Convenience Retail Asia Limited
2019 Interim Results Announcement

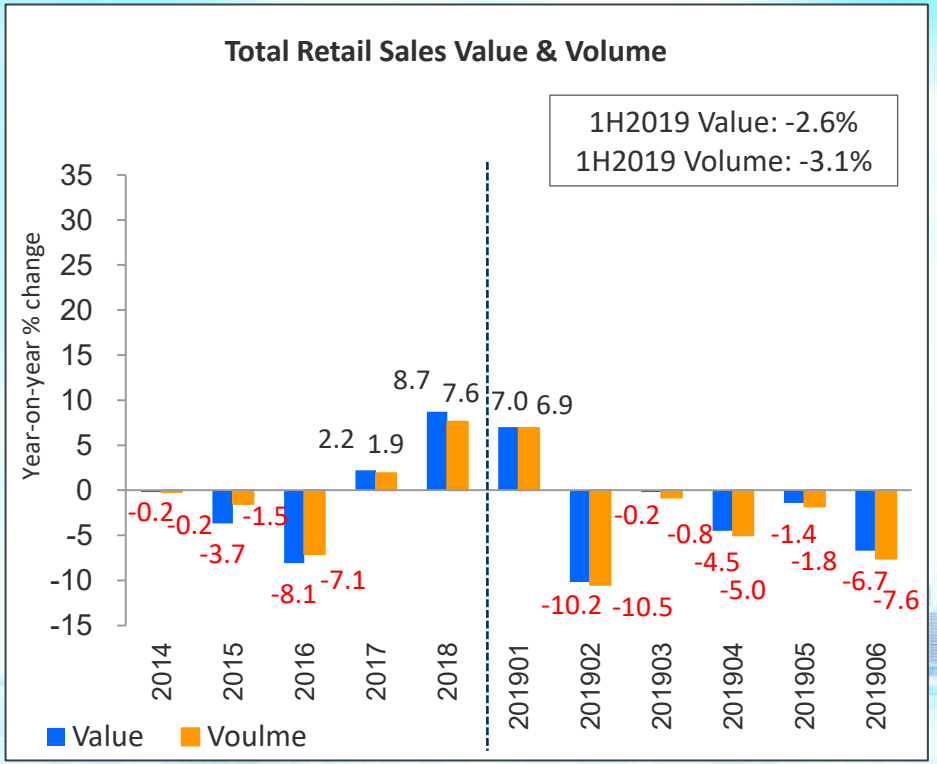
15 August 2019

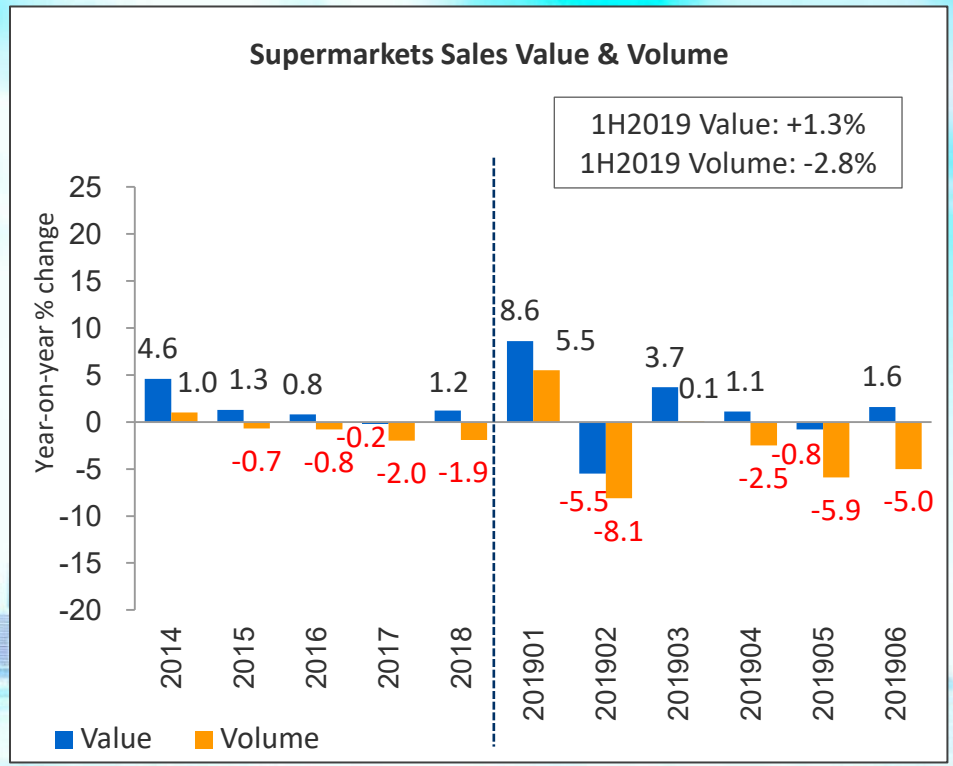
Agenda

- Hong Kong Retail Market Key Highlight
- 2019 First Half Financial Results Highlight
- 2019 Outlook
- Questions & Answers

