



# Convenience Retail Asia Ltd 2014 Interim Results Announcement

14 August 2014

# Agenda

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- Hong Kong & China Retail Markets Key Highlight
- 2014 First Half Financial Results Highlight
- 2014 Update & Outlook
- Question & Answer

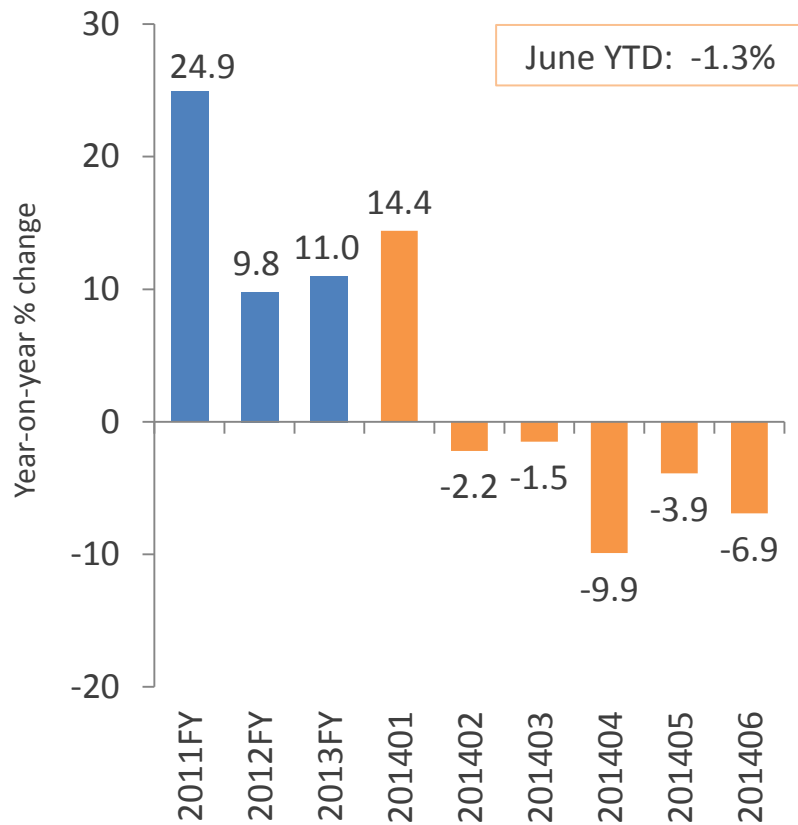
# **Hong Kong & China Retail Markets**

## **Key Highlight**

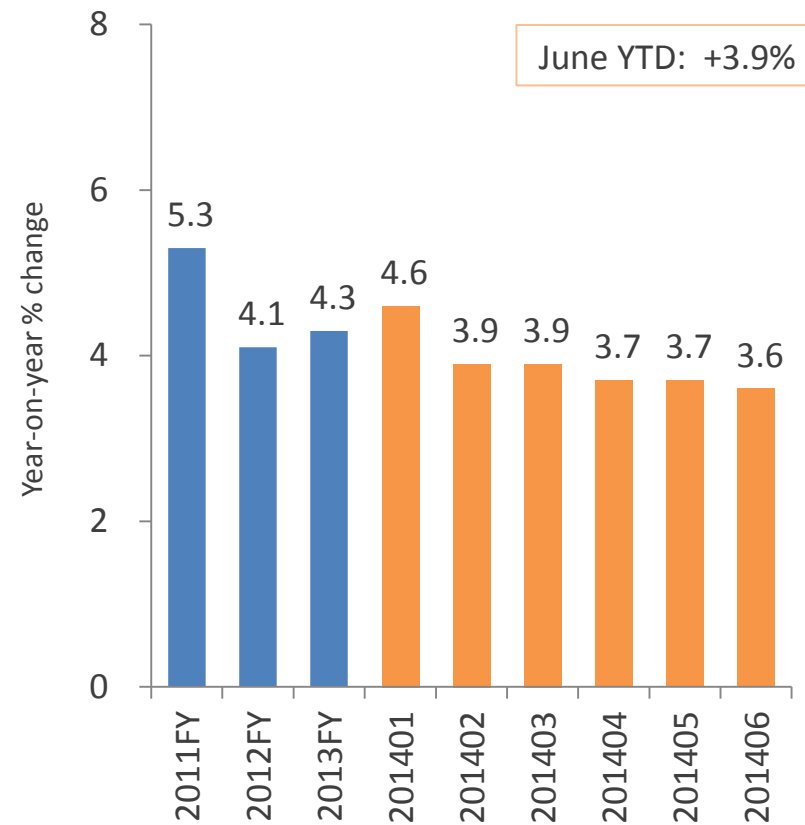
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# Hong Kong Retail Market

