



# Convenience Retail Asia Limited 2018 Interim Results Announcement

16 August 2018



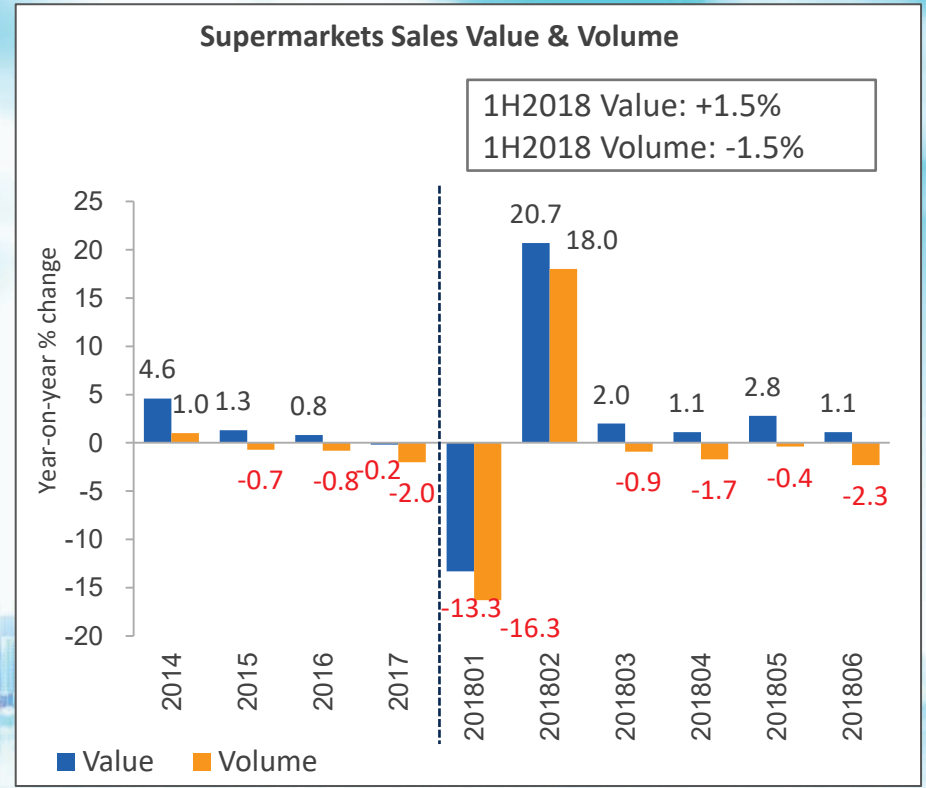
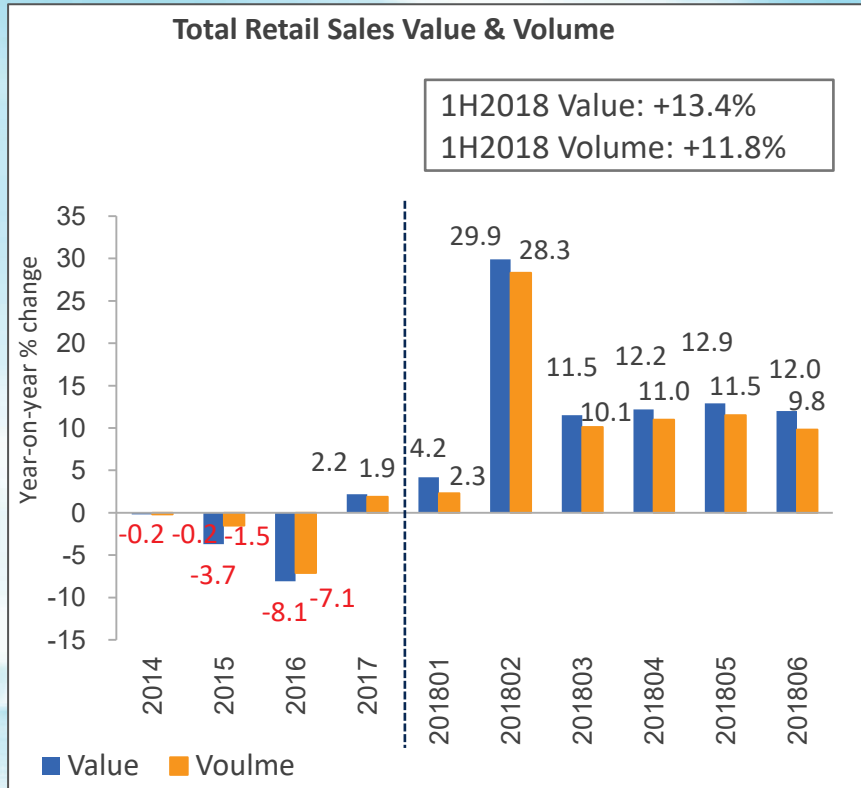
# Agenda