HONG KONG RETAIL MARKET
KEY HIGHLIGHT

2019 Retailing In Hong Kong





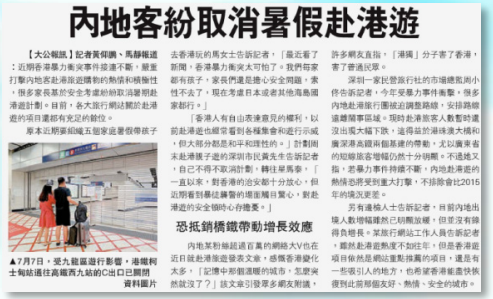
Source: Census & Statistics Department HKSAR

Hong Kong Retail Market

HK Economic Journal 2/8/2019

6月零售插6.7% 惡劣遠超預期

Ta Kung Pao 20/7/2019



內地客紛取消暑假赴港遊

【大公報訊】記者黃俐琳、馬靜報道：近期香港暴力衝突事件接連不斷，嚴重打擊內地客赴港旅遊購物的熱情和積極性，很多家長基於安全考慮紛紛取消暑期赴港遊計劃。目前，各大旅行網站關於赴港的項目遭部有完足的餘位。

原本近期要組織五個家庭暑假帶孩子去香港玩的馬女士告訴記者，「最近看了新聞，香港暴力衝突太可怕了。我倒每家都有孩子，家長們還是擔心安全問題，素性不去了，現在考慮日本或者其他海島國家都行。」

「香港人有自由表達意見的權利，以前赴港是出國常看到各種集會和遊行示威，一個大型外籍慈善活動都成了障礙，之以前常來的短線旅客增幅仍然十分明顯，不過總又指，若暴力事件持續不斷，內地赴港遊的熱情恐將受到重大打擊，不排除會比2015年的境況更差。

另有逢愉人士告訴記者，目前內地出境人數增幅雖然已明顯放緩，但並沒有跡得負擔長。某旅行網站工作人員告訴記者，「雖然赴港遊熱度不如旺年，但是香港旅項目依然是網站查點擊率的項目，還是有一些很引人的地方，也希望香港能盡快恢復到此前那麼友好、熱情、安全的城市。」

恐抵銷橋線帶動增長效應

內地某影視組遊百萬的網絡大V也在近日就赴港旅遊發表文章，感慨香港變化太多，「記憶中那個溫暖的城市，怎麼突然就沒了？」該文章引發眾多網友附議，許多網友直指，「港獨」分子害了香港，害了普通民眾。

深圳一家比營旅行社的市場總監周小伴告訴記者，今年受暴力事件衝擊，很多內地赴港旅行團被迫調整路線，安排路線遠離鬧事區域。現時赴港旅客人數暫時還沒出現大幅下跌，這得益於港珠澳大橋和廣深港高鐵兩個新建成的帶動，之以廣東省的短線旅客增幅仍然十分明顯，不過總又指，若暴力事件持續不斷，內地赴港遊的熱情恐將受到重大打擊，不排除會比2015年的境況更差。

▲7月7日，受九龍區旅行影響，港鐵利士甸道往高福西九站的C出口已關閉。資料圖片

HK Economic Times 17/7/2019

周大福港澳同店銷售 上季跌11%

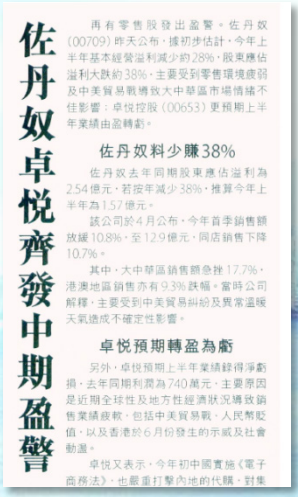
高基數環境不明朗拖累 內地增長仍勁

HK Economic Times 16/7/2019

黃家和料消費意慾 下半年減15%

6月零售餐飲生意跌1成 個別示威地區挫25%

HK Economic Journal 16/7/2019



佐丹奴卓悅齊發中期盈警

再有零售股發出盈警。佐丹奴(00709)昨天公布，據初步估計，今年上半年基本經營溢利減少約28%，股東應佔溢利大跌約38%，主要受到零售環境疲弱及中美貿易戰導致大中華區市場情緒不佳影響；卓悅控股(00653)更預期上半年業績由盈轉虧。

