



# Convenience Retail Asia Limited 2022 Annual Results Announcement

23 March 2023



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# Agenda

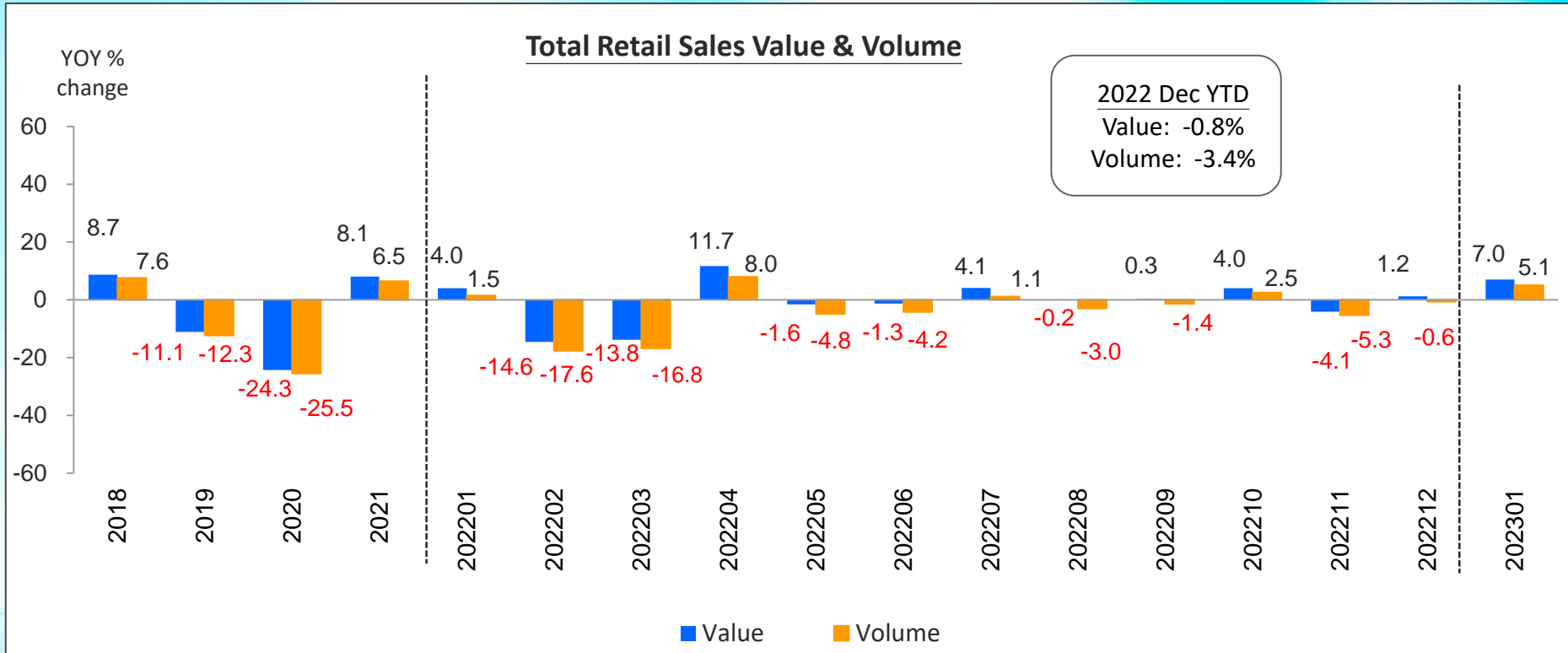
- 2022 Hong Kong Retail Market Key Highlight
- 2022 Operations & Financial Results Highlight
- 2023 Outlook
- Q&A





# **HONG KONG RETAIL MARKET KEY HIGHLIGHT**

# Hong Kong Retail Sales



Source: Census & Statistics Department HKSAR

# Weak Retail Performance

Ming Pao Daily News, 8/3/2023

## 九置盈轉虧 吳天海：唔知幾時復蘇

零售雖見好轉 今年業務難回到疫前

置業商舖舖位 零售見好轉 九置置業 (1997) 今年全年業績轉虧，錄得5.6億元虧損。置業商舖舖位零售5%至41.75折。置業商舖舖位零售5%至41.75折。置業商舖舖位零售5%至41.75折。

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| 項目   | 金額 (億元) | 變動     |
|------|---------|--------|
| 收入   | 124.50  | ▼ 2%   |
| 營業毛利 | 86.41   | ▼ 2%   |
| 經營溢利 | 81.75   | ▼ 5%   |
| 稅前溢利 | 148.75  | ▲ 57%  |
| 應佔溢利 | 88.50   | ▼ 5%   |
| 應佔虧損 | 2.12    | ▼ 5%   |
| 應佔虧損 | 0.41    | ▼ 4.7% |
| 每股虧損 | 1.21    | ▼ 5%   |



九置置業去年虧損20% (124.5億元)，零售見好轉。置業商舖舖位零售5%至41.75折。置業商舖舖位零售5%至41.75折。

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HK Economic Journal, 10/2/2023

## 港零售恐需5至10年返高峰 羅兵威估今歲增長13% 惟遠遜疫前



羅兵威 (左) 與吳天海 (右) 在記者會上。圖為羅兵威與吳天海在記者會上。

雖然零售、旅遊及餐飲業在過去幾個月有所回升，今年預計零售增長將維持在4.1%至4.5%之間。零售及餐飲業在過去幾個月有所回升，今年預計零售增長將維持在4.1%至4.5%之間。

羅兵威表示，去年零售、餐飲及旅遊業在過去幾個月有所回升，今年預計零售增長將維持在4.1%至4.5%之間。

此外，雖然零售、旅遊及餐飲業在過去幾個月有所回升，今年預計零售增長將維持在4.1%至4.5%之間。

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AM730, 16/1/2023

## 周大福內地同店銷售按年跌 33% 受內地疫情影響



周大福 (1929) 截至2022年12月31日止零售額減少19.3%，其中內地零售額減少20.4%，而港澳及其他市場亦僅增加11.1%。周大福零售額減少19.3%，其中內地零售額減少20.4%，而港澳及其他市場亦僅增加11.1%。

