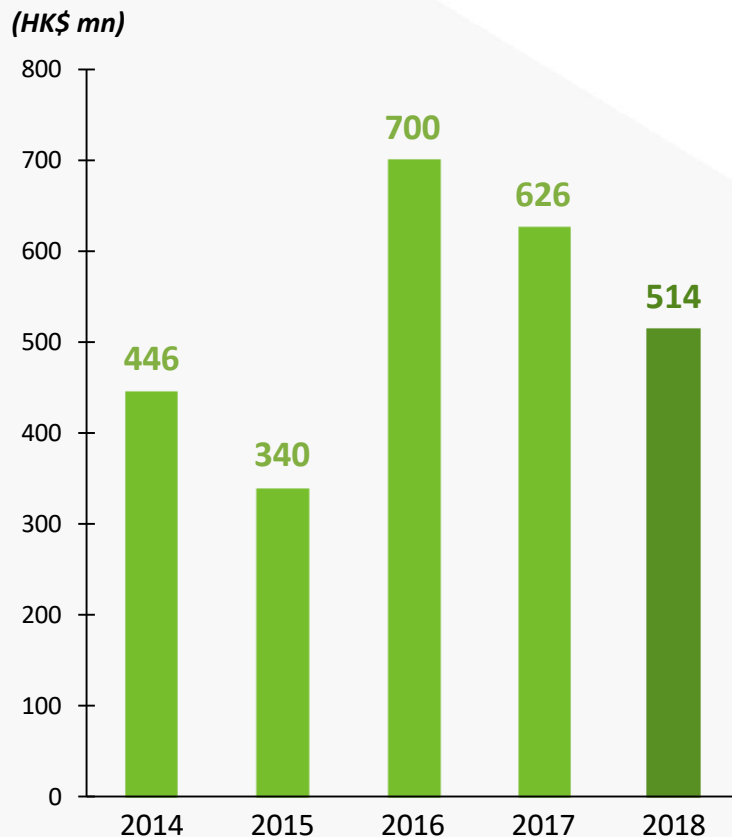


For the six months ended 31 Dec

Solid Financial Position

Net Cash* + Investment Fund + Note Receivable

Net Cash *

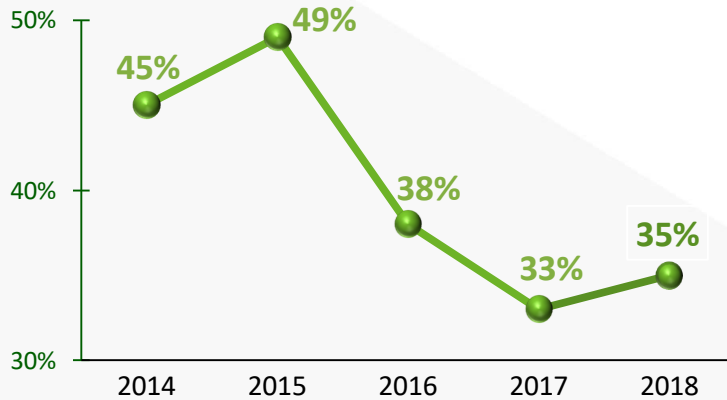


* Time deposits, cash and bank balances less bank borrowings

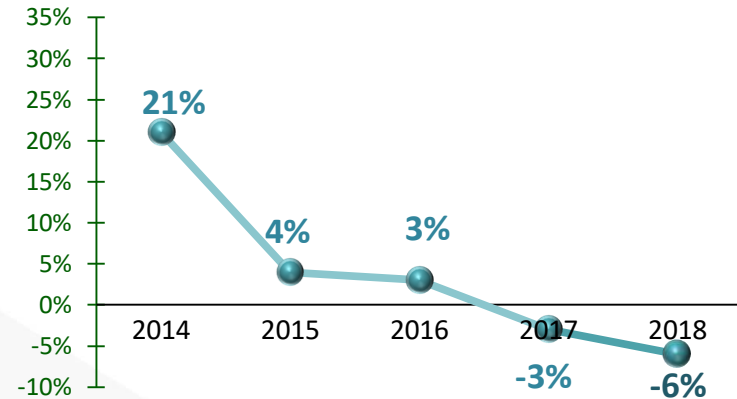
At 31 Dec

Solid Financial Position

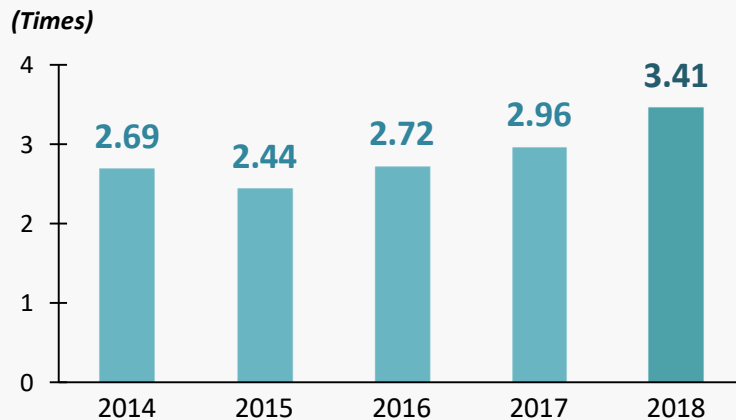
Total Liabilities to Equity Ratio



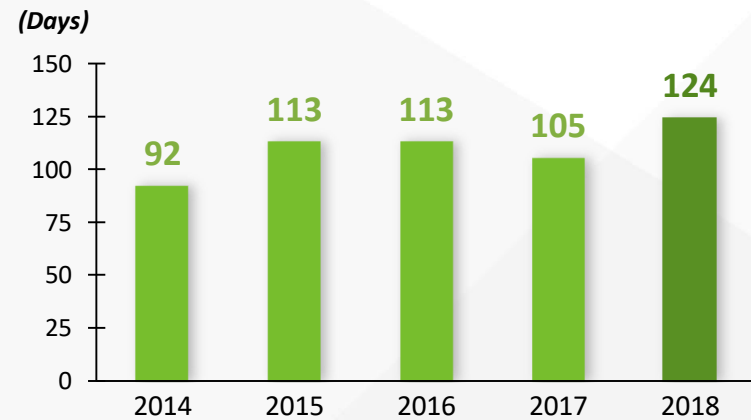
Return on Equity



Current Ratio



Inventory Turnover



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

At 31 Dec

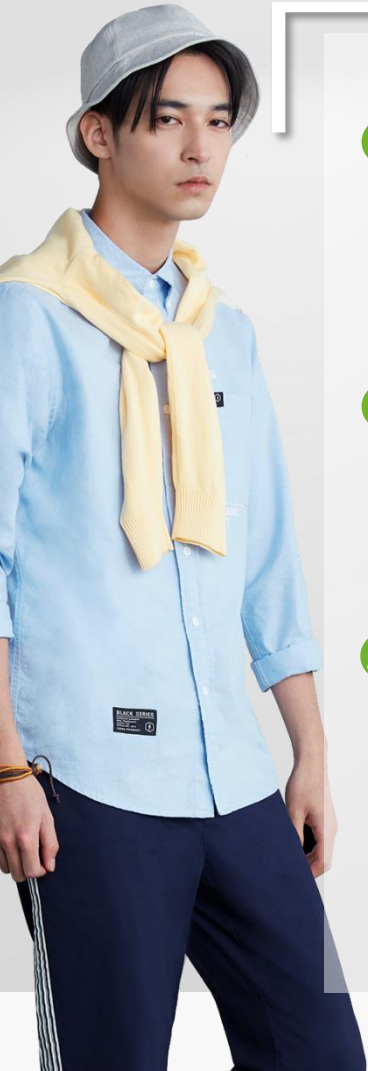




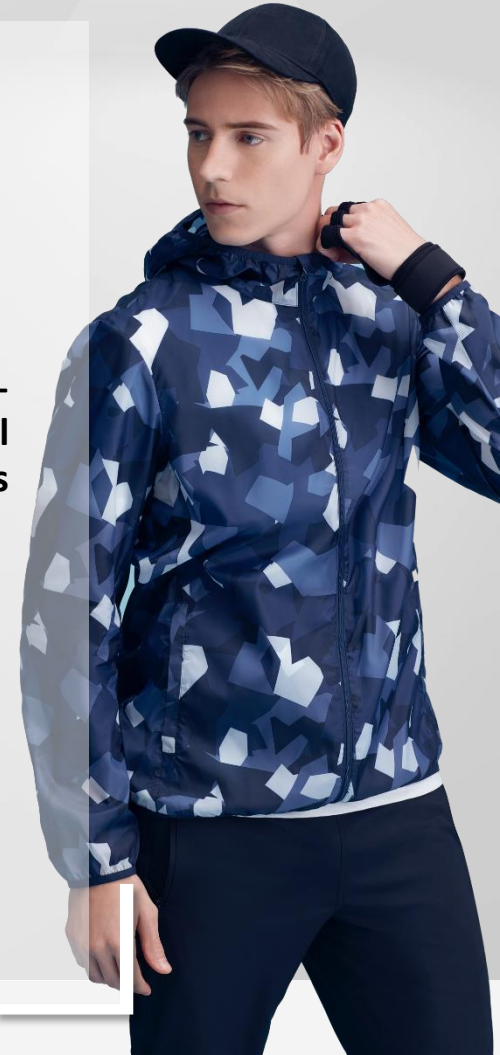
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Review of Operations

Operating Environment in 2018/19



