



# Viva China Holdings Limited

(Stock Code: 8032)

## 2022 Annual Results Presentation

March 2023



# Corporate Overview



## Multi-brand, multi-category



**bossini.X**



**bossini**

**TESTONI**  
BOLOGNA 1929

**NEIZHUANG** 内庄  
LINGERIE

## Quality resources of sports destinations



李宁体育园



- 9** sports park and sports centres
- 11** ice-skating rinks
- 1** e-sports club

## Unique Strategic Resources



## 2022 Operational Highlights

### Invest in International Consumable Brands

Completed acquisition



Well-known Footwear Brand  
with nearly 200 years of history

- **In July 2022**, the Group completed its acquisition of Clarks. In Jan 2023, the Group increased the shareholding to **an effective shareholding of 51%**.
- The Group started consolidate Clarks' financials in July 2022, and will consolidate its full year performance from 2023.
- **In 2022, Clarks contributed a revenue of HKD 5.39 billion, accounted for around 78% of the Group's revenue.**



### Important Milestone

- Expanded business to overseas markets, mainly in Europe and the United States
- **Significantly boosted up the Group revenue by 399.4%**



## 2022 Operational Highlights

### Invest in International Consumable Brands

Completed acquisition

# TESTONI

BOLOGNA 1929

Century-old Italian Luxury  
Leatherwear brand

- Completed acquisition in January 2022
- The Group's first **high-end luxury brand**











### Important Milestone

- Introduced luxury brand to enrich the multi-brand portfolio
- Covering markets in Greater China, Japan, Korea and Europe



# Rebranding Strategy of Apparel and Footwear Brands

			
<ul style="list-style-type: none"> <li>• Consolidate the markets in Europe and the United States and increase net profit margin.</li> <li>• Explore market potentials in the Asia-Pacific regions and increase revenue.</li> <li>• Reduce back-end operation costs, optimize corporate structure and increase operation efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>• Expand sales network in commercial districts with more traffic flow and actively explore the joint venture partners.</li> <li>• Reduce promotional discount rates to increase gross profit margin.</li> <li>• Boast online promotions and develop e-commerce.</li> <li>• The allotment from placing in early-2023 will be used for brand transformation.</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen cooperation with young fashion brands and launch joint products to consolidate brand influence.</li> <li>• Expand physical store network moderately in the form of boutique stores.</li> </ul>	<ul style="list-style-type: none"> <li>• Develop into a full-category brand including women's products.</li> <li>• Open a flagship store in Milan to further promote its Italian brand legacy.</li> <li>• Setting up regular-price stores in regions of higher profits, including Greater China, Japan and South Korea, to enhance the profit margin.</li> </ul>
			
<p><b>Holds 51% shares</b></p>	<p><b>Holds 56.5% shares</b></p>	<p><b>Holds 100% shares</b></p>	<p><b>Holds 100% shares</b></p>

