



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

Financial Overview

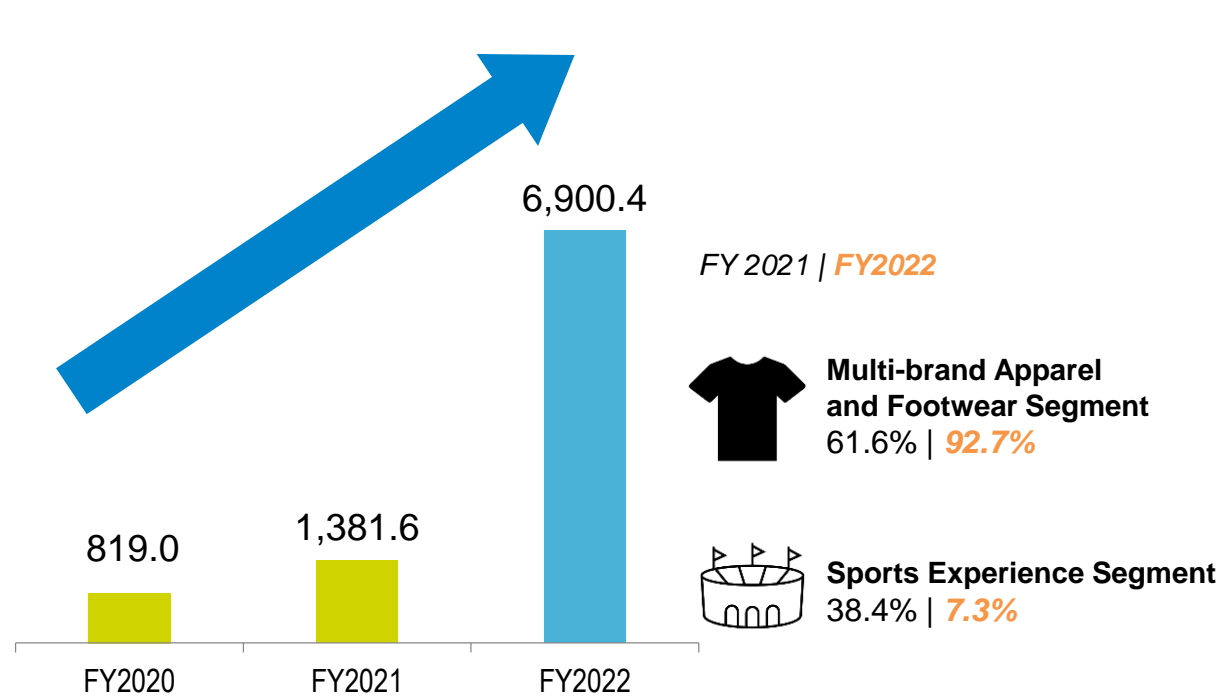
HK\$,000	FY2021	FY2022	Change
Revenue	1,381,637	6,900,390	+399.4%
Gross profit	572,382	3,160,589	+452.2%
Gross profit margin	41.4%	45.8%	+4.4 p.p.
Profit for the year	4,474,254	873,011	-80.5%
Net profit margin	323.8%	12.7%	-311.1 p.p.
Adjusted profit*	-375,590	-238,395	Loss reduced by 36.5%