- ⓑ The global economy lost speed during 2018 with a less balanced expansion and the escalation of trade tensions between the United States and mainland China that appeared to have hurt global business confidence
- ⓑ In Hong Kong, in the shadow of the United States-mainland China trade tensions and volatilities in the global financial markets, weaker asset prices and a more cautious consumption sentiment may appear
- ⓑ Mainland China domestic engines that used to drive expansion showed signs of weakening momentum and the growth in social consumption, fixed-asset investment and the property market continued to slow down in the second half of 2018



Revenue Analysis

*For the six months ended 31 Dec 2018
(Comparative figures for the six months ended 31 Dec 2017 in brackets)*

Revenue by Geographical Market

Singapore
6% (7%)

Taiwan
9% (9%)

Mainland China
19% (18%)

Hong Kong and Macau
66% (66%)



Retail Performance by Segment

Same-store Sales Growth*

For the six months ended 31 Dec

	2018	2017
Hong Kong and Macau	-5%	-4%
Mainland China	-3%	9%
Taiwan	-7%	5%
Singapore	-6%	-8%
Total	-5%	-2%

Same-store Gross Profit Growth*

For the six months ended 31 Dec

	2018	2017
Hong Kong and Macau	-6%	-3%
Mainland China	-1%	4%
Taiwan	-6%	3%
Singapore	-4%	-12%
Total	-5%	-3%

* For directly managed stores only

Performance by Segment

Operating Margin

For the six months ended 31 Dec

	2018	2017	Change
Hong Kong and Macau	3%	2%	+1% pt
Mainland China	-14%	-7%	-7% pts
Taiwan	-17%	-7%	-10% pts
Singapore	-9%	-6%	-3% pts
Total	-3%	-1%	-2% pts

Operating Profit/(Loss)(HK\$ mn)