佐丹奴料少賺38%

佐丹奴去年同期股東應佔溢利為2.54億元，若按年減少38%，推算今年上半年為1.57億元。

該公司於4月公布，今年首季銷售額放緩10.8%，至12.9億元，同店銷售下降10.7%。

其中，大中華區銷售額急挫17.7%，港澳地區銷售亦有9.3%跌幅。當時公司解釋，主要受到中美貿易糾紛及異常溫暖天氣造成不確定性影響。

卓悅預期轉盈為虧

另外，卓悅預期上半年業績錄得淨虧損，去年同期則預為740萬元，主要原因是近期全球性及地方性經濟狀況導致銷售業績疲軟，包括中美貿易戰，人民幣貶值，以及香港於6月份發生的示威及社會動盪。

卓悅又表示，今年初中國實施《電子商務法》，也嚴重打擊內地的代購，對集

Oriental Daily News 1/6/2019

貿易戰調延 港市道唔掂

四月挫4.5% 零售三連跌

上水屋房再爆非洲豬瘟

South China Morning Post 1/6/2019

RETAIL AND TOURISM SECTORS TAKE HIT FROM TRADE WAR

Sales figures decline 4.5pc in April amid uncertainty, while growth in tourist arrivals falls sharply

Apple Daily News 8/5/2019

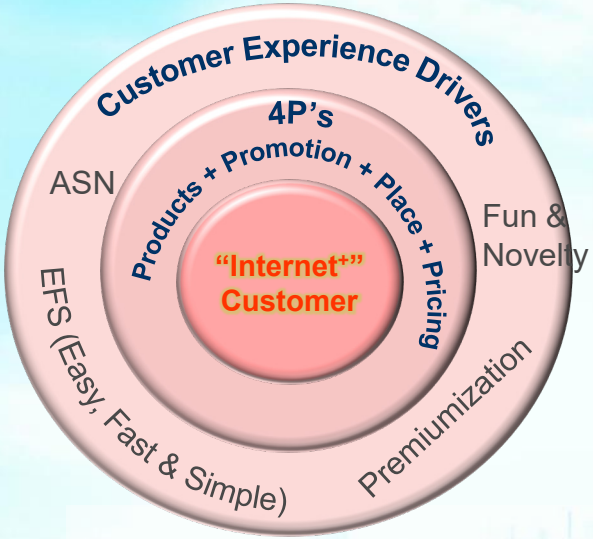
九倉：零售轉弱

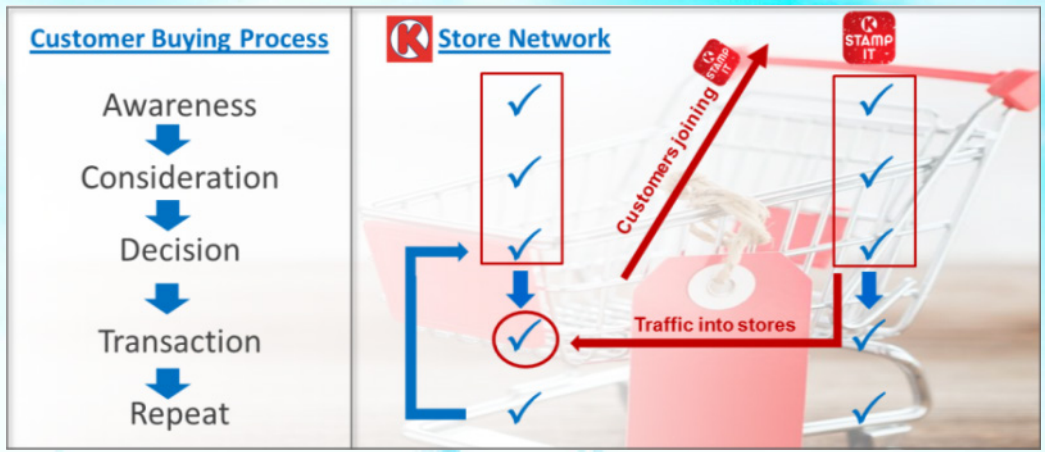
海港城銷售額低增長

指貿戰及人幣影響生意大

廠商叫苦 難頂25%關稅

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

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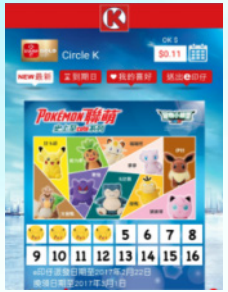
3 “Plus” Strategies Driving Growth

