



Convenience Retail Asia Limited 2017 Annual Results Announcement

7 March 2018



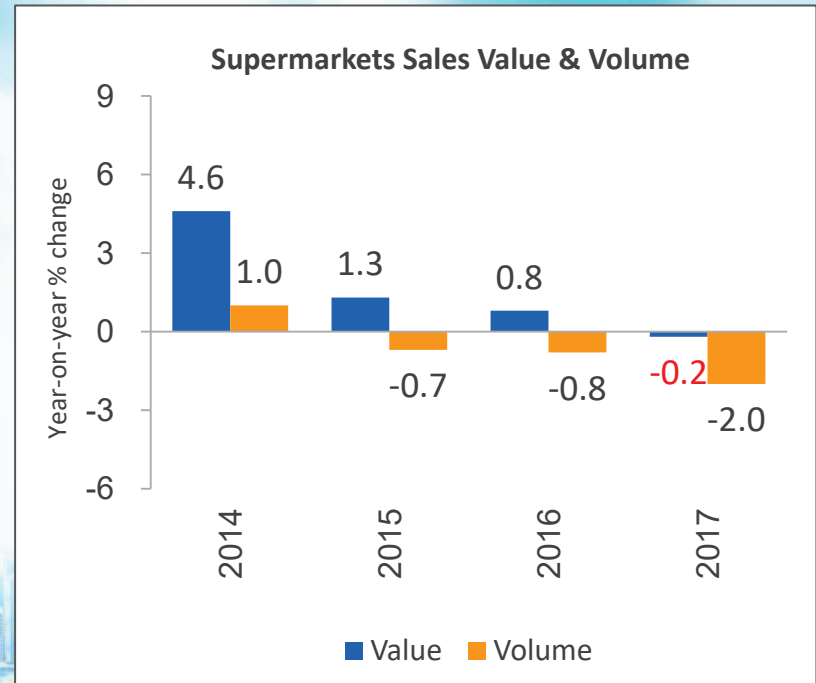
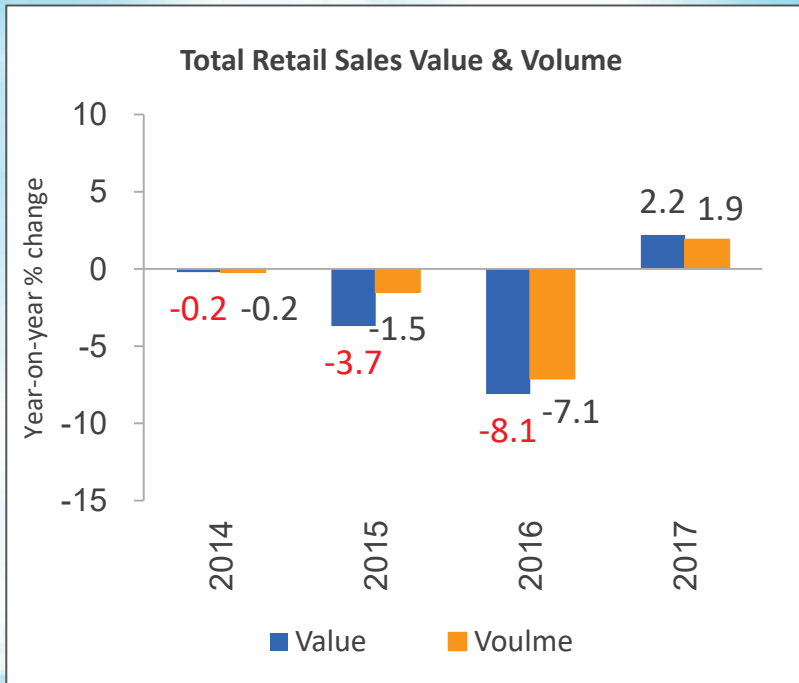
Agenda

- Hong Kong Retail Market Key Highlight
- 2017 Financial Results Highlight
- 2018 Outlook
- Question & Answer



HONG KONG RETAIL MARKET KEY HIGHLIGHT

Hong Kong Retail Market



Hong Kong Retail Market

South China Morning Post
2/3/2018

Retail sales will continue to rebound, industry experts say

Alice Sheu
alice.sheu@scmp.com

The recent recovery in Hong Kong's retail sector will spill into this year, alongside a continuous improvement in the number of tourists visiting the city, retailers have said.

Hong Kong's retail sales would rise nearly 4 per cent this year, alongside a continuous improvement in the number of tourists visiting the city, retailers have said.



Retailers expect sales to rise 4 per cent this year. Photo: Dickson Lee

The steady rebound is set to continue as the city expects a bigger uptick in tourist arrivals and increasing purchasing power thanks to tax cuts.

A stronger yuan would also contribute to the sector's momentum, Cheng said.

The currency rose 9.4 per cent in the past year against the Hong Kong dollar, which is pegged to the US dollar.

The Tourism Board said more than 40 million visitors — around nine times the city's population — were expected to pour into Hong Kong this year, marking a 3.5 per cent rise over last year.

Visitors from the mainland accounted for 78 per cent of the overall tourists, officials figure.

"We think it will grow 3-4 per cent this year, closer to 4 per cent since the economy is getting better and consumer sentiment is improving," Cheng said.

Local consumer spending may also increase. Thanks to the PRC's Secretary Paul Chan Mo-po's budget plan, which will cut duty tax for 2017-18 by 75 per cent and increase middle-class purchasing power.

However, the effect of tax cuts may not be as strong as cash rebates, Cheng said.

"Purely from the retail per-

spective, we would more welcome the government to pay direct cash to all of the citizens here," he said. "But the current budget plan is better for the Hong Kong economy in the long run."

Chan declined lawmakers' calls to hand out one-off cash packets to the public on grounds of sustainability of fiscal policy, while the surplus for the 2017-2018 financial year is expected to be a record HK\$38 billion.

Despite the optimism, retailers are still worried about rising rents and labour costs.

60m

Visitors to the Tourism Board expects to arrive in Hong Kong this year, which would be 3.6 per cent up on 2017.

The government will release retail sales figures for January today. The data will be closely watched as the low season for tourism booms.

