



# Convenience Retail Asia Limited 2015 Annual Results Announcement

15 March 2016



# Agenda

- Hong Kong & China Retail Markets Key Highlight
- 2015 Financial Results Highlight
- 2016 Update & Outlook
- Question & Answer

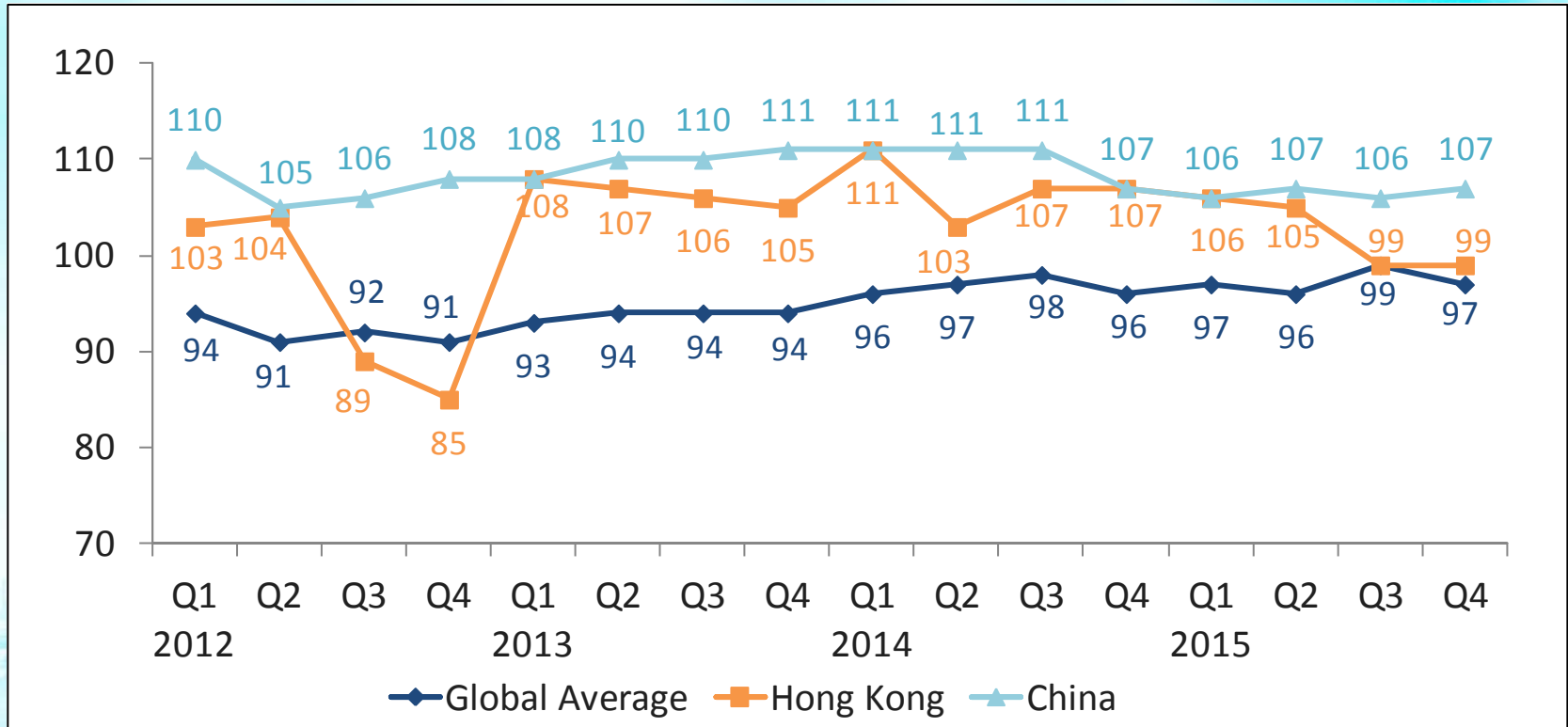




# **HONG KONG & CHINA RETAIL MARKETS KEY HIGHLIGHT**

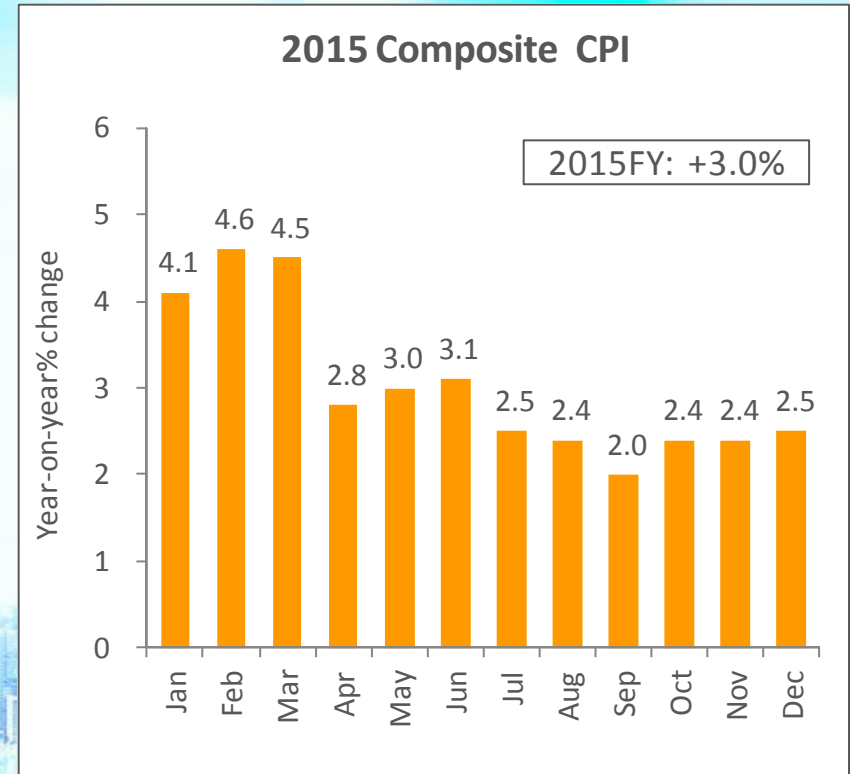
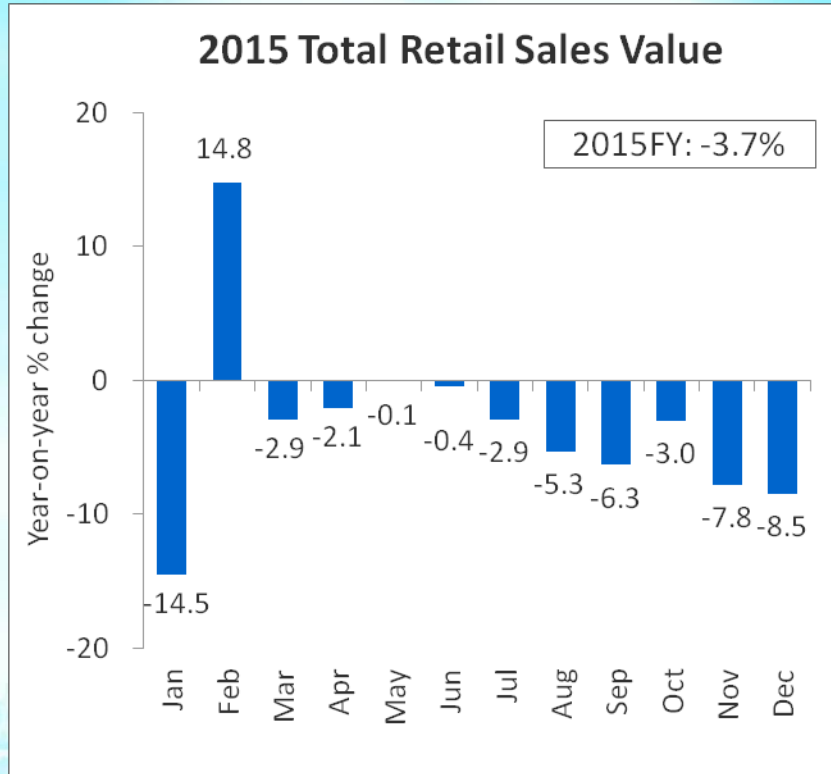
# Consumer Confidence Index