## Total Retail Sales Value

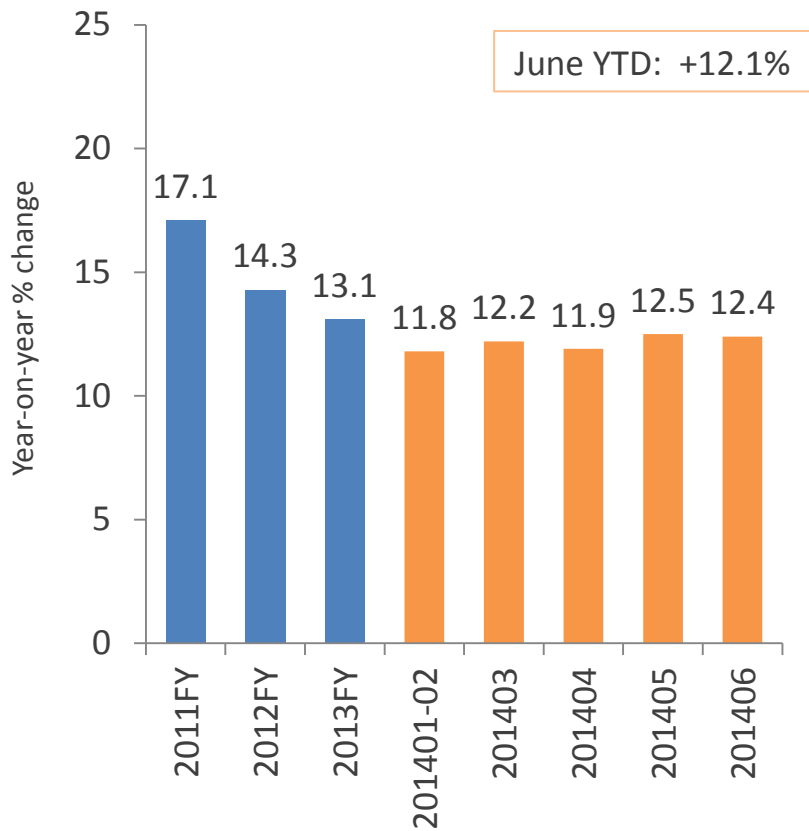


## Composite CPI

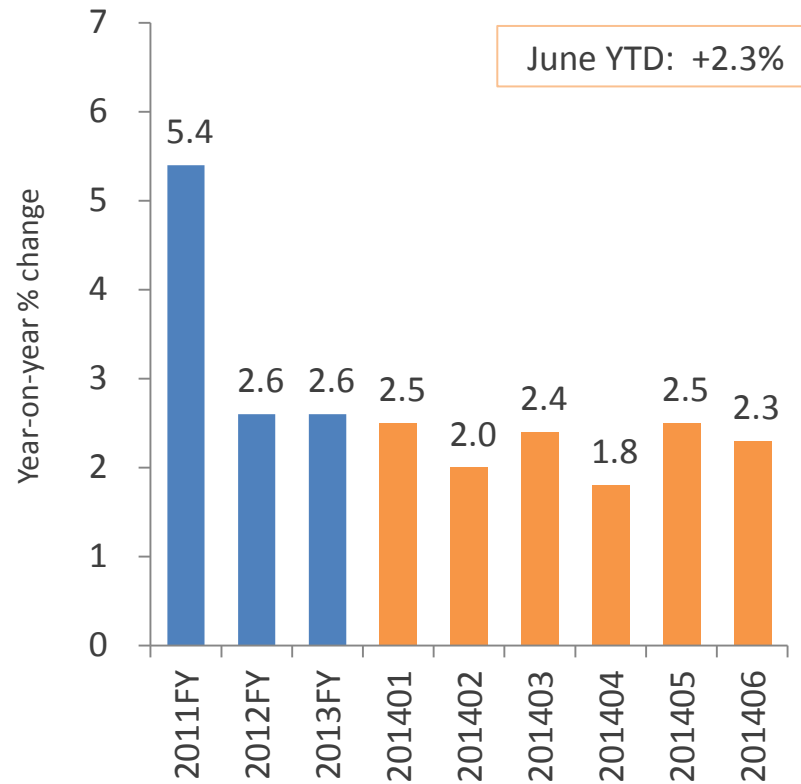


# China Retail Market

## Total Retail Sales Value



## Consumer Price Index



# Key Highlight of the Hong Kong & Southern China Markets

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## Hong Kong Market

- Soft consumer demand
- High lease renewal at historically high increase despite shop vacancies
- Difficult to hire and retain frontline staff
- Newspaper and magazine volume decreasing

## Southern China Market

- Stable consumer demand
- Austerity measures affecting gift-giving market
- Labour cost continues uptrend
- Online retailing disrupting hypermarkets and department stores

# New Products and Re-inventing



**CRAFTHOLIC®**  
Candy Inspired Collection 令您充實甜心趣味!

Advertisement for Craftholic, a collection of candy-inspired plush toys and accessories. It features various items like a colorful bear, a pink bear, and a blue bear, along with smaller items like socks and bags. The text includes 'Candy Inspired Collection 令您充實甜心趣味!' and 'CRAFTHOLIC®'.

**我是球迷**  
I AM A SOCCER FAN

Advertisement for 'I Am a Soccer Fan' featuring a soccer ball with various national flags and photos of fans. It includes a promotion for 'OK 勁抽 優惠足球迷' and a '\$5 購物券' (shopping voucher).