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HK01, 1/12/2022

## 零售管理協會：11月市道轉趨淡靜 料聖誕節、農曆新年銷情相若



政府統計處公布，10月份零售業總額實質按年升3.9%，好過市場預期的跌2.1%，香港零售管理協會隨即發出，雖然10月份錄得升幅，惟11月則跌0.2%，而且升幅不同因素影響。

如「汽車及汽車零件」是由去年基數低，令升幅較為明顯；其次「書籍、文具禮品」則受惠於學校收假及日課等；「珠寶首飾、鐘錶及名貴物品」及「電腦及其他電子產品」亦分別受惠於升幅及有前幾個月儲蓄的帶動。

政府統計處公布，10月份零售業總額實質按年升3.9%，好過市場預期的跌2.1%。(資料來源)

Sing Tao Daily News, 28/11/2022

## 大家樂中期撥除資助少賺16.5% 息推持10仙 擬大灣區開店



大家樂中期撥除資助少賺16.5% 息推持10仙 擬大灣區開店

大家樂 (341) 公布2022年中期業績，錄得純利1.09億元，按年增加33.9%，當中包含將政府撥款及資助提供的資助4090萬元。若撥除該筆資助，大家樂錄得純利6760萬元，較去年同期則的8120萬元減少16.5%，每股基本盈利1.8仙。當中中期每股10仙，與去年持平。

Sing Tao Daily News, 23/11/2022

## 謝瑞麟中期少賺 29%至 192 萬元 不派息 營業額減逾一成



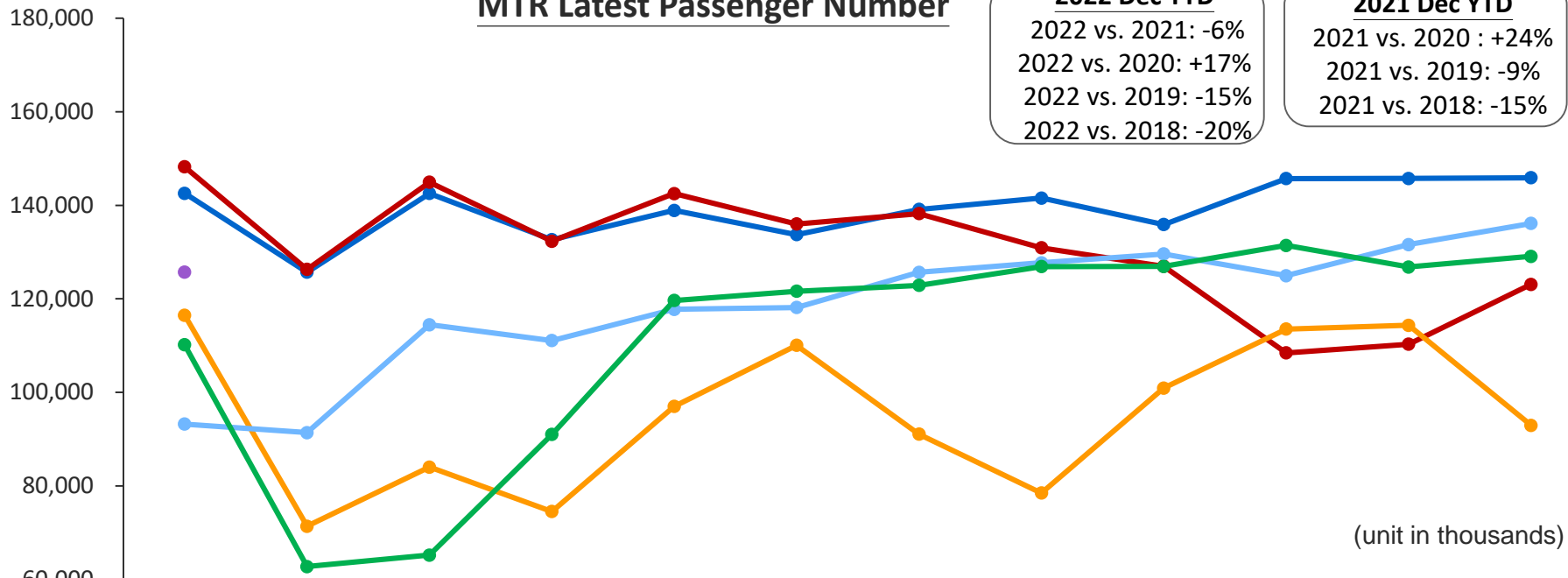
謝瑞麟 (417) 公布，截至2022年9月30日止六個月錄得純利191.9萬元，按年減少28.66%，每股基本盈利0.8仙。不派中期息，上半年開支亦無息。

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## MTR Latest Passenger Number

