



# Convenience Retail Asia Ltd 2014 Annual Results Announcement

18 March 2015

# Agenda

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- Hong Kong & China Retail Markets Key Highlight
- 2014 Financial Results Highlight
- 2015 Update & Outlook
- Question & Answer

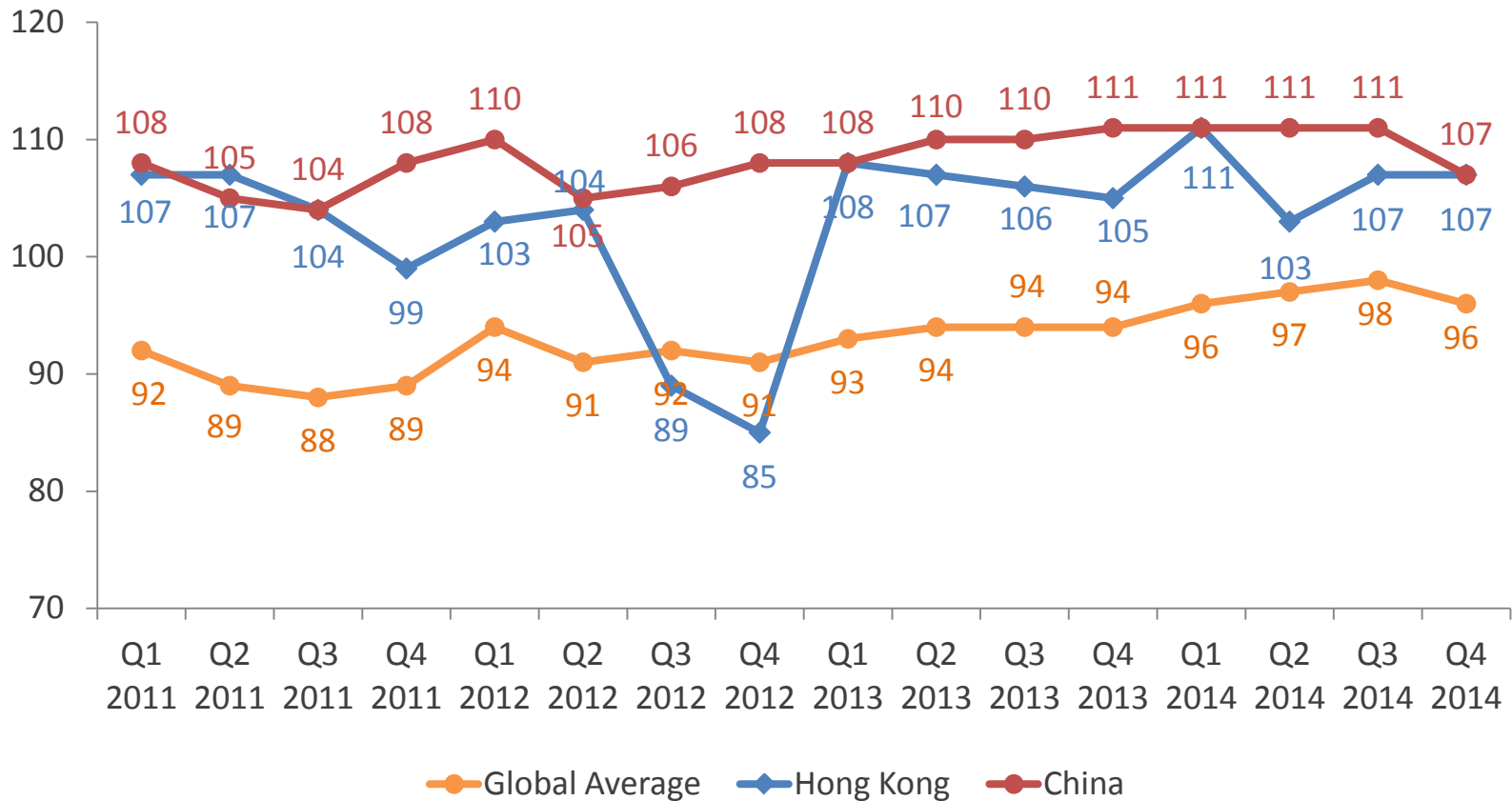
# **Hong Kong & China Retail Markets**

## **Key Highlight**

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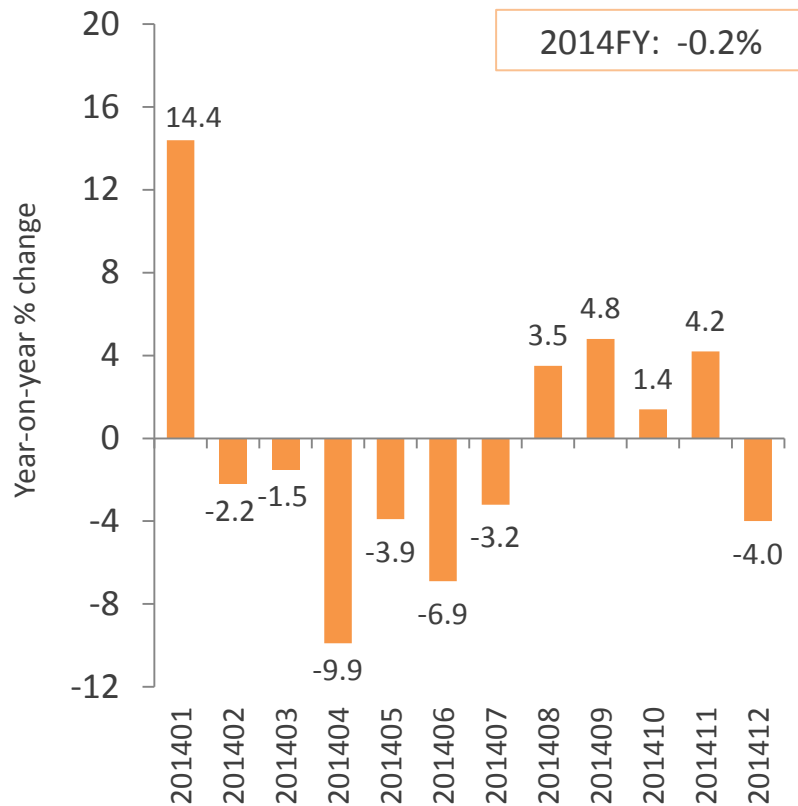
# Consumer Confidence Index

