



# Convenience Retail Asia Ltd

## 2012 Annual Results Announcement

27 March 2013

# Agenda

---

- Hong Kong & China Retail Markets Key Highlight
- 2012 Full Year Financial Results Highlights
- 2013 Update & Outlook
- Questions & Answers

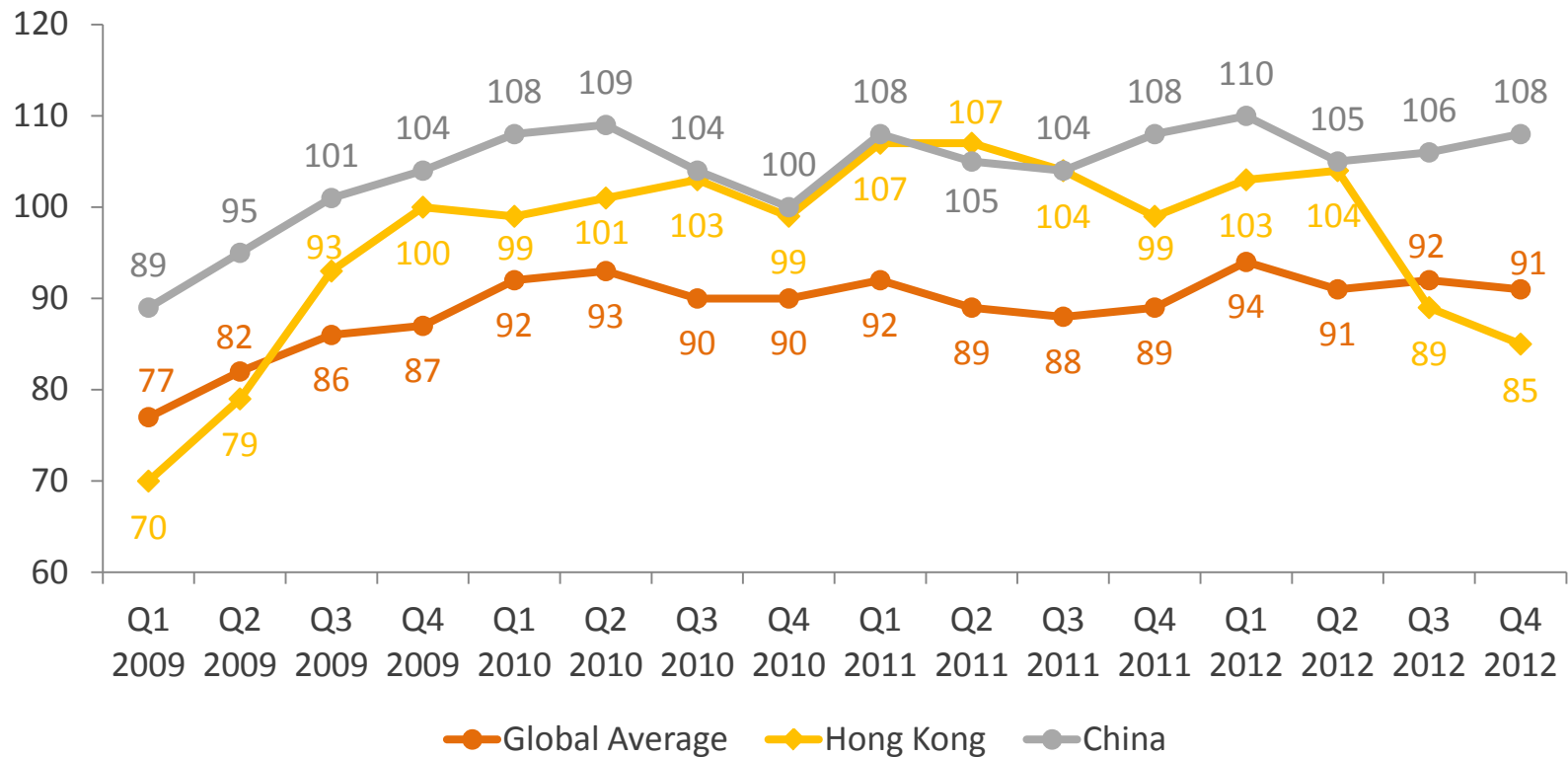
# **Hong Kong & China Retail Markets**

## **Key Highlight**

---

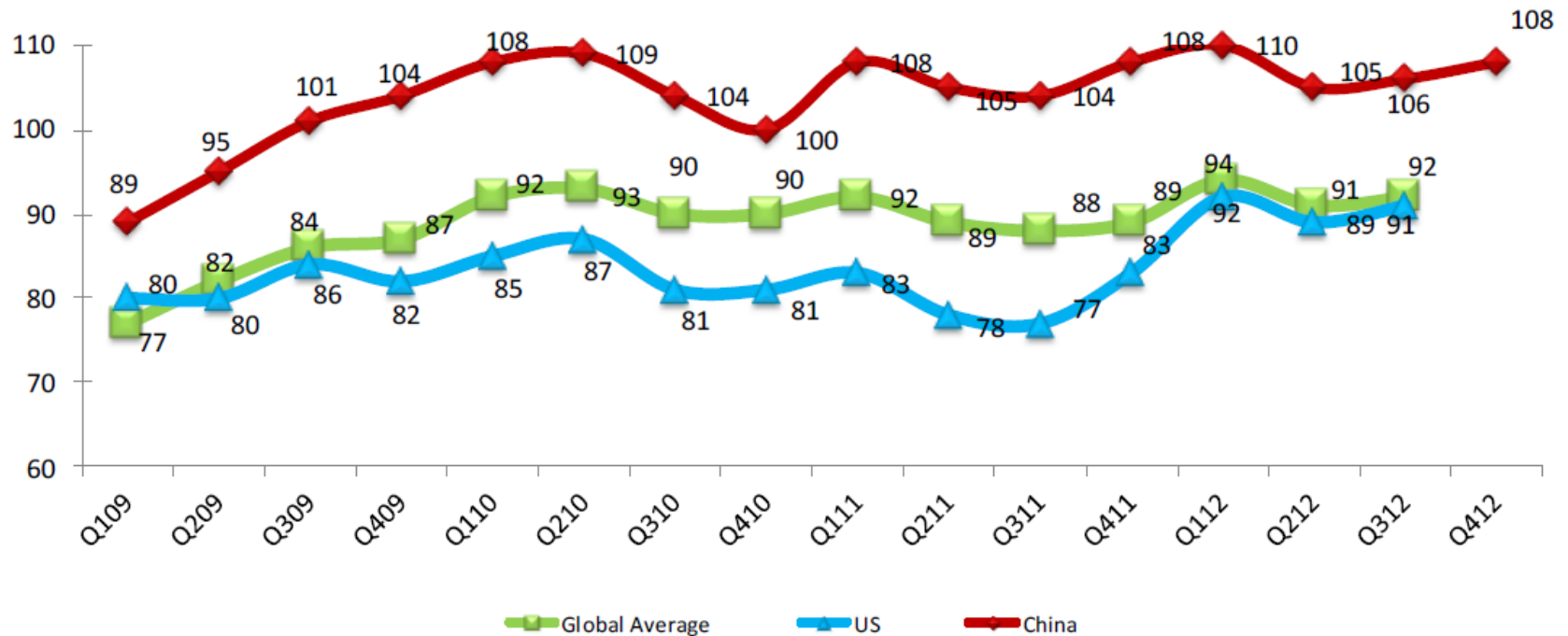
# Hong Kong Consumer Confidence Index

- Hong Kong Consumer Confidence Index dropped 4 index points to 85