**招牌 捞麵**  
招牌咖哩什錦撈麵

Advertisement for 'Lao Mee' (捞麵) featuring a bowl of noodles with curry and vegetables. It includes a price of '\$22' and two '特選套餐' (special sets) for '\$25' each, including a drink and a dessert.

台式冰滑系列 第2波  
**抹茶系列**  
全新推出

Advertisement for 'Matcha Series' featuring four different matcha drinks in various glassware. It includes a price of '\$15' and a note that the drinks are available in-store.

**全線OK便利店有售**

Advertisement for Google Play, showing the Google Play logo and the text '全線OK便利店有售' (Available at all Circle K convenience stores).

**OK便利店 提貨服務**  
提貨通 服務上線囉!

Advertisement for 'Tie Huo Tong' (提貨通) service, featuring a truck and boxes. It includes the text '台灣商品直送 快速到貨又抵又方便' (Direct delivery of Taiwan goods, fast delivery and convenient).

**現已登陸**  
全線OK便利店

Advertisement for Alipay.com, showing various Alipay cards and the text '現已登陸 全線OK便利店' (Now available at all Circle K convenience stores).

# New Products and Re-inventing



## Value Zone





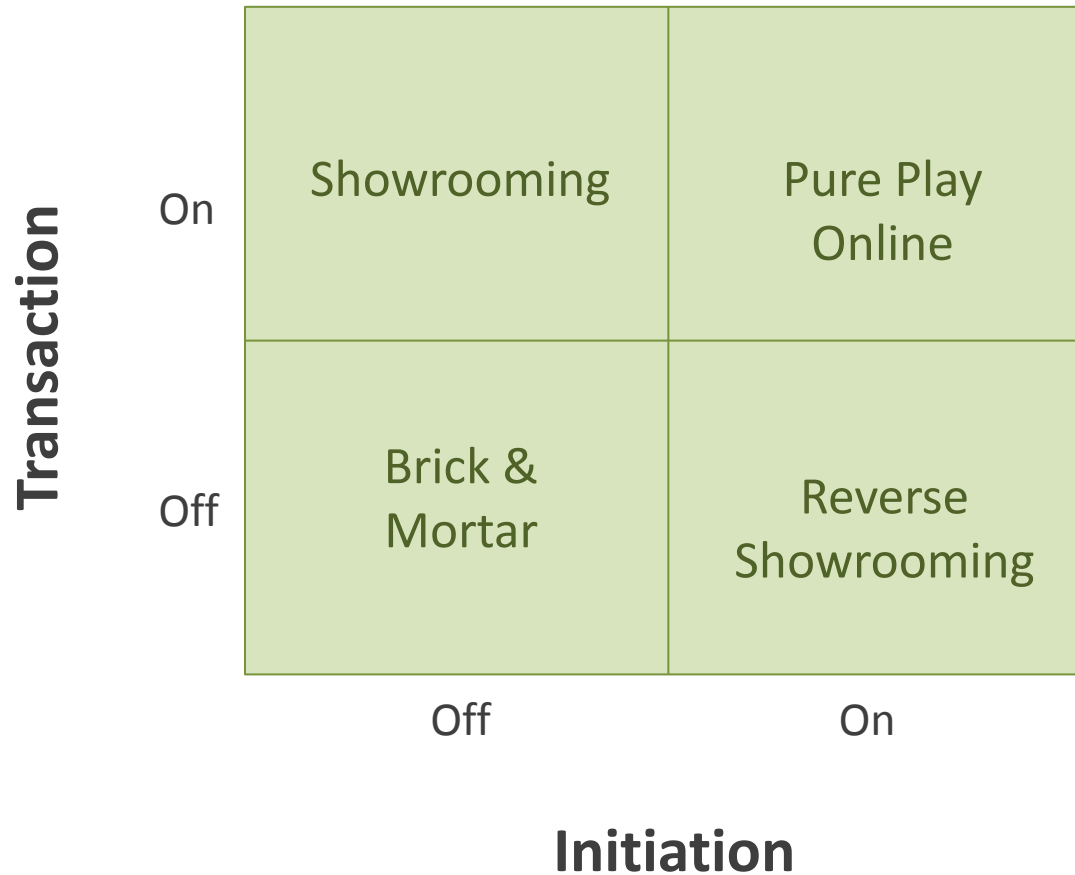
# New Products and Re-inventing



## Ice Cream Zone



# O2O Development



# www.FingerShopping.com Website



The screenshot displays the FingerShopping website interface. At the top, there is a navigation bar with the site logo, user account options, and a search bar. Below this is a secondary navigation bar with categories like '生活雜貨', '品味居室', '親子家庭', etc. The main content area features a large banner for 'Fleurance nature' with a '新店8折' (New Store 8% Off) promotion. Below the banner is a grid of product recommendations, including items like 'SwissVital 貯顏面霜', 'Organic Plus 有機安睡飲品', and 'EX水運德化純水膠'. A sidebar on the right shows a '特選商品 新登場' (Special Selection New Arrival) section with various beauty and lifestyle products.