HK Economic Times 20/2/2018

股樓暢旺 商場新春生意報捷

人流普遍升一成 零售餐飲好景

本港零售業在過去兩星期，一直維持暢旺，商場新春生意報捷。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。



新地八商場聖誕節銷情

部分商場新春期間表現

商場	零售額 (億元)	增幅 (%)	人流
太古廣場	2.8	+12%	100%
時代廣場	2.2	+10%	90%
新城市廣場	1.8	+8%	80%
元朗廣場	1.5	+7%	70%
新城市廣場	1.2	+6%	60%
新城市廣場	1.0	+5%	50%
新城市廣場	0.8	+4%	40%
新城市廣場	0.6	+3%	30%

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

HK Economic Times 2/2/2018

去年零售銷售升 2.2% 消費信心續好

經濟師：料今年首季增逾 5%

本港零售業在過去一年，表現強勁，零售額增長 2.2%。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

零售分銷表現

類別	2017年零售額 (億元)	增幅 (%)	2017年零售額 (億元)	增幅 (%)
零售總額	100	+2.2%	100	+2.2%
零售額	70	+3.1%	70	+3.1%
零售額	175	+3.1%	175	+3.1%
零售額	245	+6.8%	245	+6.8%
零售額	300	+1.8%	300	+1.8%

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

Sing Pao Daily News 27/12/2017

八商場聖誕銷情佳 新地料除夕創高峰

新地八商場聖誕節銷情

商場	零售額 (億元)	增幅 (%)	零售額 (億元)	增幅 (%)
太古廣場	2.8	+12%	1.52	+10%
太古廣場	2.15	+11%	2.4	+11%
Mikiki	1.2	+12%	1.2	+12%
PopWalk	0.6	+9%	0.64	+12%
新城市廣場	1.1	+10%	1.1	+10%
新城市廣場	1.1	+10%	1.1	+10%
新城市廣場	1.1	+10%	1.1	+10%
新城市廣場	1.1	+10%	1.1	+10%

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。



零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

Sing Pao Daily News 31/12/2017

餐飲零售業叫好 料生意增逾一成

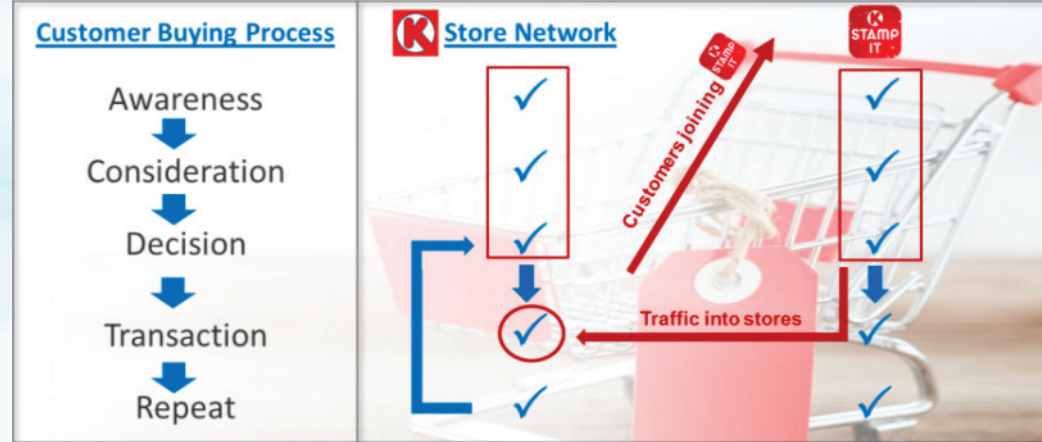
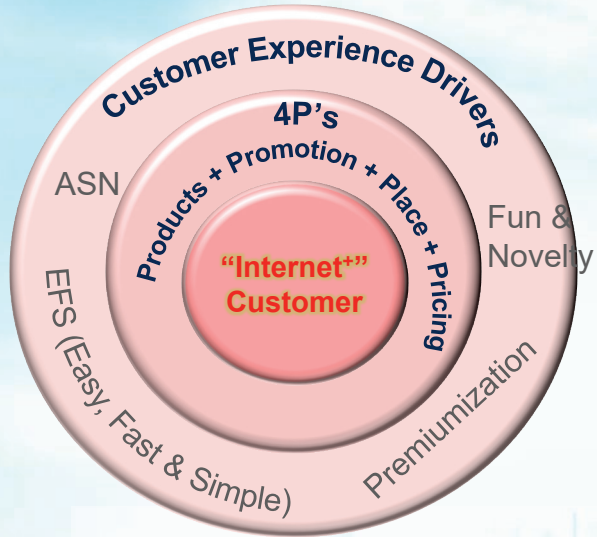
百萬人消費大軍 元旦假湧港狂歡

零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。



零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。零售業協會主席陳志強表示，今年首兩星期，全港零售業零售額約 100 億元，較去年同期上升一成。

The 3 “Plus” Strategies



1. Focus on “Internet Plus” customers
2. Deliver “4P’s Plus” relevant customer experience
3. Transition to “B&M Plus” (O2O) business models



3 "Plus" Strategies Driving Growth

梳子雪糕
Chiao K x Gudatam

下載及登記「OK齊印」
賺+印花，換取「Ok Stamp」

VIP限定!

SHAKE SHAKE 幸運星
O2O大抽獎

大獎 iPhone X (64GB)
100部
件件超過 400,000 份
獨家禮品任你揀!

O2O 抽獎辦法

齊齊印 OK 齊齊印
Pokémon 聯萌
史上至萌系列

下載及登記「OK齊印」
賺+印花，換取「Ok Stamp」

VIP限定!

減\$2 DISCOVERY 尋寶啦!