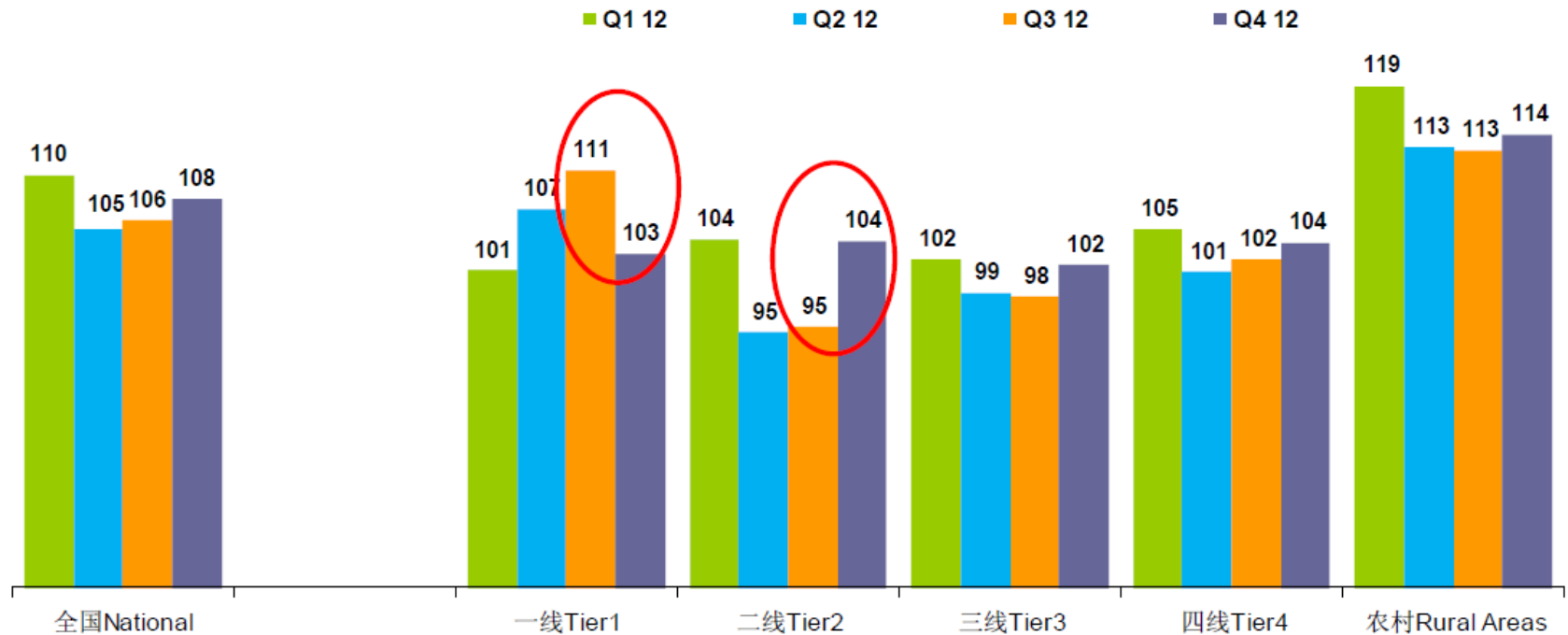
# China Consumer Confidence Index

- Chinese consumer confidence remained relatively high throughout 2012, increasing by 2 points in Q4 to 108



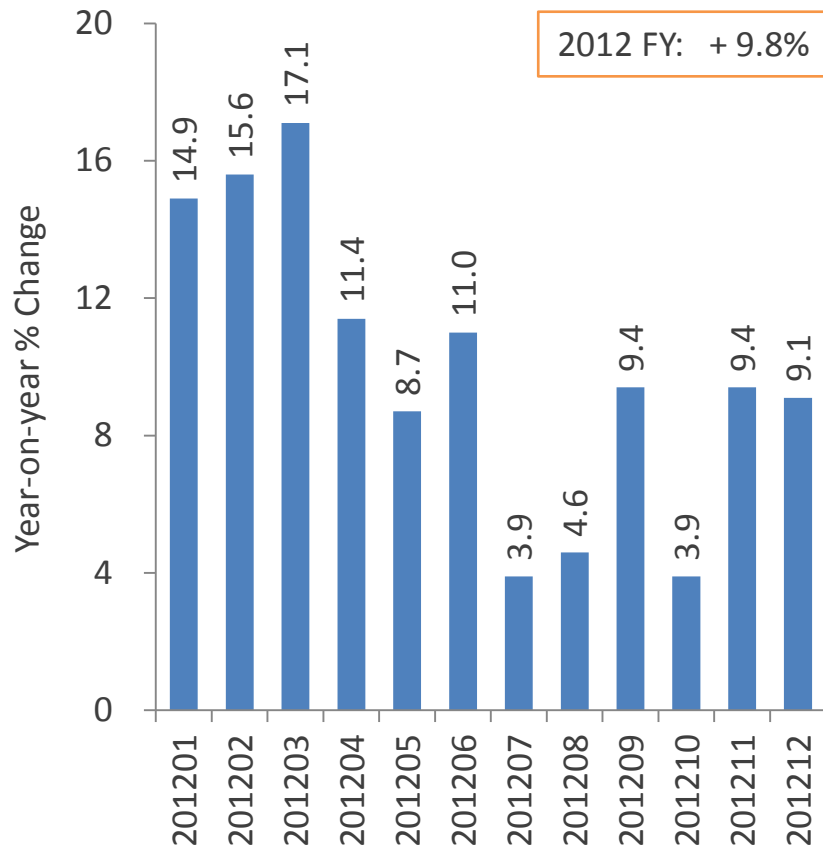
# China Consumer Confidence Index By City Tier

- From quarterly perspective, Consumer Confidence Index in Tier 1 cities declined in Q4 but rebounded in Tier 2 cities

