

bossini

Corporate Presentation – Interim Results 2022



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Results Highlights

For the six months ended 30 Jun

<i>(HK\$mn)</i>	2022	2021	Change
Revenue	295	380	-22%
Gross Profit	132	189	-30%
Gross Margin (%)	45%	50%	-5% pts
EBITDA	83	(14)	+702%
Operating profit/(loss)	27	(65)	+141%
Profit/(loss) for the period attributable to owners[#]	22	(68)	+132%
Basic earnings/(loss) per share[#] (HK cents)	0.89	(3.34)	+127%

[#] Including continuing and discontinued operations

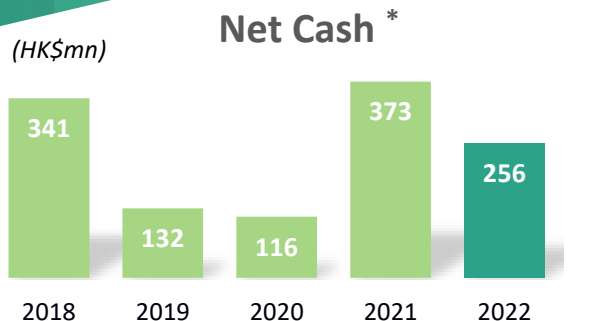
Results Highlights

- The Group's revenue fell by 22%
- Gross profit decreased by 30% and gross margin decreased by 5% points
- Profit attributable to owners was HK\$22 million (2021: HK\$68 million loss)
- Operated a total number of 734 stores with footprint across 21 countries and regions
- Net cash balance was HK\$256 million (2021: HK\$373 million)
- Inventory reduced to HK\$151 million (2021: HK\$155 million)

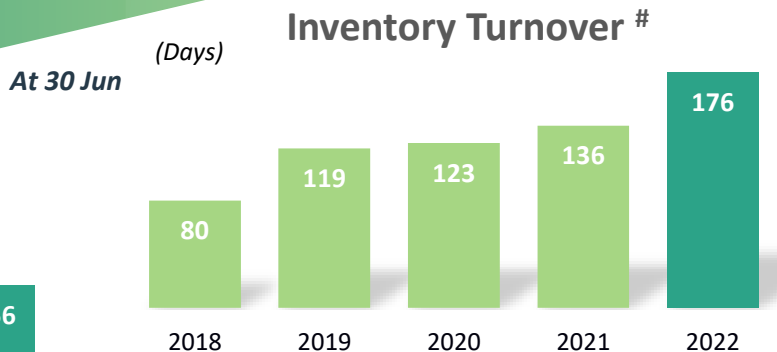
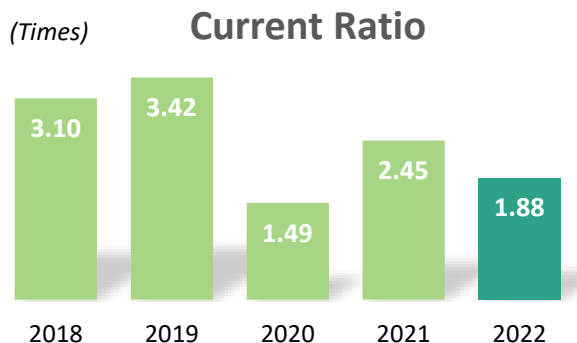
Operating Environment in 2022

- The ongoing outbreak of novel coronaviruses and a new global outbreak of highly infectious variants such as Omicron continue to pose a major challenge to the recovery of retail industry
- In Hong Kong, the fifth wave of the epidemic broke out on a large scale, hitting the local economy hard. The government has adopted a series of strict social distancing measures, including banning dine-in restaurants and requiring citizens to undergo mandatory nucleic acid testing. The overall spending desire of the public is weak, and the local retail industry has entered a cold winter
- Many provinces and cities in mainland China were hit by a new wave of epidemics, resulting in the lockdown of various cities. In the first half of the year, a number of stores of the Group in mainland China were forced to close down