# Financial Overview

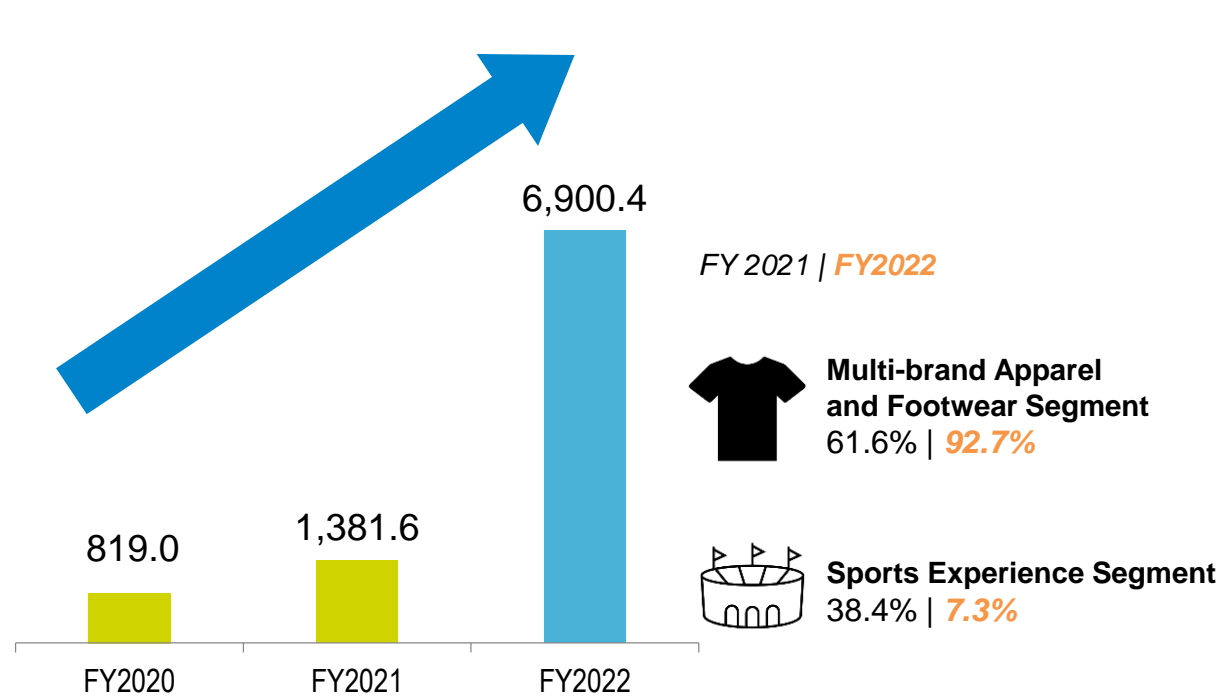
HK\$,000	FY2021	FY2022	Change
Revenue	1,381,637	<b>6,900,390</b>	+399.4%
Gross profit	572,382	<b>3,160,589</b>	+452.2%
Gross profit margin	41.4%	<b>45.8%</b>	+4.4 p.p.
Profit for the year	4,474,254	<b>873,011</b>	-80.5%
Net profit margin	323.8%	<b>12.7%</b>	-311.1 p.p.
Adjusted profit*	<b>-375,590</b>	<b>-238,395</b>	Loss reduced by 36.5%

\*Adjusted profit excluded the share of profits and losses of associates and joint ventures, and non-recurring profits and losses (including the gains on disposal of partial interest in Li Ning Company, the gain on disposal of a subsidiary, the deemed dilution gain on decrease of interest in an associate, fair value gain on investment property, gain on bargain purchase of Clarks, impairment on assets and goodwill, etc.)

# Revenue and Gross Profit Analysis

## Strong revenue growth

HK\$ million

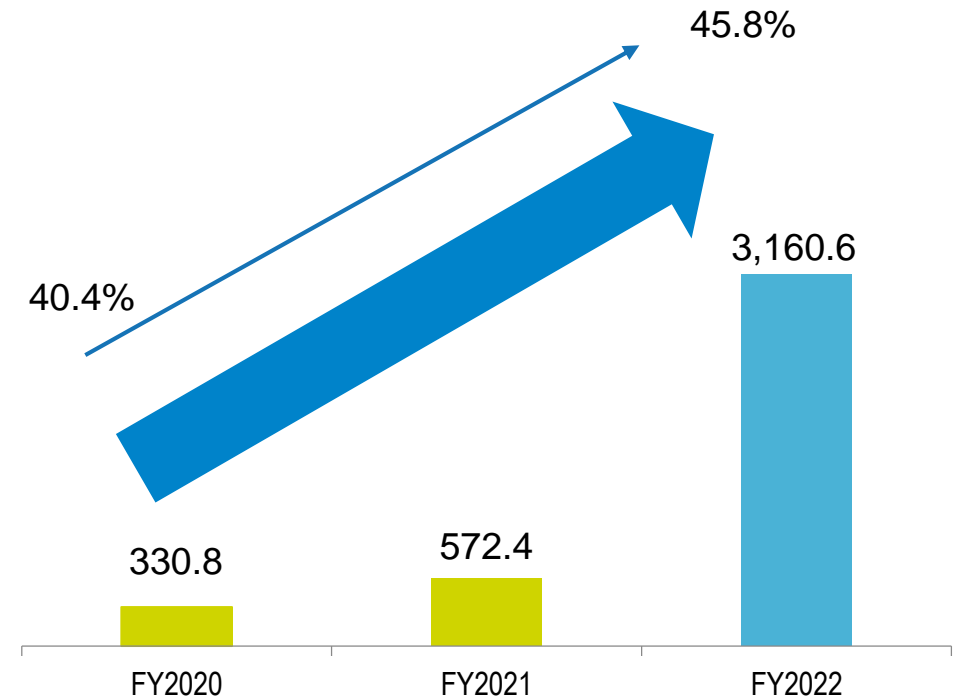


### Revenue growth was mainly attributable to:

- Revenue contribution of multi-brand apparel and footwear business after the acquisition of Clarks and Amedeo Testoni
- Organic growth of the self-owned brands