- Hong Kong consumer confidence dropped in Q3 & Q4



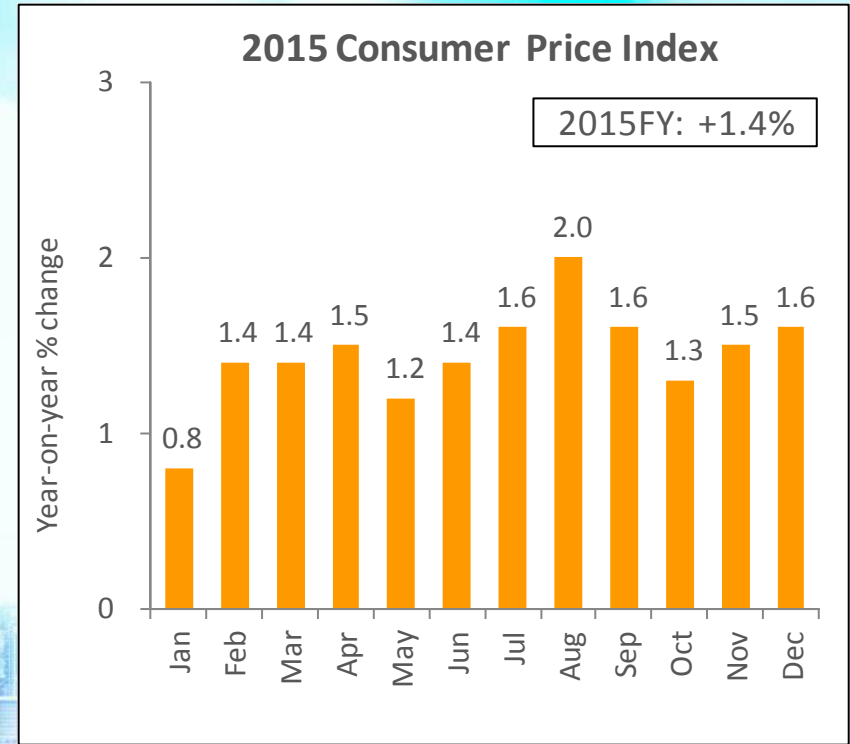
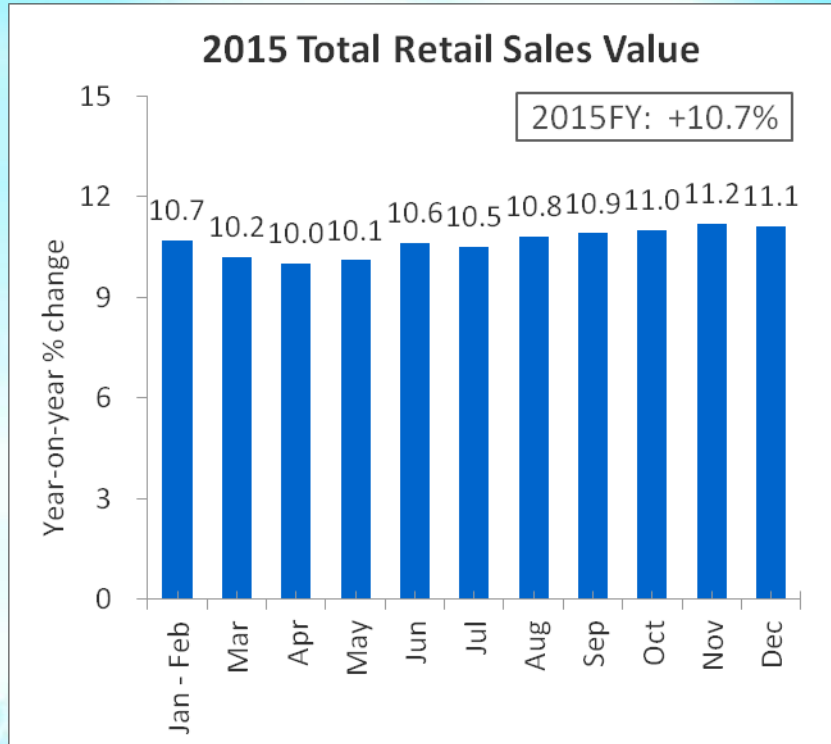


# Hong Kong Retail Market





# China Retail Market





# New Products and Re-inventing

**Circle K**

Drink Dragon 龍飲養生

Oliver James 伊力加士 咖啡養生

Hello Miki! 公仔狂熱

SlayerClap 喇叭狂人

齊做個 **敢試新人類**

輸入型自製飲品，100點量換知？  
 即取即一自製入廠新產品加服務，敢創敢試，自製自好嘍！

**敢創敢試**

**敢試新人類 激選**

**KUMAMON "GOOD LIFE" 掛飾**

1套8款任你揀

「kawaii」  
かわいいです

Hello Miki! 公仔狂熱

**敢創敢試**

**Circle K O2O 大抽獎**

玩OK動抽有機會即中

2010-1111 633

100 換 50

iPhone6s 銀片 21部 總值 一億元!

FingerShopping.com

Circle K 敢創敢試

**敢試新人類 激選**

**SUPER SOFT**  
Daily Food

口感 超軟

日式古洋 蜂蜜三文治

每日新鮮製造

\$13.5 件

Oliver James 伊力加士

**敢創敢試**

**Circle K 日本至 LIKE 人氣新品**

**TOP 12 精選**

寶甜牛氣味汽水

富士山汽水

Circle K 敢創敢試

**敢試新人類 激選**

**宇治抹茶**

新口味

\$25 換 13.9/枚

Circle K 敢創敢試



# New Products and Re-inventing

聖安娜餅屋 × Rilakkuma  
唔尋唔 唔鬆 小熊™ Big Face Plates

集滿10個蓋印  
即免費換1隻

- 集滿10個蓋印，即可換取1隻 Rilakkuma Big Face Plate 1隻
- 集滿10個蓋印，即可換取 Rilakkuma Big Face Plate 1隻

聖安娜餅屋  
愛·一起回味

月近 人愈近

朱古力巨蛋

Chocolate Dome  
— BELGIUM —  
朱古力巨蛋

● 獨特巧克力 ● 厚口Mango ● 香濃比利时朱古力Truffle ●  
朱古力巨蛋

聖安娜餅屋

聖安娜餅屋

全新聖安娜網頁現已登場  
送您\$50蛋糕折扣 感受網上購物新體驗

生日蛋糕 \$50優惠

網頁主要功能：

- 網上選購生日蛋糕及佳節蛋糕
- 享用電子優惠券
- 分享最新產品資訊、優惠及發送電子賀卡
- 查詢分店資料及位置

HAPPY HALLOWEEN  
唔尋唔 唔鬆 小熊™

聖安娜餅屋

HAPPY HALLOWEEN  
唔尋唔 唔鬆 小熊™

聖安娜餅屋

聖安娜餅屋 × Rilakkuma™

“鬆鬆小熊”與海洋

“鬆鬆小熊”芒果派對

高級蛋糕“鬆鬆小熊”

