



bossini

Corporate Presentation - Interim Results 2020/21

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# Results Highlights

*For the six months ended 31 Dec*

	(HK\$mn)	2020	2019	Change
<b>Revenue</b>		<b>468</b>	625	-25%
<b>Gross Profit</b>		<b>242</b>	316	-24%
<b>Gross Margin (%)</b>		<b>52%</b>	51%	+1% pt
<b>EBITDA</b>		<b>(6)</b>	25	-123%
<b>Operating Loss</b>		<b>(77)</b>	(79)	+2%
<b>Loss for the period attributable to owners<sup>#</sup></b>		<b>(87)</b>	(94)	+7%
<b>Basic loss per share<sup>#</sup> (HK cents)</b>		<b>(5.30)</b>	(5.71)	+7%

<sup>#</sup> Including continuing and discontinued operations

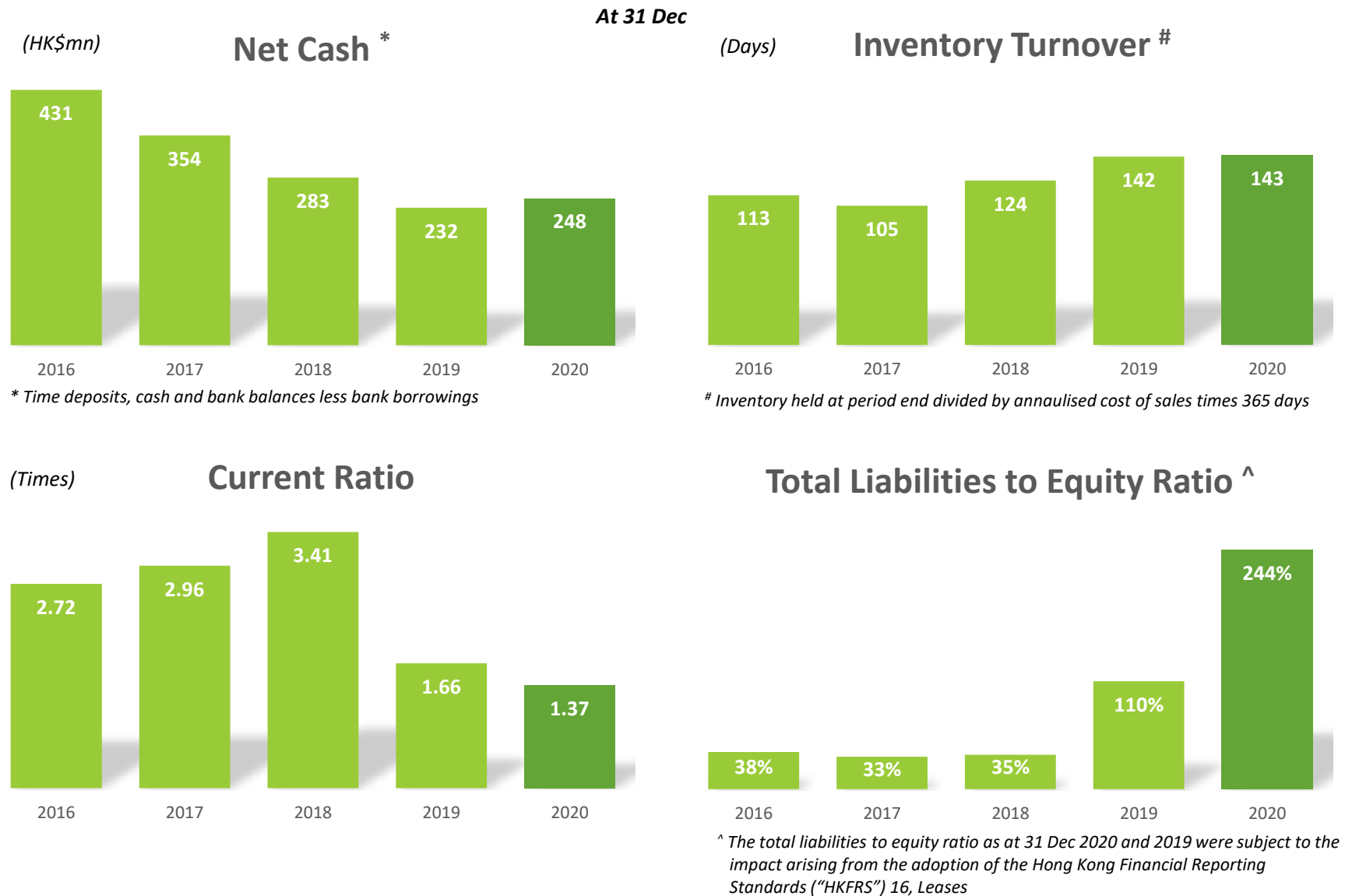
# Results Highlights

- The Group's revenue fell by 25%
- Loss attributable to owners was HK\$87 million (2019: HK\$94 million), with HK\$30 million (2019: Nil) being non-cash impairment on non-financial assets
- Operated a total number of 927 stores with footprint across 25 countries and regions
- Net cash balance was HK\$248 million
- Inventory reduced to HK\$177 million (2019: HK\$267 million)