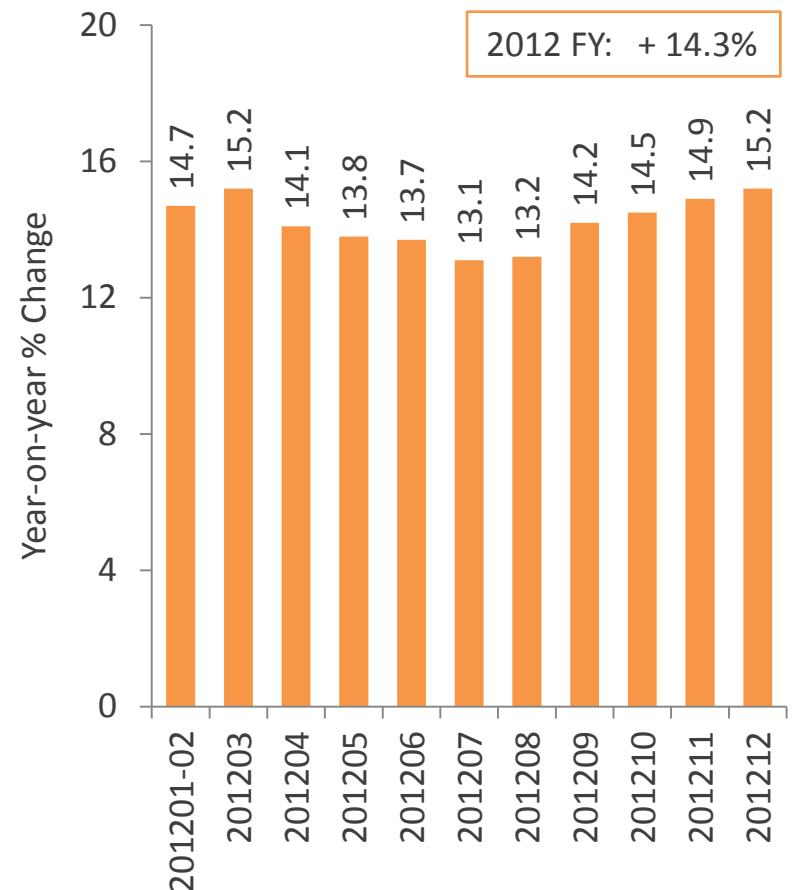


# Hong Kong & China Retail Sales Value

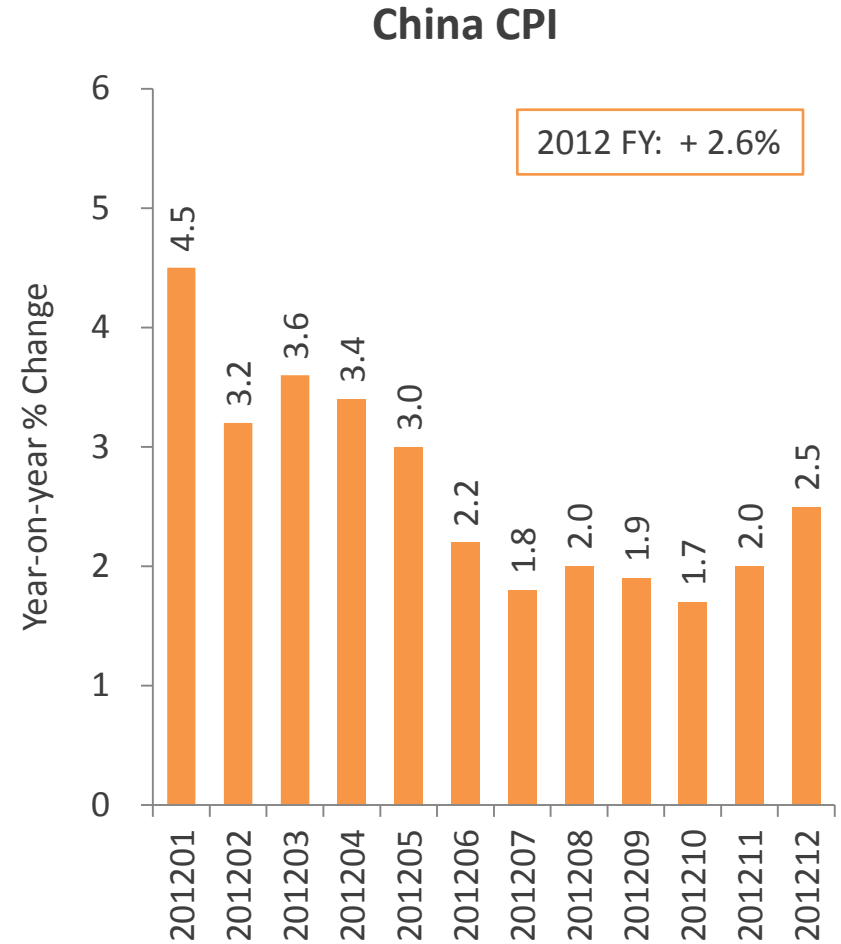
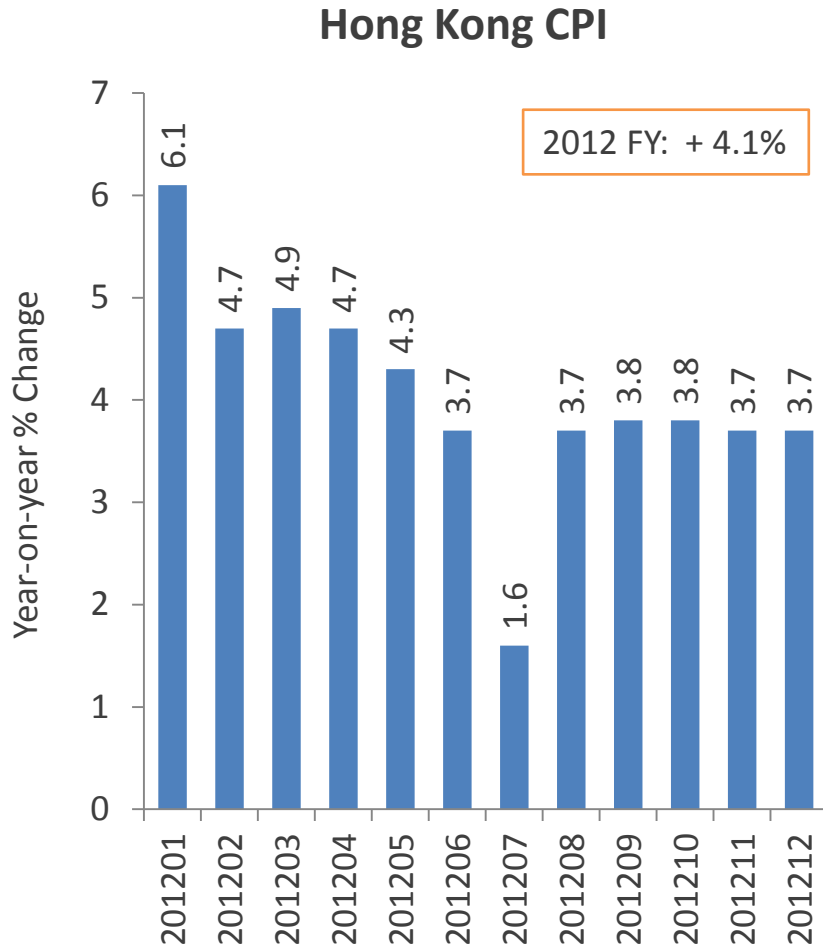
## Hong Kong Total Retail Sales Value



## China Total Retail Sales Value



# Hong Kong & China Consumer Price Index





# 2012 Key Highlight – Hong Kong & Macau

---

- Decline in comparable store sales increase in 2H 2012
- Rental has peaked yet still struggling with irrational rental increase for lease renewal
- Labour cost especially for frontline staff still escalating due to low unemployment and effect of minimum wages
- Tough adjustment period for retailers