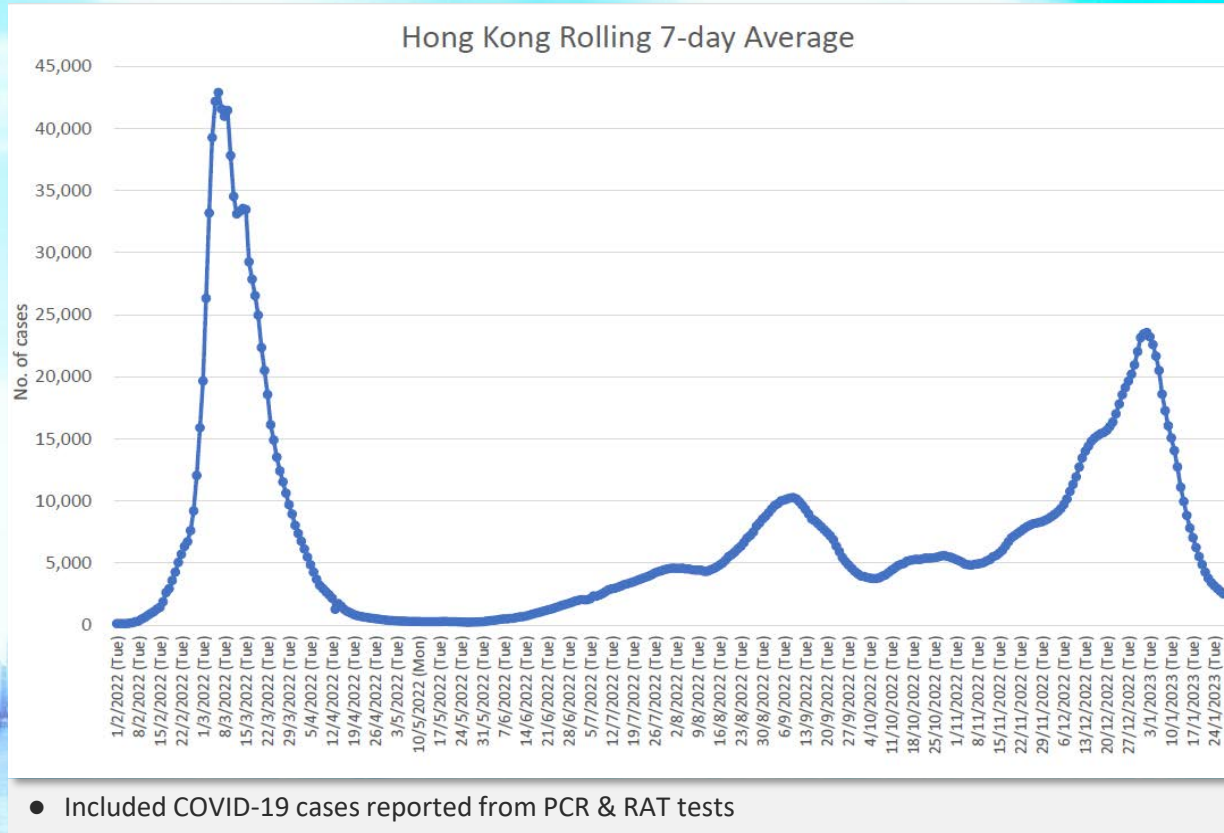
**2022 Dec YTD**  
 2022 vs. 2021: -6%  
 2022 vs. 2020: +17%  
 2022 vs. 2019: -15%  
 2022 vs. 2018: -20%

**2021 Dec YTD**  
 2021 vs. 2020 : +24%  
 2021 vs. 2019: -9%  
 2021 vs. 2018: -15%



|           | Jan     | Feb     | Mar     | Apr     | May     | June    | July    | Aug     | Sep     | Oct     | Nov     | Dec     |
|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Year 2018 | 142,553 | 125,706 | 142,521 | 132,659 | 138,914 | 133,724 | 139,117 | 141,531 | 135,896 | 145,708 | 145,747 | 145,896 |
| Year 2019 | 148,219 | 126,288 | 144,919 | 132,315 | 142,502 | 135,990 | 138,219 | 130,922 | 126,948 | 108,456 | 110,311 | 123,107 |
| Year 2020 | 116,523 | 71,405  | 84,048  | 74,543  | 97,001  | 110,061 | 91,097  | 78,520  | 100,948 | 113,558 | 114,346 | 92,985  |
| Year 2021 | 93,236  | 91,409  | 114,487 | 111,075 | 117,755 | 118,153 | 125,666 | 127,696 | 129,596 | 124,953 | 131,602 | 136,110 |
| Year 2022 | 110,197 | 62,787  | 65,250  | 91,033  | 119,645 | 121,634 | 122,877 | 126,912 | 126,923 | 131,427 | 126,820 | 129,086 |
| Year 2023 | 125,744 |         |         |         |         |         |         |         |         |         |         |         |

# Hong Kong 7-day Moving Average of COVID-19 Confirmed Cases





# 2022 – The Most Disruptive Year Ever

1. The 5<sup>th</sup> Wave in H1 2022 and the two rebounds in new cases in H2 2022
2. Supply Chain disruptions
3. Cross border restrictions resulting in significant increase in logistics costs
4. Shortage of frontline labour affecting store operations
5. Inflation and increase in commodity and food costs
6. Due to the right strategies (Proactiveness, Agility & Buffers), great preparation, quick response to challenges and committed team work, the Group was able to overcome all the challenges
7. Still growing and with healthy financial positions going into 2023



# Saint Honore Opened 17 New Stores in Hong Kong



Shing On Street,  
Sai Wan Ho  
6 Jan 2022



Fanling Town Ctr.  
30 Jan 2022



Pak Tin Commercial  
Ctr, Shek Kip Mei  
22 Mar 2022



King Lam Shopping Ctr  
Tseung Kwan O  
14 Apr 2022



Queen's Hills,  
Fanling  
14 Apr 2022



Lei Tung Estate,  
Ap Lei Chau  
18 Apr 2022



Wu Kwong Street,  
Hung Hom  
7 May 2022



TKO Spot,  
Tseung Kwan O  
30 May 2022



Kings Wing Plaza,  
Shatin  
3 Jul 2022



Cheerful Garden,  
Chai Wan  
31 Jul 2022



Coo Residence, Tuen Mun  
29 Sep 2022



Kornhill Plaza,  
Tai Koo Shing  
16 Oct 2022



Tsuen Wan West Station  
28 Nov 2022



Long Ping Shopping Ctr.  
28 Nov 2022



Sha Tin Sun Chui Estate  
8 Dec 2022



Lotus Tower, Ngau Tau Kok  
16 Dec 2022



Cheung Wah Shopping Ctr  
Fanling, 22 Dec 2022



# Saint Honore Opened 2 New Stores in Macau

- Store in Rua de Nam Keng, Taipa  
澳門氹仔雄昌
- Opened on  
14 Feb 2022



- Store in Avenida da Praia Grande  
澳門南灣分店
- Opened on  
11 Apr 2022





# Grand Opening of Saint Honore Flagship Store at Fortune Plaza, Guangzhou 28 December 2022





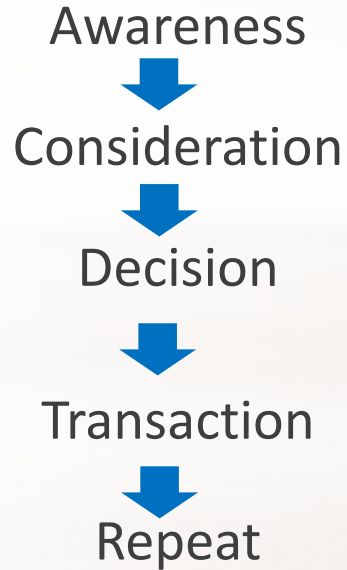
# Saint Honore Flagship Store at Fortune Plaza, Guangzhou