# New Products and Re-inventing



**好知味**

**VIP Hamicat 版**

**随心签到有礼**  
在店铺消费或网上首次登记(含补录)会员资料  
奖励20积分 (凡店内消费自动获赠积分)

**随心消费好方便**  
每充值100元赠105元, 充值最高限额500元  
会员卡支付仅限好知味产品

**电子印花更环保**  
无纸化自动记录印花, 可同时享用多种优惠

**积分好礼拿不停**

- 积分抵现金**  
每1元抵1分
- 周二会员日**  
会员专享周二会员日优惠
- 消费积分回馈**  
每消费10元送10元
- 生日“有礼”**  
会员生日当天送5积分
- 专享会员优惠价**  
会员专享会员日优惠价
- 积分兑换礼品**  
积分兑换精美礼品

积分当年有效, 于当年12月31日清零;  
兑换礼品之积分有效期截止至每年12月30日, 12月31日消费所获积分自动转入次年。

美 团 OK便利店 自家品牌 提供独家精制的食品及饮品系列





# New Products and Re-inventing



# **2014 First Half Financial Results Highlight**

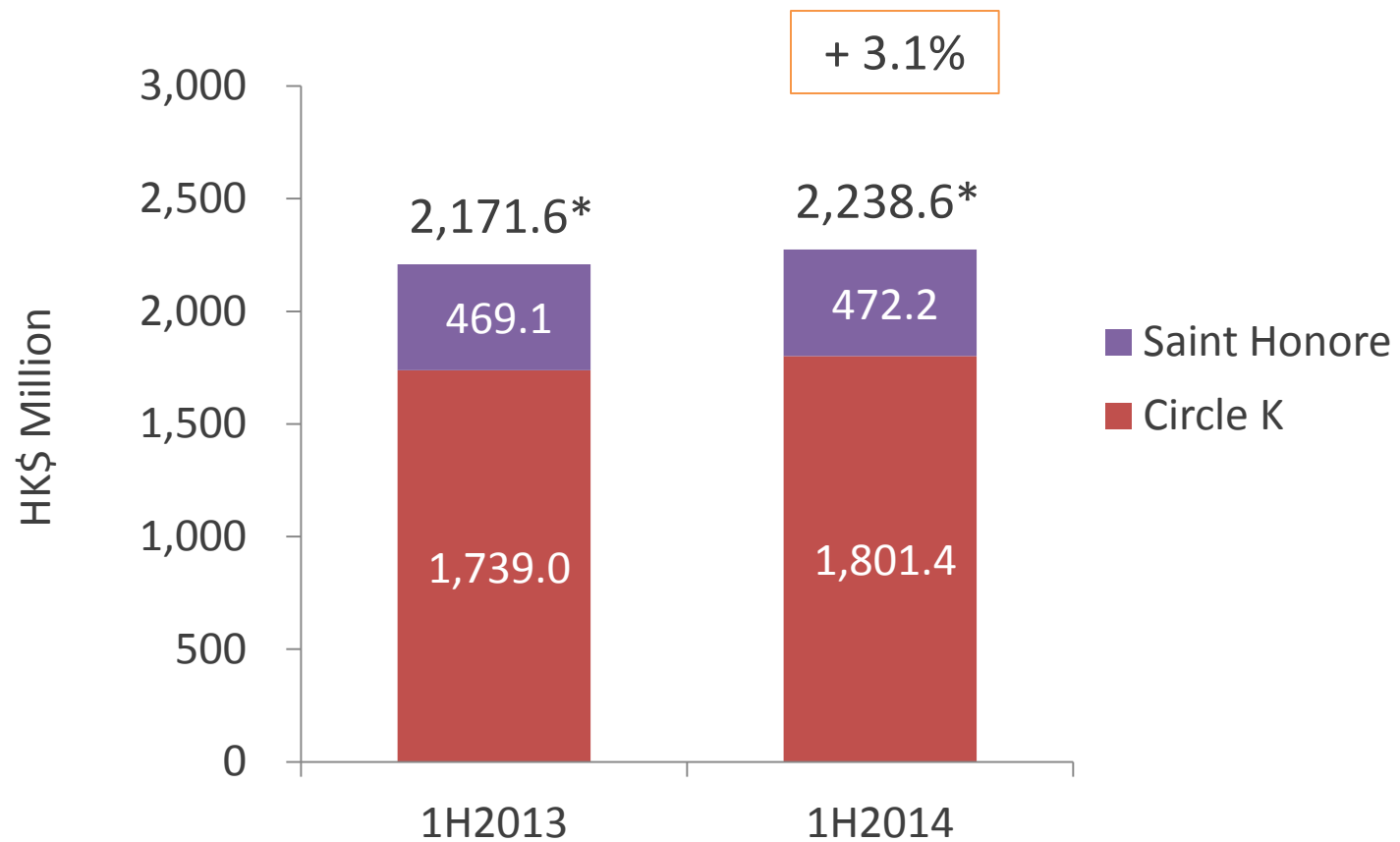
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# Number of Stores