OK Stamp It
– Customer Engagement Tools Within App

1. For Value

2. For Fun

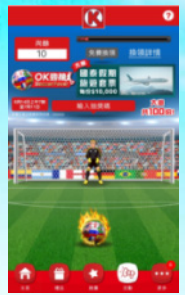


3. Social Sharing

4. e-Gift Coupon

5. Customer Experience

6. O2O Lucky Draw



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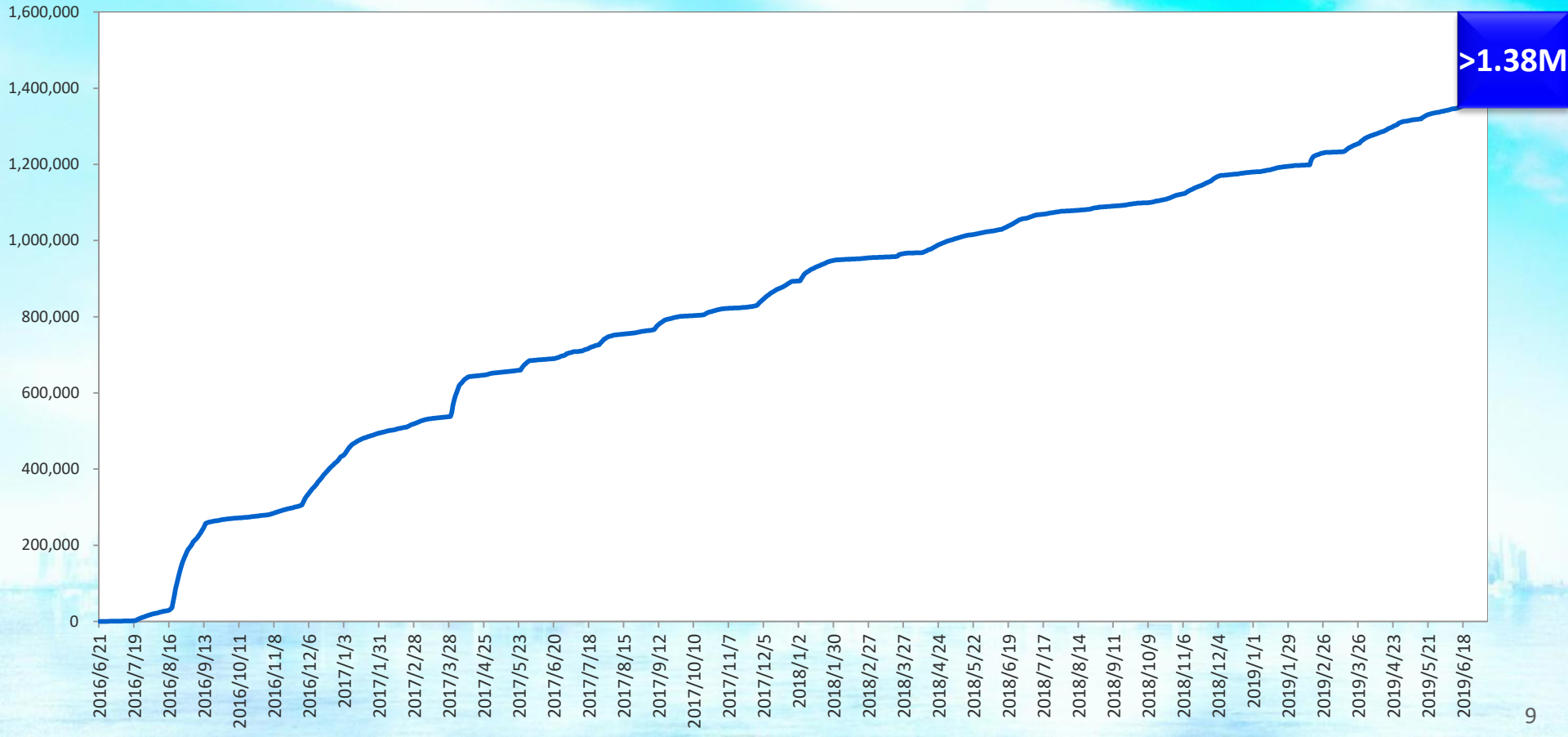
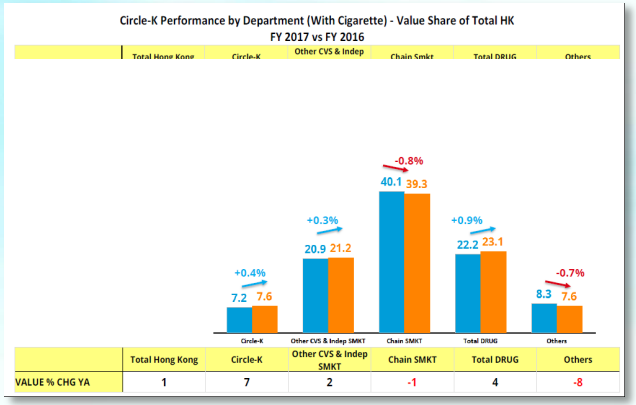
OK Stamp It – Total Members