- Hong Kong consumer confidence index remained stable over the last quarter

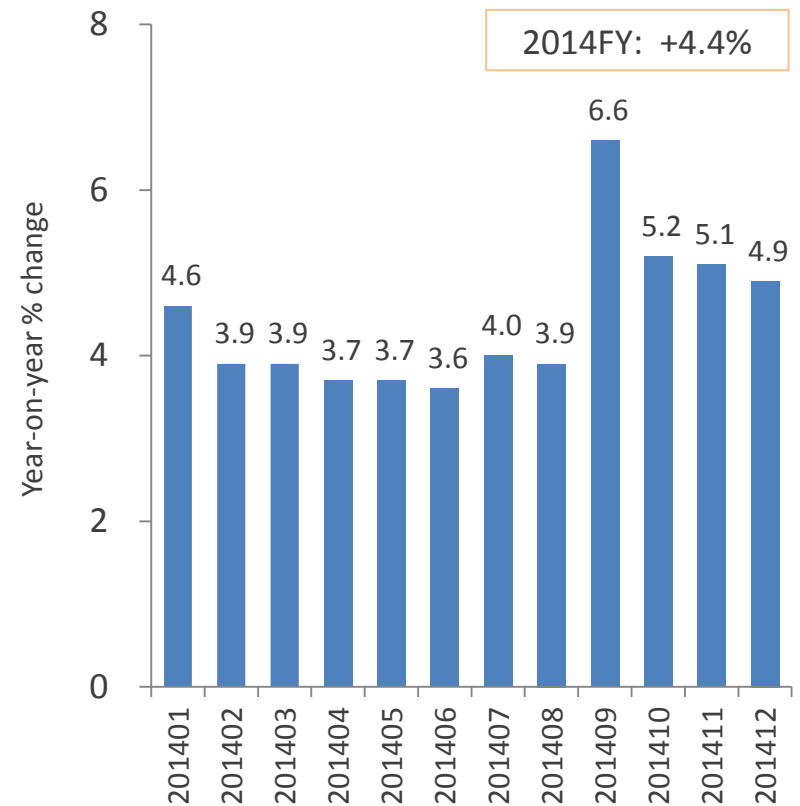


# Hong Kong Retail Market

## Total Retail Sales Value

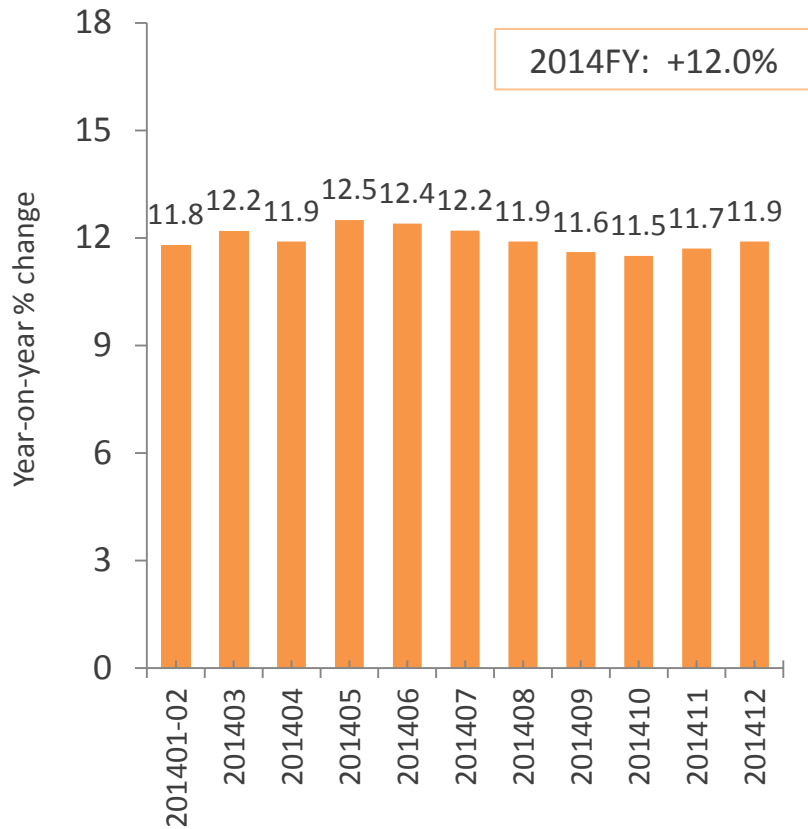


## Composite CPI

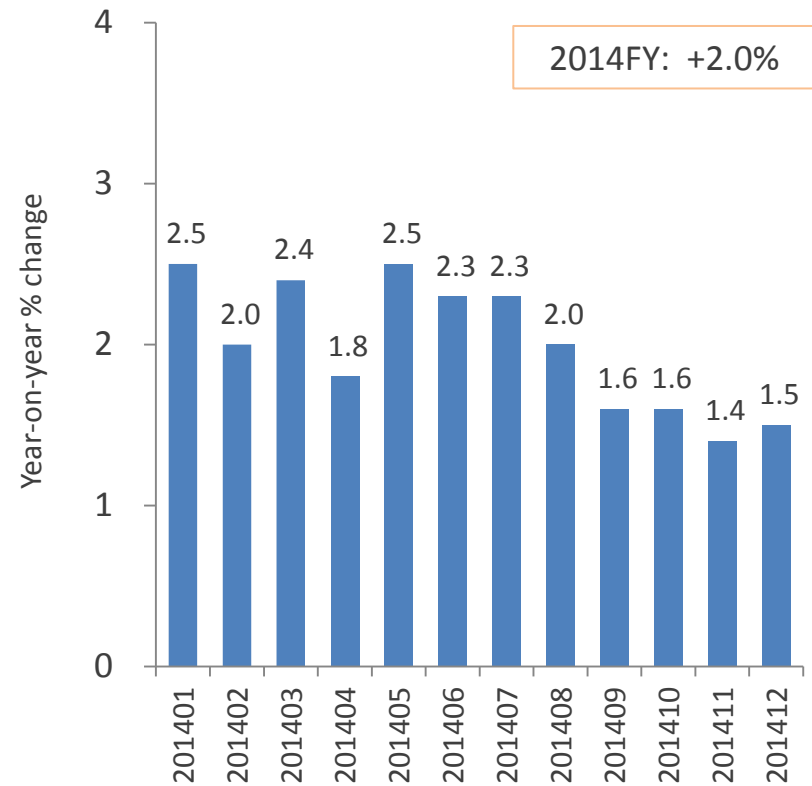


# China Retail Market

## Total Retail Sales Value

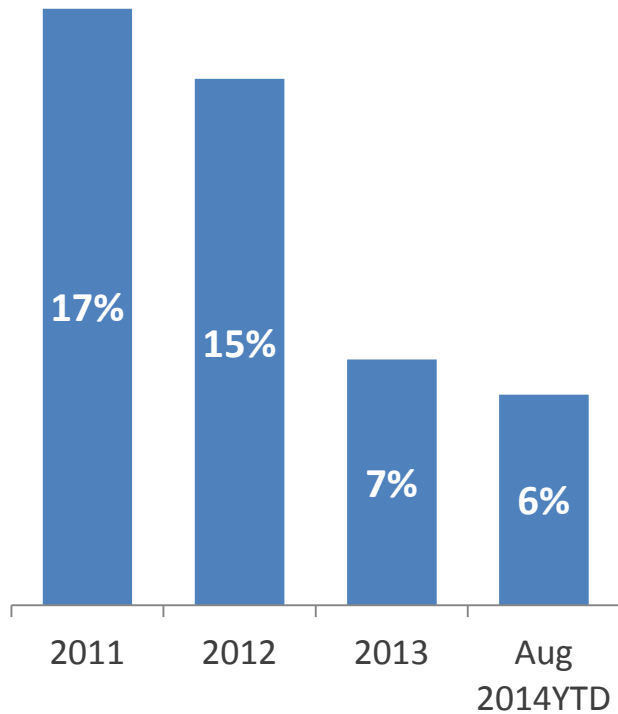


## Consumer Price Index

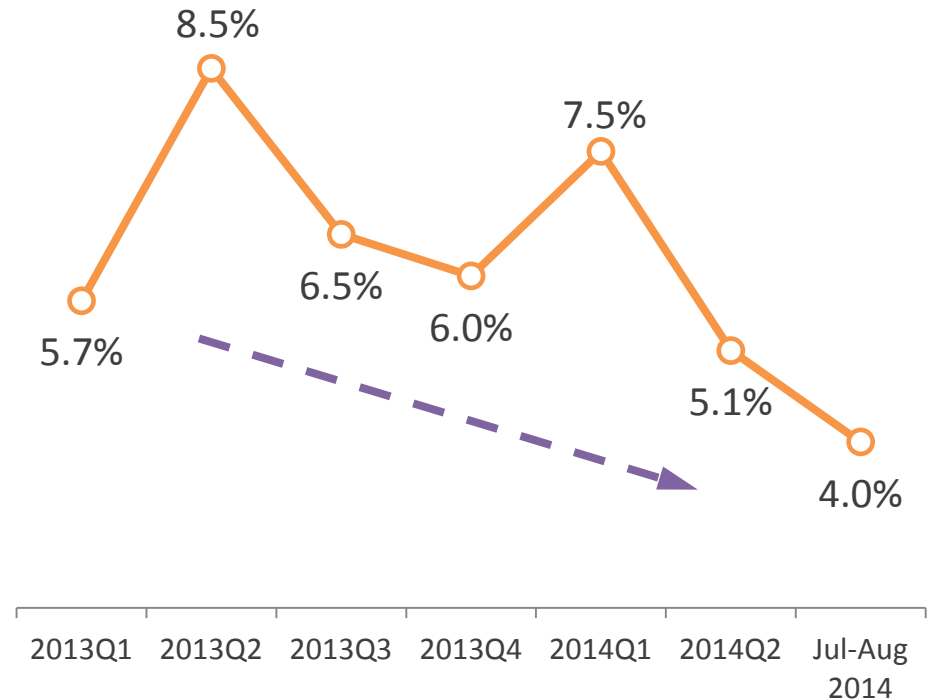


# China Growth Keeps Softening in 2014

## China Offline FMCG Sales Value Growth vs. YA



## China Offline FMCG Quarterly Growth vs. Year Ago %



# Key Highlight of the Hong Kong & Southern China Markets

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## Hong Kong Market

- Soft consumer demand
- Lease renewal at historical high increase despite drop in rental for prime locations
- Difficult to hire and retain frontline staff
- Newspaper and magazine volume decreasing

## Southern China Market

- Growth in consumer offline sales keeps softening
- Austerity measures affecting gift-giving market
- Labour cost continues uptrend
- Online retailing disrupting hypermarkets and department stores



# New Products and Re-inventing



**the bears' school**

## 百變 Jackie 天天陪任你

4款百變應用杯 限量登場

購物每滿\$20，送OK Sealer 1個  
憑OK Sealer或收銀小票，可換一件  
4款杯蓋，每款限全場1個  
仲有百變Jackie精品布藝公仔吊飾6款任擇

Circle K 全新招徠

**the bears' school**

## 百變 Jackie 天天陪任你

EVERYDAY IS THE DAY

百變Jackie精品布藝公仔吊飾1套6款

購物每滿\$20，送OK Sealer 1個  
憑OK Sealer或收銀小票，可換一件  
6款吊飾，每款限全場1個  
Jackie's Storybook 作圖禮盒

Circle K 全新招徠

**the bears' school**

## 菇好樹住你吊飾

仲有菇好趣咗咩+手機獎券裝 6套任擇

購物每滿\$20，送OK Sealer 1個  
憑OK Sealer或收銀小票，可換  
12款吊飾，每款限全場1個  
12款吊飾，憑OK Sealer，有款換完即止

Circle K View 手機獎券每張\$20，\$10 一個