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聖安娜營滋味麵包  
加入澳洲

含精食纖維  
有助腸胃健康

聖安娜餅屋

Mont Blanc Chestnut Cake  
採用法國西北部優質栗子

Mont Blanc  
200g (每盒)  
\$35.00

# Other Highlights







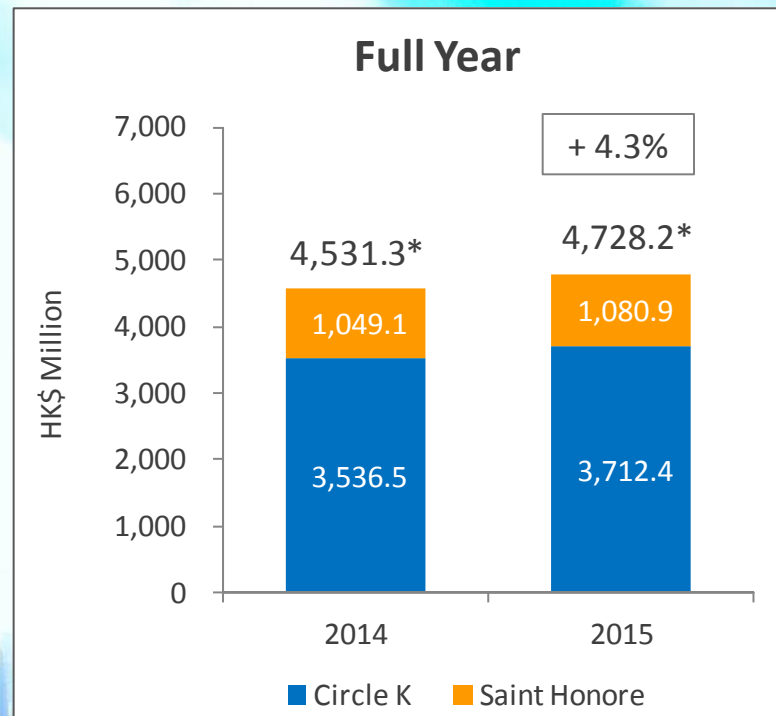
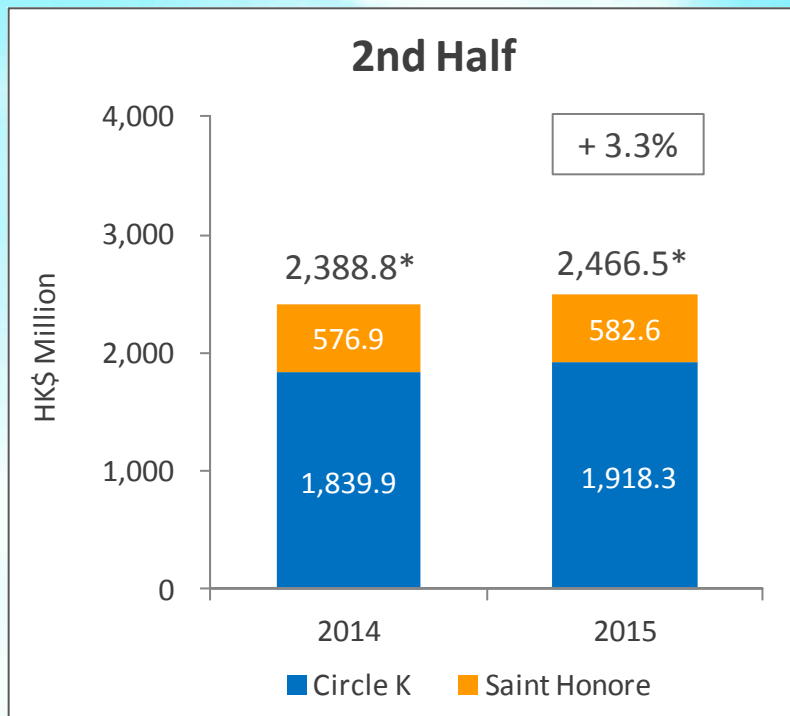
# **2015 FINANCIAL RESULTS HIGHLIGHT**



# Number of Stores

	End of 2014	Opened	Closed	End of 2015
Circle K Hong Kong	329	12	(13)	328
Circle K Guangzhou ( <i>franchised</i> )	89	4	(17)	76
Circle K Macau ( <i>franchised</i> )	26	3	(2)	27
Circle K Zhuhai ( <i>franchised</i> )	12	7	(1)	18
Saint Honore HK & Macau	102	6	(10)	98
Saint Honore Southern China	46	10	(15)	41
<b>CRA Group Total</b>	<b>604</b>	<b>42</b>	<b>(58)</b>	<b>588</b>

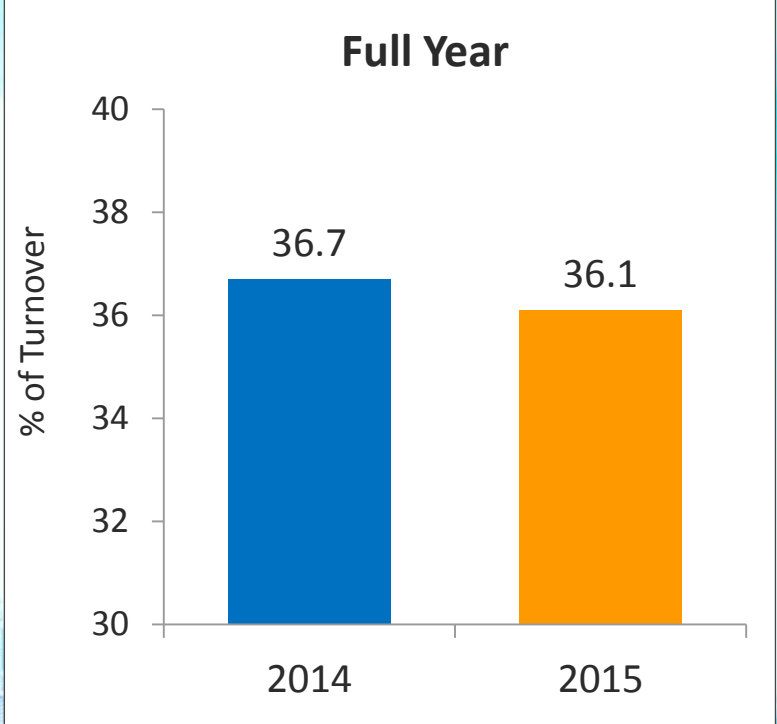
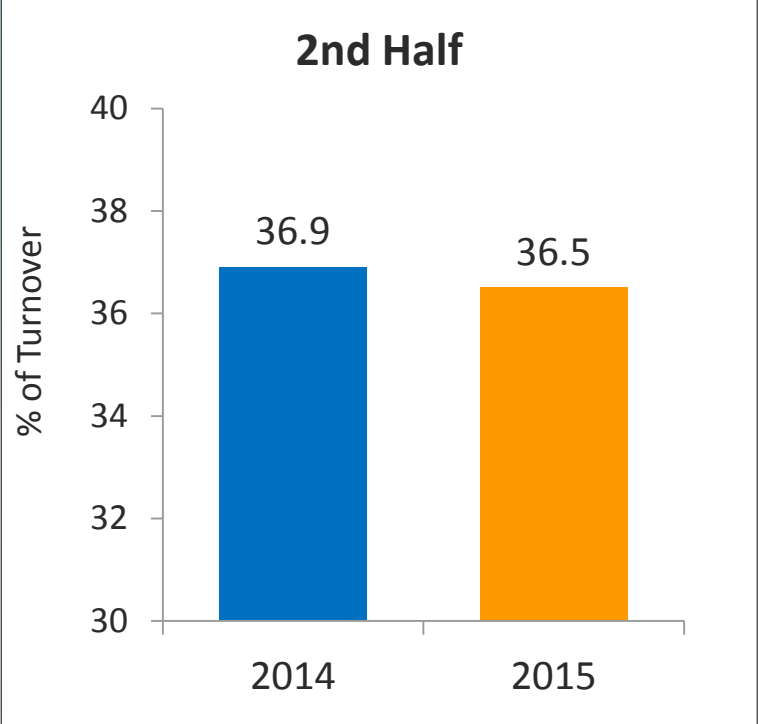
# Group Turnover