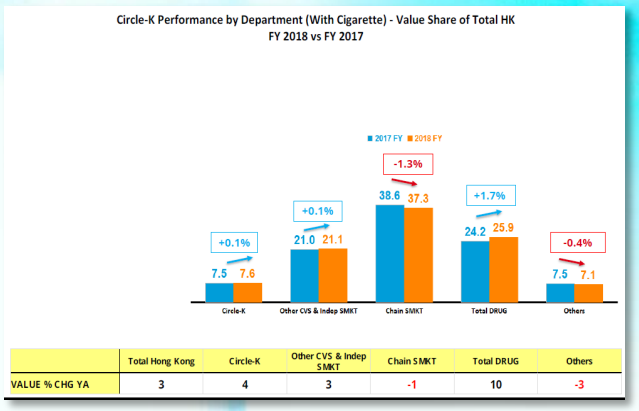
Circle K Sales Sustaining Quality Growth

2017: Circle K sales grew 7% vs. other CVS 2%



	Total Hong Kong	Circle-K	Other CVS & Indep SMKT	Chain SMKT	Total DRUG	Others
VALUE % CHG YA	1	7	2	-1	4	-8

2018: Circle K sales grew 4% vs. other CVS 3%

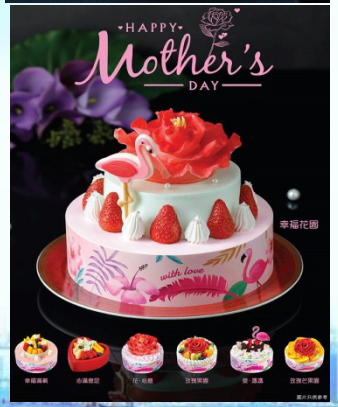


	Total Hong Kong	Circle-K	Other CVS & Indep SMKT	Chain SMKT	Total DRUG	Others
VALUE % CHG YA	3	4	3	-1	10	-3

2019 April YTD:
Circle K sales grew 7% vs. other CVS 2-3%

Source: Nielsen Business Review

Re-inventing Strategy Lifting Customer Experience



Cake Easy eCRM exceeded 560,000 members in 1H 2019

Zoff

Fast Fashion Eyewear Chain from Japan

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

The Seventh Store In Hong Kong

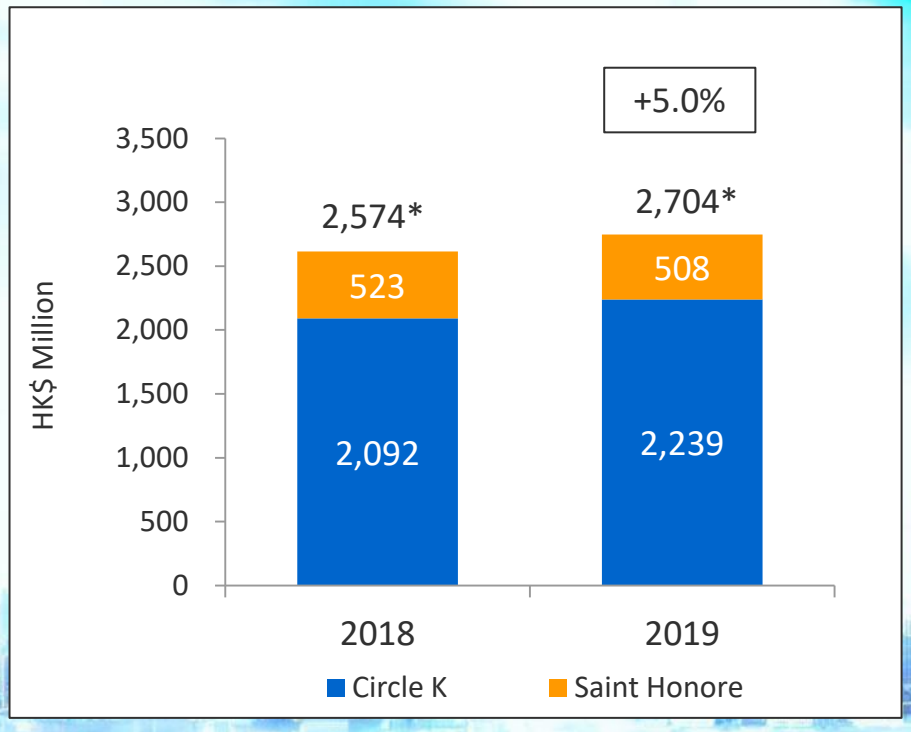
Tai Po Mega Mall (opened 4th April 2019)