## Significant increase in gross profit and gross profit margin

HK\$ million

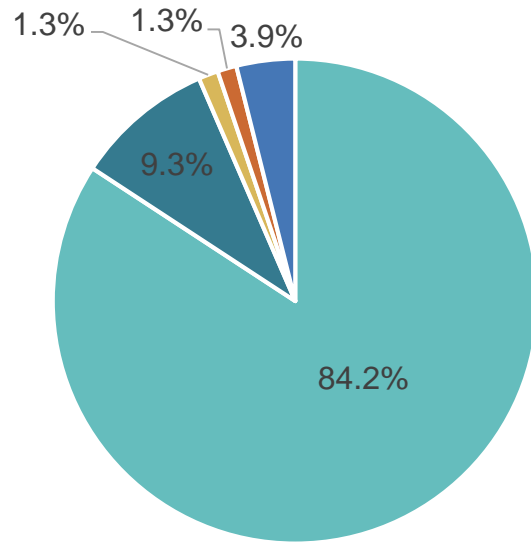


### Growth of gross profit margin mainly attributable to:

- The expansion of the multi-brand apparel and footwear business segment, which has a higher profit margin.

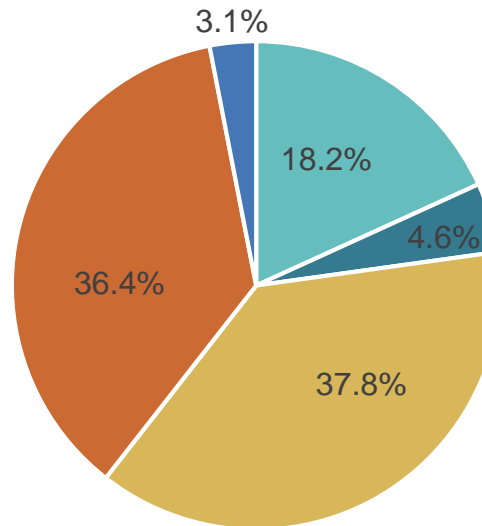
# Revenue Breakdown of Apparel and Footwear business

## By Brand



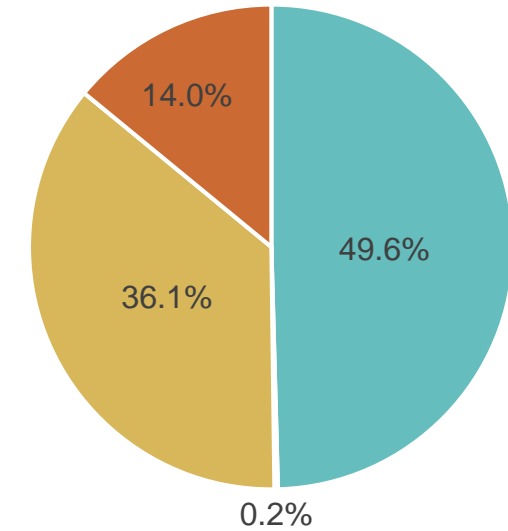
- Clarks
- Bossini & bossini.X
- LNG
- Testoni
- Others

## By Region



- China (including HK & Macau)
- America
- EMEA
- Asia (excluding China)
- UK & ROI

## By Channel\*



- Self-operated
- Distributors/Wholesales
- JV/Partnership
- Ecommerce

\*Revenue breakdown by channel only takes into account of Clarks, LNG, Bossini & bossini.X and Testoni.



# Key Financial Figures

HK\$,000	FY2021	FY2022
<b>Inventories</b>	281,279	<b>4,061,130</b>
<b>Cash and cash equivalents</b>	2,529,663	<b>2,974,803</b>
<b>Bank borrowings</b>	-	<b>344,130</b>
<b>Total equity</b>	7,754,442	<b>10,998,228</b>
<b>Current ratio</b>	~4.3x	<b>~2.0x</b>
<b>Net gearing ratio*</b>	Net cash	<b>3.1%</b>

\*Net gearing ratio is calculated as total borrowings (including bank borrowings, bonds payable and convertible bonds) divided by total equity.



# Investor Relations

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