憑券購買任何
或 全場 產品 **即減\$2**

了解詳情

有效日期：2017年11月2日上午7時至11月15日

WOW 價
VIP限定
10月19日-25日

憑券購買任何 產品 **即減\$2**

WOW 價
VIP限定
10月26日-11月1日

憑券購買任何 產品 **即減\$2**

OK 齊齊印 VIP
憑電子券購買任何 產品 **即減\$2**

大獎驚喜

So Special 至特別

煙勁口感 一試難忘

大福雪糕(每款)

\$13.9/件

Newest LOTTE 最新

獨家發售

日本樂天
尊貴
紅桑子/芒果
冰凍甜品杯
120毫升

\$25.9/件

Newest 日本 最新

大獎驚喜

日本記憶力壽司
12粒裝小片裝

\$9.9/件

有效日期：2017年11月2日至15日

Newest Coca-Cola 最新

與摯愛
分享聖誕

「可口可樂」汽水
500毫升罐裝裝

\$15.9/支

VIP **\$12/支**

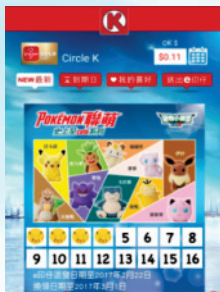


OK Stamp It – Customer Engagement Tools

1. For Value



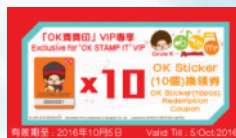
2. For Fun



3. Social Sharing



4. e-Gift Coupon



5. Customer Experience



6. O2O Lucky Draw





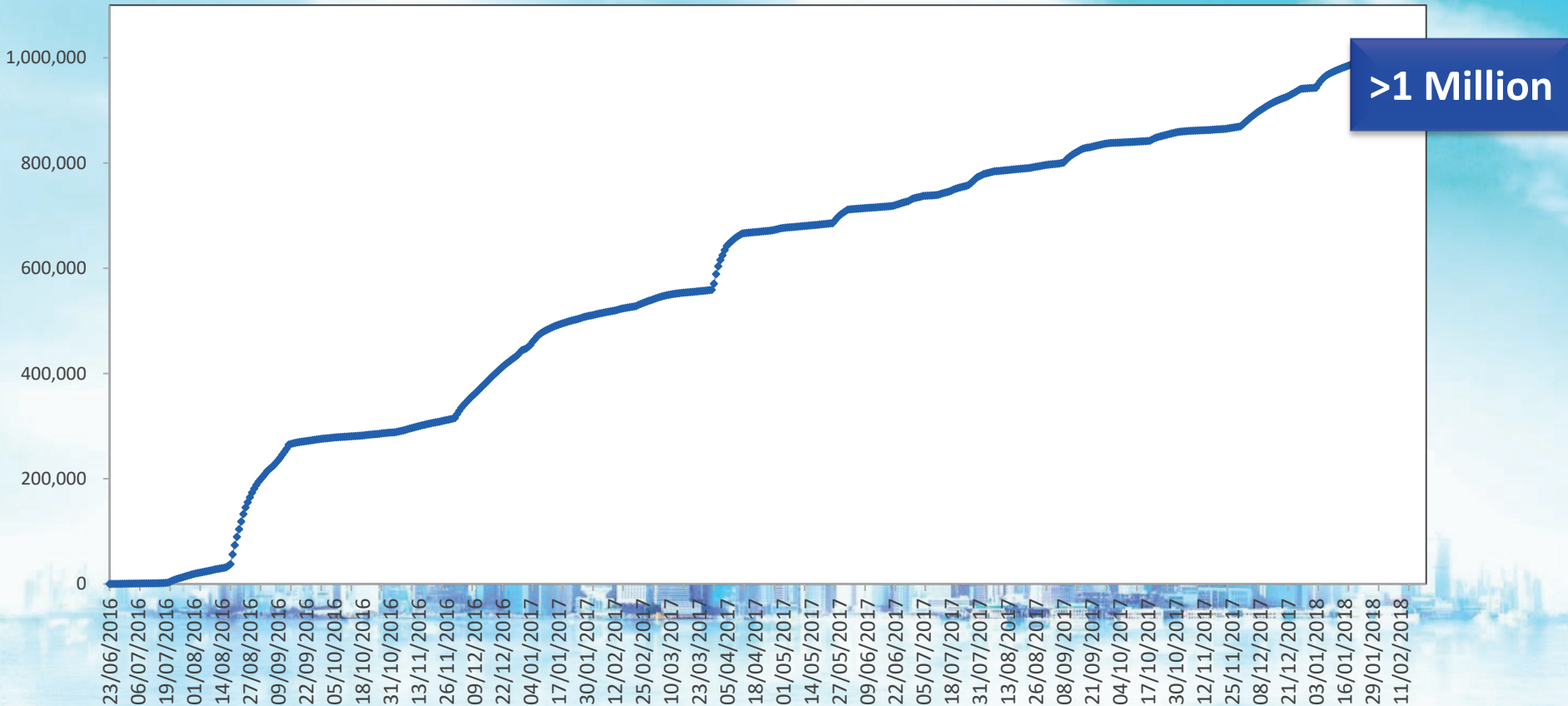
幸運星

O2O Shake Shake Lucky Star





OK Stamp It – KPIs



>1 Million



OK Stamp It Won Multiple Awards



**Octopus Partner Awards
2016**
*- The Octopus
Innovation Award*

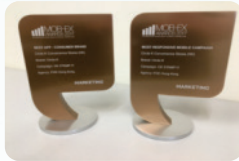


**Best (Top 1) 2017Q1 Ads
Leaderboard**

Circle K Pokémon Video for
「OK齊齊印」 app

**Best of 2016 Ads
Leaderboard**

DoReMi Monchhichi



Marketing Magazine

- Mob-Ex Awards 2017

Best App – “Consumer Brand” &
“Most Responsive Mobile Campaign”

- Marketing’s inaugural eCommAs Awards 2017

Best of Show - Brand

Gold for Best Customer Retention Programme

Gold for Best Omni-Channel Process

Gold for Best E-Commerce Campaign

Bronze for Best User Experience

Golden Globe Tigers 2017 Awards



- For Excellence In Retail & Store Management

**- For Excellence & Leadership In Social Media
& Digital Marketing**

- For Excellence & Leadership in Branding & Marketing

Re-inventing Strategy Lifting Customer Experience



Circle K Hong Kong Won 2017 Service and Courtesy Award By HKRMA





Fast Fashion Eyewear Chain from Japan Business Introduction



- Japan Quality
- Always Fresh / Fast Service
- Value for Money



Japan Quality

だから

軽い！ 柔軟！ 壊れにくい！



Zoff SMARTの特長













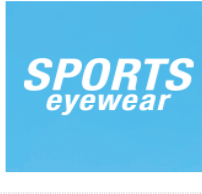













Amazing Zoff SMART
– Parts used in Hakuto's lunar rover are made from **Ultem**, the same materials used in Zoff SMART.