\* Less inter-group sales: HK\$28.0M in 2H2014 and HK\$34.4M in 2H2015

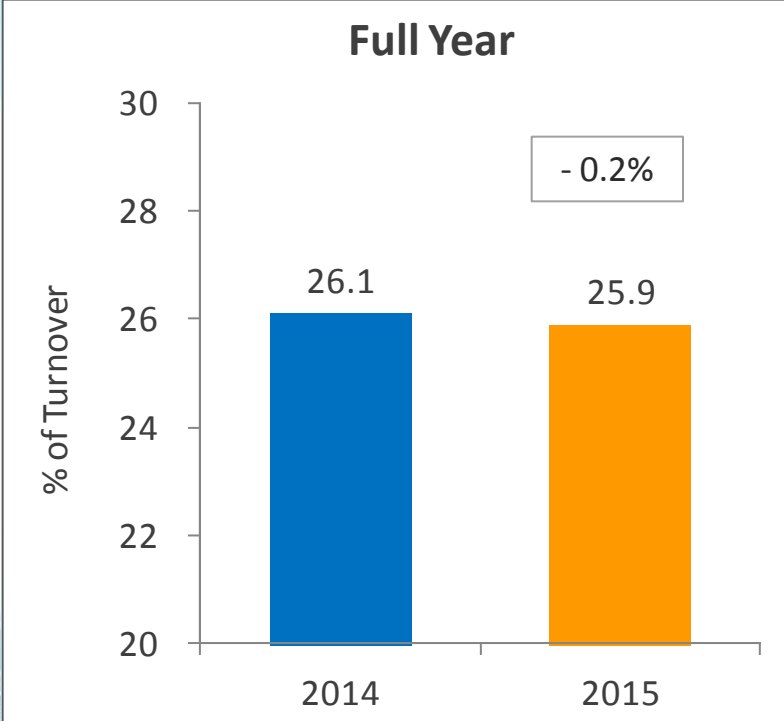
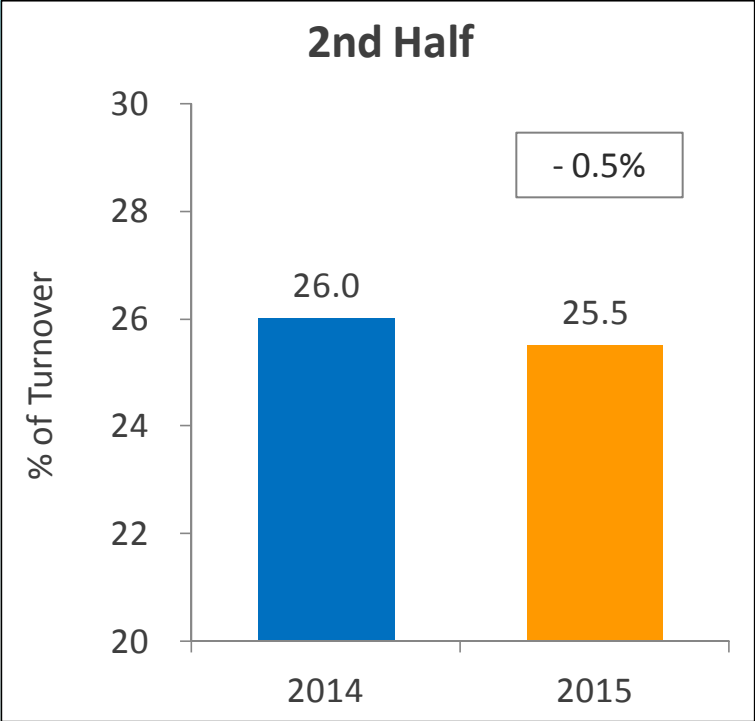
\* Less inter-group sales: HK\$54.3M in 2014 and HK\$65.1M in 2015

# Gross Profit & Other Income

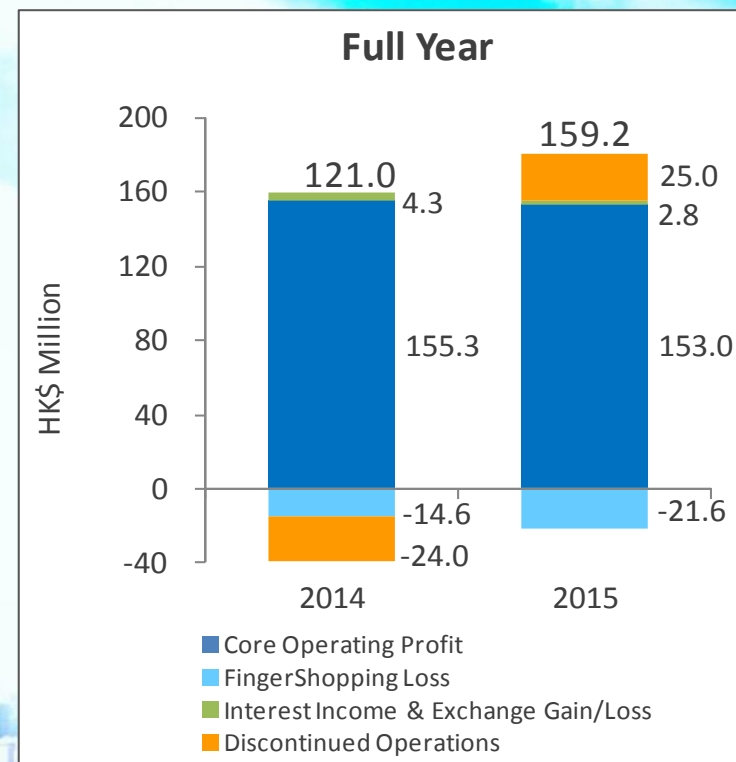
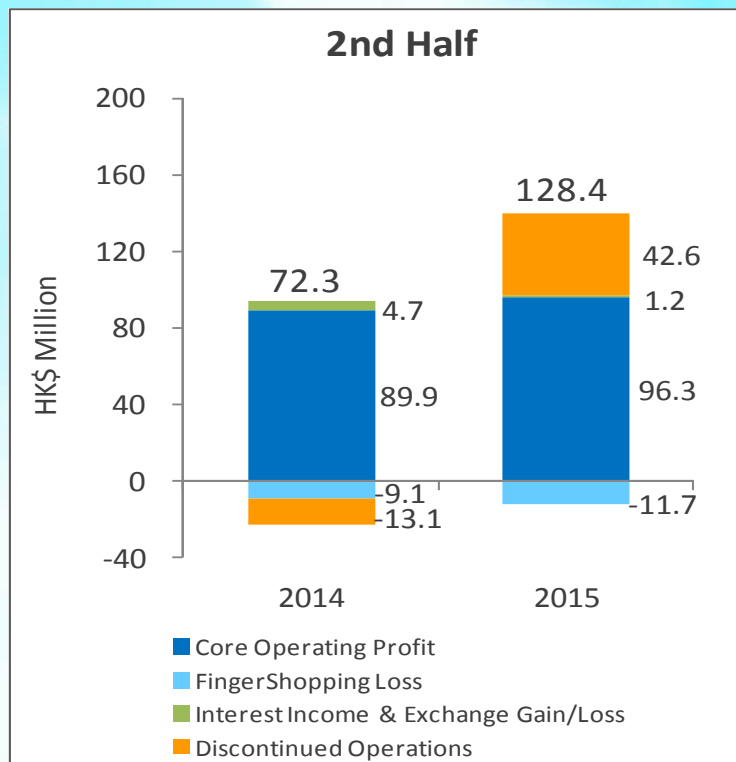