Circle K 全新招徠

**CHOCO SWEETS**

♥素敵なチョコレート♥

英國 Thornton's awfullygoodtogo

LOTTE

日本直送

Circle K 全新招徠

**秋の田園 豊かな収穫**

甜薯

粟米

栗子

綜合

Circle K 全新招徠

**舌尖上的茶房**

巨香醇厚

Circle K 全新招徠

**便利服務 誠懇至好!**

**iTunes 禮物卡 9折發售**

**全新設計 耀目登場**

9折推廣只適用於 \$500 及 \$1000 iTunes 禮物卡

推廣期：5/6-1/6/2014 (數量有限，售完即止) 可接受現金、信用卡、EPS及八達通付款

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Circle K 全新招徠

# New Products and Re-inventing

聖安娜餅屋 × PEANUTS  
限量版 "SNOOPY" Happy Glass

集齊10個蓋印  
即免費換1隻

WOODSTOCK SNOOPY LUCY CHARLIE BROWN

• 每款聖安娜限量版Happy Glass (1只) \$45 (只限門市) 即此價錢  
• 集齊10款Happy Glass (即每款聖安娜限量版Happy Glass 1只) 即可換取Happy Glass 1隻  
• 數量有限, 售完即止, 即任君購買聖安娜限量版Happy Glass, 即可換取Happy Glass 1隻

送聖安娜冰皮月餅  
至多LIKE

藍莓芝士 千絲月餅 牛油月餅

比別類  
高古力糖子

MasterCard 持卡人尊享聖安娜月餅低至5折優惠

HAPPY FATHER'S DAY

爸爸蛋糕 \$189 (4吋半)

爸爸蛋糕 \$175 (6吋)

爸爸蛋糕 \$165 (8吋)

爸爸蛋糕 \$99 (10吋)

爸爸蛋糕 \$99 (12吋)

訂購父親節蛋糕額外優惠

情迷栗子 • 紫薯蛋糕

栗子高心滋味甜品

栗子紫薯慕斯蛋糕

栗子紫薯慕斯蛋糕

栗子紫薯慕斯蛋糕

京都綠茶  
果凍芒果卷

綠茶蛋糕  
新時芒果  
綠茶慕斯  
紅豆卷

京都綠茶  
果凍芒果卷

萬聖節  
狂歡派對

鬼魅幽靈 (比利時PSS 朱古力Tuffin蛋糕)

開心小鬼 (朱古力慕斯 • 芒果芝士)

南瓜堡薯 (朱古力慕斯 • 芒果芝士)

趣怪南瓜人 (朱古力慕斯 • 朱古力蛋糕)

歐陸芝士麵包

4款香濃芝士 全新滋味體驗

沙果美蘭芝士Pizza

雙重芝士焗餅

# FingerShopping.com

主頁 | 登入 | 立即入會 | 會員專享

**指 FINGER 點 SHOPPING**

購物滿\$100香港 免費運費 貨到付款 7天退換 購物滿\$500 升級VIP 可享額外折扣

美容健康 日韓美妝 天然有機 面膜專區 配飾精品 家居雜貨 親子家庭 品牌 商店 新上架

## 本週狂減 sale

熱門品牌： Etude House | 廣源良 Kuan Yuan Lian | Annie's Way | Loveisderma | Banila Co | Zojirushi | Laneige

排序方式：全部 預設排序 180/206 件商品

查看所有商品

- 美容健康
- 配飾精品
- 家居雜貨
- 親子家庭

品牌

- BW Clinic
- Adam Elements
- aMagic
- American Beauty

商店

- Adam Elements 亞果元...
- Adele Personal Beauty
- Adele Personal Care
- aMagic

設計/生產地區

三肉桂茶  
Pulka Herbs  
\$62.00 \$60.00  
VIP額外95折 \$57.00

新上! 獨家網店!