# Hong Kong Market New Products and Great Promotions

**K CHOPPER & LUFFY LIMITED EDITION**

CHOPPER 系列 | LUFFY 系列

多款精美筆具，包括 CHOPPER 和 LUFFY 系列，以及可愛的毛絨玩具。

**K OK FUN MOOMIN HEARTS Collection**

心儀碟獨家限量登場

多款 Moomin 系列心儀碟，包括 HEARTS、TRAVEL、ROMANCE 等主題。

**感受 · 至豪品味**

聖誕月餅

至豪之禮，第一級享受。更有特別訂製的月餅，贈送心意禮券。

**中秋特賞禮盒** 原價\$520

**至尊奶黃月餅** 原價\$245

**雙喜蓮蓉月餅** 原價\$325

**金裝雙喜黃白蓮蓉月餅** 原價\$285

**雙喜蓮蓉月餅** 原價\$265

**至尊八月餅** 原價\$245

**K 全城至好玩 玩 UNO 張張有獎 任你點玩**

UNO 遊戲機

多款遊戲機及獎品，包括汽車、洗衣機等。

**K Bakery 自選 On-the-Go 早餐**

自選麵包一款

多款自選麵包，包括全蛋、全蛋、全蛋、全蛋等。

**飲品一款 + 套餐 GoGo 價 \$9**

多款飲品及套餐

多款飲品及套餐，包括咖啡、茶、果汁等。

**健康之道 · 由茶開始**

提神 消脂

多款茶葉產品，包括綠茶、紅茶、花茶等。

**五星級 · 誘惑 比利時朱古力蛋糕系列**

新登場

多款朱古力蛋糕，包括熱情果芒果、比利時65%朱古力蛋糕等。

**RILAKKUMA 為你生日送上限量版 2012 輕鬆小熊 HAPPY MUG**

多款 Rilakkuma 系列馬克杯，包括輕鬆小熊、懶懶熊等。

# 2012 Key Highlight – Southern China

---

- Slow-down in consumer spending since October Golden Week Holiday
- Drop in comparable store sales increase in 2H 2012
- Rental and labour cost escalating as usual
- Opened 21 Circle K stores and 23 Saint Honore stores, majority in 2H 2012



# Southern China Market New Products & Great Promotions

**22倍积分 Fun 热饮**

买1杯热饮 送2杯热饮

精选奶茶

香茅特饮

白桃系列、玉米甜系列  
全新口味、双倍积分

**经典产品大巡礼**

炸芝士包

现价 \$3

**经典产品大巡礼**

买奶茶咖啡类 送45g雪球一个

**经典产品大巡礼**

冻柠檬红茶

加量50%

现价 \$6

**热烈庆祝10店齐开**

磅装蛋糕 & 尊贵切件蛋糕

现价 8.8折

Saint Honore

**圣安娜10大皇牌推介**

10元 买三送一

10元 买二送一

10元 买一送一

10元 买一送一

10元 买一送一

10元 买一送一

另外5大皇牌推介即将登场, 敬请期待.....

**潮流零食时时食**

2.5元, 2.9元, 3.5元, 4.5元, 5.5元, 6.5元, 7.5元, 8.5元, 9.5元, 10.5元, 11.5元, 12.5元, 13.5元, 14.5元, 15.5元, 16.5元, 17.5元, 18.5元, 19.5元, 20.5元, 21.5元, 22.5元, 23.5元, 24.5元, 25.5元, 26.5元, 27.5元, 28.5元, 29.5元, 30.5元, 31.5元, 32.5元, 33.5元, 34.5元, 35.5元, 36.5元, 37.5元, 38.5元, 39.5元, 40.5元, 41.5元, 42.5元, 43.5元, 44.5元, 45.5元, 46.5元, 47.5元, 48.5元, 49.5元, 50.5元, 51.5元, 52.5元, 53.5元, 54.5元, 55.5元, 56.5元, 57.5元, 58.5元, 59.5元, 60.5元, 61.5元, 62.5元, 63.5元, 64.5元, 65.5元, 66.5元, 67.5元, 68.5元, 69.5元, 70.5元, 71.5元, 72.5元, 73.5元, 74.5元, 75.5元, 76.5元, 77.5元, 78.5元, 79.5元, 80.5元, 81.5元, 82.5元, 83.5元, 84.5元, 85.5元, 86.5元, 87.5元, 88.5元, 89.5元, 90.5元, 91.5元, 92.5元, 93.5元, 94.5元, 95.5元, 96.5元, 97.5元, 98.5元, 99.5元, 100.5元

**周二会员日**

凭会员卡 购买至尊八星月饼、双黄白莲蓉月饼 金装大四喜月饼

6折

品味 就是圣安娜

**比利时 现烘 华夫, 33 Belgium Waffle**

鲜果拿破仑

鲜果千层酥派, 松脆可口  
配以圣安娜自製芝士蛋糕及鲜果  
清新酥香, 口感绵滑  
皇家御品享用高规格之绝佳享受

品味 就是圣安娜

**鲜果拿破仑 \$38 Fruit Napoleon**

鲜果千层酥派, 松脆可口  
配以圣安娜自製芝士蛋糕及鲜果  
清新酥香, 口感绵滑  
皇家御品享用高规格之绝佳享受

品味 就是圣安娜

# Other Highlights

- Saint Honore opened 2 new stores in the Shenzhen Market



All City Shopping Center  
寶能太古城花園購物中心

HaiYa Mega Mall 海雅繽紛城



# Other Highlights



2012 Service & Courtesy Award  
Supervisory Level - CVS Category  
By HKRMA

Service Retailer of the Year - CVS Category

By HKRMA

2010 / 2011 / 2012



Yahoo! Emotion Brand Award

By Yahoo!

2011-2012

# Other Highlights



**TOUCH Brands**

**Touch Brands 2012**  
*By East Touch Magazine*



**2012 Service & Courtesy Award**  
**Supervisory Level - Food Shops Category**  
*By HKRMA*




**TVB Weekly Superbrand 2012**  
*By TVB Weekly Magazine*

# www.fingershopping.com

## How Customers Shop


Step 1 [Click]



Web or App

The diagram shows a screenshot of the fingershopping.com website and a mobile app interface. The website screenshot displays various product categories such as 'Handmade', 'Ceramics', 'Handbags', 'Handmade', 'Handmade', and 'Handmade'. The mobile app interface shows a 'SPECIAL OFFER' banner and a grid of products.

Step 2 [Pay]

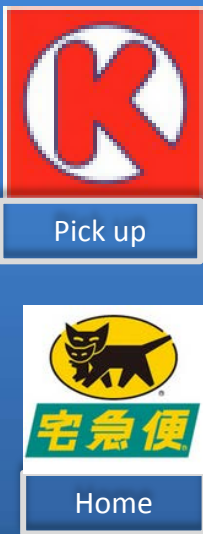


COD

Pay Online

The diagram illustrates two payment options. The first is 'COD' (Cash on Delivery), represented by a red square with a white 'K' logo. The second is 'Pay Online', represented by logos for VISA, MasterCard, and UnionPay 银联.

Step 3 [Pick]



Pick up

Home

The diagram illustrates two delivery options. The first is 'Pick up', represented by a red square with a white 'K' logo. The second is 'Home' delivery, represented by the logo for '宅急便' (Zhaijiubei), which includes a yellow cat icon and the Chinese characters '宅急便'.



潮玩意

商品

商店

排序方式: 全部

預設排序

17/17 件商品

科技潮物

設計精品

手機配件



Teaspoon 巴士禮品盒  
Teaspoon  
\$125.00

期間  
限定!