# Group Store Operating Expenses



# Group Net Profit



- Net Profit: +77.5%
- Excluding FingerShopping, Discontinued Operations and Interest Income & Exchange Gain/Loss: +7.2%

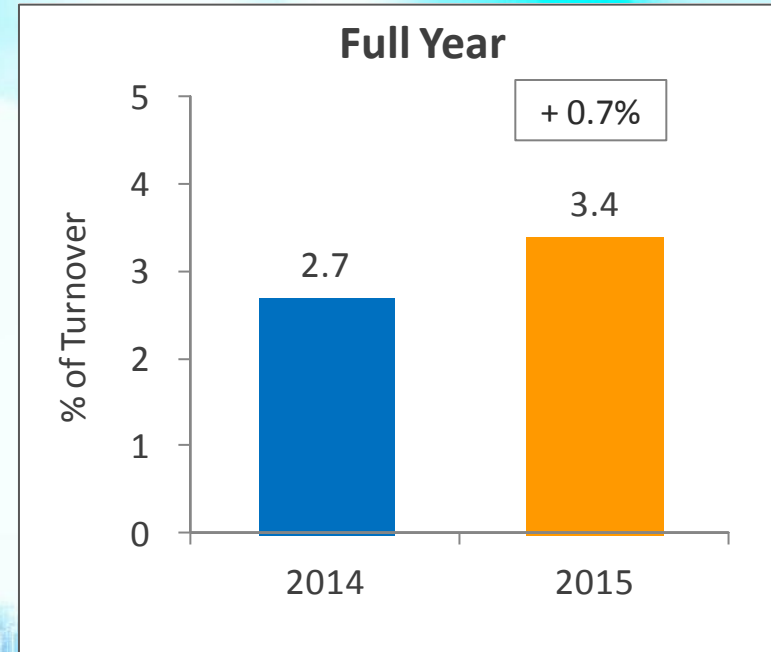
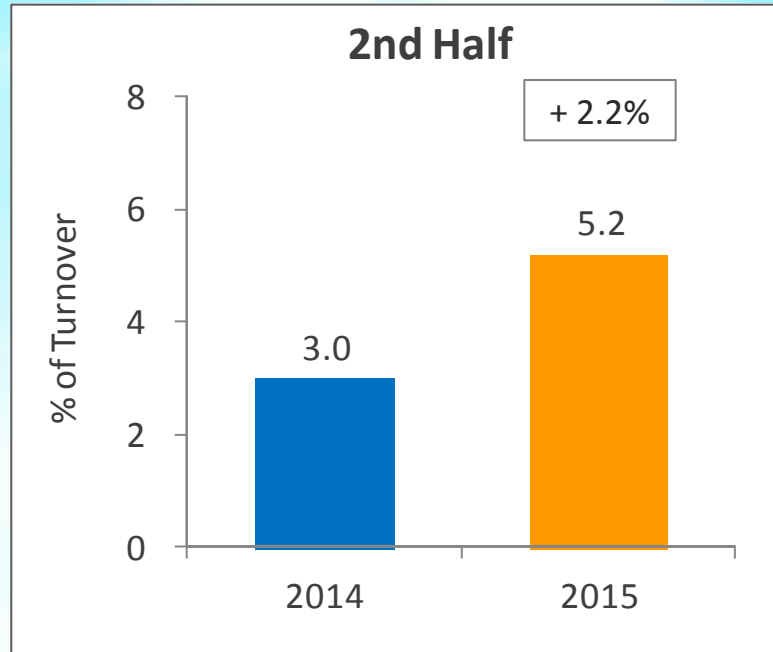
- Net Profit: +31.5%
- Excluding FingerShopping, Discontinued Operations and Interest Income & Exchange Gain/Loss: -1.5%

# Net Profit by Market

<i>(HK\$ Million)</i>	2 <sup>nd</sup> Half		Full Year	
	2014	2015	2014	2015
Hong Kong & Macau Markets	99.5	99.5	173.1	165.6
China Market	(5.0)	(2.0)	(13.5)	(9.8)
FingerShopping	(9.1)	(11.7)	(14.6)	(21.6)
Discontinued Operations	(13.1)	42.6	(24.0)	25.0
<b>CRA Group Net Profit</b>	<b>72.3</b>	<b>128.4</b>	<b>121.0</b>	<b>159.2</b>



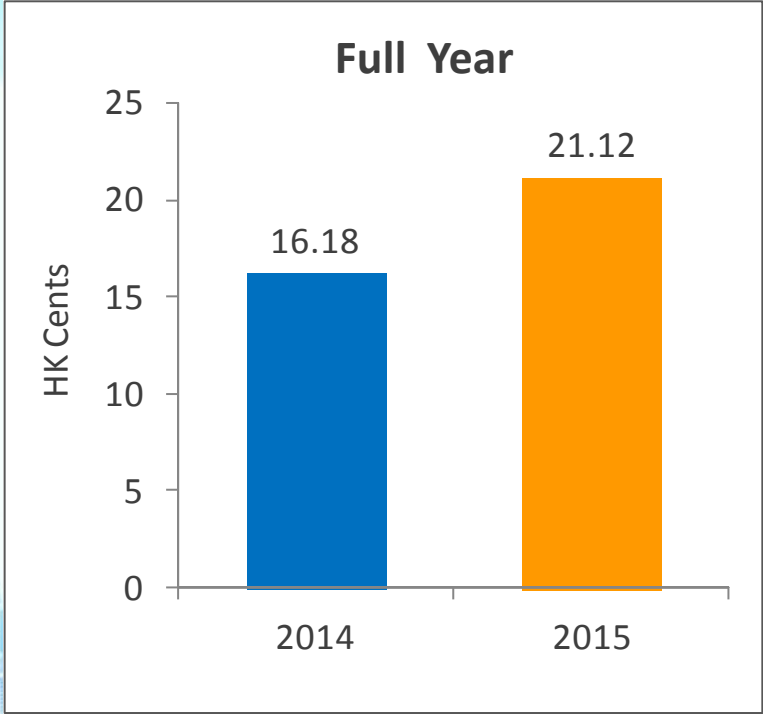
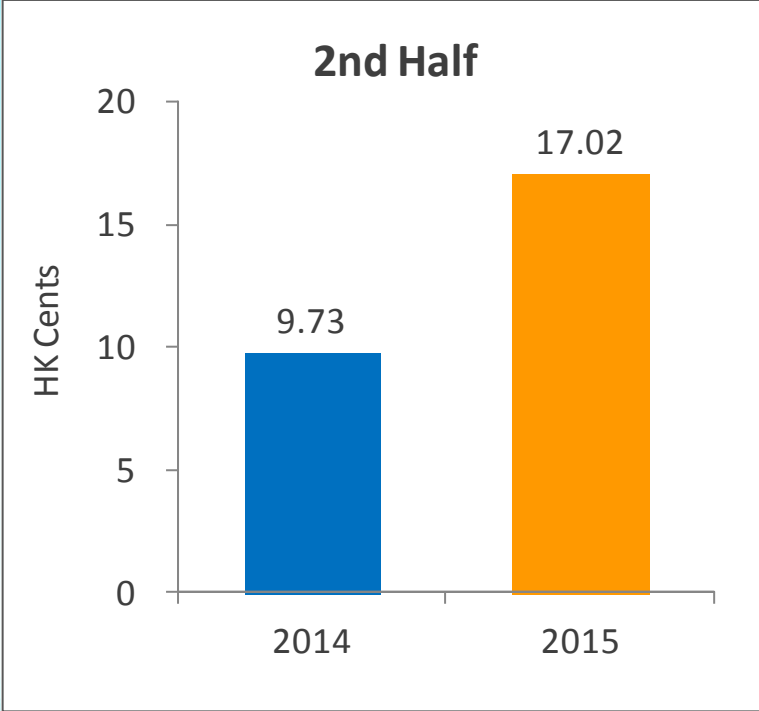
# Group Net Profit as % of Turnover