	1H2013	End of 2013	Opened	Closed	1H2014
Circle K Hong Kong	335	335	11	(10)	<b>336</b>
Circle K Southern China	81	80	2	(2)	<b>80</b>
■ Guangzhou (owned)	70	68	2	(1)	<b>69</b>
■ Guangzhou (franchised)	10	11	-	-	<b>11</b>
■ Shenzhen	1	1	-	(1)	-
Circle K Macau (franchised)	24	25	1	(1)	<b>25</b>
Circle K Zhuhai (franchised)	12	11	1	-	<b>12</b>
Saint Honore HK & Macau	98	97	6	(4)	<b>99</b>
Saint Honore Southern China	44	44	2	(3)	<b>43</b>
<b>CRA Group Total</b>	<b>594</b>	<b>592</b>	<b>23</b>	<b>(20)</b>	<b>595</b>

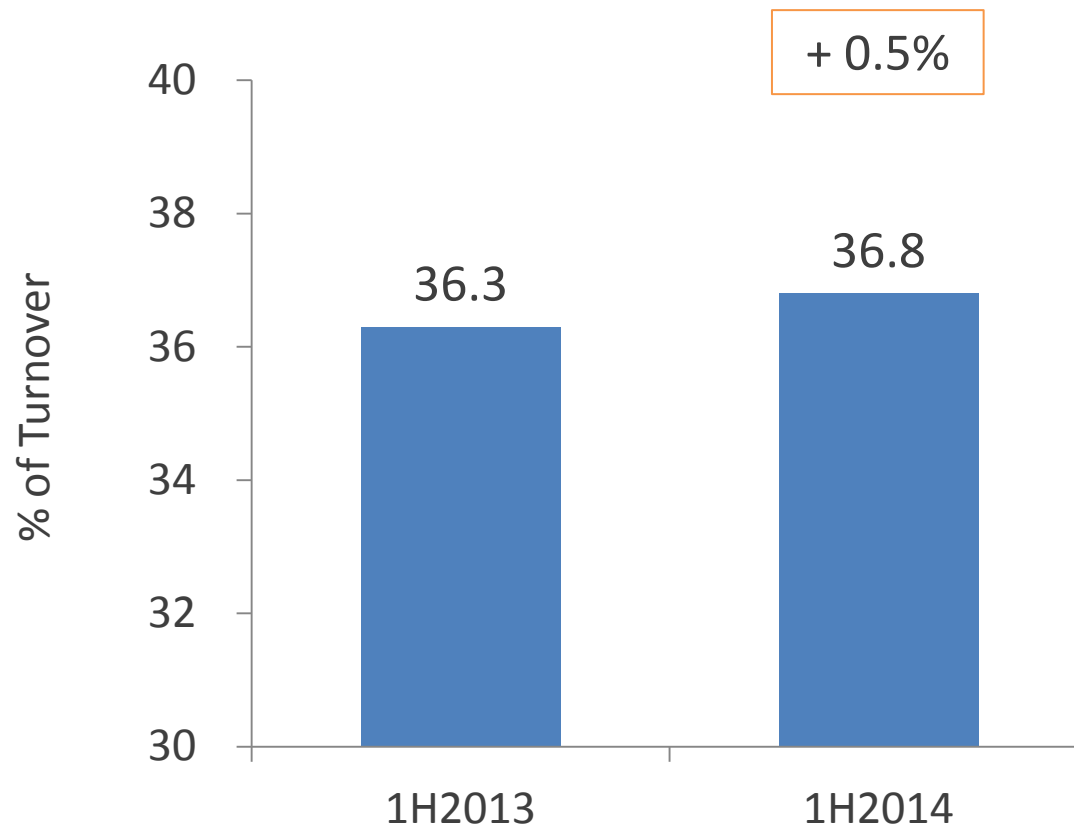


# Group Turnover

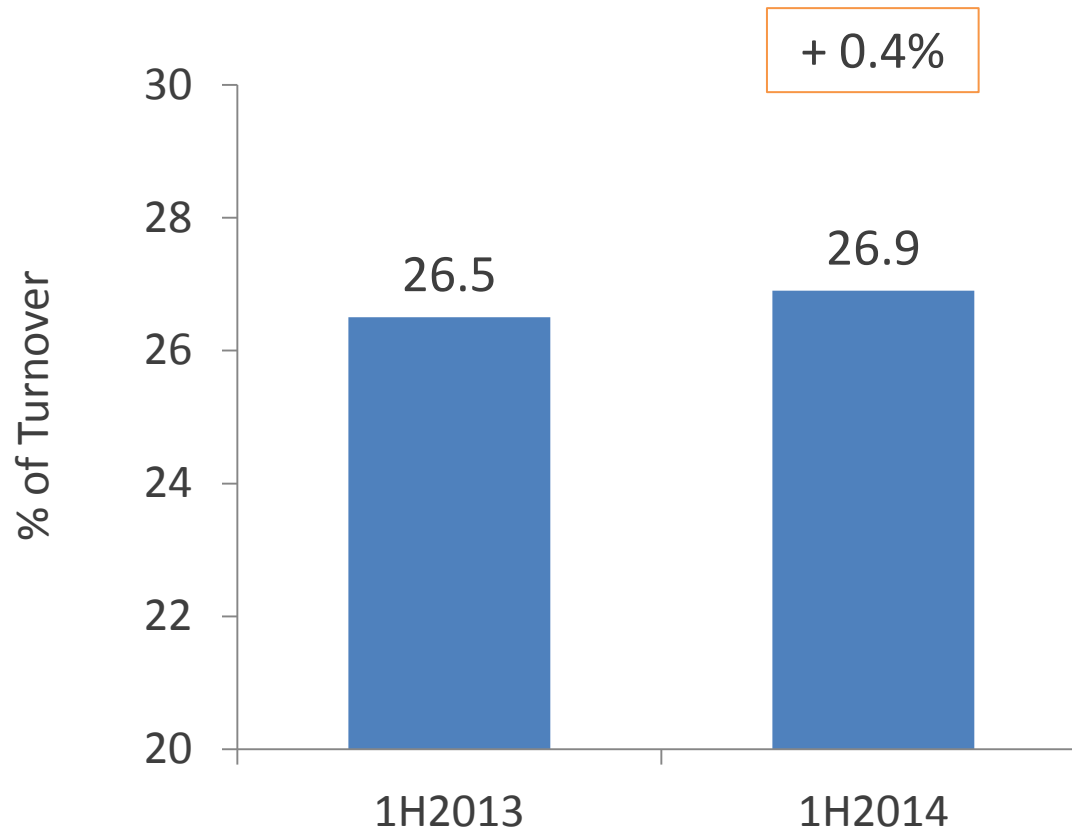


