



# Corporate Presentation




2019/20

Interim Results

19 February 2020

bossini 

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# Agenda

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1. Financial Review

2. Review of Operations

3. Future Plans and Strategies

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# 1

## Financial Review



# 1H 2019/20 Highlights



-  The Group's revenue decreased by 20%, while same-store sales declined by 10%
-  Gross profit decreased by 22% and the gross margin slipped 1% point to 51%
-  Loss attributable to owners was HK\$94 million. Basic loss per share amounted to HK5.71 cents
-  The increase in loss attributable to owners was mainly due to a sharp decline in inbound visitors in Hong Kong, the mainland China-United States trade disputes, the weakened consumer sentiment and the unseasonal warm winter weather in several core markets where we operates
-  Continued to expand the export franchising business, by adding 24 stores net
-  Maintained a healthy financial position with a net cash balance at HK\$232 million

# Results Highlights

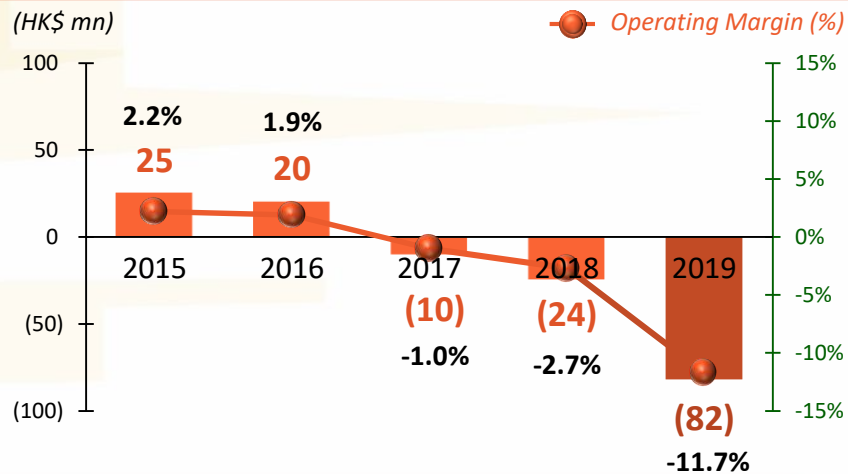
*For the six months ended 31 Dec*

<i>(HK\$ mn)</i>	2019	2018	Change
Revenue	699	875	-20%
Gross profit	356	457	-22%
Gross margin (%)	51%	52%	-1% pt
EBITDA	25	(15)	+266%
Operating loss	(82)	(24)	-243%
Loss for the period attributable to owners	(94)	(26)	-264%
Basic loss per share <i>(HK cents)</i>	(5.71)	(1.57)	-264%
Interim dividend per share <i>(HK cents)</i>	-	1.22	-100%