- Hong Kong Retail Market Key Highlight
- 2018 First Half Financial Results Highlight
- 2018 Outlook
- Questions & Answers



# **HONG KONG RETAIL MARKET KEY HIGHLIGHT**

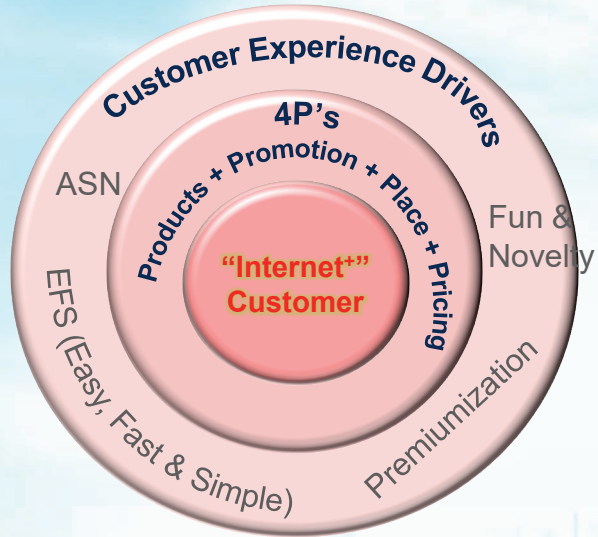
# Hong Kong Retail Market







# 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

**齊齊疊齊齊玩!**  
Circle K x FunBibla

玩法1: 疊疊疊  
好玩 好用!

玩法2: 疊疊疊  
好玩 好用!

Marubishi 疊疊疊風扇  
環游全球機票 疊疊疊  
在遊戲中贏取機票

**SHAKE SHAKE 幸運星**  
**O2O大抽獎**

**大獎 Samsung GALAXY S9 (64GB) 100部**  
仲有超過 500,000 份 豐富禮品俾您!

O2O 抽獎辦法

**Ice Cream Hunt**  
東京オアシナル 全日本展開售

**Zoff 太陽眼鏡 激搶 名額1000副**

買齊9款雪糕 贏取

多款雪糕 \$15起  
多款雪糕 \$15起  
多款雪糕 \$15起

**WOW 價**  
OK VIP 限定

5月24日-30日

\$5.5/件 \$4.5/件 \$5/件 \$5/件  
\$6/件 \$3/件 \$9.9/件 \$5.5/件 \$5.5/件

**TASTE the DIFFERENCE**  
啡品新味

【最新口味登場】

多款啡品 \$16.9/杯

**OK勁抽 Soccer Fever**  
Score & Win Big Prizes

**勁抽大獎100份**  
國泰航空 國泰假期旅遊套票 每份\$10,000

**HSBC**

凡消費滿\$100 即可獲贈大獎券

憑銀聯手機閃付 數賬淨額 滿HK\$25 即減 **15** 元

**UnionPay 銀聯**

憑銀聯手機閃付 數賬淨額 滿HK\$25 即減 **10** 元

**WeChat Pay**

憑微信支付 滿HK\$20 即減 **10** 元

**OK 齊齊印VIP**  
憑電子券購買任何 即減 \$2

多款新產品

**非凡脆味**

多款脆味 \$10.9/包

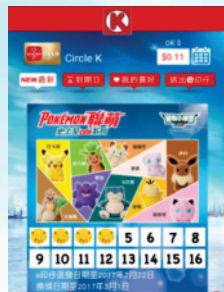


# OK Stamp It – Customer Engagement Tools Within App

## 1. For Value



## 2. For Fun



## 3. Social Sharing

送出e印仔

## 4. e-Gift Coupon



## 5. Customer Experience



## 6. O2O Lucky Draw







# World Cup Lucky Draw Game

**OK勁抽 Soccer Fever**  
Score & Win Big Prizes

**勁抽大獎 100份**

**國泰航空**  
國泰假期旅遊套票  
每份\$10,000

**Zoff**  
ZOFF SMART  
DRIVING SUNGLASSES  
SUNGLASSES  
\$488

**\$50 現金券**

**\$100 現金券**

Score with your finger!

6月14日上午7時-7月11日

推廣生意的發票專用號碼: 050492

**玩法**

- 購物後  
獲抽獎碼，  
每\$20一個
- 登記/登入  
OK齊齊印  
並進入「活動欄」
- 輸入抽獎碼，  
抽中即獎!