趣瑞匙扣 - 工人褲  
Din Dong Tuck Shop ...  
\$69.00



藍黃相機繞線器  
Siliconconcept  
\$55.00



潮克牌  
Rody  
\$68.00 \$50.00



趣瑞匙扣 - 學生哥  
Din Dong Tuck Shop ...  
\$69.00



趣瑞匙扣 - 老鬚  
Din Dong Tuck Shop ...  
\$69.00



魚仔萬用手帶  
Siliconconcept  
\$88.00



鑽石繞線器



Teaspoon 電車禮品盒

期間  
限定!



雀兒屋  
Qualy

# **2012 Full Year Financial Results Highlights**

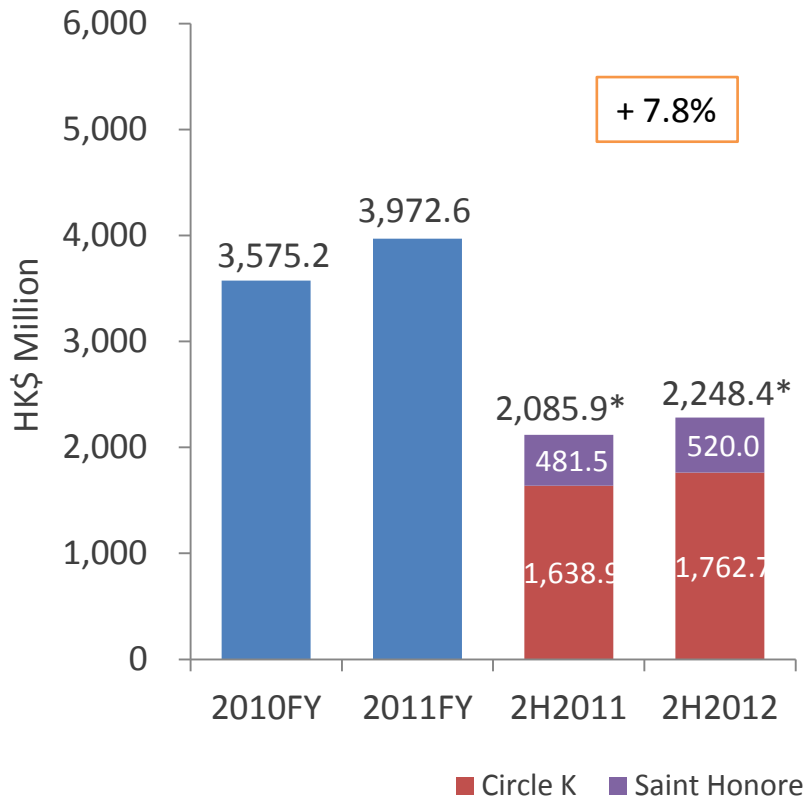
---

# Number of Stores

	End of 2011	Opened	Closed	Transfer from/(to)	End of 2012
Circle K Hong Kong	324	19	(12)	-	331
Circle K Southern China	66	21	(4)	-	83
■ <i>Guangzhou (owned)</i>	59	18	(4)	(3)	70
■ <i>Guangzhou (franchised)</i>	6	3	-	3	12
■ <i>Shenzhen</i>	1	-	-	-	1
Circle K Macau ( <i>franchised</i> )	22	3	(2)	-	23
Circle K Zhuhai ( <i>franchised</i> )	13	1	-	-	14
Saint Honore HK & Macau	98	6	(6)	-	98
Saint Honore Southern China	20	23	(3)	-	40
<b>CRA Group Total</b>	<b>543</b>	<b>73</b>	<b>(27)</b>	<b>-</b>	<b>589</b>