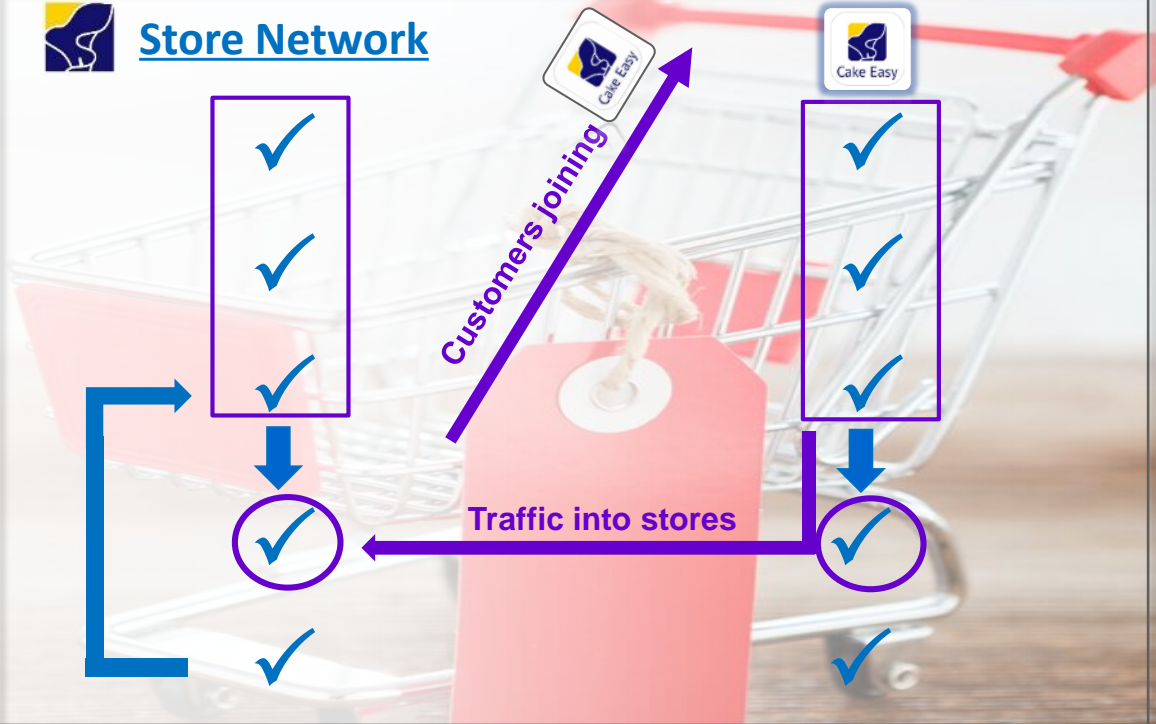


# O2O Business Model

## Customer Buying Process



## Store Network





# Cake Easy

## Cake Easy exceeded 1,200,000 members



### O2O Lucky Draw



### e-Coupons



### e-Gifting



### e-Stamps





# Re-inventing Strategy Lifting Customer Experience







# Patisserie Mon cher Increased to 7 Stores



Sogo, Causeway Bay  
1 September 2020



New Town Plaza Citysuper, Shatin  
15 April 2021



Times Square Citysuper,  
Causeway Bay  
1 May 2022



Kornhill Aeon, Quarry Bay  
16 November 2022

Harbour City Citysuper,  
Tsim Sha Tsui  
1 April 2021

Gala Place Aeon, Mongkok  
1 October 2021

Tuen Mun Town Plaza, Tuen Mun  
15 June 2022



# Zoff

## 14<sup>th</sup> Store in New Town Plaza, Shatin Opened on 11 November 2022





# New Collections & Great Services



不同場合 都恰到好處的眼鏡。

**Zoff** | **UNITED ARROWS**

MADE IN JAPAN  
日本製

**週年祭大抽獎**  
18/11 - 31/12

買滿\$1,398即可獲「幸運守護」抽獎券一張  
額外購買多一副光學眼鏡可獲一張抽獎券

一掃即中  
人人有獎  
獎品及獎券數量有限  
請速購買

**1等賞 (5名)**  
iPhone 14Pro  
價值\$8,999

**2等賞 (5名)**  
Apple Watch Series 8 (GPS)  
價值\$3,199

Zoff CLASSIC

理想的鏡框 經典理想的你

**SWEET BOSTON**

**COOL WELLINGTON**

Girls' CLASSIC  
feat. YUNA & 曉娟

FLEX METAL

RECOMMENDED  
**適合不同場合的太陽眼鏡特輯**  
SUNGLASSES FOR ALL OCCASIONS

**OUTDOOR** **SPORTS** **DRIVE**

自由選擇每伴你的眼鏡

See Blue #14

Disney Zoff "FURRY series"

FIXAR

NEW **ADJUSTABLE**  
斜側運動也不易移位

做小朋友男子的高級調整鏡托

可調整鏡片大小與傾斜度

PROTECTIVE STRAP CHILDREN'S STRAP

Style COLORS

窗外 室內

藍色 綠色 灰色

全視線  
Transitions® Signature GEN8

室內防藍光 室外防UV

Zoff NIGHT&DAY

雙光鏡片 雙光鏡片 雙光鏡片

PEANUTS

# Giving Back To Our Community



Saint Honore donated 5,900 boxes mooncake to NGOs (e.g. Food Links, Feeding HK, Love Neighbor Association....)