**Stamp It**

尚餘 **10**

免費換領 [換領詳情](#)

**大獎**  
**OK勁抽 Soccer Fever**  
國泰假期旅遊套票  
每份\$10,000

6月14日上午7時  
至7月11日

輸入抽獎碼

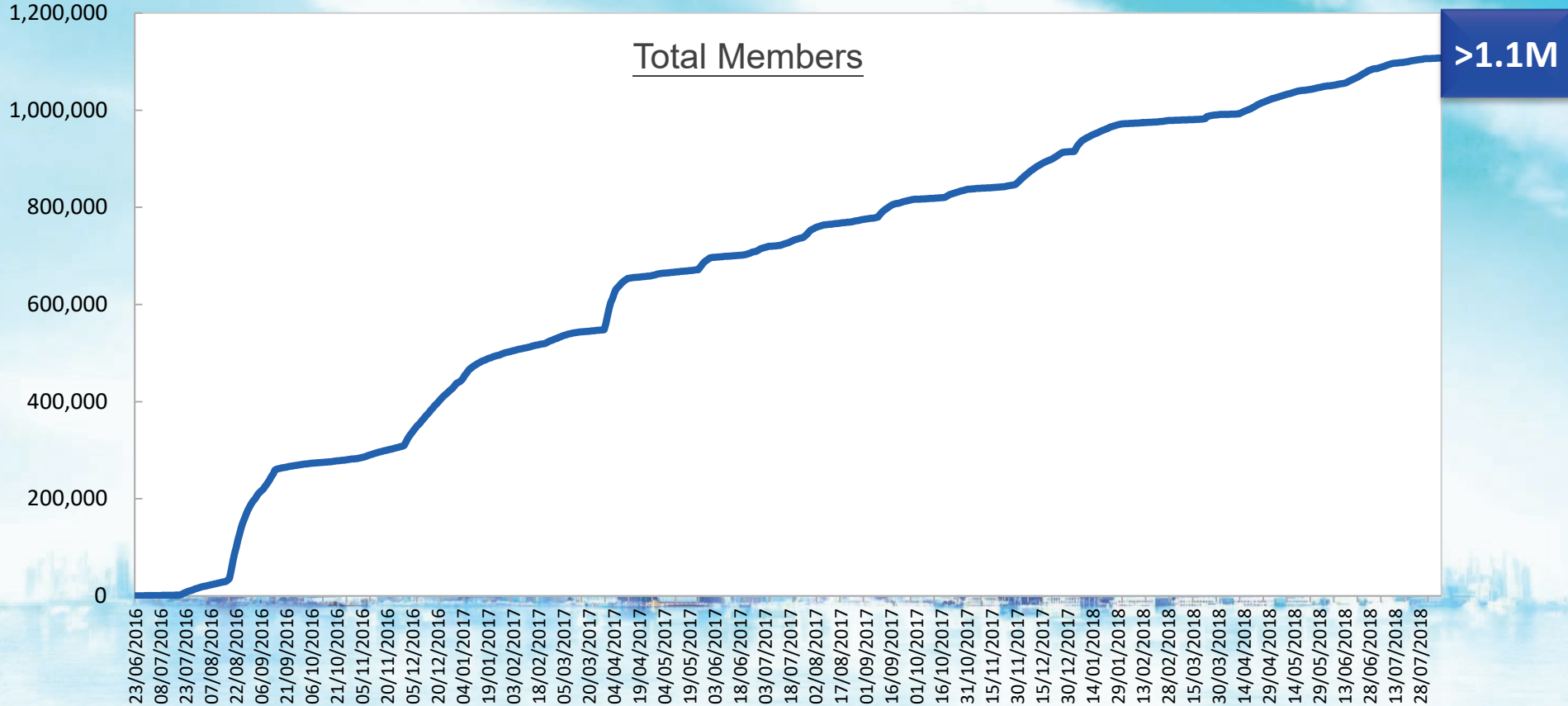
**大獎 共100份!**

推廣生意的發票專用號碼: 050492

主頁 禮品 推薦 活動 更多



# OK Stamp It – KPIs





# OK Stamp It – Very Good Response

## Customer feedback

## Vendor feedback



**Forum-Baby kingdom Comment**

OK Stamp It VIP 有禮數 😄

OK Stamp IT VIP 於5月31日至6月13日期間，可以以優惠價+\$5購買維他蘭檸檬茶+500毫升1枝~

發表於 18-5-31 11:59 | 只屬該作者

發表於 18-5-31 17:55 | 只屬該作者

發表於 18-5-31 13:48 | 只屬該作者

發表於 18-6-4

Chan Chi Hong 夏天買支靚茶俾公司飲 解渴又消暑 每枝\$3好抵



**From:** Anthony Chan (DSA) [mailto:anthonychan@vitasoy.com]  
**Sent:** Thursday, August 2, 2018 3:52 PM  
**To:** Mandy, Choi Mei Kit  
**Cc:** Anthony Pang (TMK); Frankie Luk (TOH)  
**Subject:** RE: Stamp It X Ceylon PET product launch campaign

Dear Mandy,

Vita Ceylon Lemon Tea had a long heritage and was ranked to be a Top 5 item in Total RTD Tea market which worth \$1.2b per annum. Our sales mileage in Convenience Stores sector was undermined because of the provision of one single 375ml Tetra Pak packaging only. In May 2018, Vita launched Ceylon 500 ml PET packaging to unleash her on-the-go opportunities.