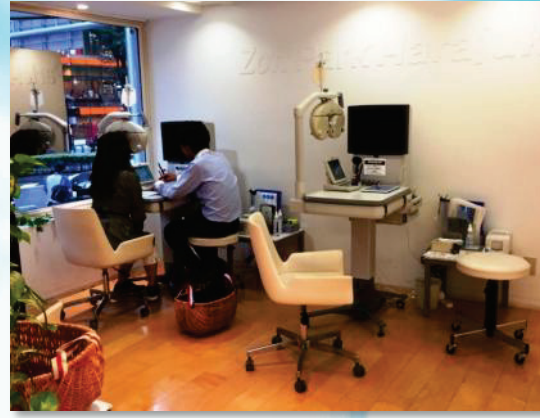
Always Fresh

New glasses, new mood, "Enjoy Your Glasses"

 <p>Zoff SMART®</p>	<p>MEN WOMEN 軽い タフ</p>  <p>Zoff SMART Regular (ソフ・スマート・レギュラー) ¥ 9,000 (税別) Z141036_D-2</p>	<p>MEN WOMEN 軽い タフ</p>  <p>Zoff SMART Skinny (ソフ・スマート・スキニー) ¥ 9,000 (税別) Z151004_C-1B</p>	 <p>Zoff x RINA TANAKA (ソフ × リナ タナカ) ¥ 7,000 (税別) Z461018_C-1</p>	<p>WOMEN</p>  <p>Zoff x RINA TANAKA (ソフ × リナ タナカ) ¥ 9,000 (税別) ZP61001_C-1</p>	<p>WOMEN</p>  <p>Zoff x RINA TANAKA (ソフ × リナ タナカ) ¥ 9,000 (税別) ZP61001_C-1</p>
 <p>Zoff SMART® © Disney</p>	<p>NEW MEN WOMEN 軽い タフ</p>  <p>Zoff SMART Disney (ソフ・スマート・ディズニー) ¥ 9,000 (税別)</p>	<p>NEW MEN WOMEN 軽い タフ</p>  <p>Zoff SMART Disney (ソフ・スマート・ディズニー) ¥ 9,000 (税別)</p>	 <p>SUPER LIGHT</p>	<p>MEN 軽い</p>  <p>SUPER LIGHT (スーパーライト)</p>	<p>MEN WOMEN 軽い</p>  <p>SUPER LIGHT (スーパーライト)</p>
 <p>SPORTS eyewear</p>	<p>MEN WOMEN スポーツ</p>  <p>Zoff ATHLETE (ソフ・アスリート) ¥ 7,000 (税別) ZV62009_G-4</p>	<p>MEN WOMEN スポーツ</p>  <p>Zoff ATHLETE (ソフ・アスリート) ¥ 7,000 (税別) ZC61008_B-4</p>	 <p>Disney Collection created by Zoff</p>	<p>MEN WOMEN</p>  <p>Disney Collection ¥ 5,000 (税別) ZA51038_B-1A</p>	<p>MEN WOMEN</p>  <p>Disney Collection ¥ 5,000 (税別) ZA51038_C-2A</p>
 <p>Nordic Collection Zoff + PANTONE</p>	<p>MEN WOMEN</p>  <p>Zoff+PANTONE UNIVERSE (ソフ+パントンユニバース) ¥ 5,000 (税別)</p>	<p>MEN WOMEN</p>  <p>Zoff+PANTONE UNIVERSE (ソフ+パントンユニバース) ¥ 5,000 (税別)</p>	 <p>Disney Collection created by Zoff</p>	<p>MEN WOMEN 軽い</p>  <p>Disney Collection ¥ 9,000 (税別) ZQ51001_C-1A</p>	<p>MEN WOMEN 軽い</p>  <p>Disney Collection ¥ 9,000 (税別) ZQ51003_E-2</p>



Fast Services (30 mins)





Value For Money



Zoff's PRICES

FRAME + LENS

フレームの表示価格は、
すべて標準レンズを含む完成品価格です。
ALL PRICES ON FRAMES INCLUDE STANDARD PRESCRIPTION LENSES.

- HK\$480
- HK\$680
- HK\$880
- HK\$1080

*上記価格はすべて税別表記です。*各種オプションレンズは別途有料となります。
*PRICES DO NOT INCLUDE TAX. *EXTRA CHARGE FOR OTHER LENSES AND OPTIONS



The First Store In Hong Kong

City Plaza, Taikoo (opened 25th November 2017)



The First Store In Hong Kong

City Plaza, Taikoo (opened 25th November 2017)



The Second Store In Hong Kong

Telford Plaza, Kowloon Bay (opened 23rd February 2018)



The Second Store In Hong Kong

Telford Plaza, Kowloon Bay (opened 23rd February 2018)