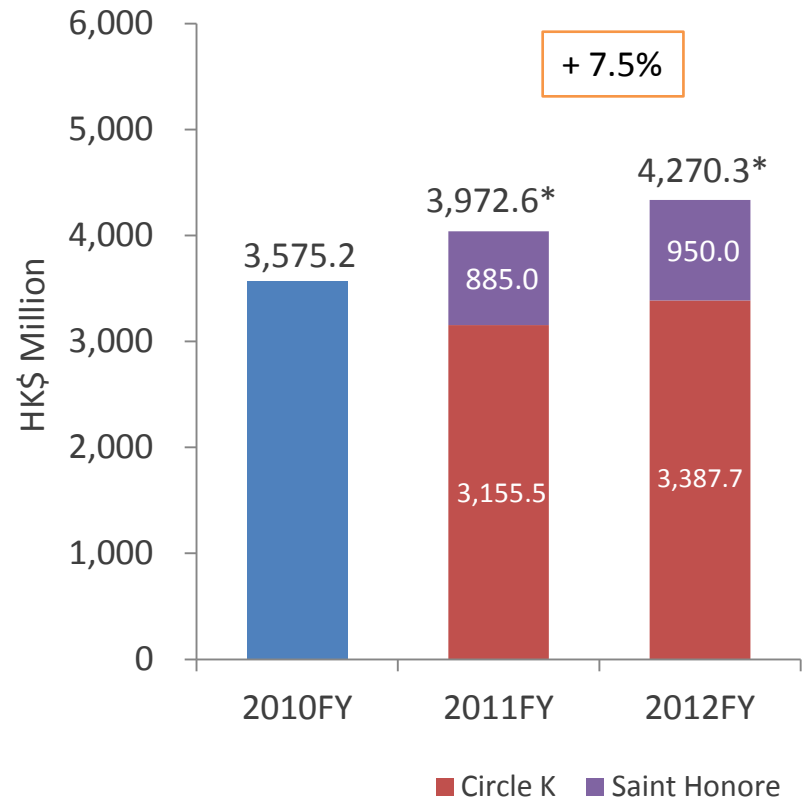
# Group Turnover

## 2<sup>nd</sup> Half



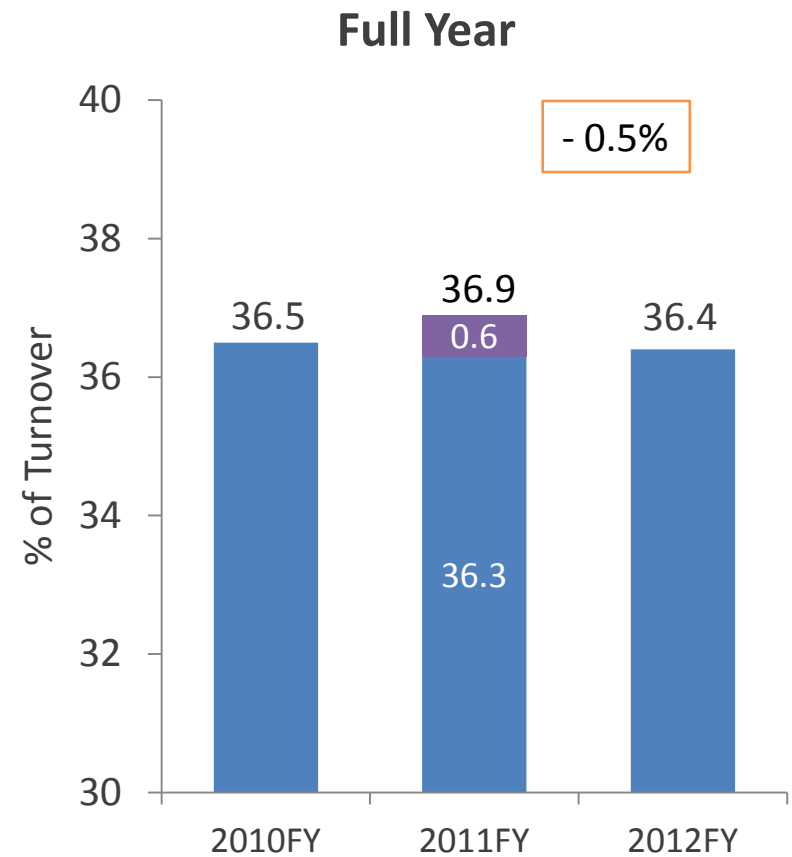
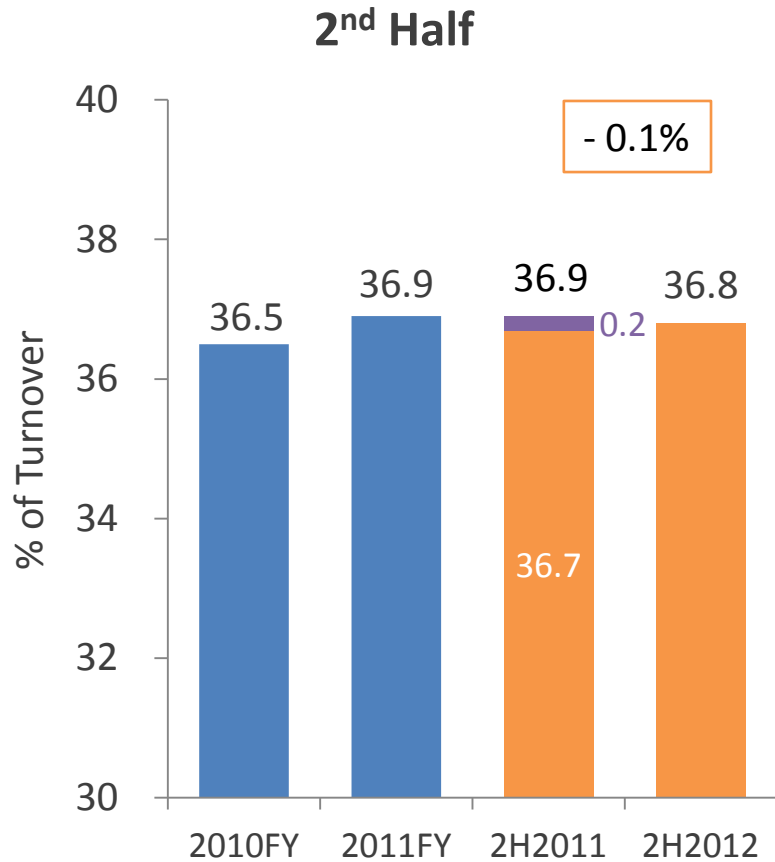
\* Less inter-group sales: HK\$34.5M in 2H2011 and HK\$34.3M in 2H2012