Circle-K "STAMP IT" is an effective O2O interface to connect our target customers. Leveraging on her 1 million member base and breakthrough platform, we have collaborated with Circle-K merchandising team to provide a WOW price and an innovative "Peer-to-peer promotion offer" for this new product. Circle-K members were able to both enjoy our new product and recommend trial to friends.

The speed of Ceylon Lemon Tea PET was impressive and we reached a record-breaking performance against mutual forecast. The "STAMP IT" interface is certainly an effective vehicle for all FMCG suppliers.

Last but not least, we felt very excited for the professional design of the Facebook feed from Circle K. Thank you. Any query, pls let me know.

Rgds/Anthony

**From:** Jimi Liu (V-CARE) [mailto:jimil@v-careasia.com]  
**Sent:** Monday, August 6, 2018 11:37 AM  
**To:** Mandy, Choi Mei Kit; Eason, Chan Shing Wai  
**Cc:** V-Care Icy Chan (Sales & Marketing Manager)  
**Subject:** re:Stamp it VIP Program

Dear Both,

We are grateful to join Circle K STAMP IT VIP program for #77994 Royal Tea Garden Oolong Tea 500ml during 31/5-13/6/2018. It was great success to bring incremental sales. It broke our sales record to achieve +4000ctn in 2 weeks.

Moreover, it aroused many positive comments on social media or discussion forum on internet. We gained good product reputation owing to Circle K STAMP IT VIP program. It means to us an impressive and effective promotion program."

Best regards,

Jimi Liu  
 Managing Director  
 Office no. : +852 2365 9985  
 Mobile : +852 9183 3213  
 Website : [www.v-careasia.com](http://www.v-careasia.com)





# OK Stamp It Won Multiple Awards



## Marketing Magazine

### - Mob-Ex Awards 2018

Gold for Best App - Targeted Demographic  
Silver for Best App - Consumer Brand  
Silver for Best Reform of App

### - Asia eCommerce Awards 2018

Silver for "Best Idea - Mobile"  
Shake Shake Lucky Star



### - 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

## Global Awards for Retail Excellence by the Asia Retail Congress & Economic Times



1. Retailer of the Year - Food & Grocery
2. Customer Loyalty Program Award
3. Innovative Retail Concept of the Year
4. Best Technology Initiative / Implementation



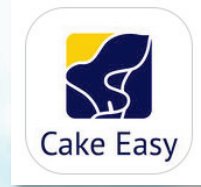
**Asian Convenience Industry Leader of the Year 2018**  
by NACS

## Markies Awards 2018 - Best Idea Mobile (Silver)





# Re-inventing Strategy Lifting Customer Experience



>400,000 Members



最新消息  
新店消息  
最新影片  
電子優惠券

9月2日 \$40 現金優惠  
9月2日 西餅\$21/6件優惠  
\$11 醒晨套餐  
Enjoy Summer  
日本•食材之旅

NEW 最新資訊  
網上訂購  
會員專區  
分店位置  
更多



## Fast Fashion Eyewear Chain from Japan



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



# The First Store In Hong Kong

City Plaza, Taikoo (opened 25<sup>th</sup> November 2017)



# The Second Store In Hong Kong

Telford Plaza, Kowloon Bay (opened 23<sup>rd</sup> February 2018)





# The Third Store In Hong Kong

Sunshine City, Ma On Shan (opened 21<sup>st</sup> July 2018)