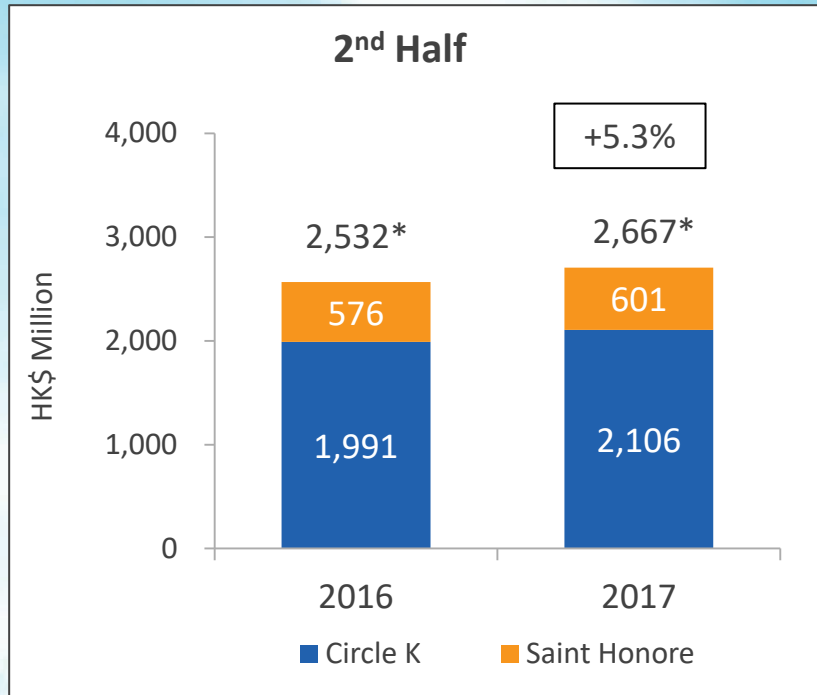


2017 FINANCIAL RESULTS HIGHLIGHT

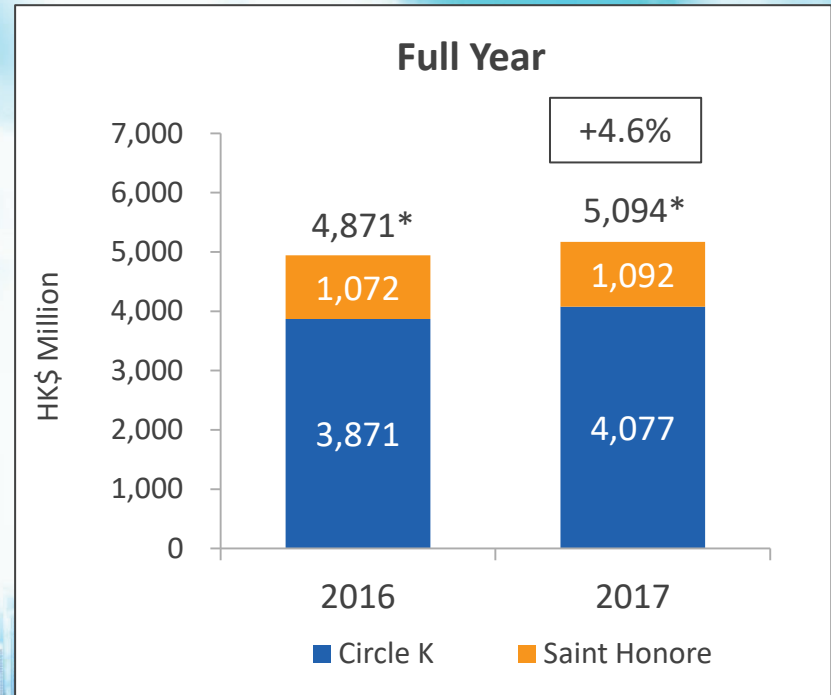
Number of Stores

	End of 2016	Opened	Closed	End of 2017
Circle K Hong Kong	331	10	(9)	332
Circle K Guangzhou <i>(franchised)</i>	71	4	(11)	64
Circle K Macau <i>(franchised)</i>	30	2	(3)	29
Circle K Zhuhai <i>(franchised)</i>	16	4	(4)	16
Saint Honore HK & Macau	98	13	(9)	102
Saint Honore Southern China	41	8	(8)	41
Zoff Hong Kong	-	1	-	1
CRA Group Total	587	42	(44)	585

Group Turnover

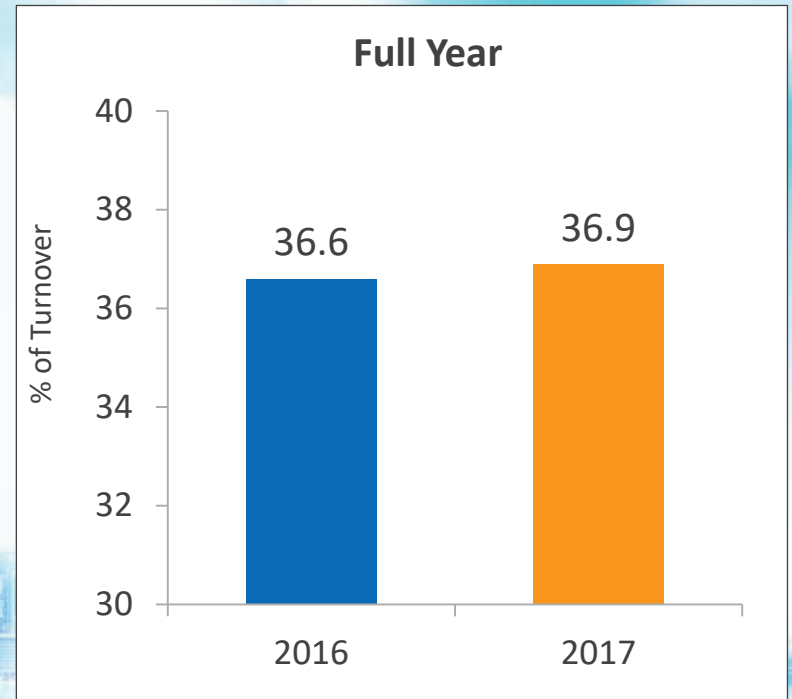
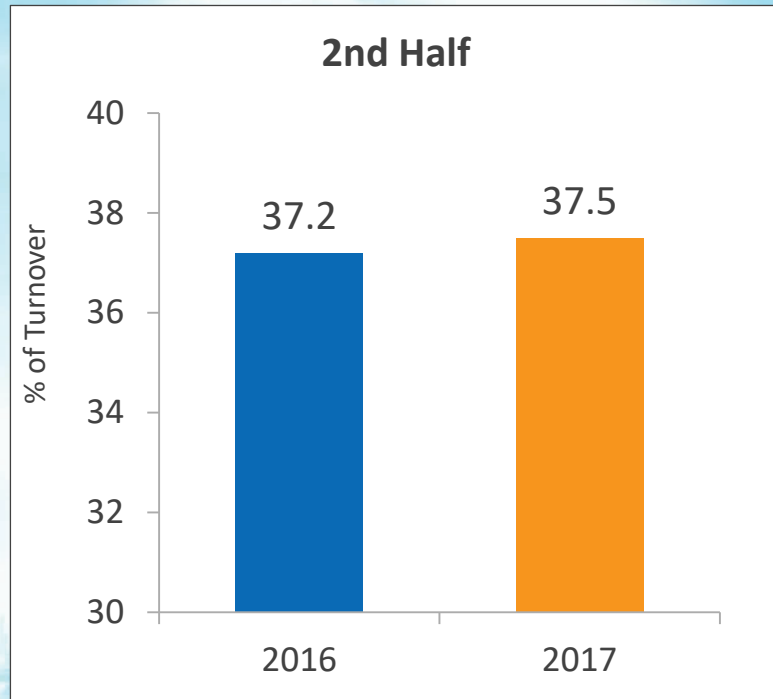