To Love & Care the Elderly  
We sponsored the Cookie Campaign



Donated Rapid Antigen Testing Kits to  
Hong Kong's Underprivileged



Collaborating with local charities to donate  
unsold bread & products to people in need



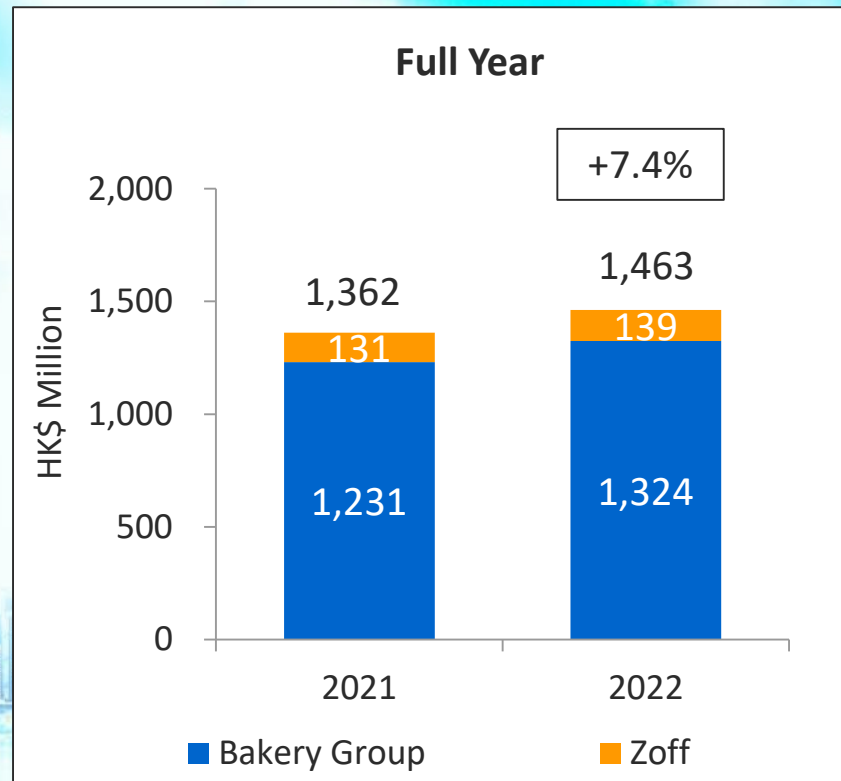
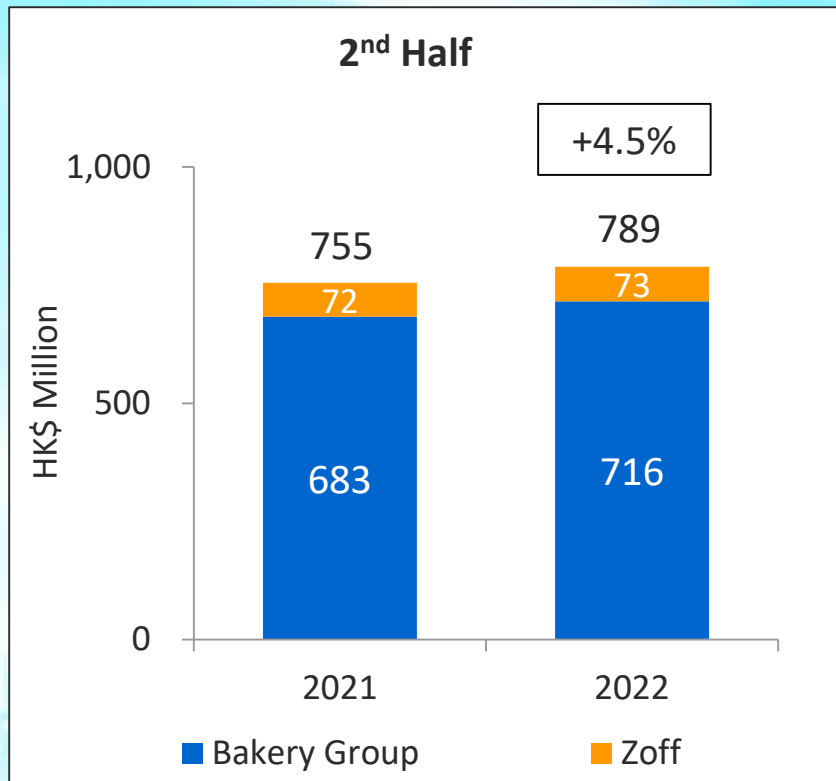
# 2022 FINANCIAL RESULTS HIGHLIGHT



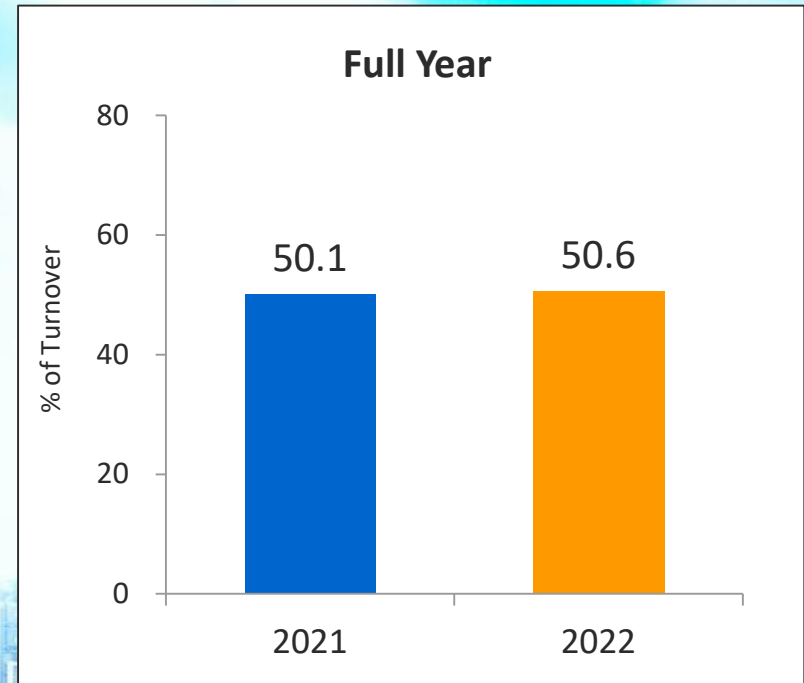
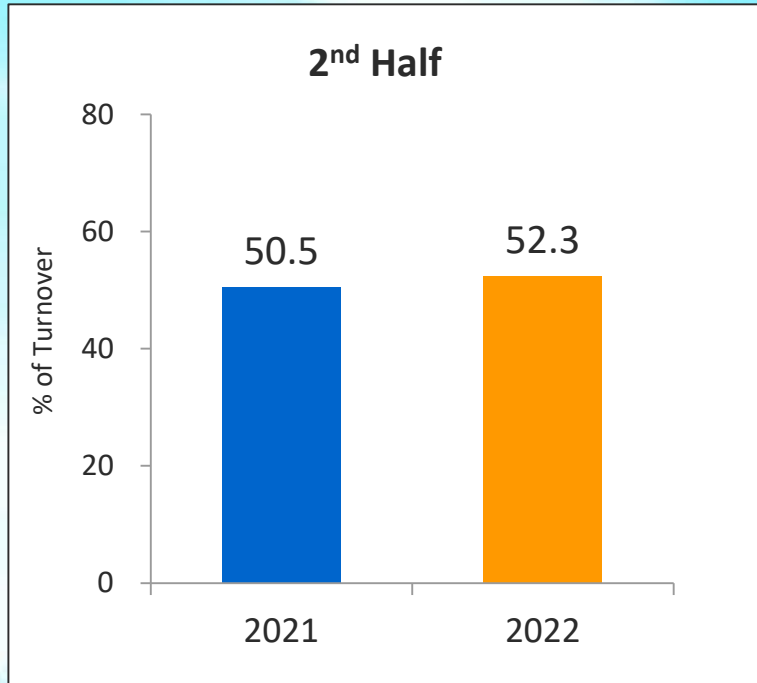
# Number of Stores