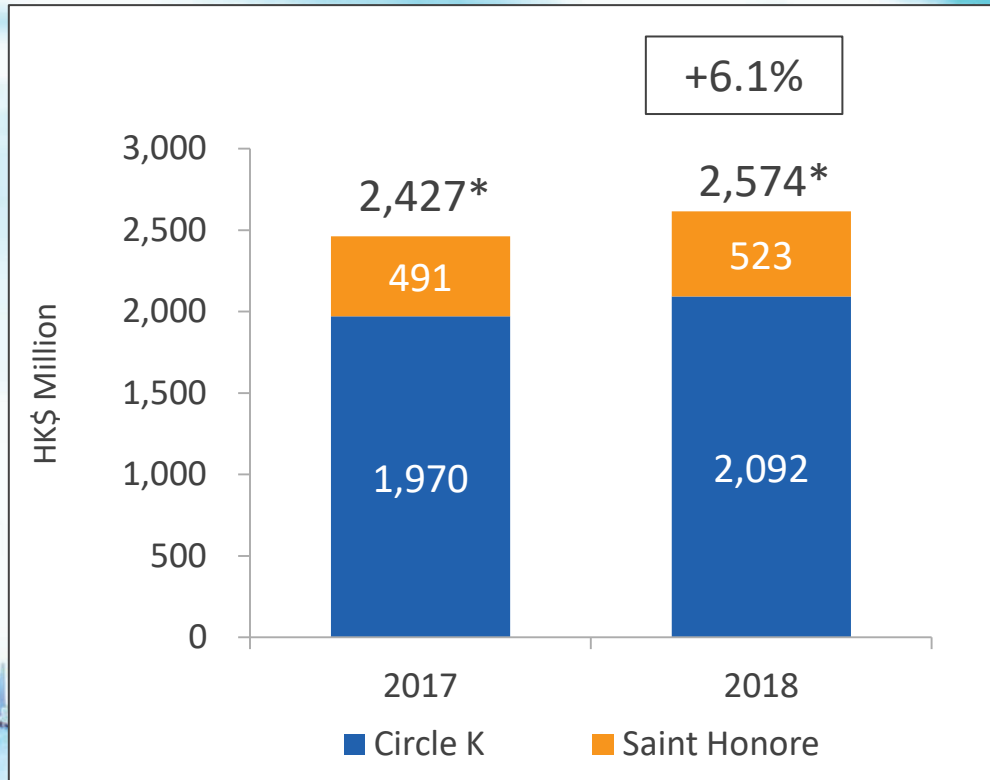


# **2018 FIRST HALF FINANCIAL RESULTS HIGHLIGHT**

# Number of Stores

|  | 1H2017     | End of 2017 | Opened    | Closed      | 1H2018     |
|--|------------|-------------|-----------|-------------|------------|
| Circle K Hong Kong                     | 331        | 332         | 2         | (2)         | 332        |
| Circle K Guangzhou <i>(franchised)</i> | 64         | 64          | 5         | (4)         | 65         |
| Circle K Macau <i>(franchised)</i>     | 31         | 29          | 2         | (1)         | 30         |
| Circle K Zhuhai <i>(franchised)</i>    | 15         | 16          | -         | -           | 16         |
| Saint Honore HK & Macau                | 98         | 102         | 3         | (2)         | 103        |
| Saint Honore China                     | 43         | 41          | -         | (8)         | 33         |
| Zoff                                   | -          | 1           | 1         | -           | 2          |
| <b>CRA Group Total</b>                 | <b>582</b> | <b>585</b>  | <b>13</b> | <b>(17)</b> | <b>581</b> |