* Less inter-group sales: HK\$35M in 2H2016 & HK\$40M in 2H2017

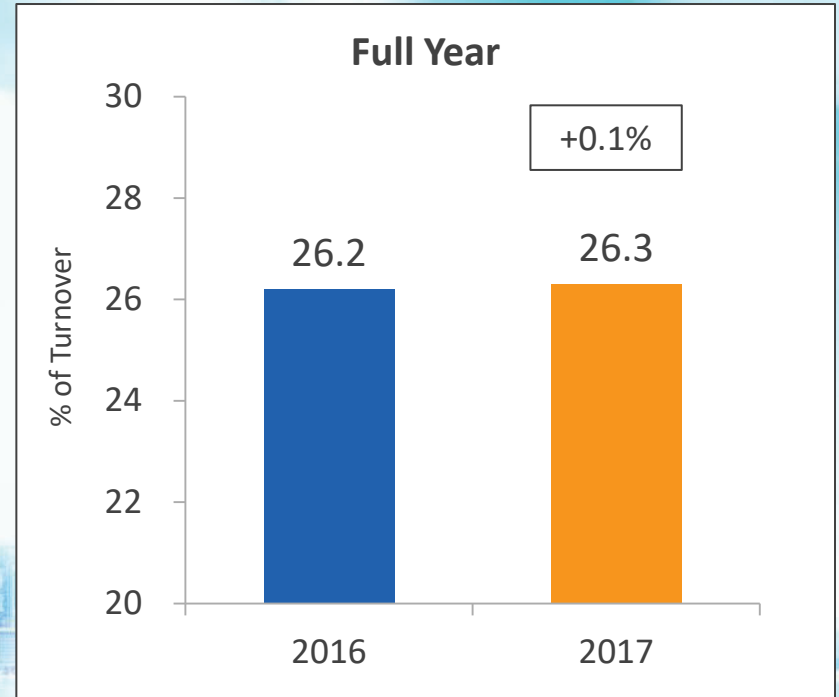
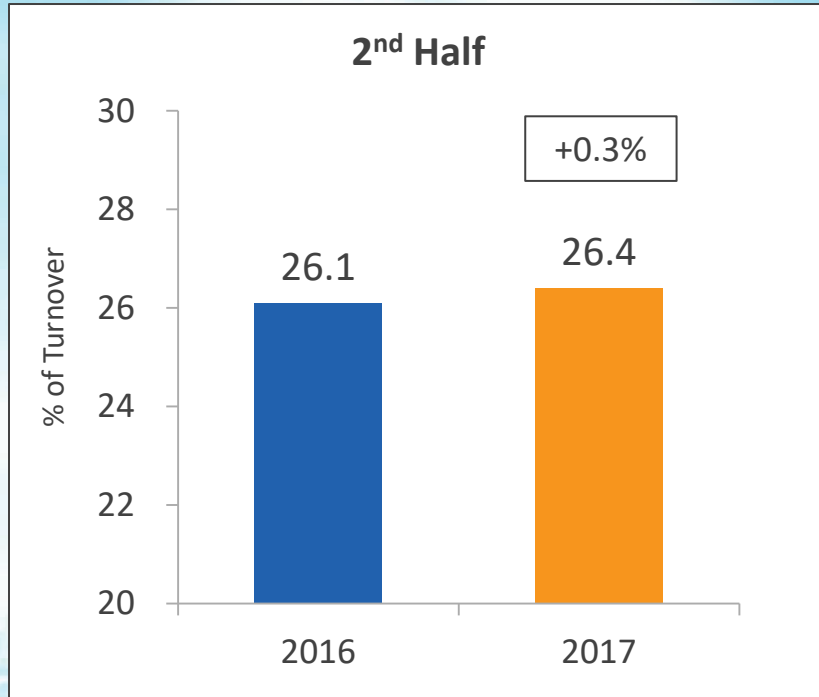