**pukka three cinnamon**

緊緻期后精華霜 SPF15  
La Vivana  
\$1,300.00 \$695.00

玫瑰亮睛眼即效液珠霜  
bio logical

森田藥粧活氧抗水感保湿面膜  
8A

在線客服

主頁 | 登入 | 立即入會 | 會員專享

**指 FINGER 點 SHOPPING**

購物滿\$100香港 免費運費 貨到付款 7天退換 購物滿\$500 升級VIP 可享額外折扣 低至9折 立即入會

美容健康 日韓美妝 天然有機 面膜專區 配飾精品 家居雜貨 親子家庭 品牌 商店 新上架 每週特賣 最新推廣

FINGER SHOPPING 讚好 3.5萬

## 日本製造

**Sis BlancNeige**

- 治愈濕疹
- 止痕止癢
- 舒緩敏感
- 全天然
- 無類固醇
- 超過25年護膚經驗

本週狂減 sale 低至55折

品牌薈萃 brands

VIP星級會員計劃 升級成為VIP可享額外優惠

### Hot Pick 熱選推介

ANNIE'S WAY 台灣果凍面膜

RACINNE 全新! 保潔抗敏系列

LANEIGE 韓國補濕專家

### Features 今期推廣

在線客服

# Cross Promotion - Circle K x FingerShopping



In-store Display



MTR Walls Advertising

# Update on Sinopec Project



past



past



upgraded



upgraded



# Update on Sinopec Project



past



upgraded



upgraded



# Update on Sinopec Project

车友报

2015年1月30日 星期五 编辑:于兰兰 美编:袁勇

易捷派 | 07

## 易捷联手利亚零售 运营更加专业化

2014年11月,中国石化广东石油分公司(简称“广东石油”)与香港利亚零售有限公司(简称“利亚零售”)开展战略合作,选取了东郊加油站等位于广州中心城区的10家易捷门店试点合作运营;两个多月以来,通过引入新商品、调整门店布局、开展营销活动等,销售额增长高达80%。

### 每天送出超过400杯咖啡

“加油还有咖啡送?”车主陈先生接过加油站员工递给的赠送卡和优惠换购券,有点意外。坐在便利店特设的休息角小椅上,喝着赠送的现磨咖啡,眼前尽是琳琅满目的商品,陈先生有点不相信,自己是在加油站里。

从元旦起,广州东郊、农林下等10家与利亚零售合作经营的易捷便利店开展“加油满百送咖啡”的活动,凡是进站加油的客户,只要加油满100元即可免费领取一杯现磨咖

啡,东郊加油站每天送出超过400杯咖啡。

“加一次油一般都二三百元钱,等于白送一杯咖啡!”不少精明的车主对油站送咖啡的举措表示欢迎。

### 销售额增长80%

在新形势下,广东石油转变经营理念,车主看到的是易捷便利店的商品更丰富了,陈列更专业了,促销活动更多更频繁了。

“漂亮多了,进到店里明显感到气派了,干净了,上档次了!”据东郊加油站站长介绍,自去年11

月东郊加油站易捷便利店作为试点合作门店与利亚零售合作经营后,门店的货架、商品陈列、人员配置焕然一新,配置的烟酒专柜,储存名贵红酒的恒温箱,大大提升了商品的品位。与此同时,销售额直线上升,易捷门店日均销售额从2500元增长到4500元,增长高达80%,这也拉动了油品销量的增长,成品油销售额环比增长16%。

2015年初以来,第一波促销活动在广东石油下属易捷门店铺开,加油送抵扣券,5元到10元的抵扣券可以用于购买易捷便利店



商品,部分重点商品,如米、油、红酒等还有限期促销的折扣券,可以获得3折左右的优惠,吸引了大批顾客购买。

### 试运营阶段成果斐然

利亚零售是专业连锁便利店管理企业,具有专业化的运营模式和先进的管理理念,在广州、深圳等5座城市经营超过600家OK便利店和圣安娜饼屋。

目前,中国石化易捷与其合作门店已经完成了快餐区、收银台、货架、LED等设备设施的改造,提高了门店的专业陈列水平,在原有商品种类基础上,新增了600余种商品,引入进口商品、亚

马逊购物卡、车展门票、支付宝充值券、天翼航线通、餐饮消费卡等新产品销售。

目前,合作门店尚在试点运行阶段,广东石油引入专业运营合作伙伴,看重的是其专业化管理的优势,借力推动非油业务的发展。从去年开始,广东石油已经加大了易捷油非互动促销活动力度,加大活动开展频率、丰富活动形式、扩展优惠覆盖面,13场针对各个时期特点开展的“加满即送”“派券抵扣”“优惠抽奖”等活动,极大地拉升了站内人气,也取得了明显的油品、非油品增量效果。

本报记者 蒋国兰  
通讯员 黄嘉莉

# Other Highlights



CLP 中電

**Green Plus Recognition Award 2014**

1. Gold Award - Retail-Chain Store
2. Joint Energy Saving Award



Silver Award - Excellence in Retail/Shopper Marketing at **Marketing Excellent Award 2014** by the Marketing Magazine





# 2014 Financial Results Highlights

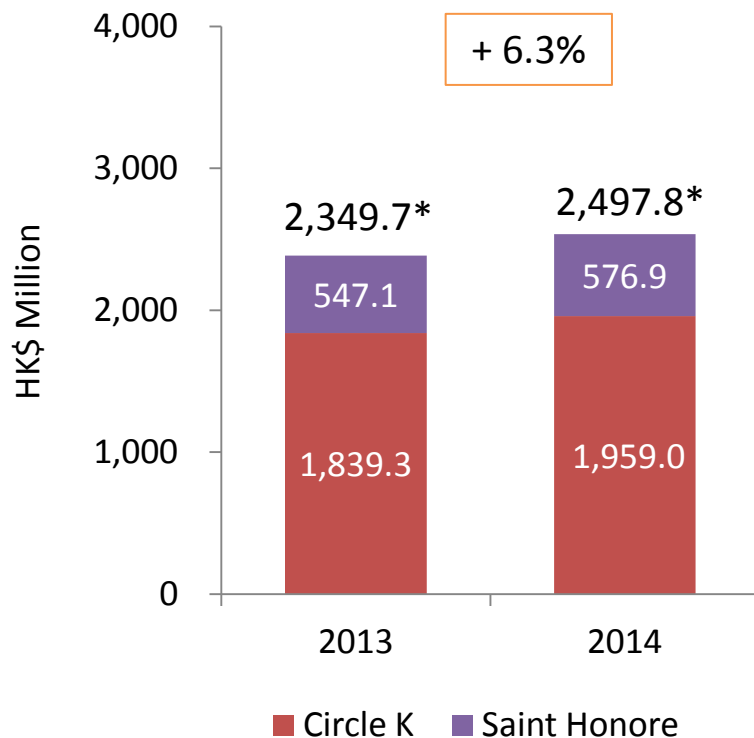
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# Number of Stores

|                                       | End of 2013 | Opened    | Closed      | End of 2014 |
|---------------------------------------|-------------|-----------|-------------|-------------|
| Circle K Hong Kong                    | 335         | 16        | (22)        | <b>329</b>  |
| Circle K Southern China               | 80          | 13        | (4)         | <b>89</b>   |
| Circle K Macau ( <i>franchised</i> )  | 25          | 3         | (2)         | <b>26</b>   |
| Circle K Zhuhai ( <i>franchised</i> ) | 11          | 2         | (1)         | <b>12</b>   |
| Saint Honore HK & Macau               | 97          | 12        | (7)         | <b>102</b>  |
| Saint Honore Southern China           | 44          | 7         | (5)         | <b>46</b>   |
| <b>CRA Group Total</b>                | <b>592</b>  | <b>53</b> | <b>(41)</b> | <b>604</b>  |