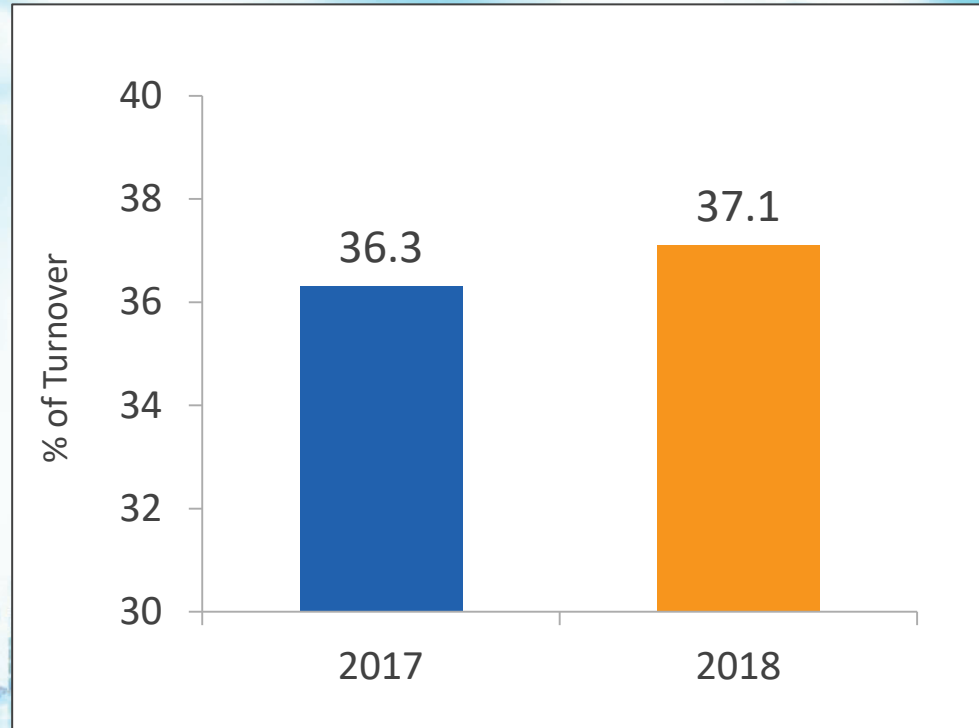
# Group Turnover



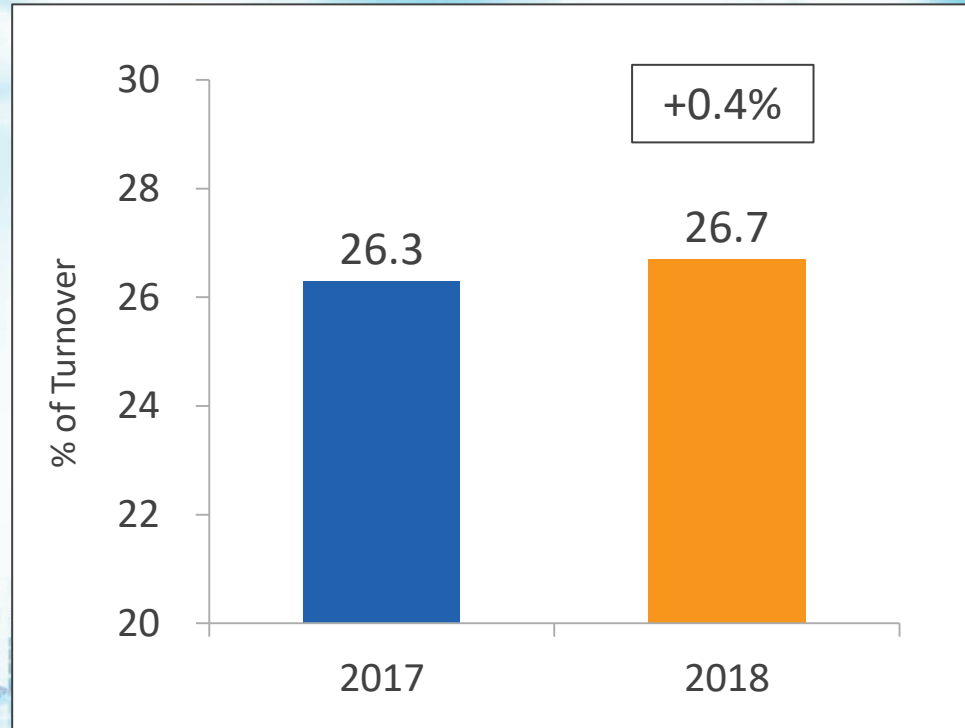
\* Less inter-group sales: HK\$34M in 1H2017 & HK\$41M in 1H2018