* Less inter-group sales: HK\$72M in 2016 & HK\$75M in 2017

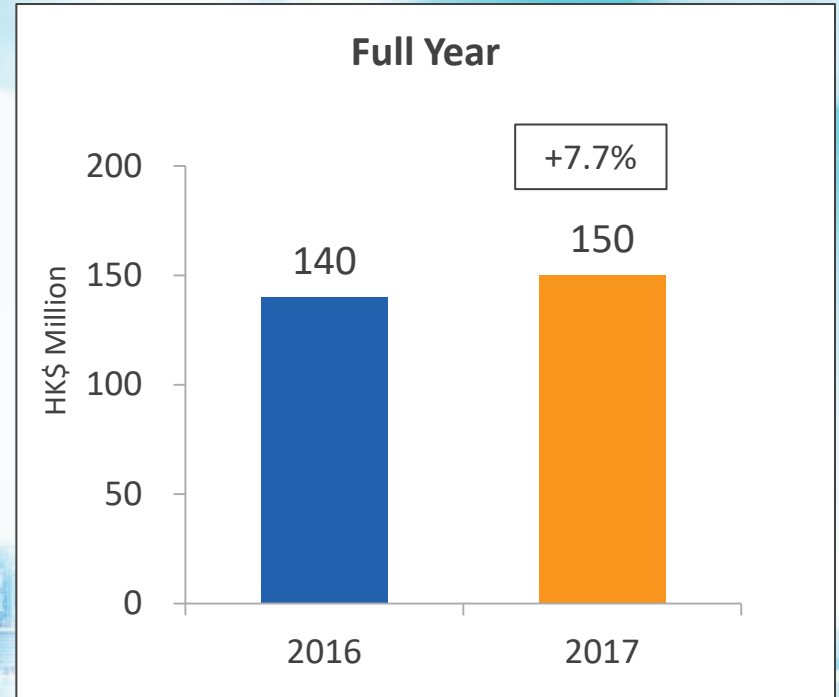
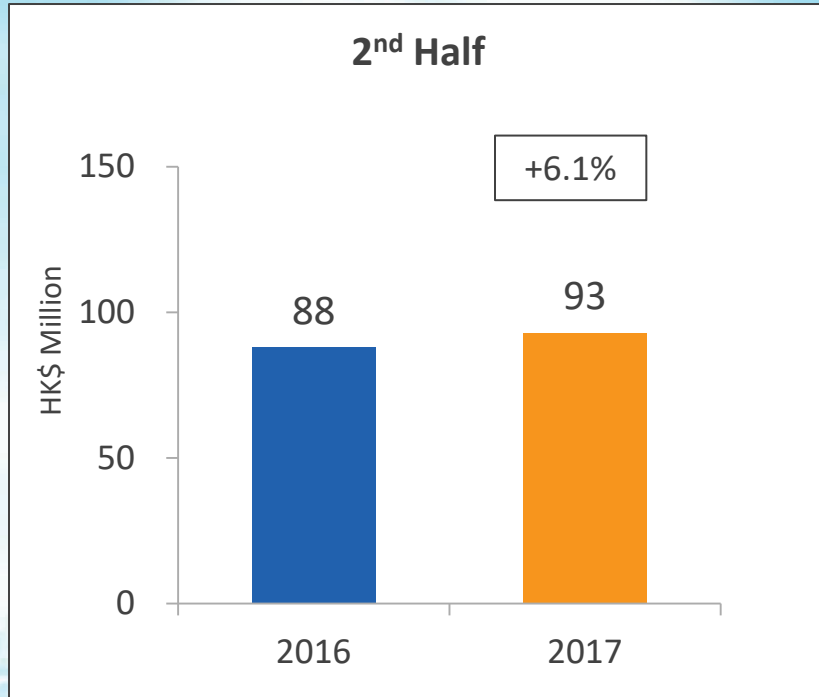
Gross Profit & Other Income



Group Store Operating Expenses



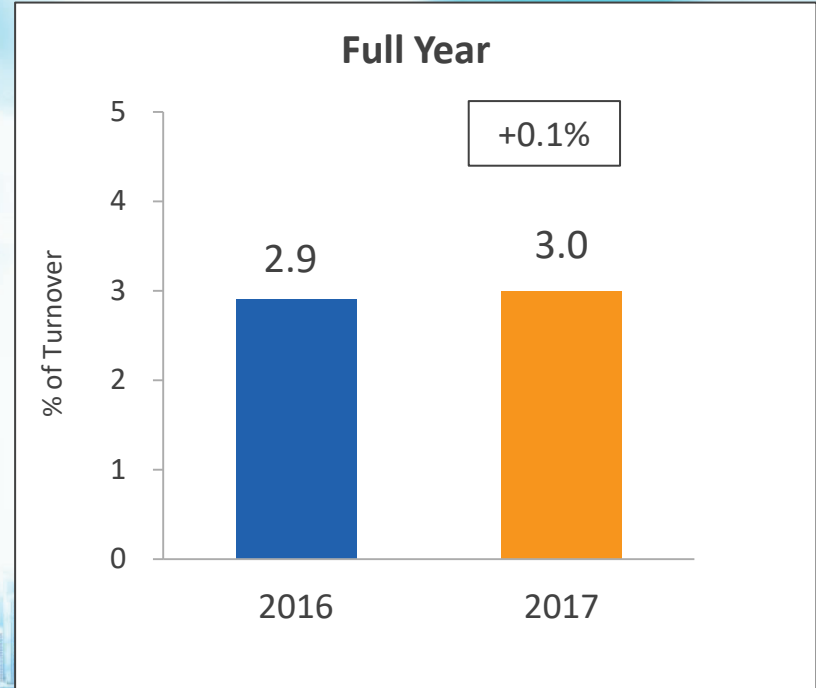
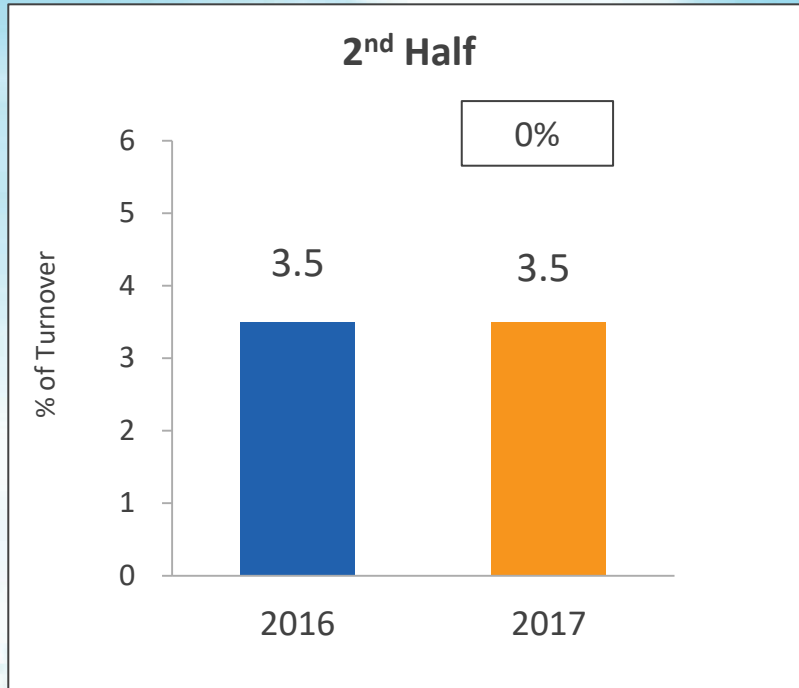
Group Net Profit