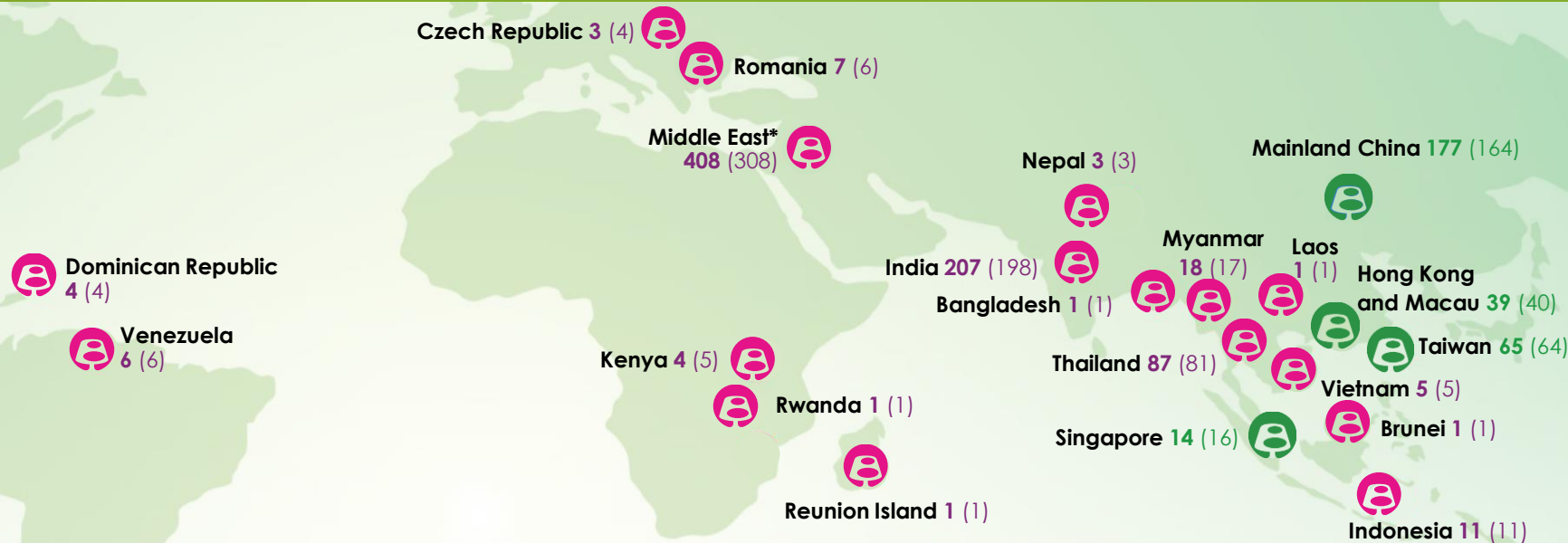
For the six months ended 31 Dec

	2018	2017	Change
	17	12	+42%
	(23)	(12)	-92%
	(13)	(6)	-117%
	(5)	(4)	-25%
Total	(24)	(10)	-150%

No. of Stores by Region

	At 31 Dec 2018	At 30 Jun 2018	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	39	40	-1
Mainland China	177	164	+13
Taiwan	65	64	+1
Singapore	14	16	-2
Sub-total	295	284	+11
<i>No. of Franchised Stores</i>			
Other countries	768	654	+114
Total	1,063	938	+125

International Footprint



A total of 1,063 stores (30 Jun 2018: 938) with presence in 31 countries and regions

295 (284)

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

768 (654)

Export franchised stores

1,063 (938)

Stores in about 31 countries and regions

At 31 Dec 2018 (comparative figures at 30 Jun 2018 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 two new licensing programmes in 1H 2018/19, namely *bossini Mickey 90* and *bossini x Coca-Cola* 《Taste It, Make Bold》



Co-branded and Licensed Products



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bossini Mickey 90



bossini x Coca-Cola《 Taste It, Make Bold 》



taste it.

make bold

Coca-Cola
COCA-COLA COLLECTION BY BOSSINI

Strong Brand Recognition



The Best Marketing Campaign: Automation (2018)

(By Emarsys Evolution Hong Kong 2018)