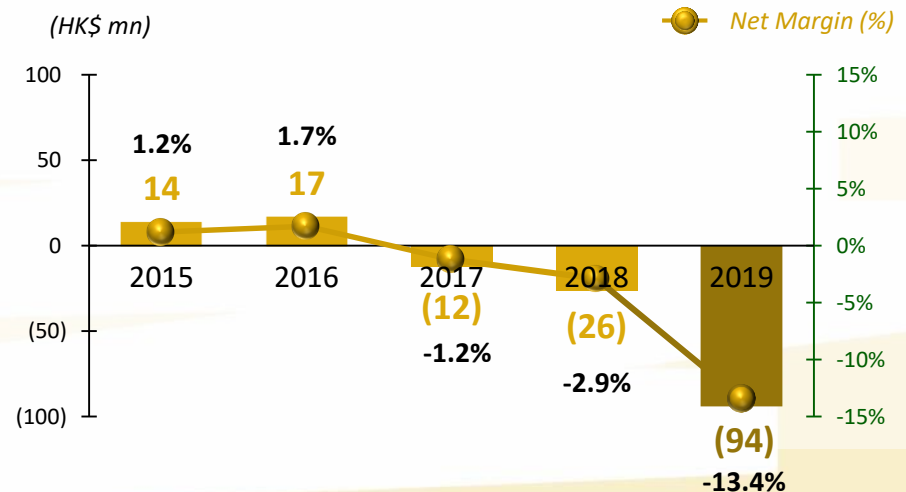


# Profitability

## Operating Profit / (Loss)



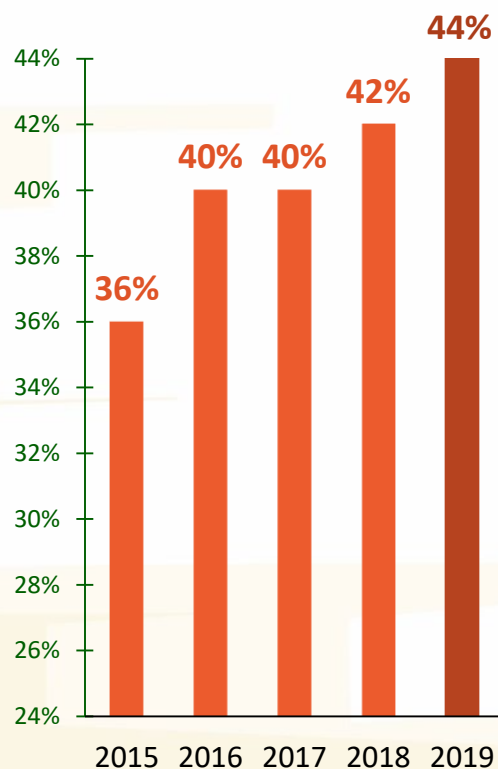
## Profit / (Loss) Attributable to Owners



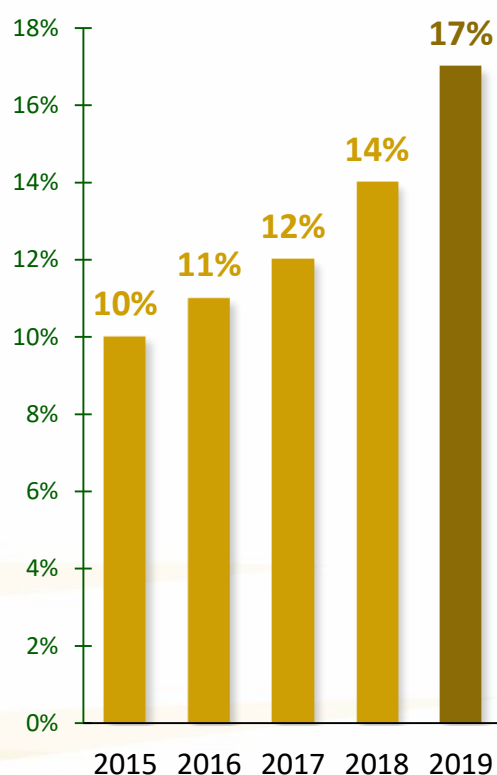
# Operating Expenses Breakdown

 Total operating expenses accounted for 64% (2018: 58%) of total revenue

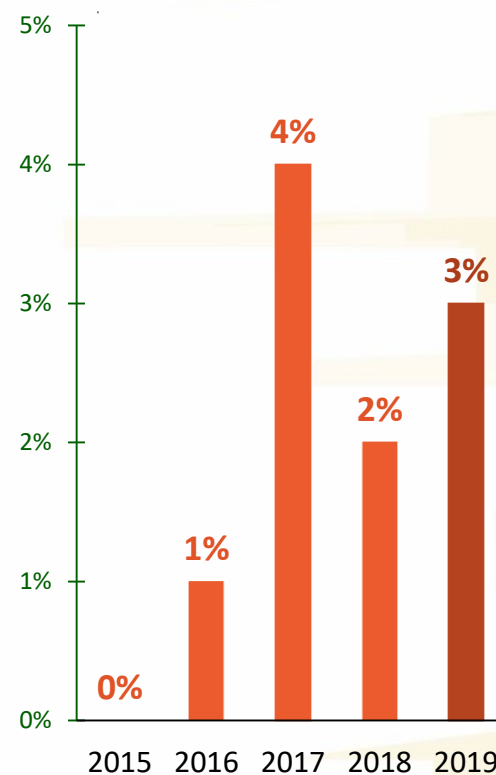
**Selling and Distribution  
Expenses as a % of revenue**