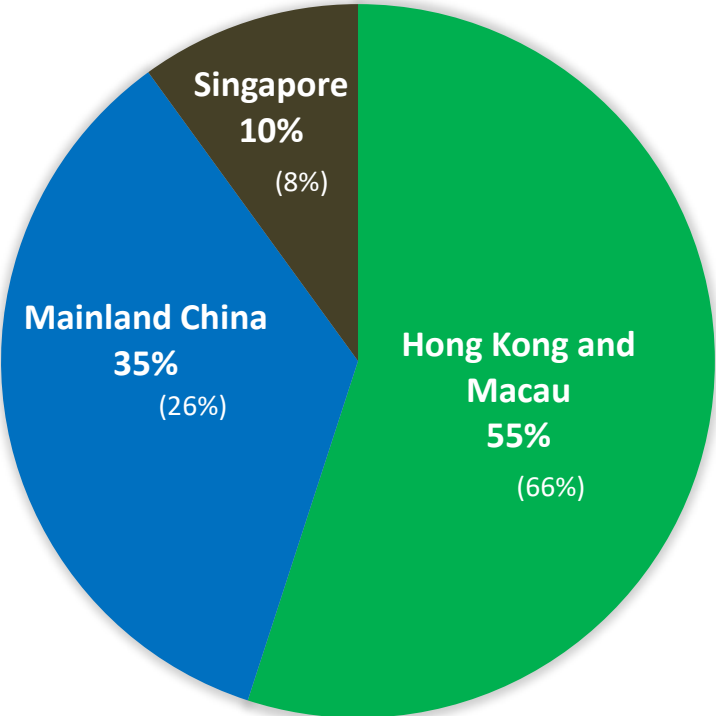
# Operating Environment in 2020/21

- The pandemic of COVID-19 outbreak continued to adversely affect the local retail sectors and suppress many economic activities globally
- In Hong Kong, the third and fourth wave of local COVID-19 infections at alarming levels induced stricter social distancing measures, including but not limited to the banning of evening dine-in services, which sharply reduced shopping activities and foot traffic as a result
- In and out of lockdown ahead of many other countries, the economy in mainland China powered ahead while much of the world was still struggling. Although GDP expanded year-on-year in the fourth quarter of 2021, growth in retail sales towards end of year was less than expected

# Financial Position



# Revenue by Geographical Market



*For the six months ended 31 Dec 2020  
(comparative figures for the six months  
ended 31 Dec 2019 in brackets)*

# Performance by Geographical Segment

## Revenue

*For the six months ended 31 Dec*

<i>(HK\$mn)</i>	<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>Hong Kong and Macau</b>	<b>255</b>	410	-38%
<b>Mainland China</b>	<b>165</b>	162	+2%
<b>Singapore</b>	<b>48</b>	53	-9%
<b>Total</b>	<b>468</b>	625	-25%

## Segment results

*For the six months ended 31 Dec*

<b>2020</b>	<b>2019</b>	<b>Change</b>
<b>(74)</b>	(49)	-51%
<b>(16)</b>	(33)	+52%
<b>7</b>	(7)	+200%
<b>(83)</b>	(90)	+8%



# Retail Performance by Geographical Segment

## Same-Store Sales Growth \*

*For the six months ended 31 Dec*

	2020	2019
<b>Hong Kong and Macau</b>	<b>-28%</b>	-14%
<b>Mainland China</b>	<b>-8%</b>	-5%
<b>Singapore</b>	<b>-6%</b>	-5%
<b>Taiwan<sup>^</sup></b>	<b>n/a</b>	0%
<b>Total</b>	<b>-22%</b>	-10%

\* For directly managed stores only

<sup>^</sup> From discontinued operation



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# International Footprint

	<i>At 31 Dec 2020</i>	<i>At 30 Jun 2020</i>
<b>A) Directly managed stores</b>	<b>190</b>	209
<b>B) Export franchised stores</b>	<b>737</b>	773
<b>Total</b>	<b>927</b>	982

927 stores (30 Jun 2020: 982) in 25 countries and regions

<b>A) Directly managed stores</b>	<i>At 31 Dec 2020</i>	<i>At 30 Jun 2020</i>
Hong Kong and Macau	<b>37</b>	38
Mainland China	<b>136</b>	154
Singapore	<b>17</b>	17
<b>Sub-total</b>	<b>190</b>	209

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

<b>B) Export franchised stores</b>	<i>At 31 Dec 2020</i>	<i>At 30 Jun 2020</i>
Bangladesh	<b>1</b>	1
Brunei	<b>1</b>	1
Czech Republic	<b>2</b>	2
Dominican Republic	<b>4</b>	4
India	<b>234</b>	230
Indonesia	-	8
Laos	<b>1</b>	1
Middle East*	<b>370</b>	405
Myanmar	<b>19</b>	19
Nepal	-	2
Reunion Island	<b>2</b>	1
Romania	<b>4</b>	4
Rwanda	<b>1</b>	1
Thailand	<b>80</b>	80
Venezuela	<b>8</b>	8
Vietnam	<b>10</b>	6
<b>Sub-total</b>	<b>737</b>	773

# Capital Expenditure

	<i>For the six months ended 31 Dec</i>	
	<i>(HK\$mn)</i>	<b>2020</b>
<b>Shop and office renovation</b>		<b>2</b>
<b>I.T. investment</b>		<b>1</b>
<b>Total</b>		<b>3</b>

# Outlook

- It is widely anticipated that COVID-19 will continue to impact consumer behaviour, economic activities and business environment globally for a certain period
- The Group is focusing on off-season stock clearance and paving the way for the execution of our new strategies in the near future
- We will maintain a lean operational and administrative structure and re-focus resources for the Hong Kong and Macau market, while continuing to renegotiate with landlords to seek rent relief and reduction as the overall shop rental expenses remained at a very unreasonable level. We will close unproductive retail shops for this market as necessary
- The Group will enlarge our footprint in mainland China in 2021, mainly through opening directly managed stores in better shopping malls and reigniting franchised stores. We will also develop our e-commerce business and strengthen cooperation with various e-commerce platforms
- The Group is formulating and implementing strategies ranging from brand re-positioning, product segmentation and pricing, distribution channels, production and supply chain management, marketing and promotion to IT infrastructure



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