- Core Operating Profit: +0.1%
- Net Profit from Continuing Operations: -0.1%

- Core Operating Profit: -0.2%
- Net Profit from Continuing Operations: -0.4%

# Basic Earnings Per Share



# 2015 Financial Results Highlight – 2<sup>nd</sup> Half

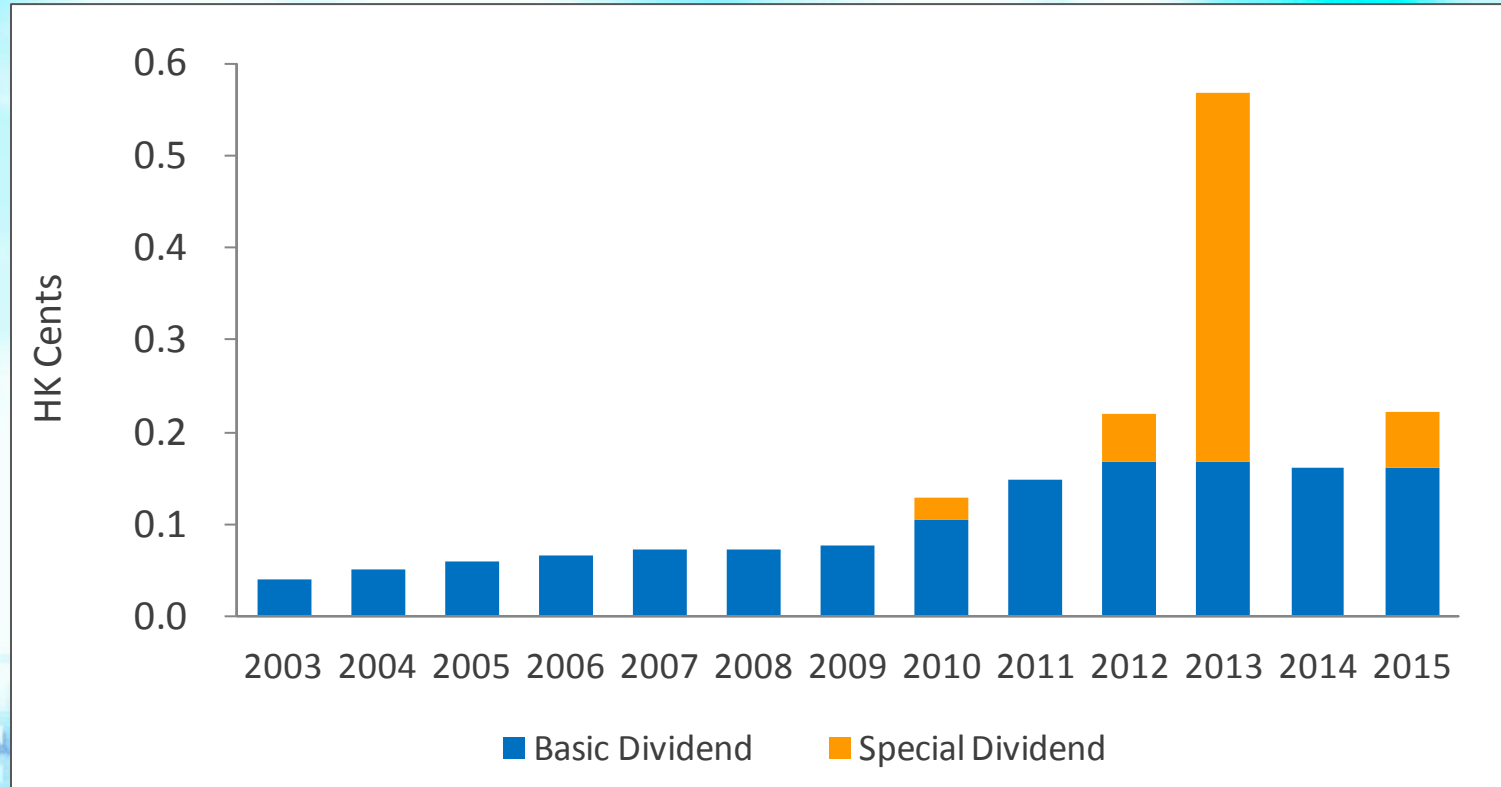
	2H2014	2H2015	Change
Number of Stores	604	588	-16 stores
Group Turnover (HK\$M)	2,388.8	2,466.5	+3.3%
Group Net Profit (HK\$M)	72.3	128.4	+77.5%
■ Core Operating Profit (after tax)	89.8	96.3	+7.2%
■ Profit from Continuing Operations	85.4	85.8	+0.5%
Net Profit as % of Turnover	+3.0%	+5.2%	+2.2%
■ Core Operating Profit (after tax)	+3.8%	+3.9%	+0.1%
■ Profit from Continuing Operations	+3.6%	+3.5%	-0.1%
Basic Earnings Per Share (HK cents)	9.73	17.02	+74.9%



# 2015 Financial Results Highlight – Full Year

	2014FY	2015FY	Change
Number of Stores	604	588	-16 stores
Group Turnover (HK\$M)	4,531.3	4,728.2	+4.3%
Group Net Profit (HK\$M)	121.0	159.2	+31.5%
■ Core Operating Profit (after tax)	155.3	153.0	-1.5%
■ Profit from Continuing Operations	145.0	134.2	-7.5%
Net Profit as % of Turnover	2.7%	3.4%	+0.7%
■ Core Operating Profit (after tax)	3.4%	3.2%	-0.2%
■ Profit from Continuing Operations	3.2%	2.8%	-0.4%
Basic Earnings Per Share (HK cents)	16.18	21.12	+30.5%
Dividends (HK cents)	16.1	22.1	+37.3%
■ Interim Dividend	3.1	3.1	<i>Nil</i>
■ Final Dividend	13.0	13.0	<i>Nil</i>
■ Special Dividend	-	6.0	+6.0 cents