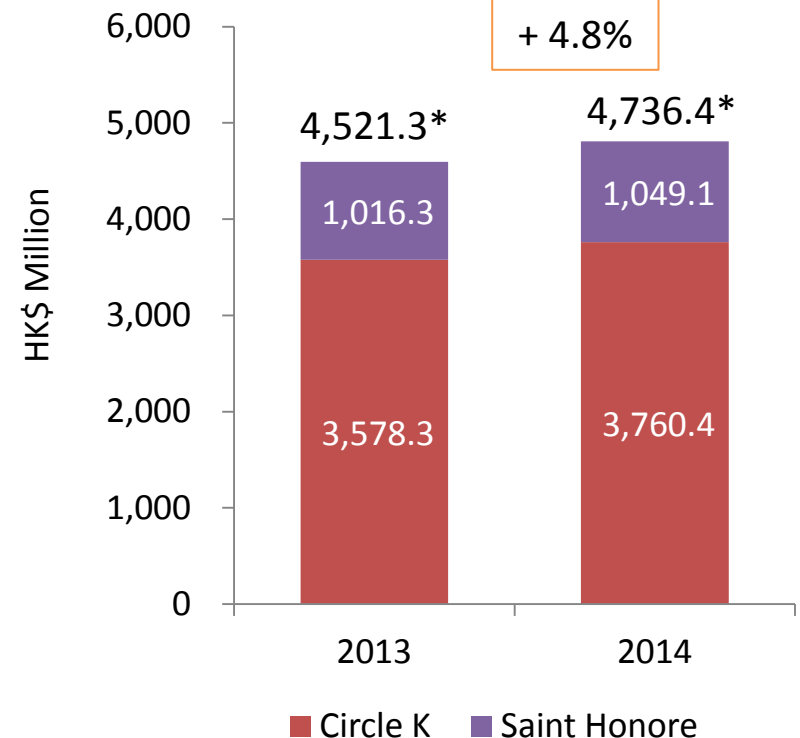
# Group Turnover

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



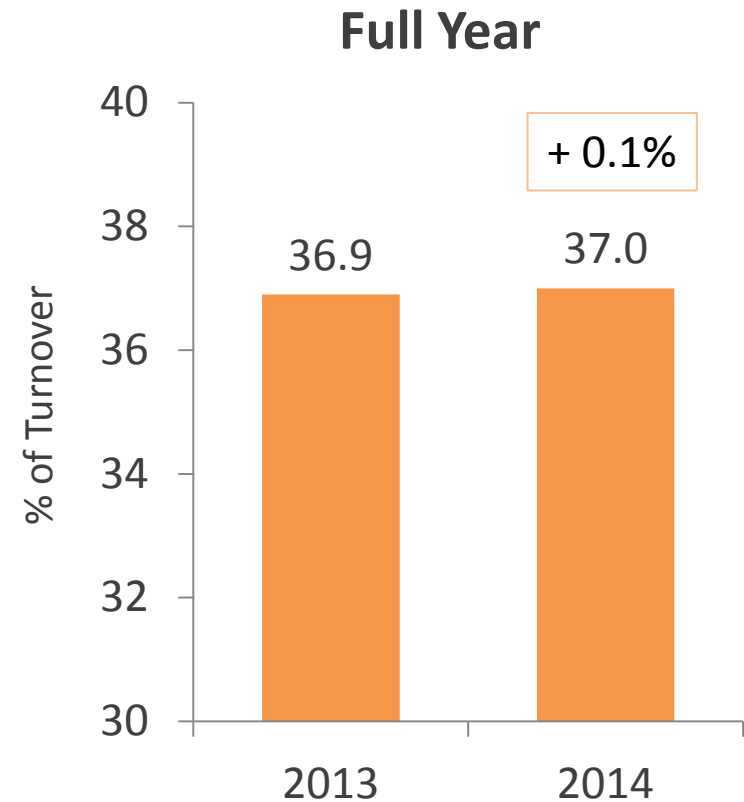
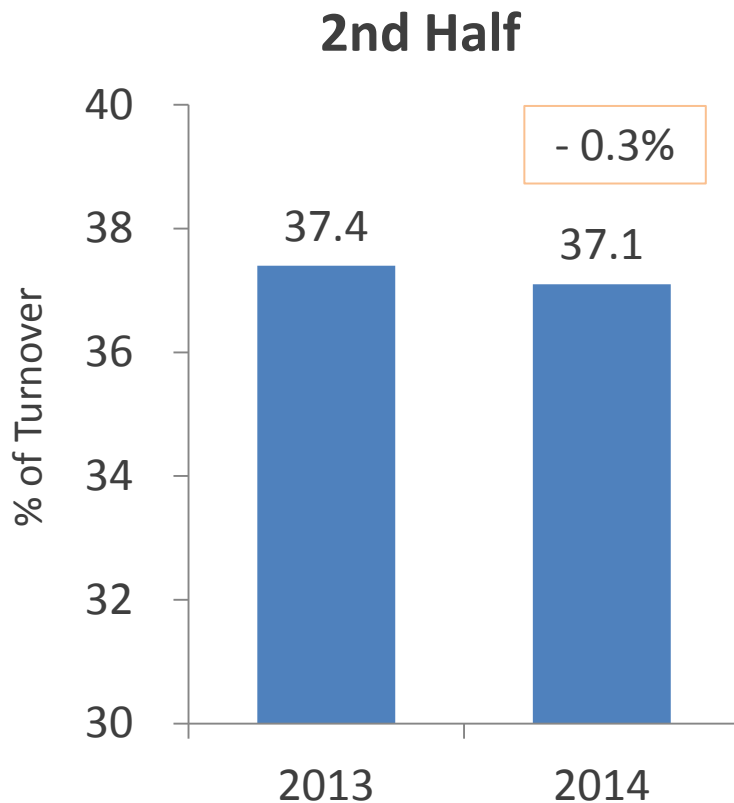
\* Less inter-group sales: HK\$36.7M in 2H2013 and HK\$38.1M in 2H2014

## Full Year

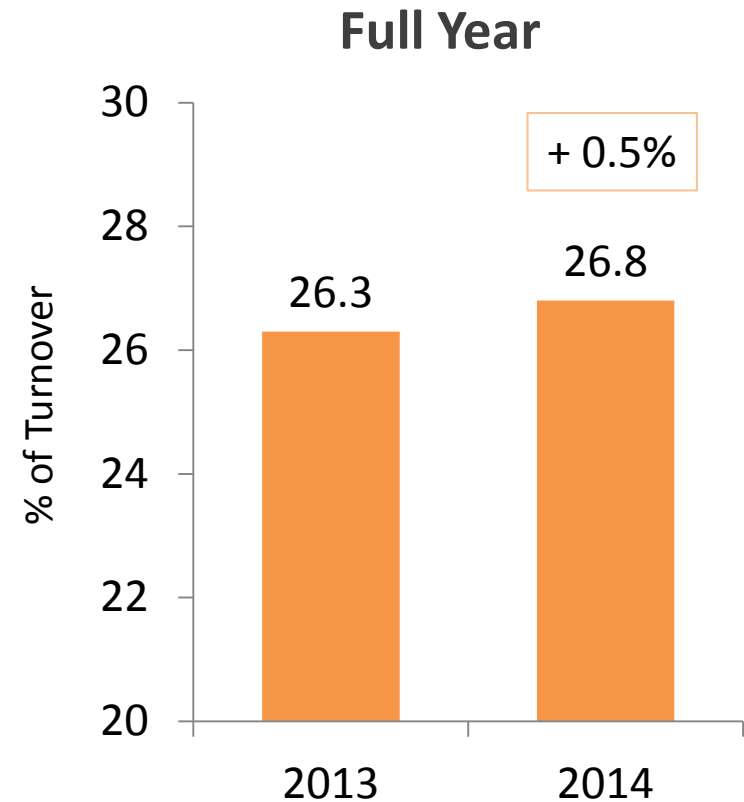
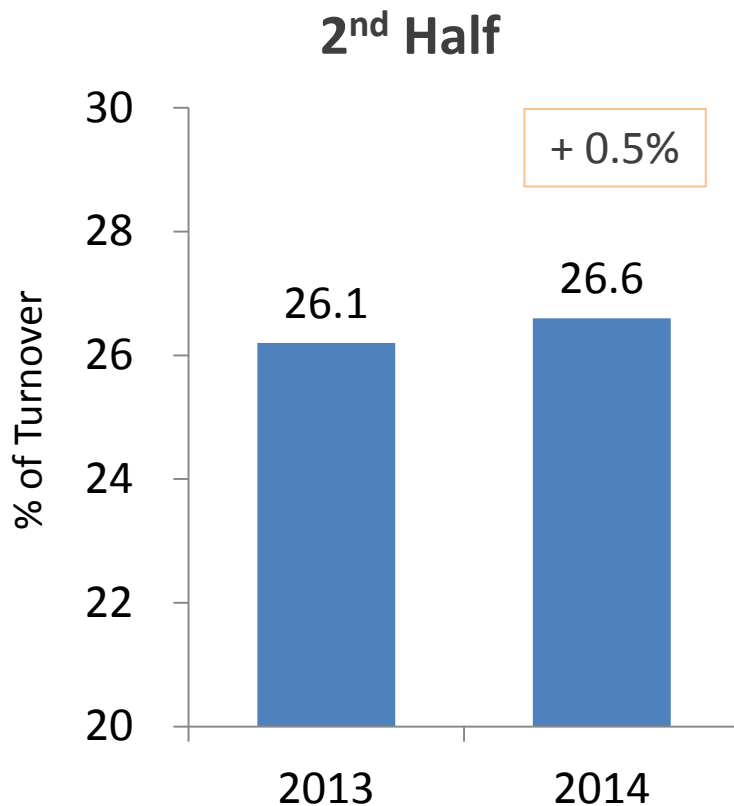