# Gross Profit & Other Income

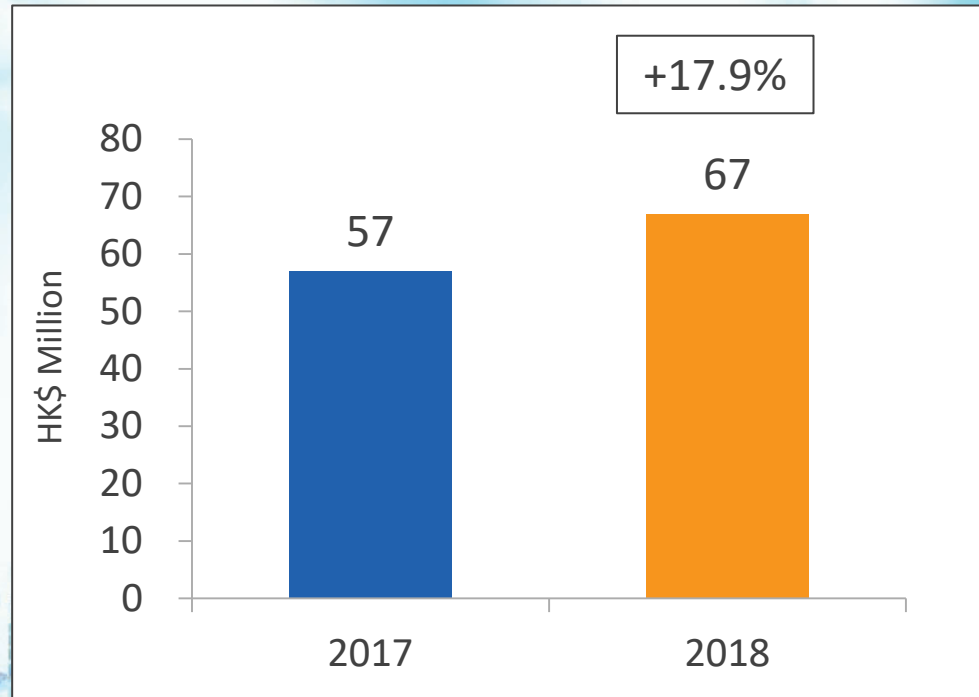


# Group Store Operating Expenses





# Group Net Profit

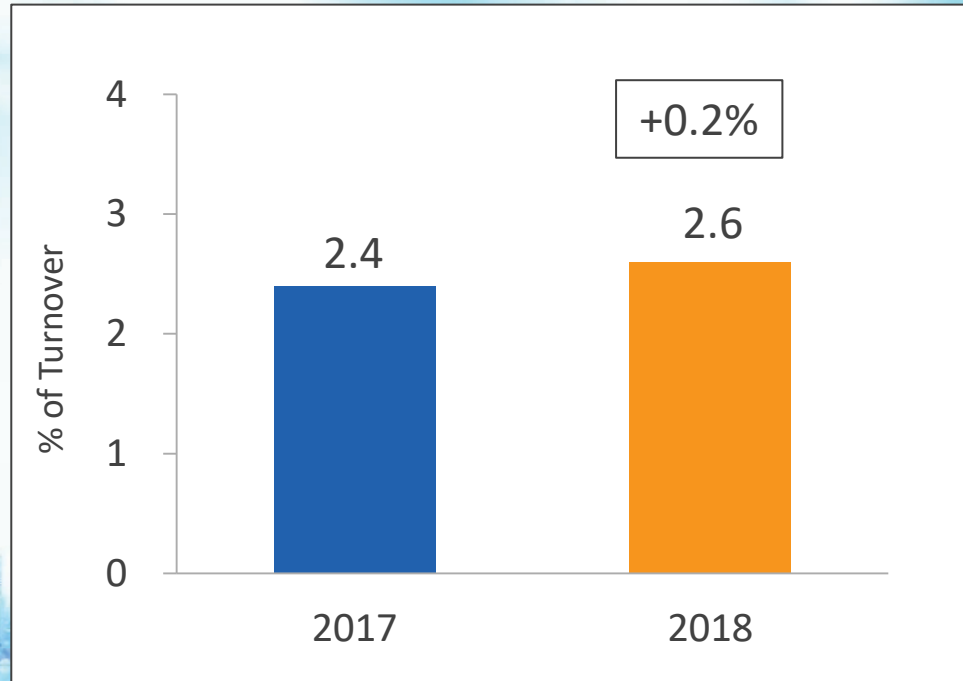


# Net Profit by Market

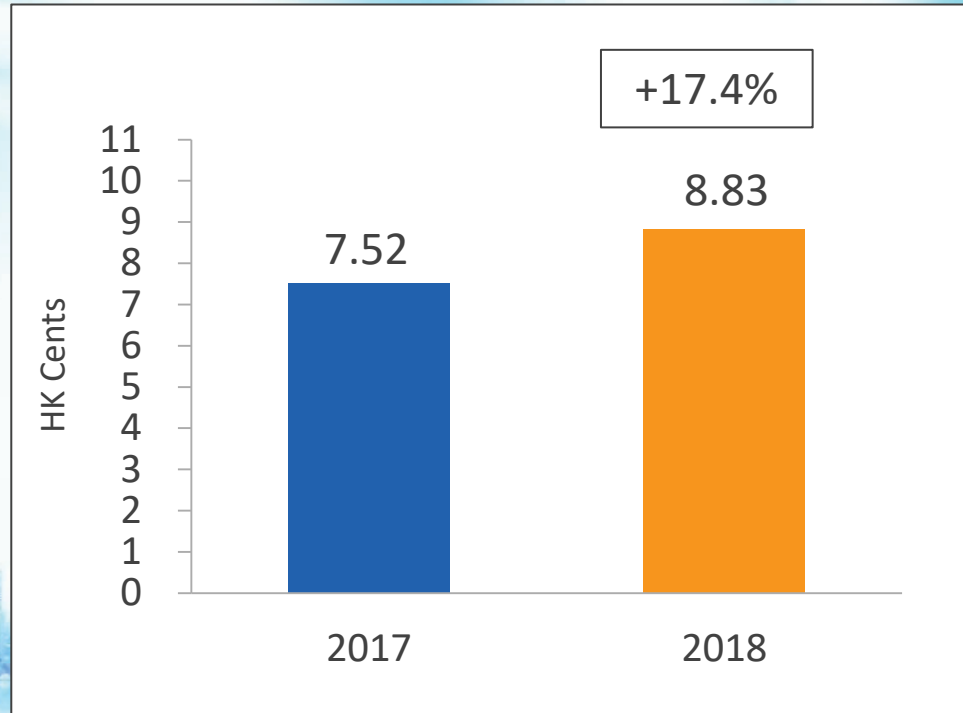
| <i>(HK\$ Million)</i>       | 1H2017    | 1H2018    | Change       |
|-----------------------------|-----------|-----------|--------------|
| Hong Kong & Macau Markets   | 68        | 72        | 6.6%         |
| Southern China Market       | (3)       | (5)       | -76.5%       |
| Developing Businesses       | (8)       | -         | 96.5%        |
| <b>CRA Group Net Profit</b> | <b>57</b> | <b>67</b> | <b>17.9%</b> |