## Full Year



\* Less inter-group sales: HK\$67.9M in 2011 and HK\$67.4M in 2012

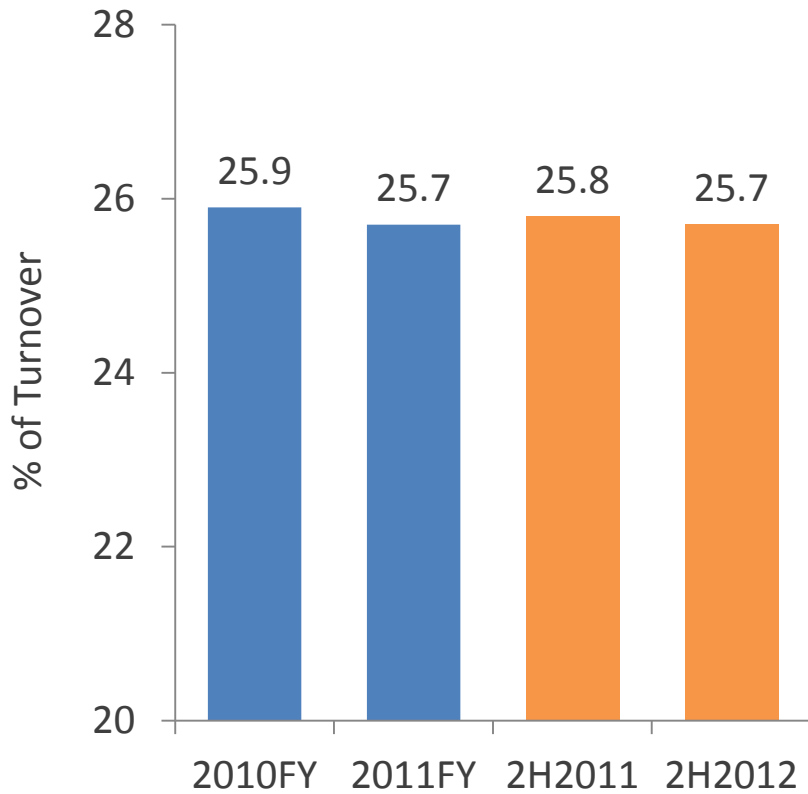
# Gross Profit & Other Income



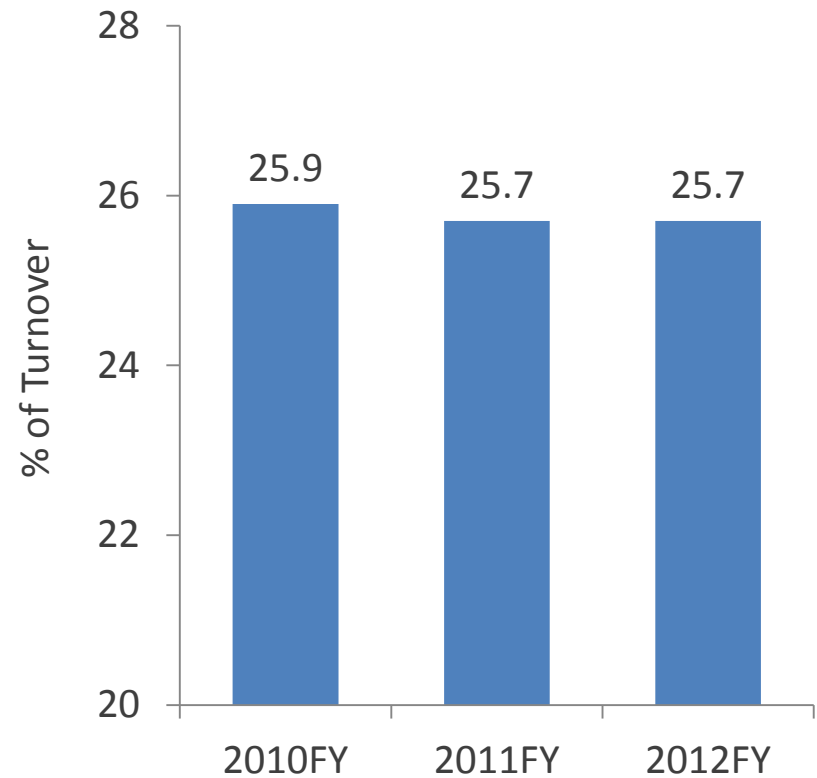
 Cigarette one-off gain

# Store Operating Expenses

## 2nd Half

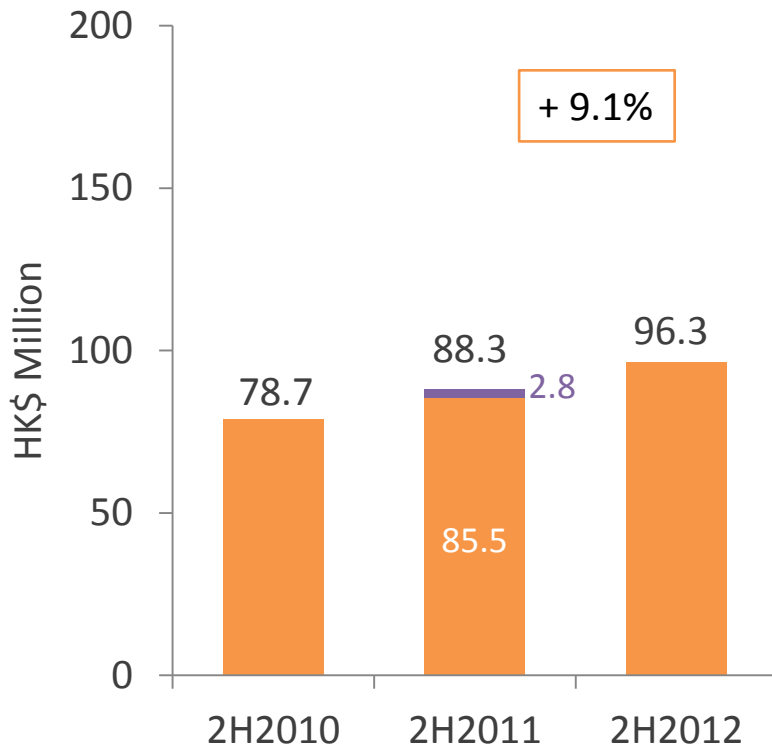


## Full Year

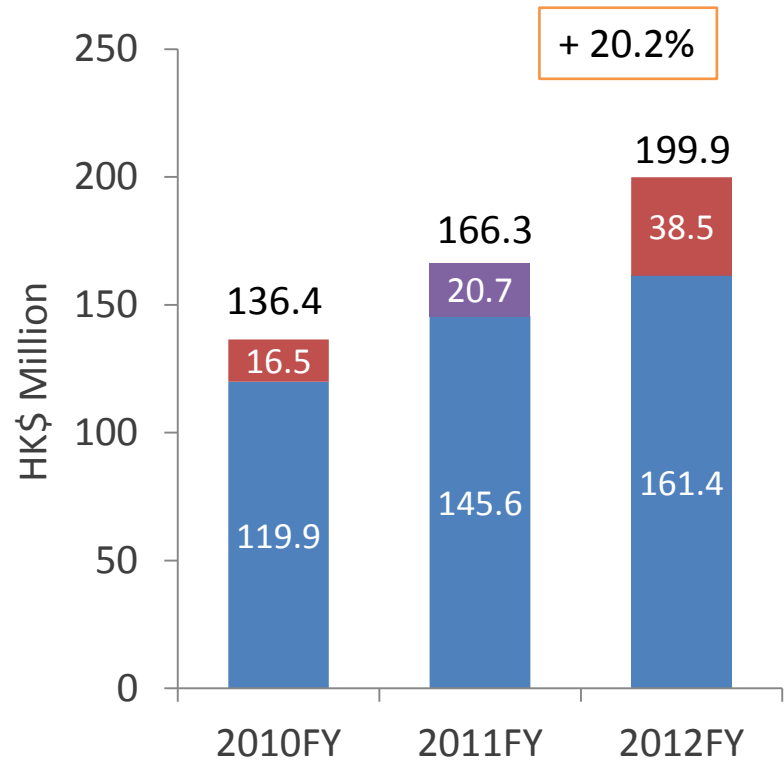


# Group Net Profit

## 2<sup>nd</sup> Half



## Full Year



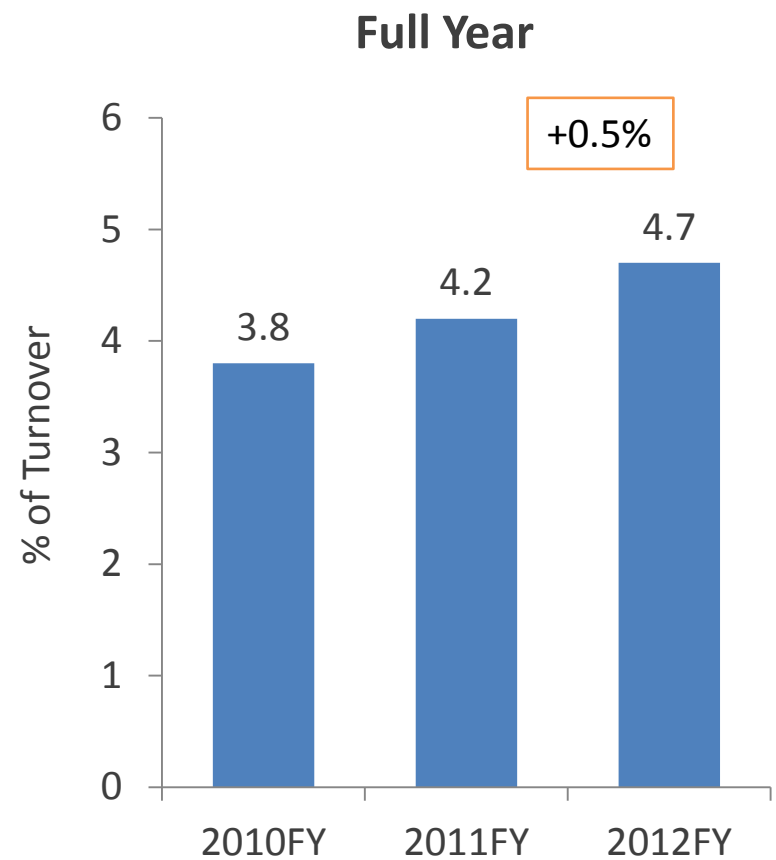
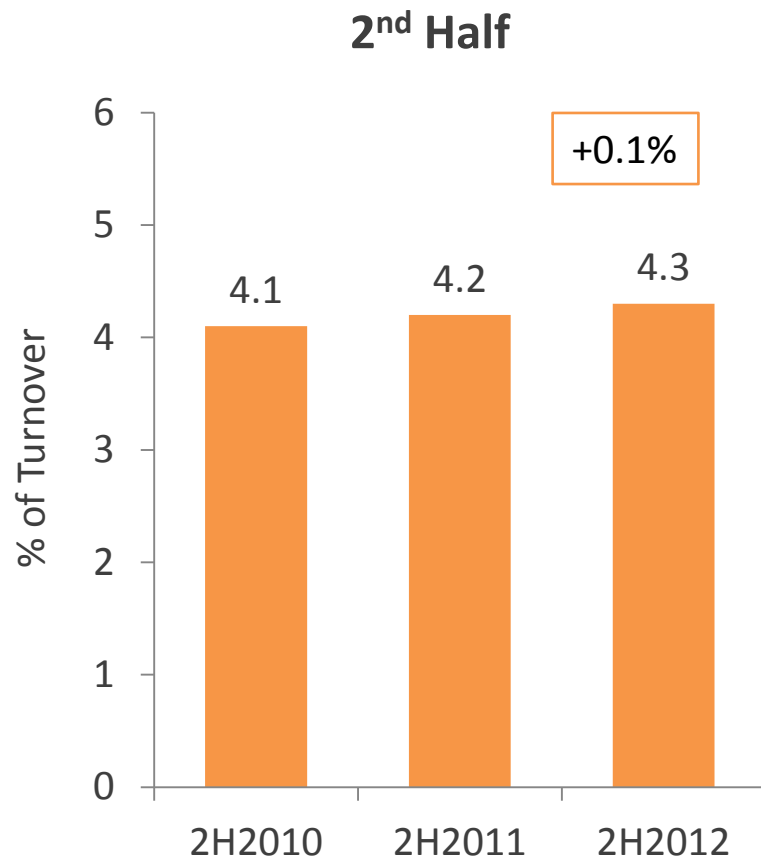
- One-off cigarette gain*
- Property disposal gain*