2019 FIRST HALF
FINANCIAL RESULTS HIGHLIGHT

Number of Stores

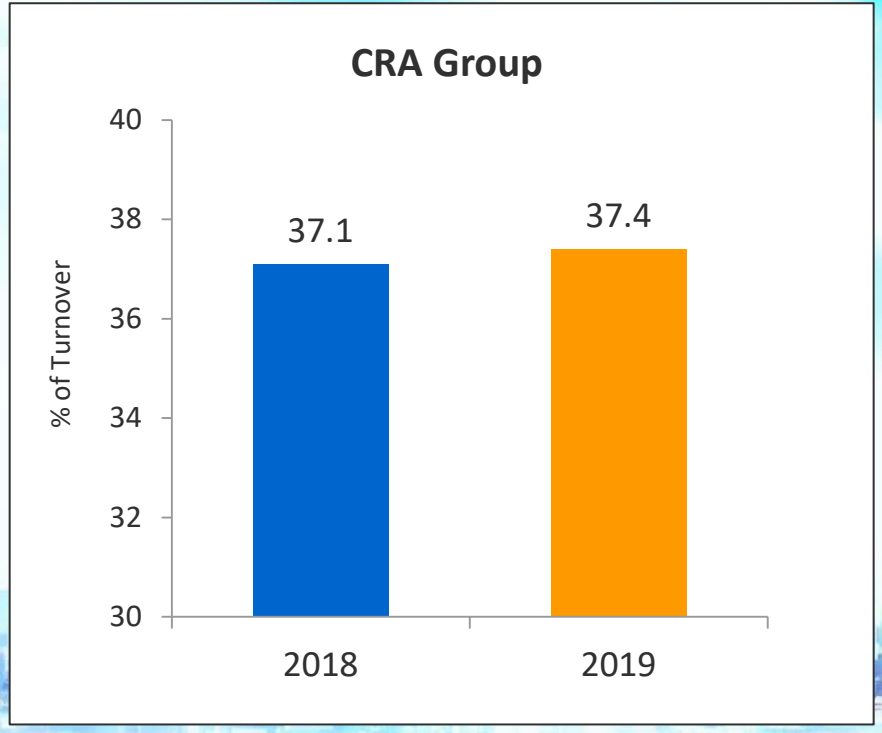
	1H2018	End of 2018	Opened	Closed	1H2019
Circle K Hong Kong	332	337	8	(6)	339
Circle K Guangzhou *(franchised)*	65	61	2	-	63
Circle K Macau *(franchised)*	30	32	1	(1)	32
Circle K Zhuhai *(franchised)*	16	13	2	(1)	14
Saint Honore HK & Macau	103	100	1	(2)	99
Saint Honore China	33	31	-	(3)	28
Zoff	2	6	1	-	7
CRA Group Total	**581**	**580**	**15**	**(13)**	**582**