\* Less inter-group sales: HK\$73.3M in 2013 and HK\$73.1M in 2014

# Gross Profit & Other Income

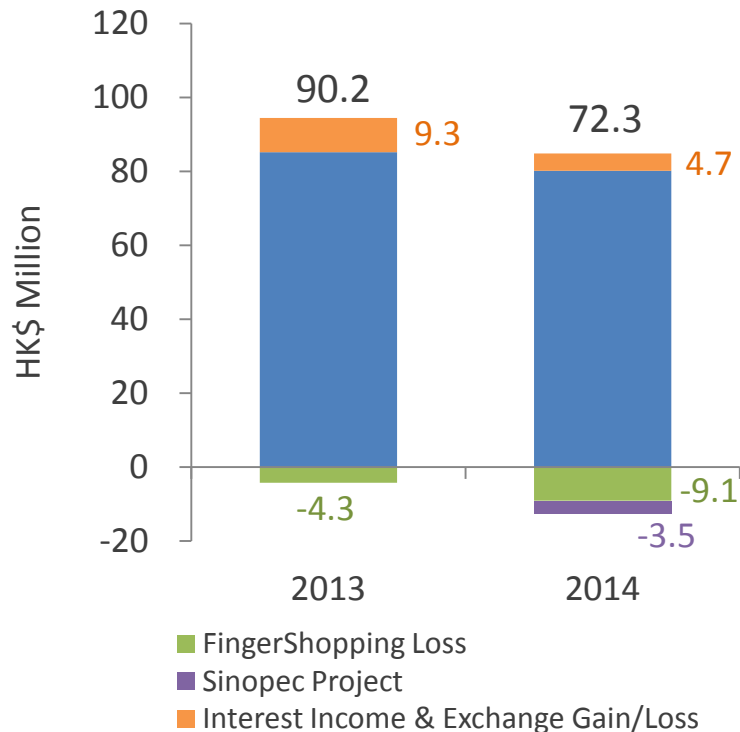


# Group Store Operating Expenses



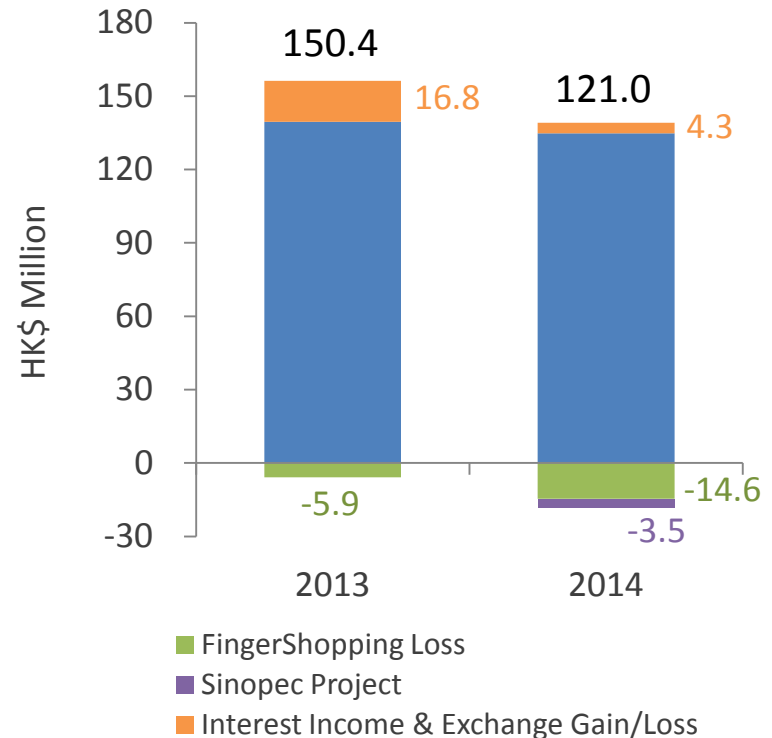
# Group Net Profit

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



- Net Profit: -19.8%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -5.8%

## Full Year



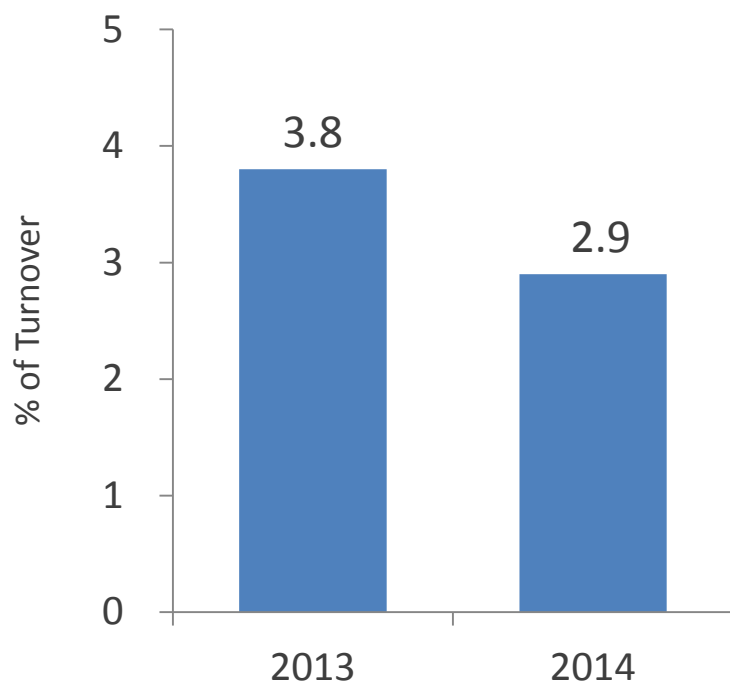
- Net Profit: -19.5%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -3.4%

# Net Profit by Market

| <i>(HK\$ Million)</i>                 | 2 <sup>nd</sup> Half |             | Full Year    |              |
|---------------------------------------|----------------------|-------------|--------------|--------------|
|                                       | 2013                 | 2014        | 2013         | 2014         |
| Hong Kong & Macau Markets             | 105.4                | 87.2        | 185.3        | 155.7        |
| China Market                          | (15.2)               | (14.9)      | (34.9)       | (34.7)       |
| <b>CRA Group Net Operating Profit</b> | <b>90.2</b>          | <b>72.3</b> | <b>150.4</b> | <b>121.0</b> |