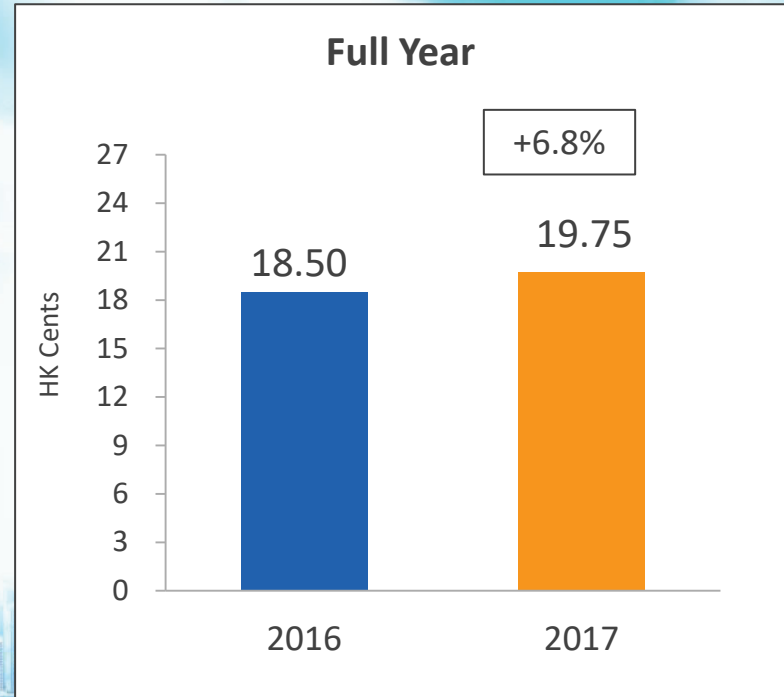
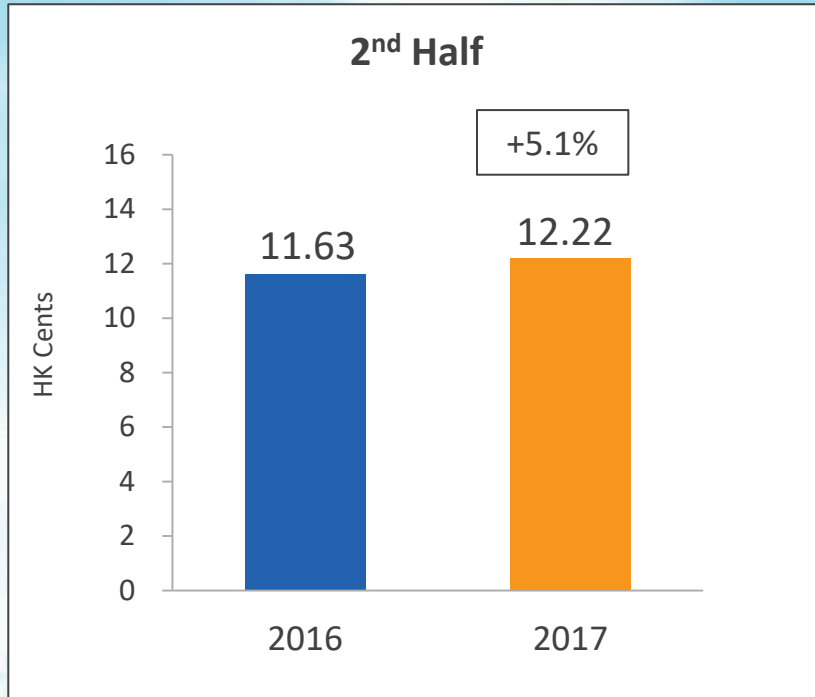
Net Profit by Market

<i>(HK\$ Million)</i>	Full Year		
	2016	2017	Change
Hong Kong & Macau Markets	162	169	+4.2%
Southern China Market	(2)	(5)	-1.x%
e-commerce Group	(20)	(14)	+34.3%
CRA Group Net Profit	140	150	+7.7%

Group Net Profit as % of Turnover



Basic Earnings Per Share



2017 Financial Results Highlight – 2nd Half

	2H2016	2H2017	Change
Number of Stores	582	585	+3
Group Turnover (HK\$M)	2,532	2,667	+5.3%
Group Net Profit (HK\$M)	88	93	+6.1%
Net Profit as % of Turnover	3.5%	3.5%	-
Basic Earnings Per Share (HK cents)	11.63	12.22	5.1%

2017 Financial Results Highlight – Full Year

	2016FY	2017FY	Change
Number of Stores	587	585	-2
Group Turnover (HK\$M)	4,871	5,094	+4.6%
Group Net Profit (HK\$M)	140	150	+7.7%
Net Profit as % of Turnover	2.9%	3.0%	+0.1%
Basic Earnings Per Share (HK cents)	18.50	19.75	+6.8%
Dividends (HK cents)			
■ Interim Dividend	3.5	4	+14.3%
■ Final Dividend	13	14	+7.7%
■ Special Dividend	27	-	N/A

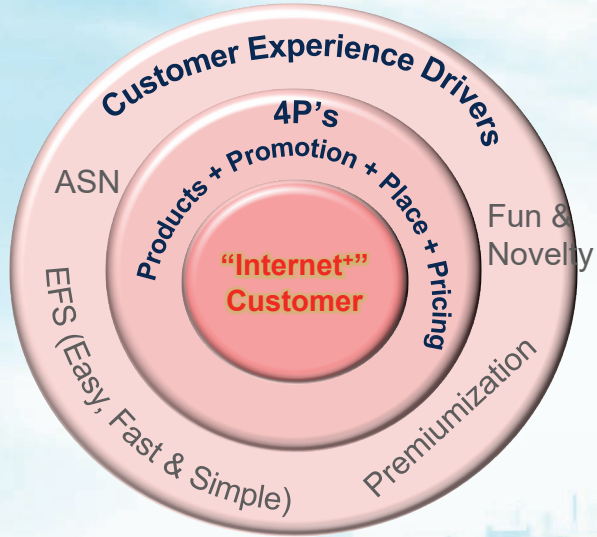
2018 OUTLOOK

A panoramic view of a city skyline across a body of water under a bright, cloudy sky. The text '2018 OUTLOOK' is centered in the upper half of the image.

2018 Outlook

- Stagnant demand for Hong Kong consumers
- Drastic shortage of frontline labour
- Aggressive landlords
- O2O retailing is the future
- The importance of EFS (Easy, Fast & Simple)

The Future Is Bright & Clear



Quality & Profitable Growth

THANK YOU !