|                                   | End of 2021 | Opened    | Closed     | End of 2022 |
|-----------------------------------|-------------|-----------|------------|-------------|
| Bakery Group                      | 140         | 23        | (3)        | 160         |
| ■ <i>Saint Honore – Hong Kong</i> | 100         | 17        | (2)        | 115         |
| ■ <i>Saint Honore – Macau</i>     | 10          | 2         | -          | 12          |
| ■ <i>Saint Honore – Guangzhou</i> | 26          | 1         | (1)        | 26          |
| ■ <i>Patisserie Mon cher</i>      | 4           | 3         | -          | 7           |
| Zoff                              | 13          | 1         | -          | 14          |
| <b>CRA Group</b>                  | <b>153</b>  | <b>24</b> | <b>(3)</b> | <b>174</b>  |

# Group Turnover

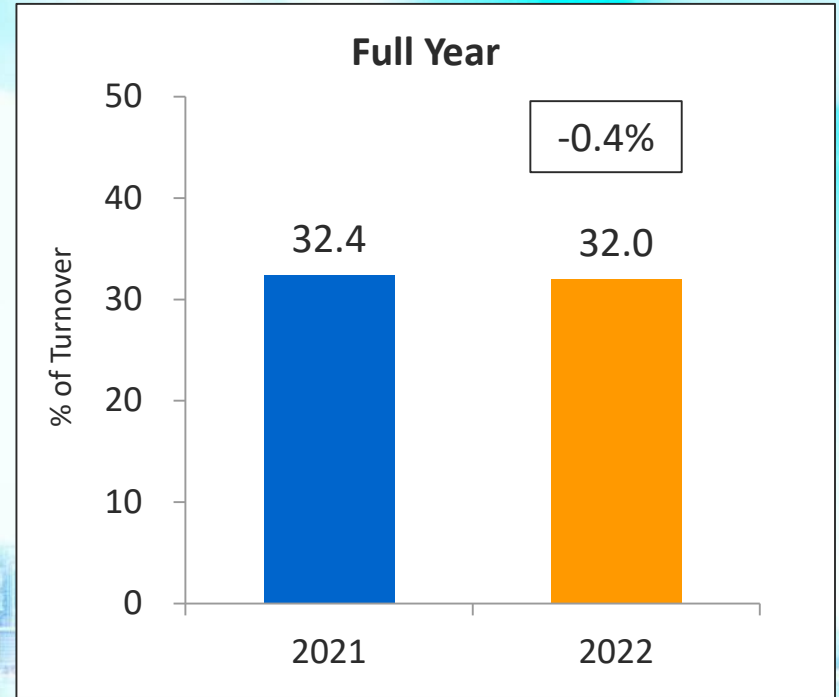
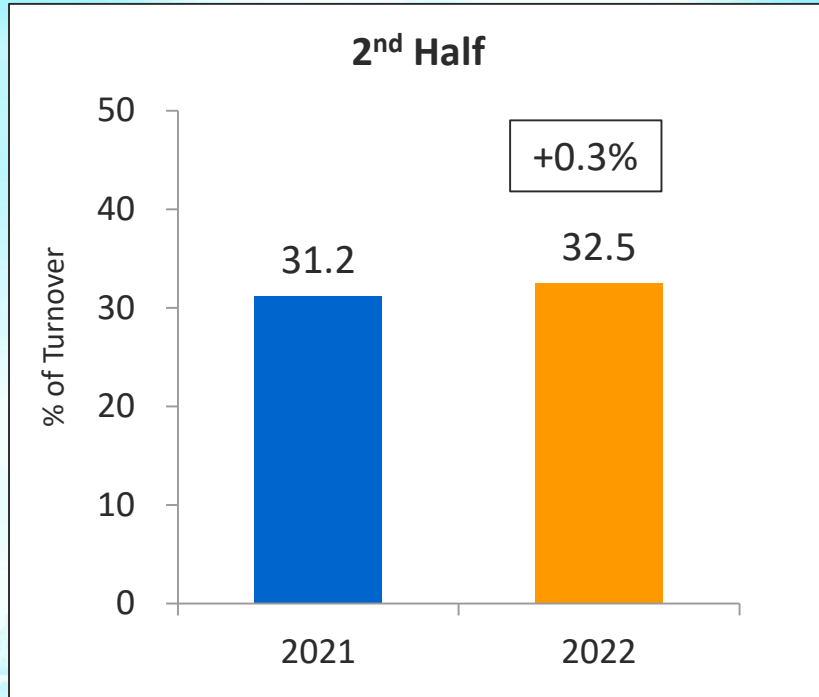