\* Less inter-group sales: HK\$36.5M in 1H2013 and HK\$35.0M in 1H2014

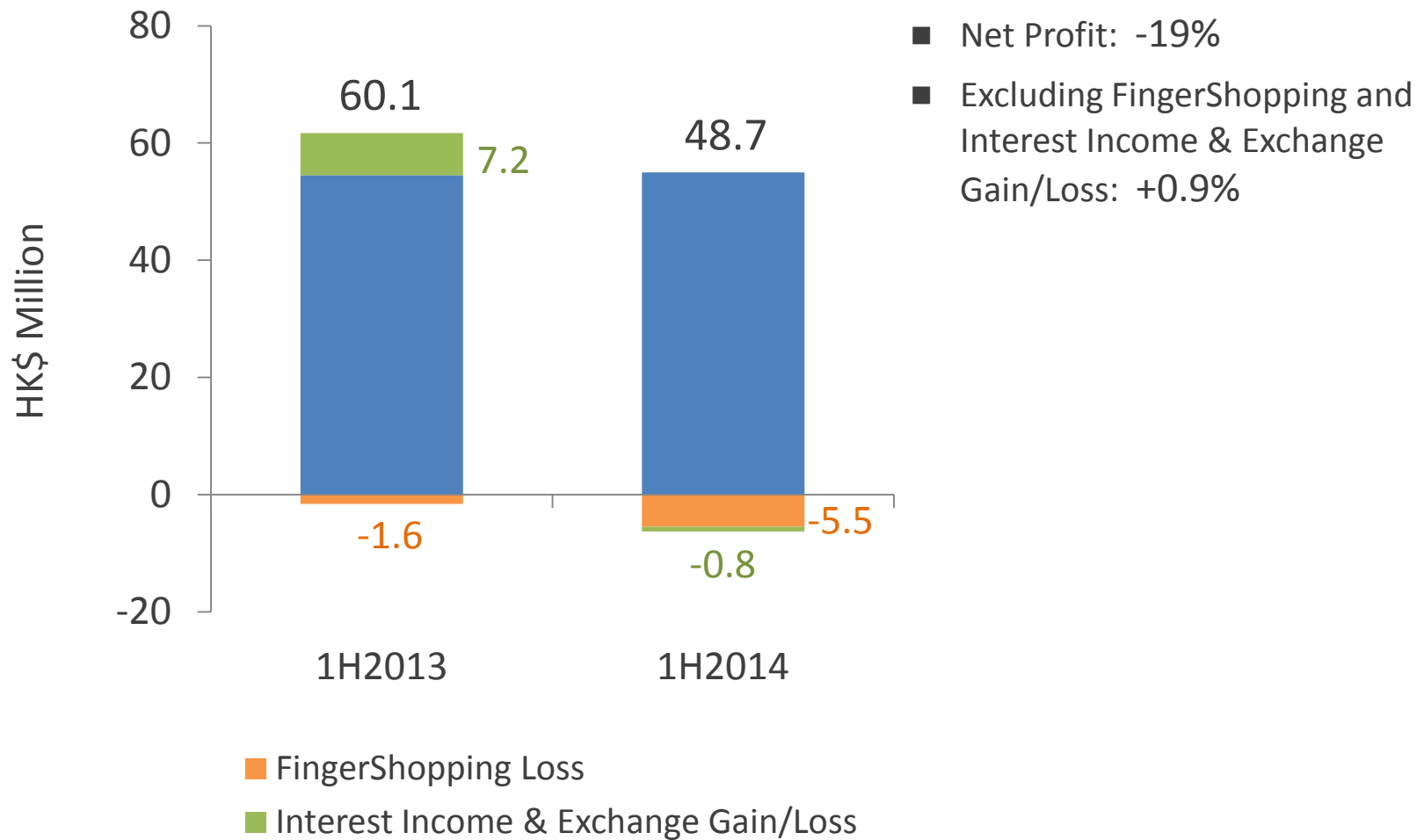
# Gross Profit & Other Income



# Group Store Operating Expenses



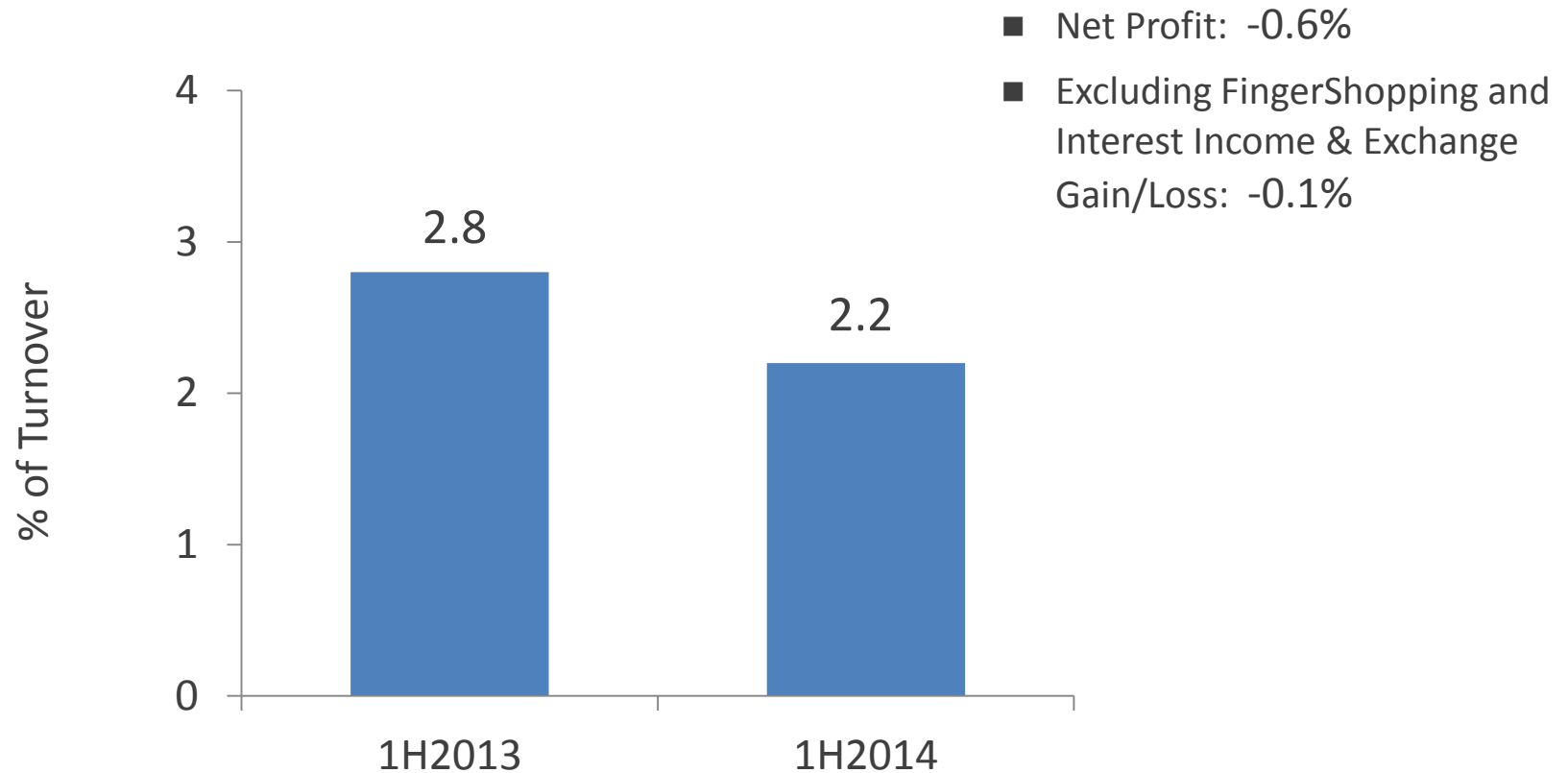
# Group Net Profit



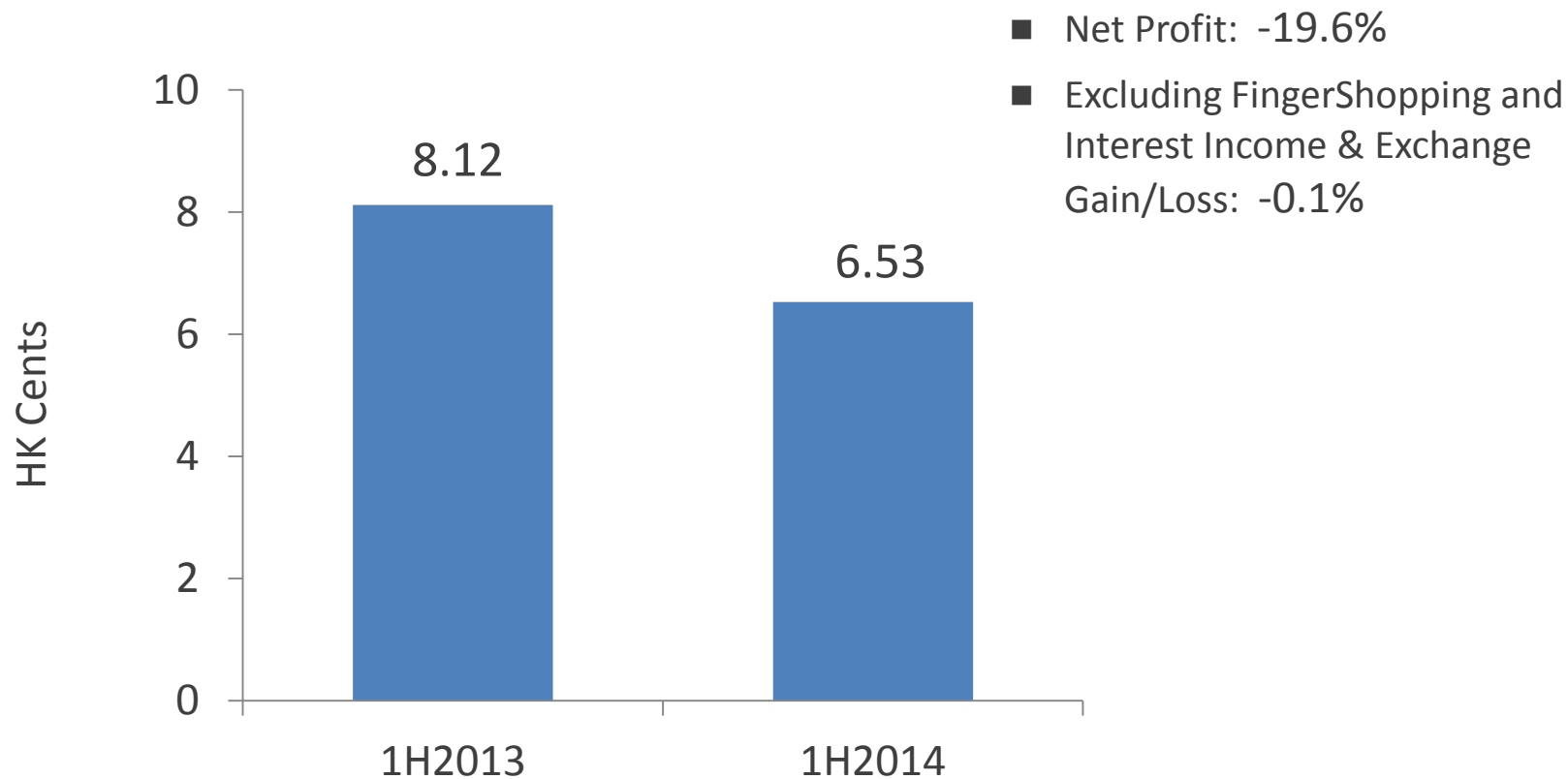
# Net Profit by Market

<i>(HK\$ Million)</i>	<b>1H2013</b>	<b>1H2014</b>	<b>Change</b>
Hong Kong & Macau Markets	74.2	74.8	+0.8%
China Market	(19.7)	(19.8)	-0.5%
FingerShopping	(1.6)	(5.5)	-2x
Interest Income & Exchange Gain/(Loss)	7.2	(0.8)	-1x
<b>CRA Group Net Profit</b>	<b>60.1</b>	<b>48.7</b>	<b>-19.0%</b>

# Group Net Profit as % of Turnover



# Basic Earnings Per Share



# 1H2014 Financial Results Highlight

	1H2013	1H2014	Change
Number of Stores	594	595	+1 store
Group Turnover (HK\$M)	2,171.6	2,238.6	+3.1%
Group Net Profit (HK\$M)	60.1	48.7	-19.0%
■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss)	54.5	55.0	+0.9%
Group Net Profit as % of Turnover	2.8	2.2	-0.6%
■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss)	2.5	2.4	-0.1%
Basic Earnings Per Share (HK cents)	8.12	6.53	-19.6%
■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss)	7.33	7.32	-0.1%
Dividends:			
■ <i>Interim Dividend (HK cents)</i>	3.8	3.1	-18.4%
■ <i>Special Dividend (HK cents)</i>	40.0	-	N/A



# 2014 Update & Outlook

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# 2014 Update & Outlook

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- Hong Kong market will likely be more challenging than 1<sup>st</sup> Half
  - Political disputes
  - Weak consumer sentiment to spend
  - High operating costs to continue
- China market's growth continues to improve but at slow pace
  - Austerity measures to continue
  - No major stimulus booster
  - Impact of online retailing on traditional retailing escalating

**Thank You!**

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