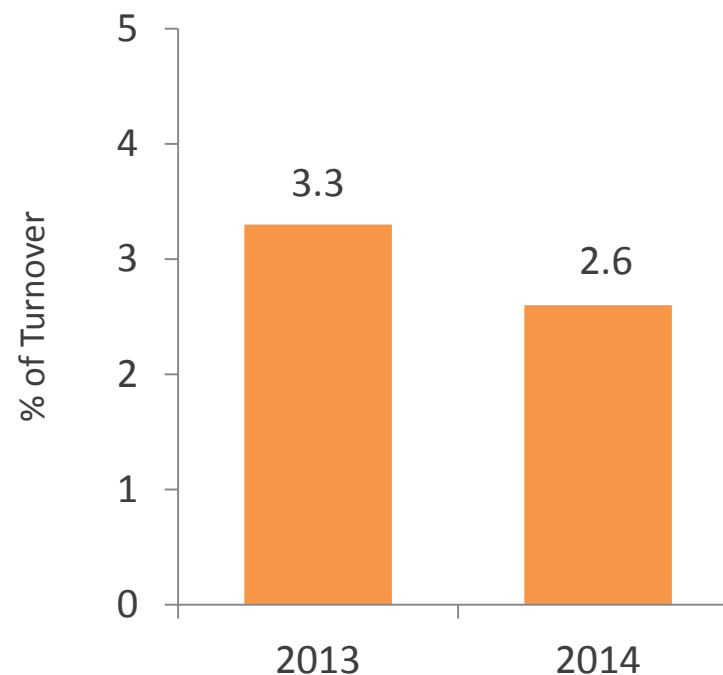
# Group Net Profit as % of Turnover

## 2nd Half



- Net Profit as % of Turnover: -0.9%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -0.4%

## Full Year

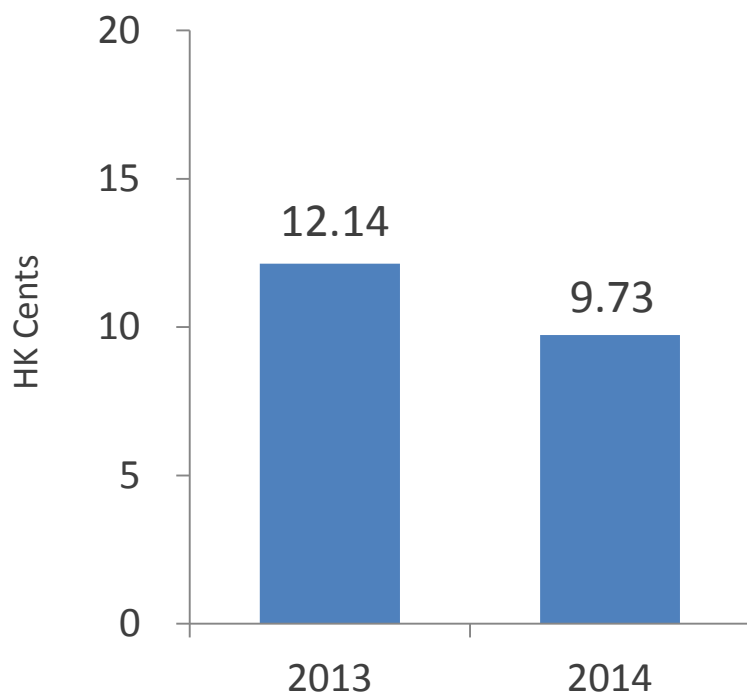


- Net Profit as % of Turnover: -0.7%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -0.3%



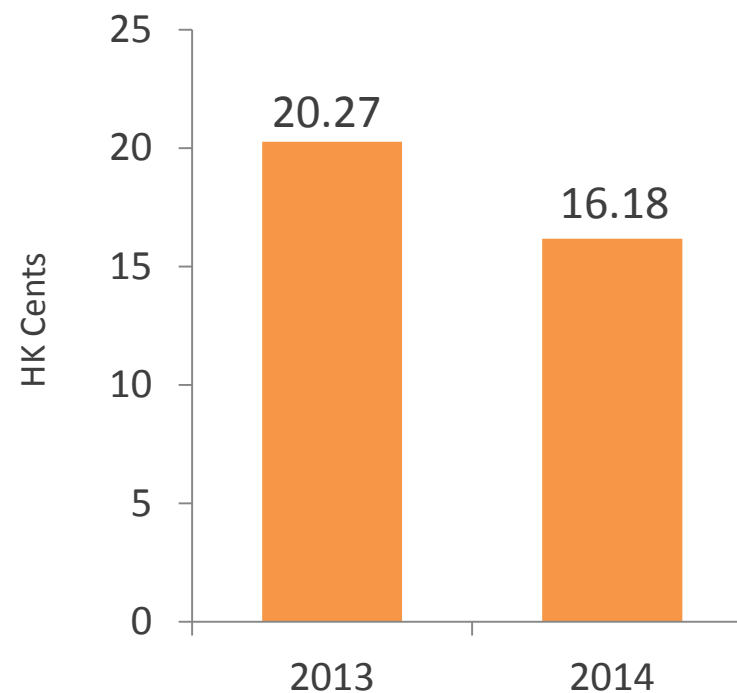
# Basic Earnings Per Share

## 2nd Half



- Basic Earning Per Share: -19.9%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -5.8%

## Full Year



- Basic Earning Per Share: -20.2%
- Excluding FingerShopping, Sinopec Project and Interest Income & Exchange Gain/Loss: -4.1%

# 2014 Financial Results Highlight – 2<sup>nd</sup> Half

|   | 2H2013  | 2H2014  | Change      |
|---|---------|---------|-------------|
| Number of Stores  | 592     | 604     | + 12 stores |
| Group Turnover ( <i>HK\$M</i> )                                       | 2,349.7 | 2,497.8 | +6.3%       |
| Group Net Profit ( <i>HK\$M</i> )                                     | 90.2    | 72.3    | -19.8%      |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 85.2    | 80.2    | -5.8%       |
| Net Profit as % of Turnover   | 3.8%    | 2.9%    | -0.9%       |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 3.6%    | 3.2%    | -0.4%       |
| Basic Earnings Per Share ( <i>HK cents</i> )                          | 12.14   | 9.73    | -19.9%      |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 11.46   | 10.79   | -5.8%       |

# 2014 Financial Results Highlight – Full Year

|   | 2013FY  | 2014FY  | Change      |
|---|---------|---------|-------------|
| Number of Stores  | 592     | 604     | + 12 stores |
| Group Turnover ( <i>HK\$M</i> )                                       | 4,521.3 | 4,736.4 | +4.8%       |
| Group Net Profit ( <i>HK\$M</i> )                                     | 150.4   | 121.0   | -19.5%      |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 139.5   | 134.8   | -3.4%       |
| Net Profit as % of Turnover   | 3.3%    | 2.6%    | -0.7%       |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 3.1%    | 2.8%    | -0.3%       |
| Basic Earnings Per Share ( <i>HK cents</i> )                          | 20.27   | 16.18   | -20.2%      |
| ■ Excluding FingerShopping and Interest Income & Exchange Gain/(Loss) | 18.79   | 18.02   | -4.1%       |
| Dividends ( <i>HK cents</i> )   |         |         |             |
| ■ <i>Interim Dividend</i>   | 3.8     | 3.1     | -18.4%      |
| ■ <i>Final Dividend</i>   | 13.0    | 13.0    | 0%          |
| Total   | 16.8    | 16.1    | -4.2%       |
| ■ Special Dividend  | 40.0    | -       | N/A         |