# CRA Dividend History

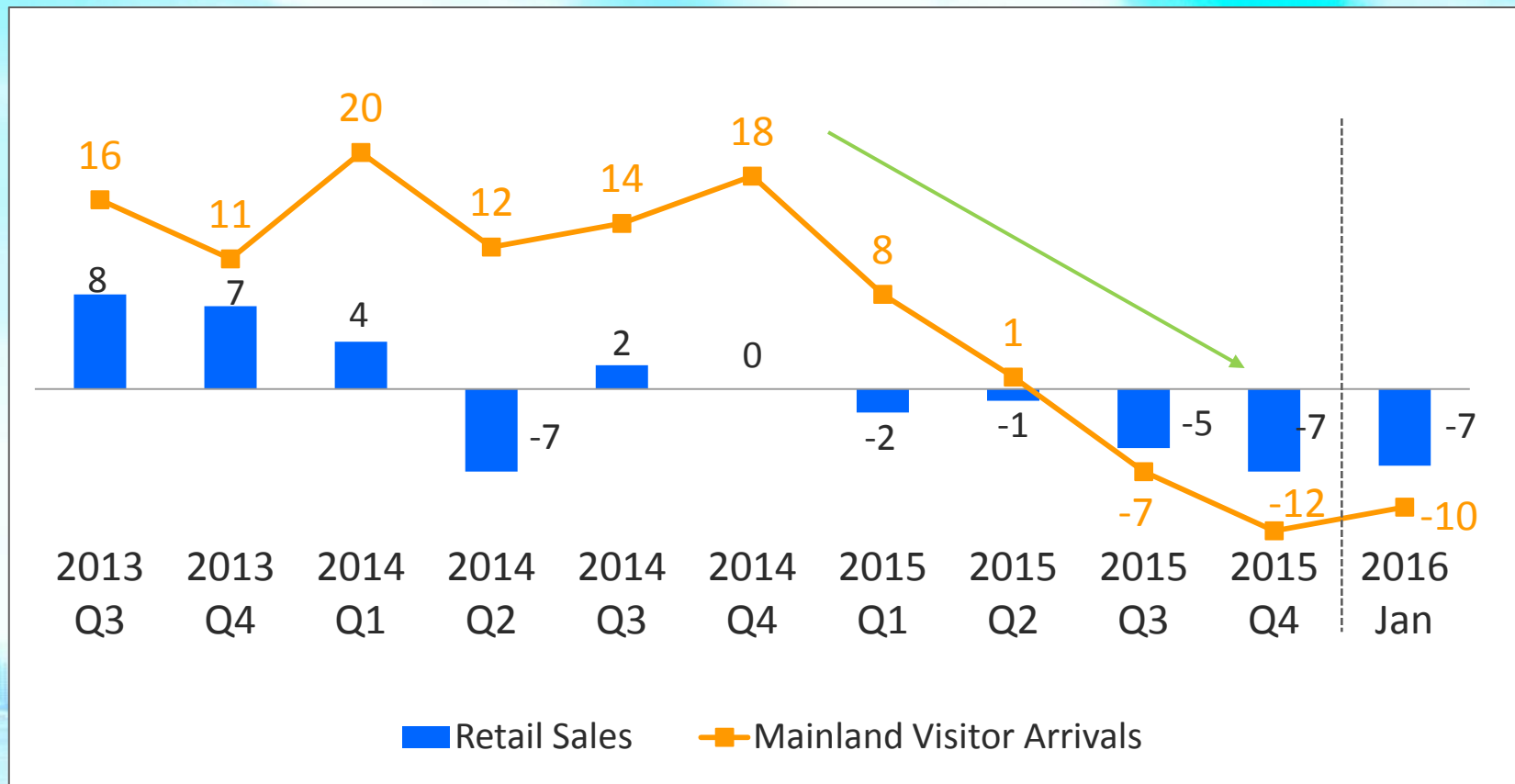




# **2016 UPDATE & OUTLOOK**



# Retail Sales & Mainland Visitor Arrivals (% CHG vs YA)



# 2016 Expected to be Tougher Than 2015

**零售狂吹寒風 周大福髮廊店減人手**

**歷來最差 莎莎新春生意跌兩成**

零售業在農曆新年期間，通常會有一波銷售高峰。但今年卻顯得格外冷清。周大福髮廊店在春節期間減少了人手，而莎莎的銷售額也出現了兩位數的跌幅。此外，金飾店如瑞銀和金飾店也面臨銷售額下降的壓力。Prada和Hermès等奢侈品店也報告了銷售額的減少。

Apple Daily News (18/2/2016)

**1月銷售跌6.5% 零售協會發預警**

**上月零售料雙位數大跌**

零售協會發出預警，指1月零售額下跌6.5%，預計2月將出現兩位數的跌幅。此外，耐用消費品銷售額也出現了20%的急跌。先施的蠟燭店銷售額減少了兩成，而金飾店如瑞銀和金飾店的銷售額也出現了三位數的跌幅。

Apple Daily News (4/3/2016)

**新春內地團跌七成 10年最慘**

**旅業料短期內難復甦 冀飛機發展多元化市場**

香港旅遊協會表示，今年春節期間，來自內地的旅遊團銷售額下跌了七成，這是十年來最慘的表現。旅遊業預計短期內難以復甦，並希望通過發展飛機旅遊來實現市場多元化。

Wen Wei Po (14/2/2016)

**受累旺角暴亂 內地客又減**

**零售業未回春 周大福莎莎銷售跌**

由於旺角暴亂事件，內地遊客數量進一步減少，零售業仍未見回春。周大福和莎莎的銷售額均出現了明顯的下滑。

Sing Tao (18/2/2016)

## Drop in mainland tourists hits sales

Mainland Chinese tourists visiting everywhere except Hong Kong are being blamed by local retailers for poor sales during this Lunar New Year. Chow Tai Fook Jewellery said in an exchange filing yesterday that the group suffered a 29 per cent drop in sales during the holiday week, with sales value down 30 per cent on the mainland and 23 per cent in Hong Kong and Macau. It blamed the steeper plunge in its mainland business on the outflow of Chinese travellers during the holiday, while the declining number of mainland visitors to Hong Kong was the main reason for the slump in Hong Kong. Separately, cosmetics retailer Sa Sa told the exchange it suffered a 20 per cent drop in sales during the period due to a 26 per cent drop in sales to mainland tourists. Sijia Jiang

South China Morning Post (18/2/2016)