*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

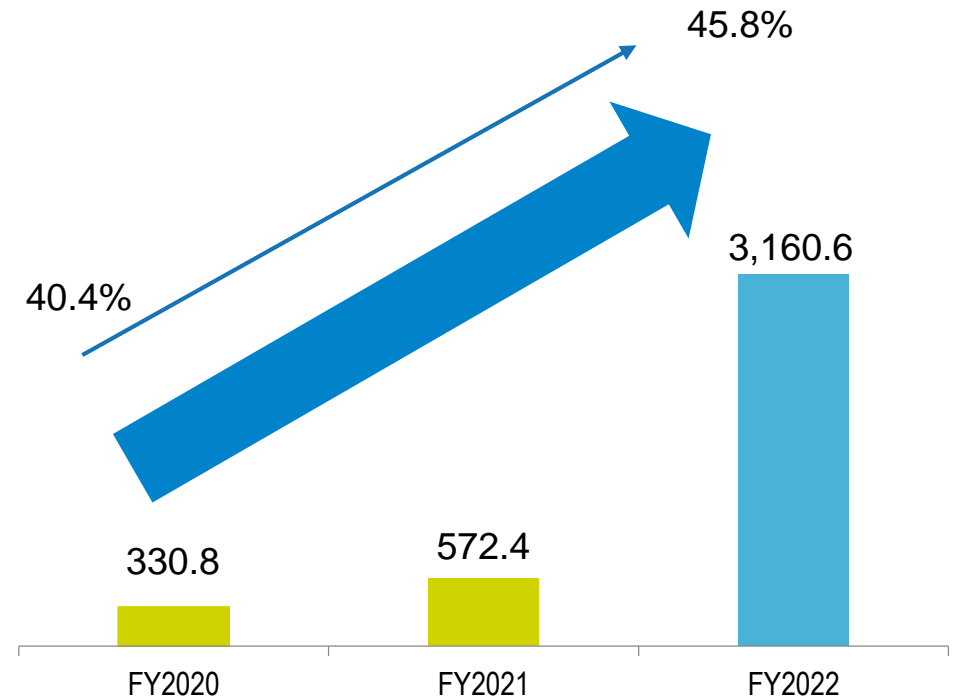


Revenue growth was mainly attributable to:

- 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

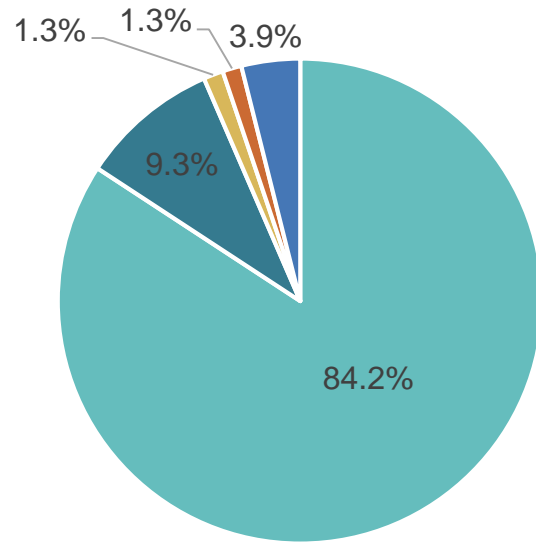


Growth of gross profit margin mainly attributable to:

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

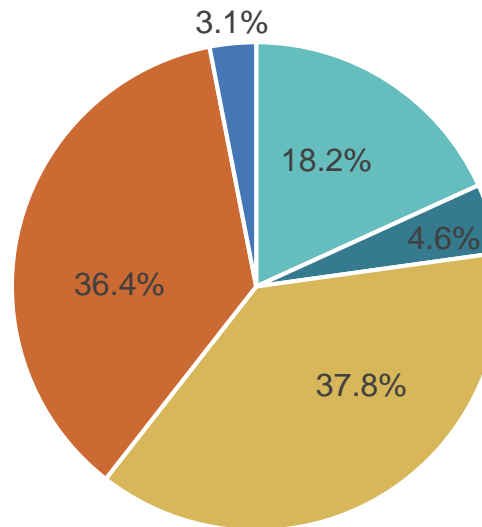
Revenue Breakdown of Apparel and Footwear business

By Brand



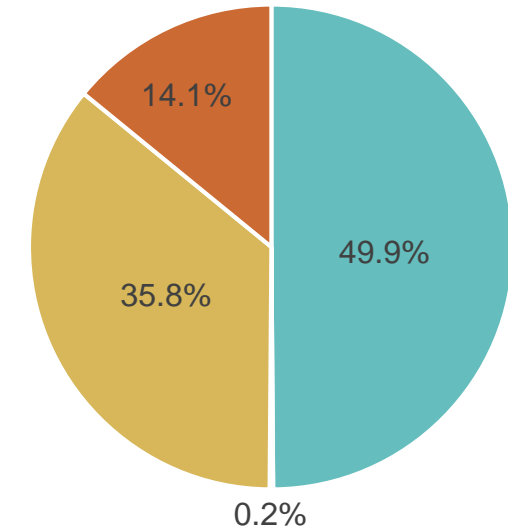
- Clarks
- Bossini & bossini.X
- LNG
- Testoni
- Others

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
Inventories	281,279	4,061,130
Cash and cash equivalents	2,529,663	2,974,803
Bank borrowings	-	344,130
Total equity	7,754,442	10,998,228
Current ratio	~4.3x	~2.0x
Net gearing ratio*	Net cash	3.1%

*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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