# 2015 Update & Outlook

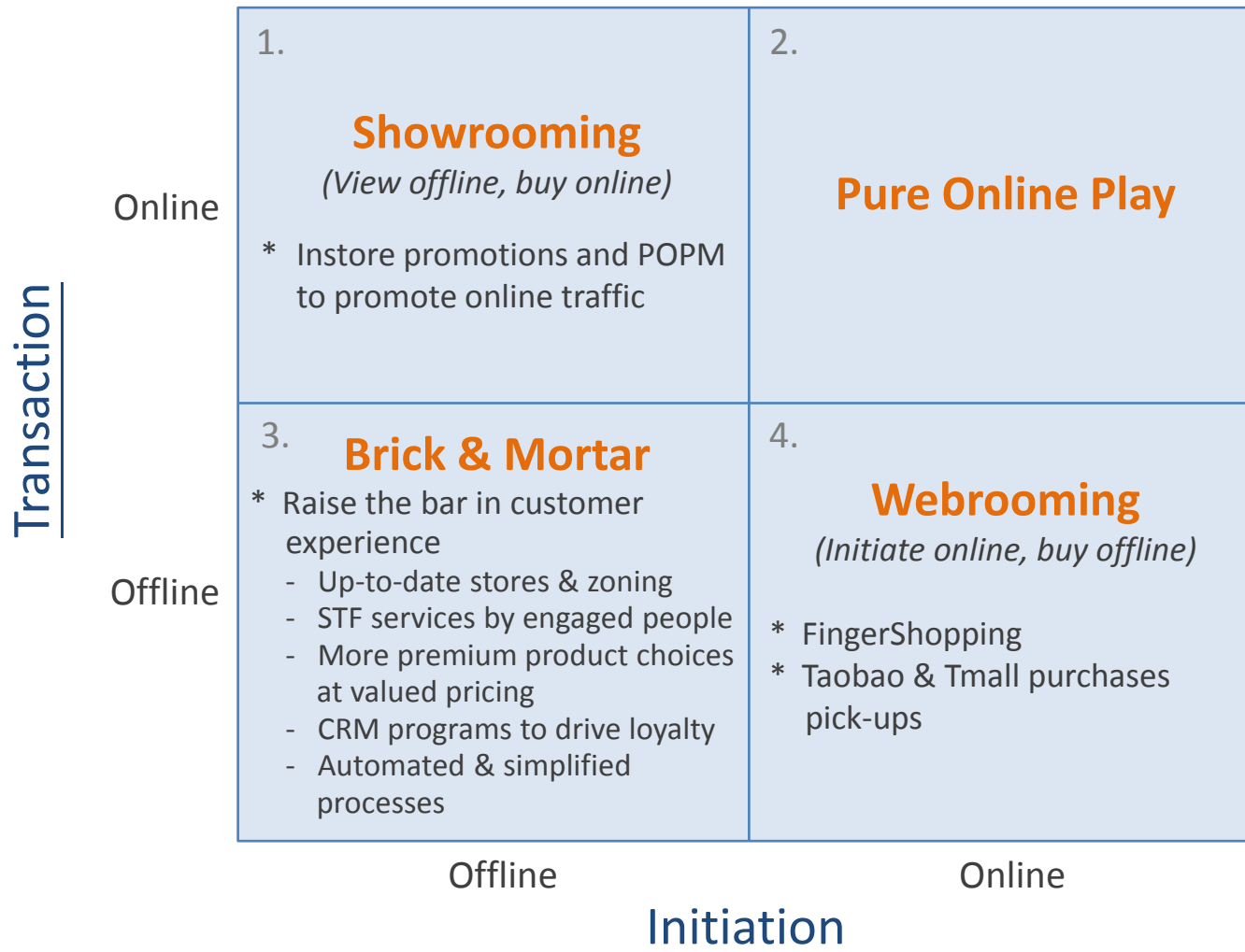
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# 2015 Update & Outlook

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- The years of strong retail growth for the Hong Kong market is over
- China market consumers spending sentiment definitely declining
- Volume not increasing yet operating expenses are still escalating
- Our strategy: Re-inventing our businesses (in fact, everything we do) to deliver superior customer experience
- Investments in FingerShopping and Sinopec Project

# 2015 Plan: Re-inventing Ourselves to Deliver Superior Customer Experience



# Saint Honore New Store Image



# Circle K New-Generation Store Image



Ice Cream Zone



Value Zone



Hot Drink Zone

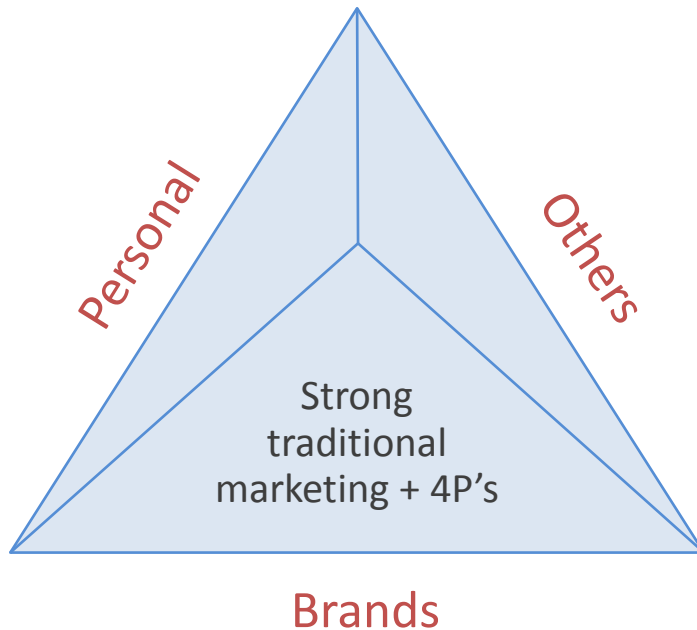


Hot & In Area

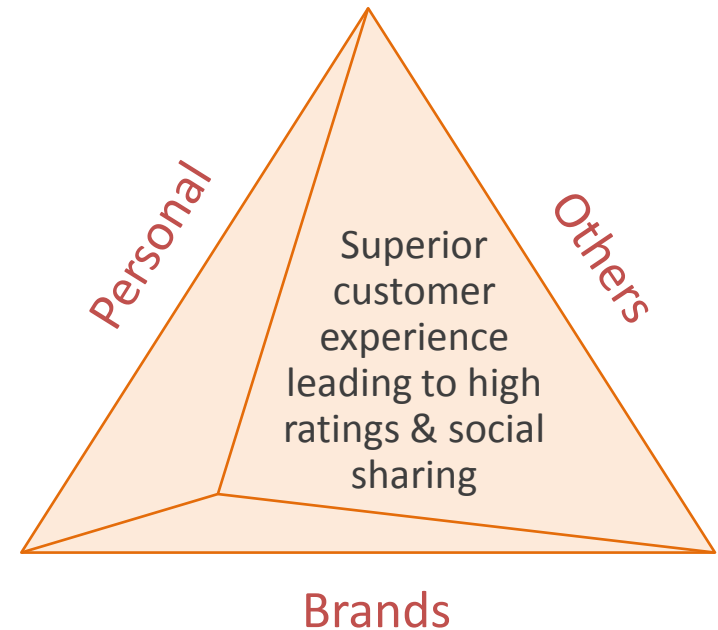


# Omni-Marketing

## Traditional



## Digital



# To Summarize

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- Satisfactory 2014 results despite the softening in demand
- 2015 even more challenging than 2014
- Re-inventing ourselves, FingerShopping, Sinopec Project offer exciting future opportunities
- Expect major changes and actions to position for the future

**Thank You!**

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