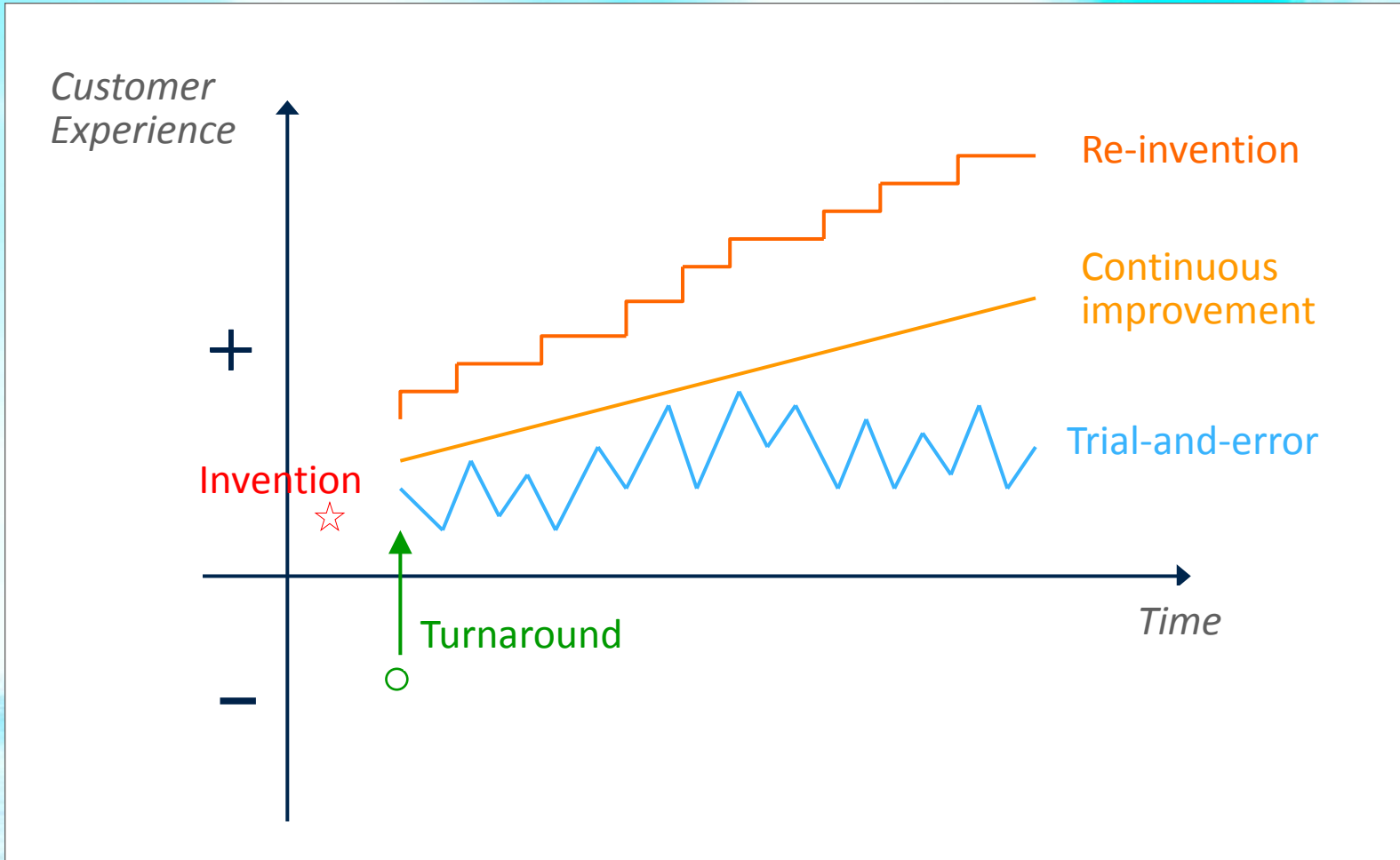
# The “Internet +” Generation

- How people experience, communicate, influence, are influenced, decide, entertain, work, shop, live, has totally changed
- More supply choices than demand
- Low brand loyalty
- Good 4P's is not good enough
- Fun/Joy, new, fresh, informal, cool, premiumization, value, discovery, sharing, my way



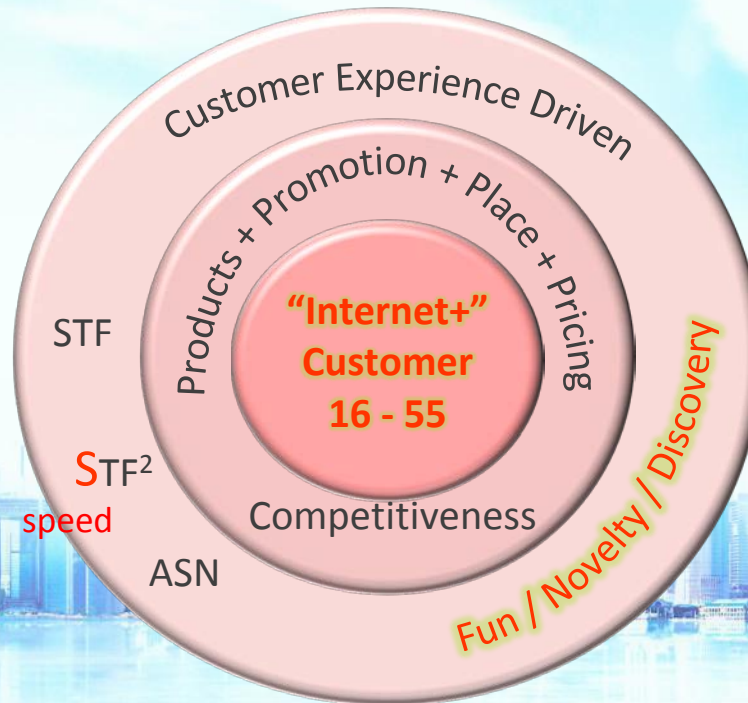


# What Is Reinvention?



# Circle K 2016 Plan

**Theme: Reinvent for "Internet +" Customer Experience 敢創敢試**



# Circle K Reinvention





# Circle K Reinvention

**K**

**Drink Dragon**  
潮飲教王  
數碼、一試即係潮流、潮！

**Oliver James**  
快閃之王  
Grab & Go  
速購速食！

**Steve Shop**  
潮流達人  
上環與Circle K  
購物好對手！

**Hella Mikki**  
公仔狂魔  
Circle K online  
帶你入新潮流！

**齊做個 敢試新人類**

新人類都敢試，OK點會唔知？  
所以OK一直引入最新貨品加服務，敢創敢試，日日有新意！

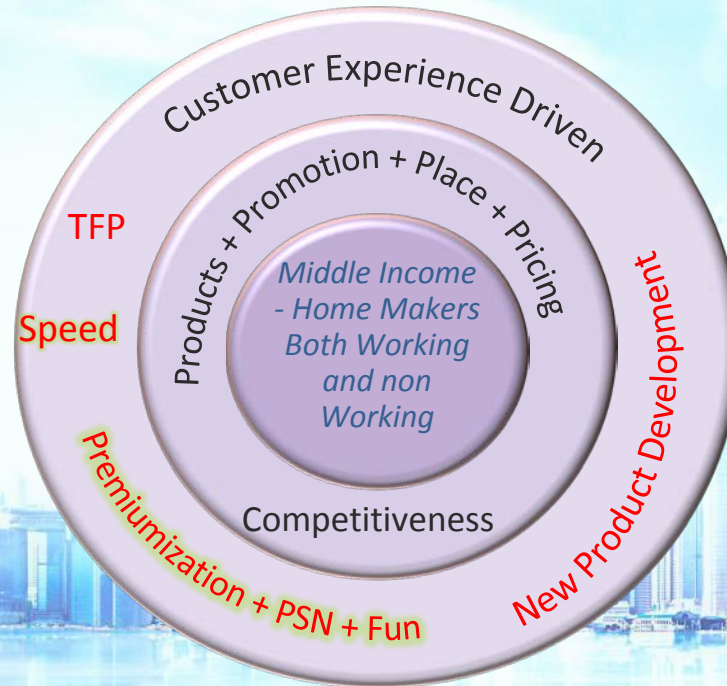
**K 敢創敢試**

Circle K Online

Circle K Hong Kong | WeChat | www.circlek.hk

# Saint Honore 2016 Plan

*Theme: Reinvent the Core*





# Saint Honore Reinvention



聖安娜餅屋

全新聖安娜網頁現已登場  
送您\$50蛋糕折扣 感受網上購物新體驗



網頁主要功能：

網上選購  
生日蛋糕及佳節美食

享用電子優惠券

分享最新產品資訊、  
優惠及發送電子賀卡

查閱分店資料及位置



# To Conclude

- Satisfactory 2015 results despite very challenging market conditions
- 2016 market expected to be tougher
- Bold to reinvent, bold to act, to uplift customer experience
- Focus on the “Internet+” customer
- Quality growth in store network and topline sales
- One acquisition and one new format



**THANK YOU!**