Group Turnover

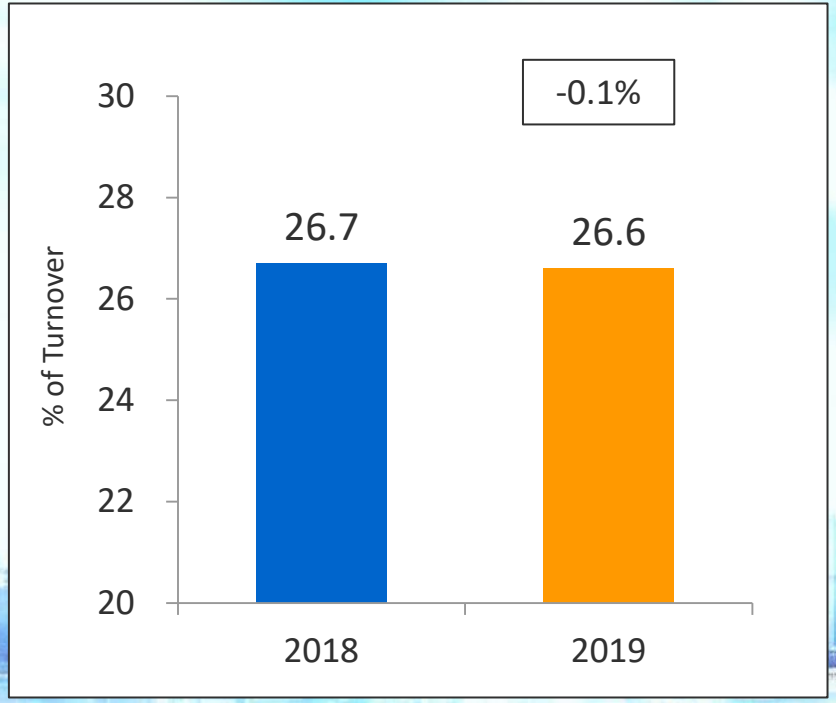


** Less inter-group sales: HK$41M in 1H2018 & HK$43M in 1H2019*

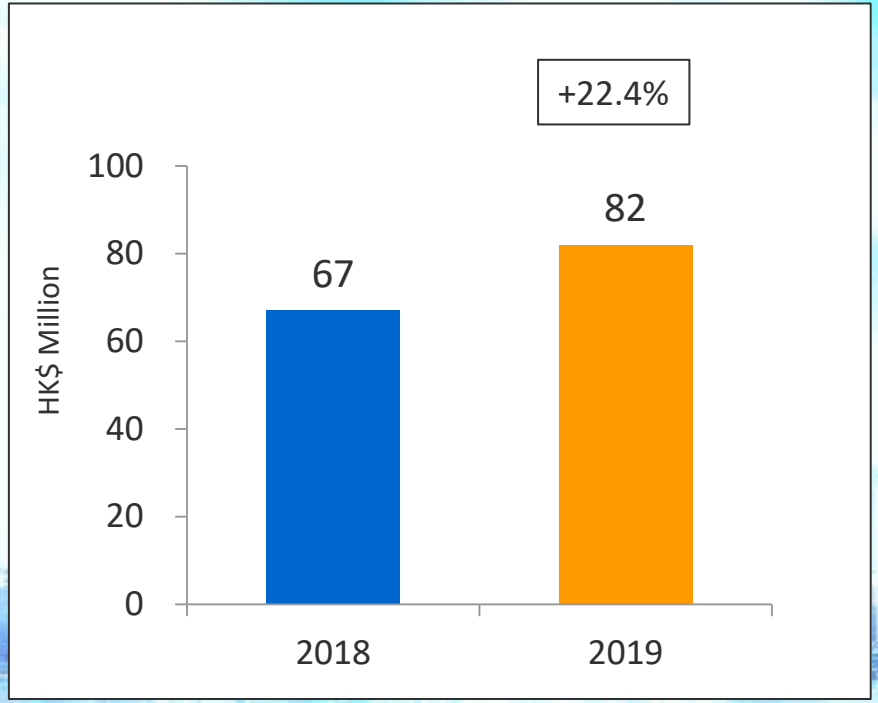
Gross Profit & Other Income



Group Store Operating Expenses



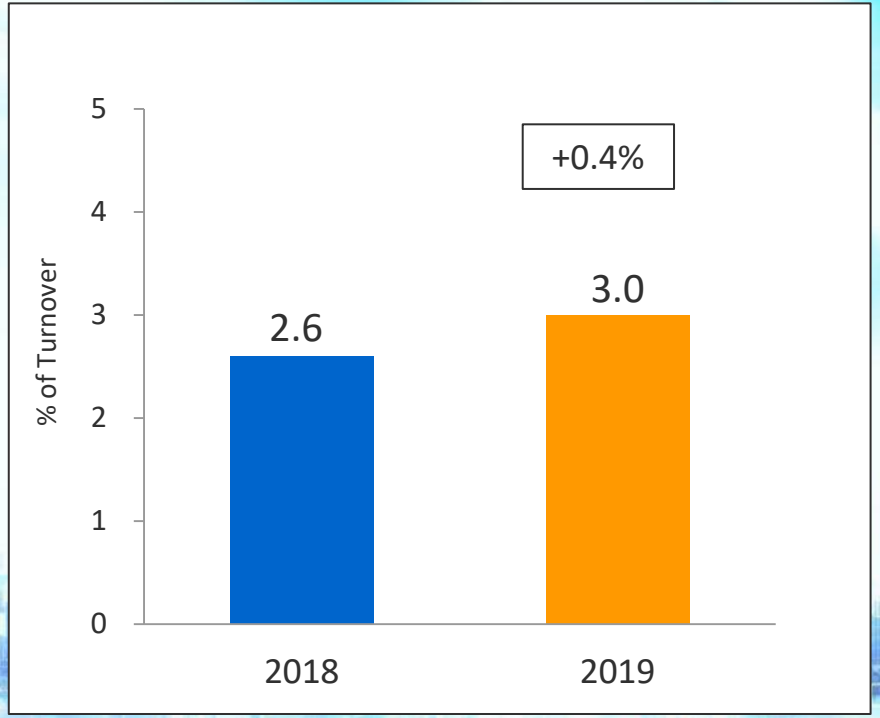
Group Net Profit



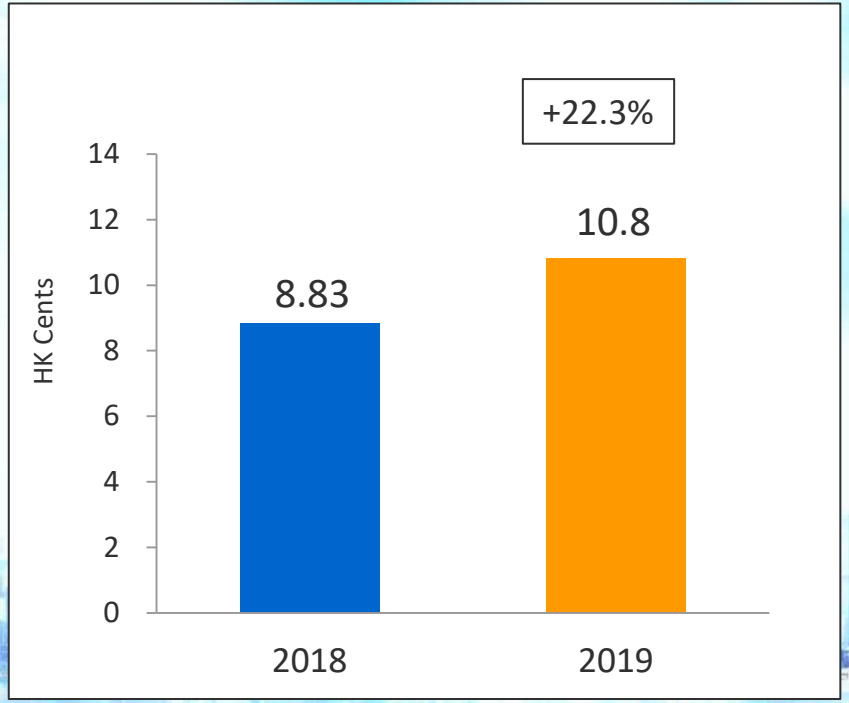
Net Profit by Market

(HK$ Million)	1H2018	1H2019	Change
Hong Kong & Macau Markets	72	83	13.8%
Southern China Market	(5)	(3)	44.9%
Developing Businesses	-	2	9x
CRA Group Net Profit	**67**	**82**	**22.4%**

Group Net Profit as % of Turnover



Basic Earnings Per Share



2019 First Half Financial Results Highlight

	1H2018	1H2019	Change
Number of Stores	581	582	+1
Group Turnover (HK$M)	2,574	2,704	5.0%
Group Net Profit (HK$M)	67	82	22.4%
Net Profit as % of Turnover	2.6	3.0	0.4%
Basic Earnings Per Share (HK cents)	8.83	10.8	22.3%
Interim Dividends (HK cents)	5	6	20.0%

2019 OUTLOOK

2019 Second Half Outlook

- Hong Kong overall retailing industry looks quite gloomy
- Daily necessity segments are less affected
- Festive products & celebration cakes expected to be adversely affected
- O2O business model expected to drive better-than-peers results

Circle K *Just Take It Easy!*

THANK YOU !