Good Employer Charter (2018)

(By Labour Department)



Hong Kong Licensing Awards (2018)

Best Licensee Award - Merit Award
(By Asian Licensing Association)

Strong Brand Recognition



The Asian Licensing Awards (2018)

Best licensee - Merit Award
(By Asian Licensing Association)

Caring Company (since 2004)

15 consecutive years
(By Hong Kong Council of Social Service)



Happy Company (since 2014)

6 consecutive years
(By Promoting Happiness Index Foundation)









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Future Plans and Strategies

Business Strategies in 2018/19

-  **Further expand and optimise the distribution network of the export franchising business**
-  **Introduce more new products and designs with a focus on functionality**
-  **Further develop the kids' line and expand the market share for young adults to broaden customer base**
-  **Seek opportunities with popular brands to launch co-branded and licensing programmes**
-  **Take stringent measures in cost control to reduce operational expenses**
-  **Further consolidate the non-performing stores**



Our Commitments

Our Vision

To be the most preferred everyday wear brand

Corporate Culture

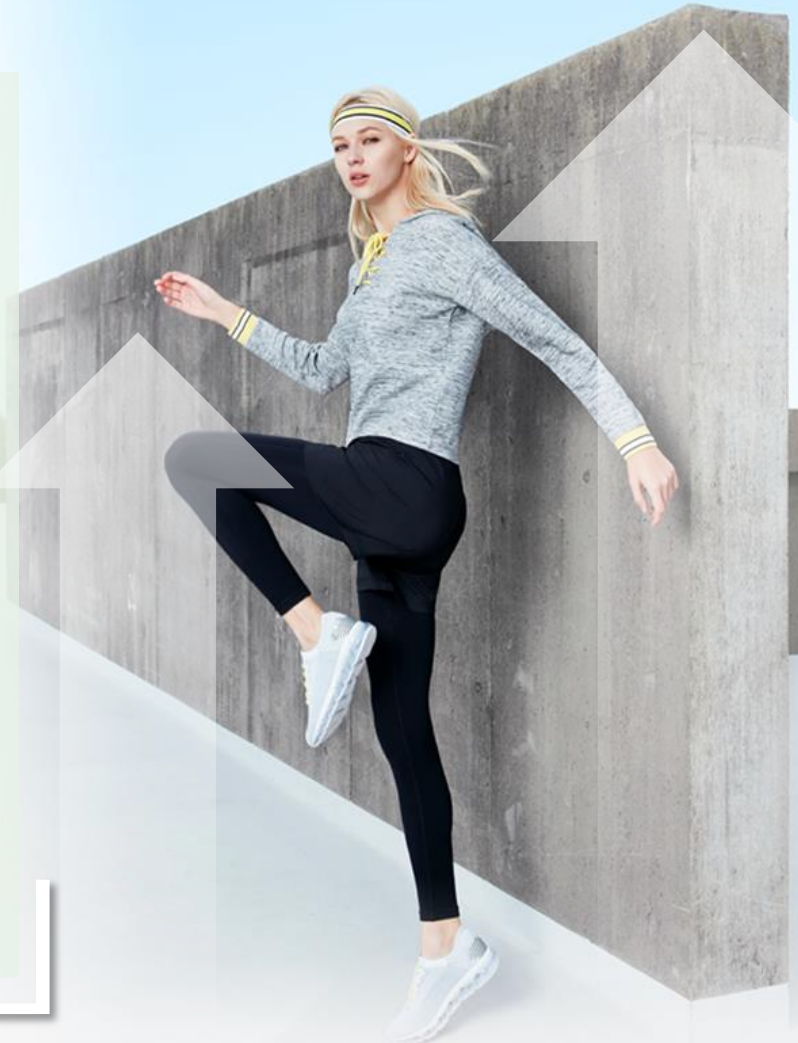
Continue to live the “7 Habits®” and cultivate our “be happy” core brand value

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



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Thank you !



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