# Group Net Profit as % of Turnover



# Basic Earnings Per Share





# 2018 First Half Financial Results Highlight

|                                     | 1H2017 | 1H2018 | Change |
|-------------------------------------|--------|--------|--------|
| Number of Stores                    | 582    | 581    | -1     |
| Group Turnover (HK\$M)              | 2,427  | 2,574  | 6.1%   |
| Group Net Profit (HK\$M)            | 57     | 67     | 17.9%  |
| Net Profit as % of Turnover         | 2.4    | 2.6    | 0.2%   |
| Basic Earnings Per Share (HK cents) | 7.52   | 8.83   | 17.4%  |
| Interim Dividends (HK cents)        | 4      | 5      | 25.0%  |

# 2018 OUTLOOK

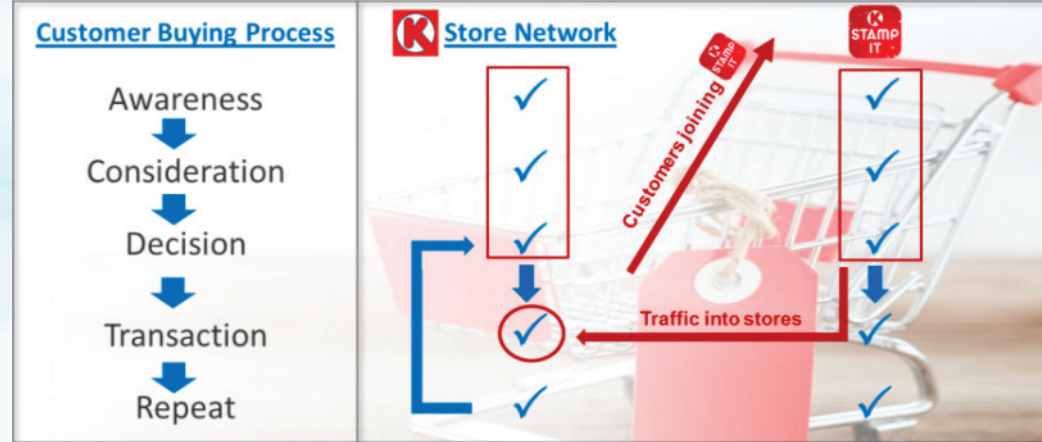
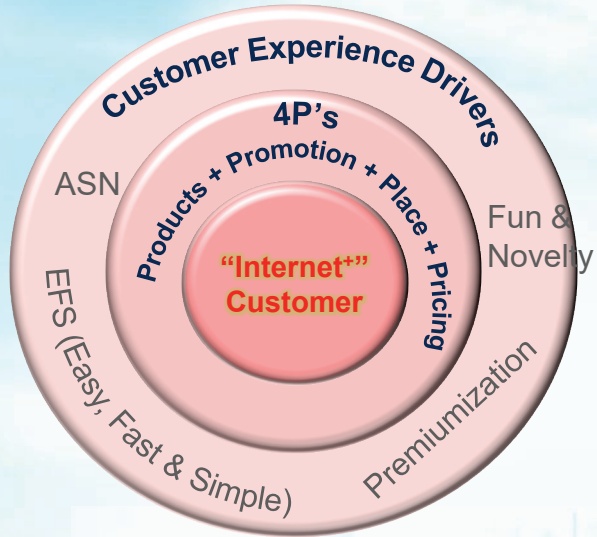
A panoramic view of a city skyline, likely Hong Kong, with numerous skyscrapers and a prominent tower, viewed from across a body of water under a bright, cloudy sky. The text "2018 OUTLOOK" is centered in the upper half of the image.



# 2018 Second Half Outlook

1. Hong Kong consumer retail volume remains stagnant
2. Depreciation of RMB will help lower cost of good sold of Saint Honore chain
3. High labour and rental to continue
4. O2O business model and delivering great customer experience especially EFS (Easy, Fast & Simple) and ASN (Always Something New) will deliver quality growth
5. On track to achieving strong results

# The Future Is Bright & Clear



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

**THANK YOU !**