**Administrative Expenses  
as a % of revenue**



**Other Operating Expenses  
as a % of revenue**

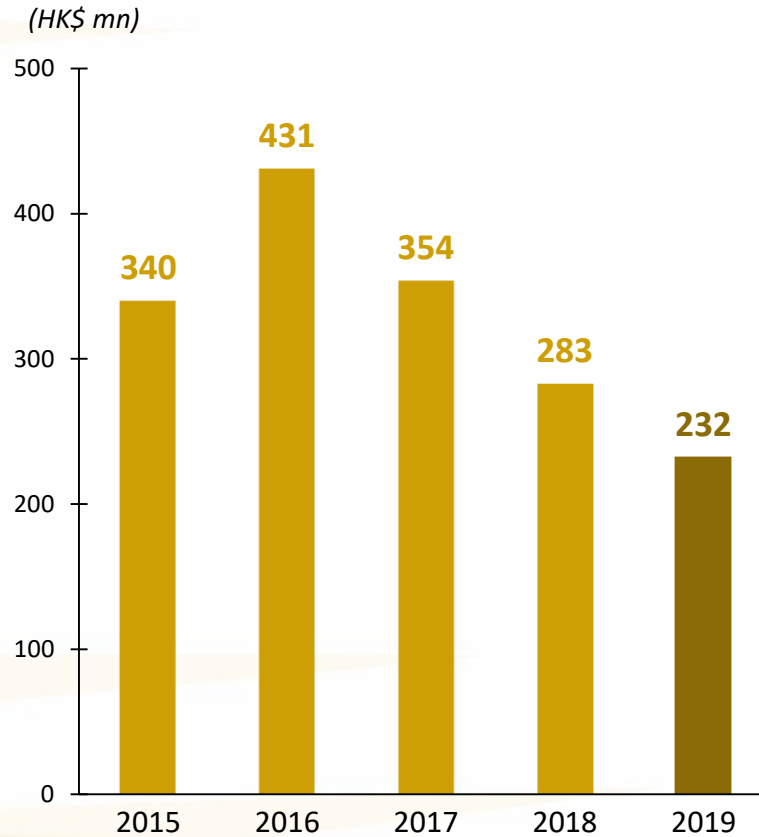


*For the six months ended 31 Dec*



# Financial Position

## Net Cash \*

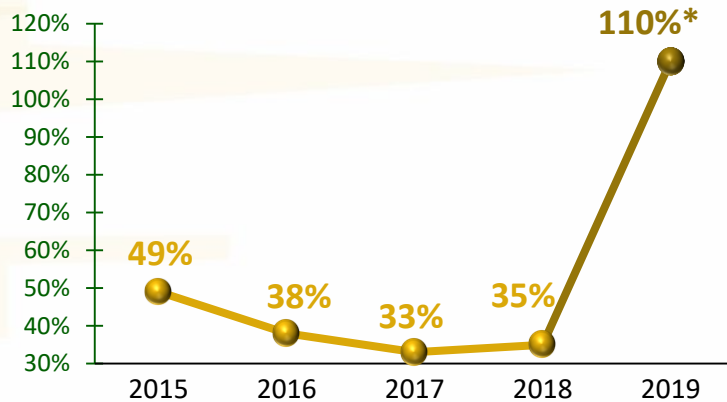


\* Time deposits, cash and bank balances less bank borrowings

At 31 Dec

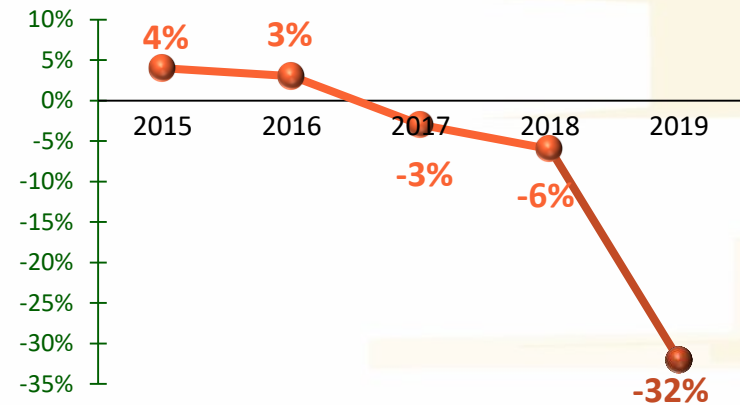
# Financial Position

## Total Liabilities to Equity Ratio

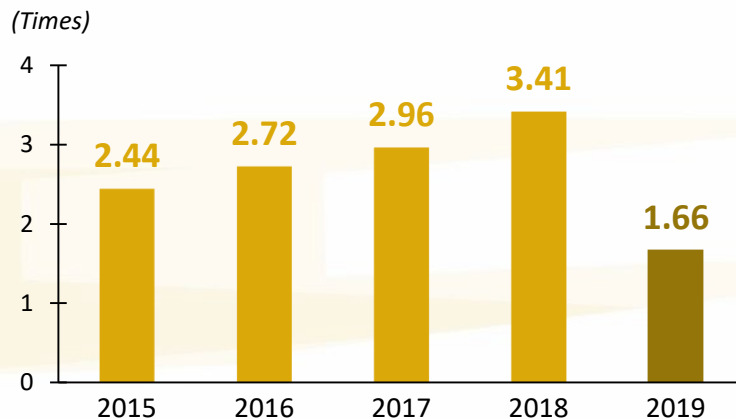


\* The total liabilities to equity ratio as at 31 December 2019 was subject to the impact arising from the adoption of the new Hong Kong Financial Reporting Standards ("HKFRS") 16, Leases

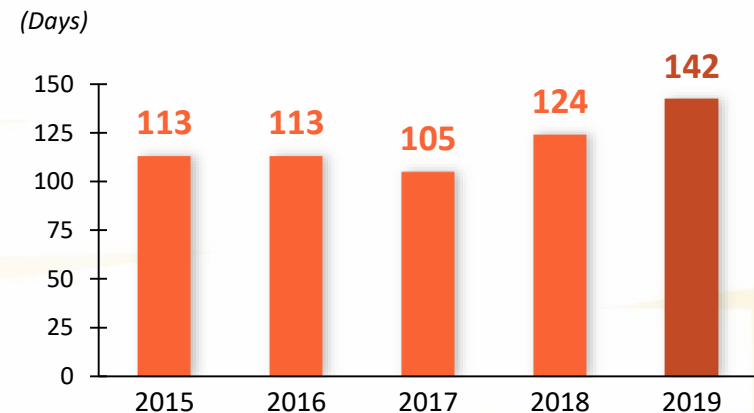
## Return on Equity



## Current Ratio



## Inventory Turnover #



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

# 2

## Review of Operations





# Operating Environment in 2019/20



-  Trade policy uncertainty, geopolitical tensions and stress in key emerging market economies continued to weigh on global economic activity in the second half of 2019
-  The local social incidents, coupled with a warmer winter, took a heavy toll on inbound tourism consumption-related activities, casting a very severe blow to an economy in Hong Kong and Macau already weakened by a synchronised global economic slowdown and escalated trade tensions between the United States and mainland China
-  Mainland China's export growth decelerated sharply in 2019 amid the trade war. The wearing apparel industry registered a growth rate at a lower end as compared to other consumer goods in 2019

# Revenue Analysis

Revenue by  
Geographical  
Market

**For the six months  
ended 31 Dec 2019**  
(Comparative figures for  
the six months ended 31  
Dec 2018 in brackets)

**Singapore**  
**8% (6%)**

**Taiwan**  
**11% (9%)**

**Mainland  
China**  
**23% (19%)**

**Hong Kong  
and Macau**  
**58% (66%)**



# Retail Performance by Segment

## Same-store Sales Growth\*

*For the six months ended 31 Dec*

	2019	2018
Hong Kong and Macau	-14%	-5%
Mainland China	-5%	-3%
Taiwan	0%	-7%
Singapore	-5%	-6%
<b>Total</b>	<b>-10%</b>	<b>-5%</b>