Financial Position

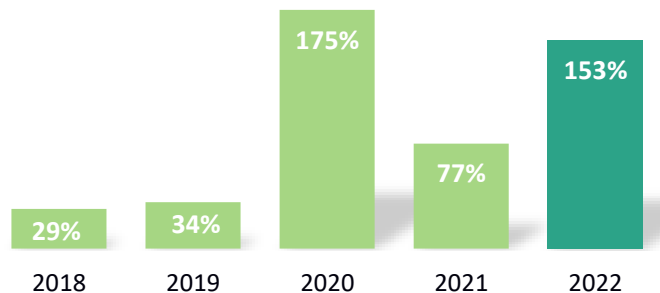


* Time deposits, cash and bank balances less bank borrowings



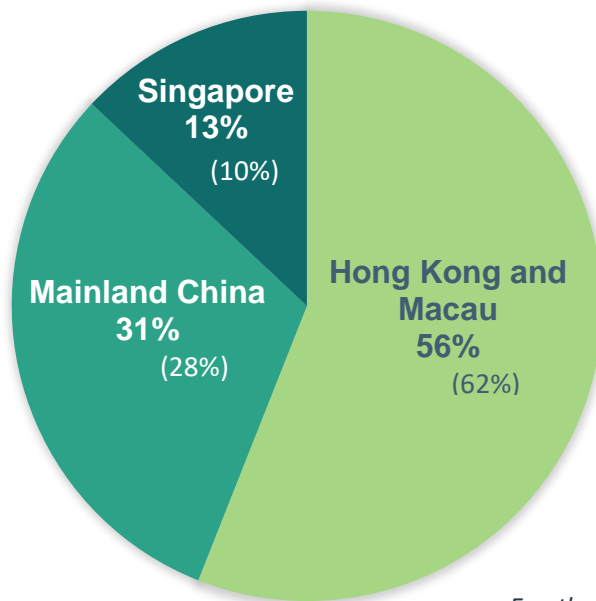
Inventory held at period end divided by annualised cost of sales times 365 days

Total Liabilities to Equity Ratio ^



^ The total liabilities to equity ratio as at 30 Jun 2022, 2021 and 2020 were subject to the impact arising from the adoption of the Hong Kong Financial Reporting Standards ("HKFRS") 16, Leases

Revenue by Geographical Market



*For the six months ended 30 Jun 2022
(comparative figures for the six months
ended 30 Jun 2021 in brackets)*

Performance by Geographical Segment

Revenue

For the six months ended 30 Jun

<i>(HK\$mn)</i>	2022	2021	Change
Hong Kong and Macau	166	236	-30%
Mainland China	90	106	-15%
Singapore	39	38	+3%
Total	295	380	-22%

Segment Results

For the six months ended 30 Jun

2022	2021	Change
138	(35)	+494%
(116)	(34)	-241%
(1)	(1)	0%
21	(70)	+130%

Performance by Geographical Segment

Same-Store Sales Growth *

For the six months ended 30 Jun

	2022	2021
Hong Kong and Macau	-7%	-14%
Mainland China	-25%	-17%
Singapore	2%	23%
Total	-9%	-12%

* For directly managed stores only

International Footprint

	At 30 Jun 2022	At 31 Dec 2021
A) Directly managed stores	195	159
B) Export franchised stores	539	539
Total	734	698

734 stores (At 31 Dec 2021: 698) in 21 (At 31 Dec 2021: 24) countries and regions

	At 30 Jun 2022	At 31 Dec 2021
A) Directly managed stores	At 30 Jun 2022	At 31 Dec 2021
Hong Kong and Macau	24	26
Mainland China	155	119
Singapore	16	14
Sub-total	195	159

B) Export franchised stores	At 30 Jun 2022	At 31 Dec 2021
Bangladesh	1	1
Brunei	1	1
Czech Republic	2	2
India	249	227
Laos	1	1
Middle East*	192	189
Myanmar	-	15
Reunion Island	2	2
Romania	3	3
Rwanda	1	1
Thailand	79	80
Venezuela	-	8
Vietnam	8	9
Sub-total	539	539

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

Capital Expenditure

	<i>For the six months ended 30 Jun</i>	
	<i>(HK\$mn)</i>	2022
Shop and office renovation		21
I.T. investment		5
Total		26

Outlook

- The haze of the pandemic in mainland China, Hong Kong and Macau is still lingering, and market concerns about economic risks continue to fester
- In the short term, in order to reduce operating losses during the pandemic, we will reduce or suspend unnecessary back-office expenses, including marketing activities and operating expenses, and continue to negotiate rent reductions with landlords and close stores with significant losses
- In the long run, the Group is committed to reinventing our brand image, focusing on the development of the "bossini.X" brand, integrating street and trendy culture and adding sports elements to the design to attract the new generation of consumers, aiming to increase the number of "bossini.X" brand stores to over 100 within this year
- In the coming years, the "bossini.X" brand will be in an investment period of product development and channel expansion. Given the uncertainties of the pandemic and the economy, the Group may continue to incur losses during the investment period

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