# Group Gross Profit %





# Group Store Operating Expenses



# Group Net Profit

| <i>(HK\$ Million)</i>         | 2 <sup>nd</sup> Half |           | Change        | Full Year |           | Change        |
|-------------------------------|----------------------|-----------|---------------|-----------|-----------|---------------|
|                               | 2021                 | 2022      |               | 2021      | 2022      |               |
| Continuing Operations         | 57                   | 51        | -11.1%        | 74        | 68        | -8.9%         |
| Discontinued Operation        | -                    | -         | -             | 6         | -         | -100%         |
| <b>Total Group Net Profit</b> | <b>57</b>            | <b>51</b> | <b>-11.1%</b> | <b>80</b> | <b>68</b> | <b>-15.7%</b> |

# 2022 Financial Results Highlight

|  | 2021  | 2022  | Change |
|--|-------|-------|--------|
| Number of Stores                                   | 153   | 174   | 21     |
| Group Turnover (HK\$M)                             | 1,362 | 1,463 | 7.4%   |
| Group Net Profit (HK\$M)                           |       |       |        |
| ■ Continuing Operations                            | 74    | 68    | -8.9%  |
| ■ Included Discontinued Operation                  | 80    | 68    | -15.7% |
| Net Profit as % of Turnover                        |       |       |        |
| ■ Continuing Operations                            | 5.5%  | 4.6%  | -0.9%  |
| Basic Earnings Per Share (HK cents)                |       |       |        |
| ■ Continuing Operations                            | 9.6   | 8.7   | -9.4%  |
| ■ Included Discontinued Operation & Disposal Gains | 10.4  | 8.7   | -16.3% |
| Dividends (HK cents)                               |       |       |        |
| ■ Interim Dividend                                 | 2     | 2     | -      |
| ■ Final Dividend                                   | 5     | 5     | -      |
| ■ Total  | 7     | 7     | -      |

# 2019 vs. 2022

## No. of Stores



135 Stores

+29%

+9%

174 Stores

## Turnover



HK\$1,197M

+22%

+7%

HK\$1,463M

## Net Profit



HK\$33M

+106%

+27%

HK\$68M

Year 2019

3-Year Total

Per Annum  
CAGR%

Year 2022

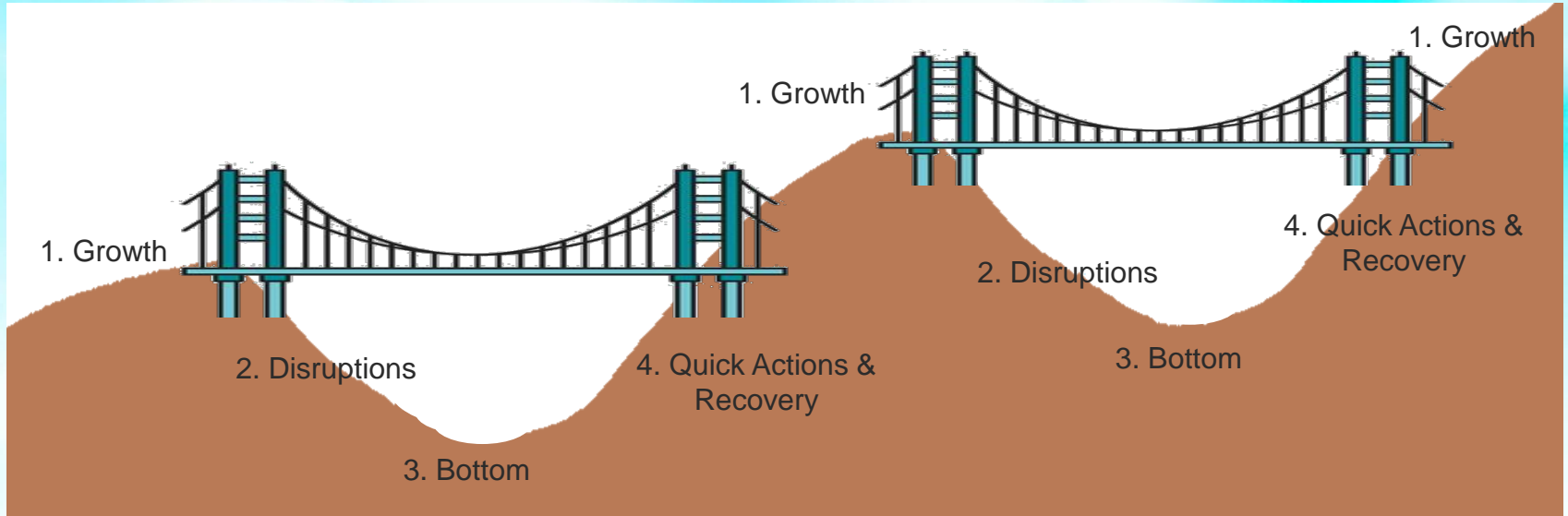
# 2023 OUTLOOK



# 2023 & Beyond

1. 2023 the year of COVID-19 becoming an endemic
2. Other disruptions will continue but hopefully not as severe as 2022
3. A probability that the USA or Europe may experience financial / economic challenges
4. Fast-changing, disruptive, less forgiving and more demanding world

# The Future of Growth in a More Disruptive World



## Be Prepared and Be Resilient

- ✓ People
- ✓ Competencies
- ✓ Teamwork
- ✓ Customer Relationship
- ✓ Brands

# 2023-2025 7 Guiding Strategies to build a Better, More Resilient & Agile CRA

1. 3 Quality Growth Strategies
2. Winning the hearts and mind of customers via superior customer experience (CX)
3. Engage our people through great employee experience (EX)
4. Continue to strength the core
5. Right investment in capex and technology with special focus on modernizing Saint Honore manufacturing facilities
6. Eco-friendly and Sustainability
7. Right M&A Strategies