\* For directly managed stores only



# Performance by Segment

## Operating Margin

*For the six months ended 31 Dec*

	2019	2018	Change
Hong Kong and Macau	-10%	3%	-13% pts
Mainland China	-19%	-14%	-5% pts
Taiwan	-3%	-17%	+14% pts
Singapore	-12%	-9%	-3% pts
<b>Total</b>	<b>-12%</b>	<b>-3%</b>	<b>-9% pts</b>

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

*For the six months ended 31 Dec*

2019	2018	Change
(41)	17	-334%
(31)	(23)	-37%
(3)	(13)	+81%
(7)	(5)	-25%
<b>(82)</b>	<b>(24)</b>	<b>-243%</b>

# No. of Stores by Region

	At 31 Dec 2019	At 30 Jun 2019	Change
<b><i>No. of Directly Managed Stores</i></b>			
Hong Kong and Macau	39	39	0
Mainland China	180	175	+5
Taiwan	51	57	-6
Singapore	17	15	+2
<b>Sub-total</b>	<b>287</b>	<b>286</b>	<b>+1</b>
<b><i>No. of Franchised Stores</i></b>			
Other countries	799	775	+24
<b>Total</b>	<b>1,086</b>	<b>1,061</b>	<b>+25</b>

# International Footprint



A total of 1,086 stores (30 Jun 2019: 1,061) with presence in 30 countries and regions

287 (286)

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

799 (775)

Export franchised stores

1,086 (1,061)

Stores in about 30 countries and regions

At 31 Dec 2019 (comparative figures at 30 Jun 2019 are shown in brackets)

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



# Marketing and Branding

- ③ Launched three new licensing programmes in 1H 2019/20, namely *bossini x Miffy* 《Bloom with Joy!》, *bossini x LYCHEE & FRIENDS* and *bossini x Sanrio* 《Let Our Adventure Begin》



# bossini x Miffy 《Bloom with Joy!》





# bossini x LYCHEE & FRIENDS





# bossini x Sanrio 《Let Our Adventure Begin》



# Strong Brand Recognition



## Hong Kong Licensing Awards (2019)

**Best Licensee Award – Merit Award**  
(By Asian Licensing Association)

## Top 10 Favorite Brands (2019)

**Parent-Child Favourite Clothing Brand**  
(By Parenting Headline)



## Hong Kong Brand (2019)

**Gold Brand**  
(By Hong Kong Chamber of Commerce & China  
(overseas) Corporate Reputation Association)

## Caring Company (since 2004)

**16 consecutive years**  
(By Hong Kong Council of Social Service)



# Strong Brand Recognition

## Asia eCommerce Awards (2019)

- Best e-Commerce – Retail (Gold)
- Best Omni-Channel Process (Silver)
- Best e-Commerce Website Design (Silver)
- Best e-Commerce Strategies (Bronze)
- Best e-Commerce Business of the Year (Bronze)

(By Marketing Magazine)



## Asia's Best E-Tailing Awards (2019) The Best Practice of eCommerce Alliance

- Best e-commerce - Enterprises session (Silver)
- Best Omni-Channel

(By The Hong Kong Trade Development Council)

# Strong Brand Recognition

## Happy Company (since 2014)

**7 consecutive years**

(By Promoting Happiness Index Foundation)



## Good Employer Charter (2018-19)

(By Labour Department)

## Manpower Developer 1st (since 2010)

**9 consecutive years**

(By Employees Retraining Board)





# Capex



(HK\$ mn)		For the six months ended 31 Dec 2019
Shop and office renovation		12
I.T. investment		3
Others		1
Total		16







# 3

## Future Plans and Strategies



# Business Strategies in 2019/20



-  Re-engineer key looks and key functional products that cater to the changing consumer taste and preference
-  Develop a global visual merchandising execution to align and promote a unified brand perception and image
-  Reignite business growth by nurturing the strategic markets with growth momentum
-  Expand O2O business for the Group
-  Rejuvenate our operational systems to maximise the economy of scale in operation
-  Create business value through "4D": Digitisation, Digitalisation, Digital Transformation and Data Intelligence

# 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

## *Human Capital*

The Company and employees are bonded to serve each other’s interests in the best way possible





# Thank You!