# Net Profit Breakdown By Market

<i>(HK\$ Million)</i>	<b>2<sup>nd</sup> Half</b>		<b>Full Year</b>	
	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>
Hong Kong & Macau Markets	95.7	108.8	184.4	222.0
China Market	(7.4)	(12.5)	(18.1)	(22.1)
<b>CRA Group Total</b>	<b>88.3</b>	<b>96.3</b>	<b>166.3</b>	<b>199.9</b>

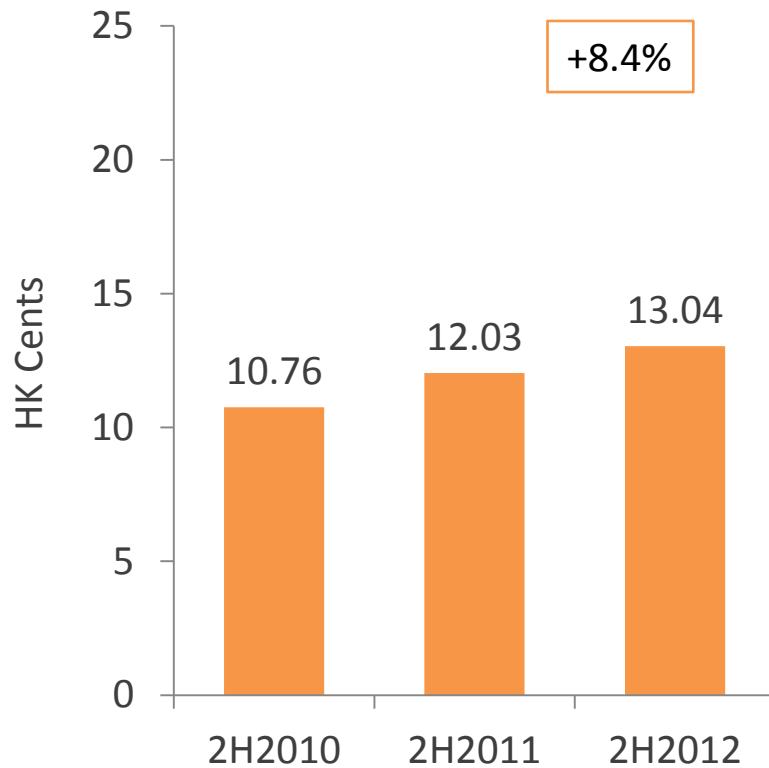


# Net Profit as % of Turnover

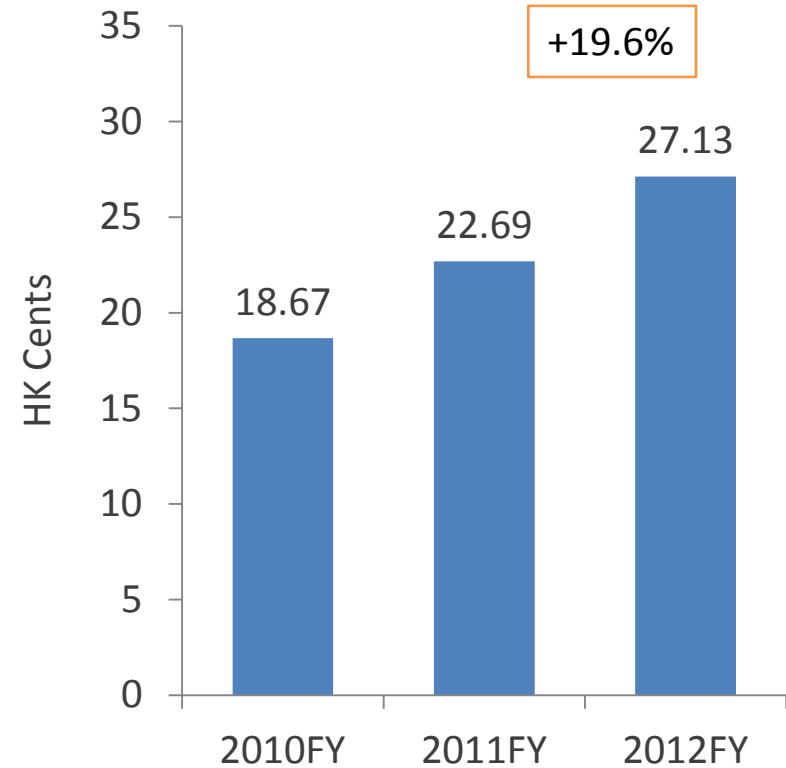


# Basic Earnings Per Share

## 2<sup>nd</sup> Half



## Full Year



# 2012 Financial Results Highlights – 2nd Half

	2H2011	2H2012	Change
Number of Stores	543	589	+46 stores
Group Turnover ( <i>HK\$M</i> )	2,085.9	2,248.4	+7.8%
Group Net Profit ( <i>HK\$M</i> )	88.3	96.3	+9.1%
Net Profit as % of Turnover	4.2	4.3	+0.1%
Basic Earnings Per Share ( <i>HK cents</i> )	12.03	13.04	+8.4%

# 2012 Financial Results Highlights – Full Year

	2011FY	2012FY	Change
Number of Stores	543	589	+46 stores
Group Turnover (HK\$M)	3,972.6	4,270.3	+7.5%
Group Net Profit (HK\$M)	166.3	199.9	+20.2%
Net Profit as % of Turnover	4.2	4.7	+0.5%
Basic Earnings Per Share (HK cents)	22.69	27.13	+19.6%
Dividends (HK cents)	14.8	22.0	+48.6%
■ Interim Dividend (HK cents) - Paid	3.8	3.8	Nil
■ Special Dividend (HK cents) - Paid	Nil	5.2	N/A
■ Final Dividend (HK cents)	11.0	13.0	+18.2%

# 2013 Update & Outlook

---

# 2013 Update & Outlook

---

- Very challenging 1H 2013 due to soft demands while operating expenses still escalating
- Expect consumer sentiment to improve starting in 2H 2013
- Consumers willing to accept reasonable price increases
- Rental in Hong Kong is expected to drop when compared to Q4 2012 level
- Operating expenses still escalating due to lease renewal and next round of minimum wages increase
- Focus on preserving Hong Kong market's profitability, enhancing competitiveness, customer experience, store network, people and core competencies
- Expansion of Saint Honore stores in the Pearl River Delta

# To Summarize

---

- Satisfactory 2012 results
- Very challenging 1H 2013
- 2H 2013 should improve
- Sound strategies and actions to deal with volatile market conditions

**Thank You!**

---