# 2023-2025 7 Guiding Strategies to build a Better, More Resilient & Agile CRA

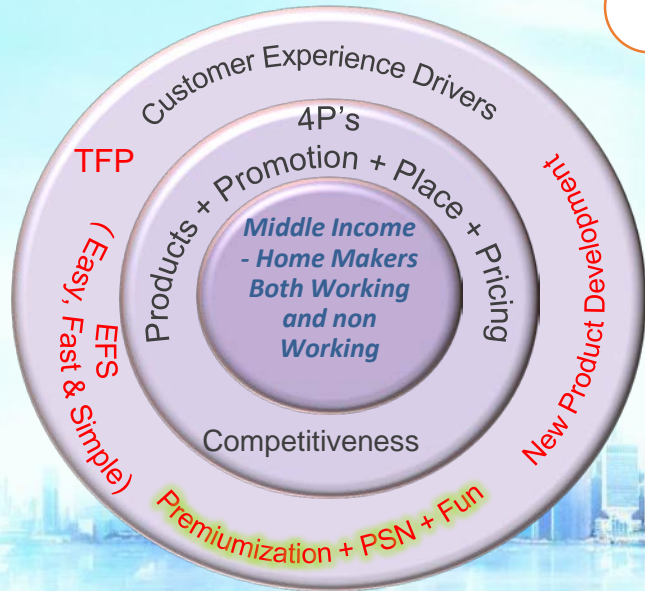
## 1. 3 Quality Growth Strategies

- Strengthen and expand the **Core** (core business, core territory, core competencies, core customers, core differentiation, core people)
- Tap into **Adjacencies** (adjacent businesses, adjacent supply chain, adjacent territories, adjacent customers, adjacent brands)
- Explore **new, disruptive and emerging** retailing models (e.g. EFS, O2O, Digitalization, Premiumization)



# Saint Honore Hong Kong – 2023 Key Strategies

*Vision: We bake for the happiness & sharing moments of our customers*



1

Sales and Operations Excellence

2

Marketing / Category Management Excellence

3

Digital CRM to the Next Level

4

Manufacturing / Procurement Excellence

5

Total Process Simplification 3.0 (TPS)

6

SCML Excellence

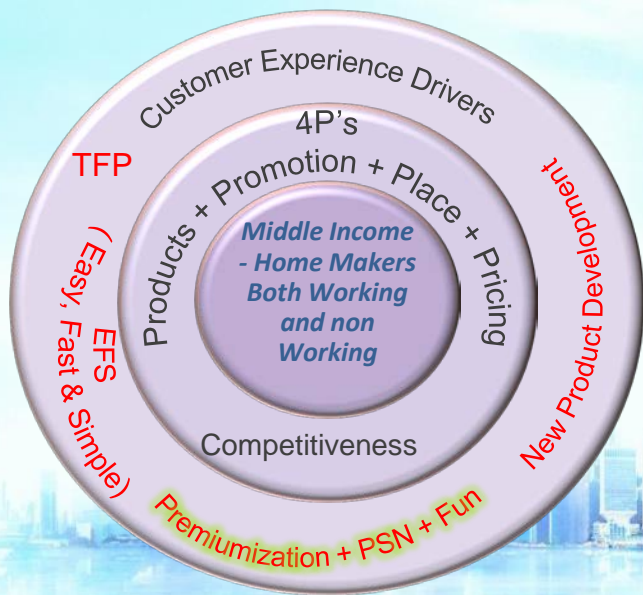
7

B2B Growth



# Saint Honore Guangzhou – 2023 Key Strategies

*Vision: We bake for the happiness & sharing moments of our customers*



1

Operations in Next Level

2

Marketing & Category Excellence

3

Corporate & Festive Development

4

Franchising

5

Cake Easy Launch



# Patisserie Mon cher – 2023 Key Strategies

*Vision: We Are Happiness Maker*

1

Marketing Communications and Category Management

2

Digital Platform Development

3

Sales and Operations Excellence

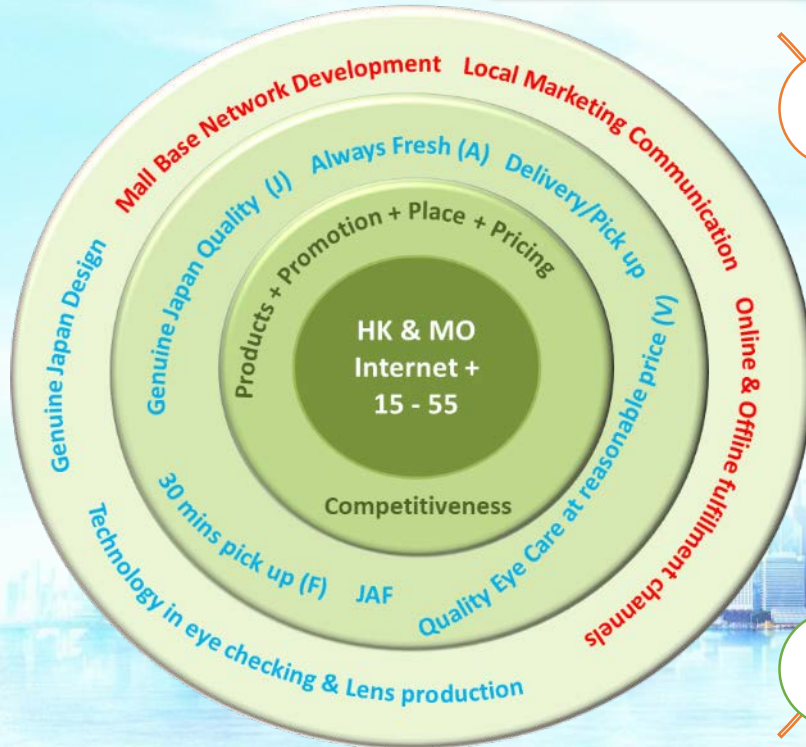
4

Store Development



# Zoff – 2023 Key Strategies

*Vision: “1<sup>st</sup> in Mind” and “Leading” Fast Fashion Eyewear Chain*



1

Top of Mind Awareness

2

Fast Fashion with Professional Services

3

Engagement with Zoff

4

Operations Excellence

5

Marketing Excellence



**THANK YOU !**