



Convenience Retail Asia Limited 2020 Interim Results Announcement

13 August 2020

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Agenda

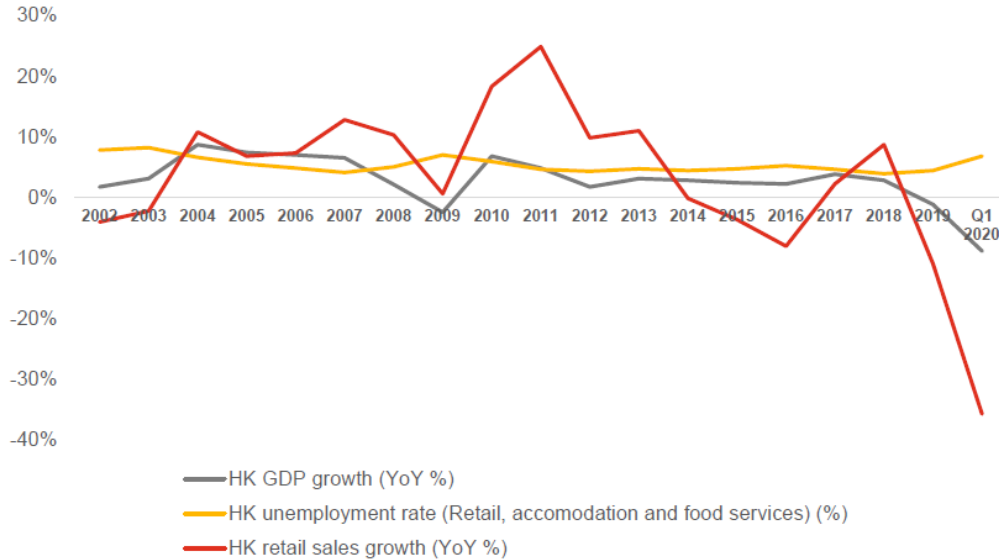
- Hong Kong Retail Market 1H 2020 Key Highlight
- Impact of COVID-19 on our Business
- 2020 First Half Financial Results Highlight
- 2020 Outlook
- Questions & Answers



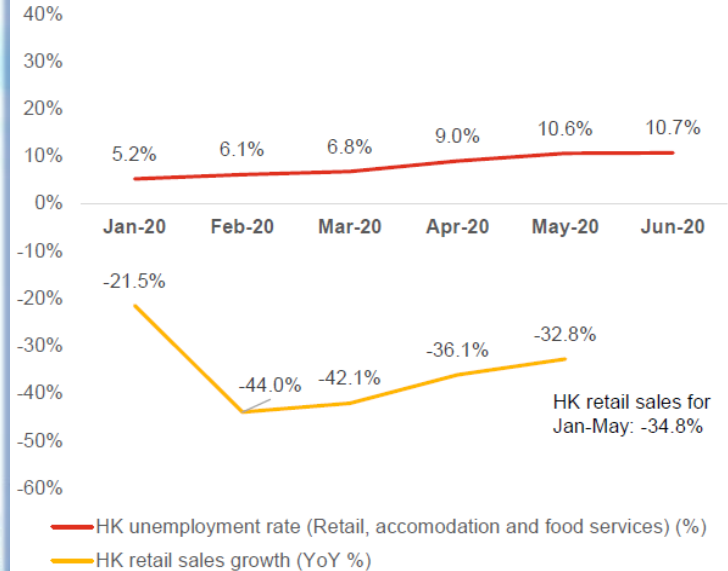
HONG KONG RETAIL MARKET KEY HIGHLIGHT

Economic Recession Deepened In Hong Kong

Hong Kong GDP growth, unemployment rate and retail sales growth rate from 2002 to 2019



Monthly unemployment rate and retail sales in 2020



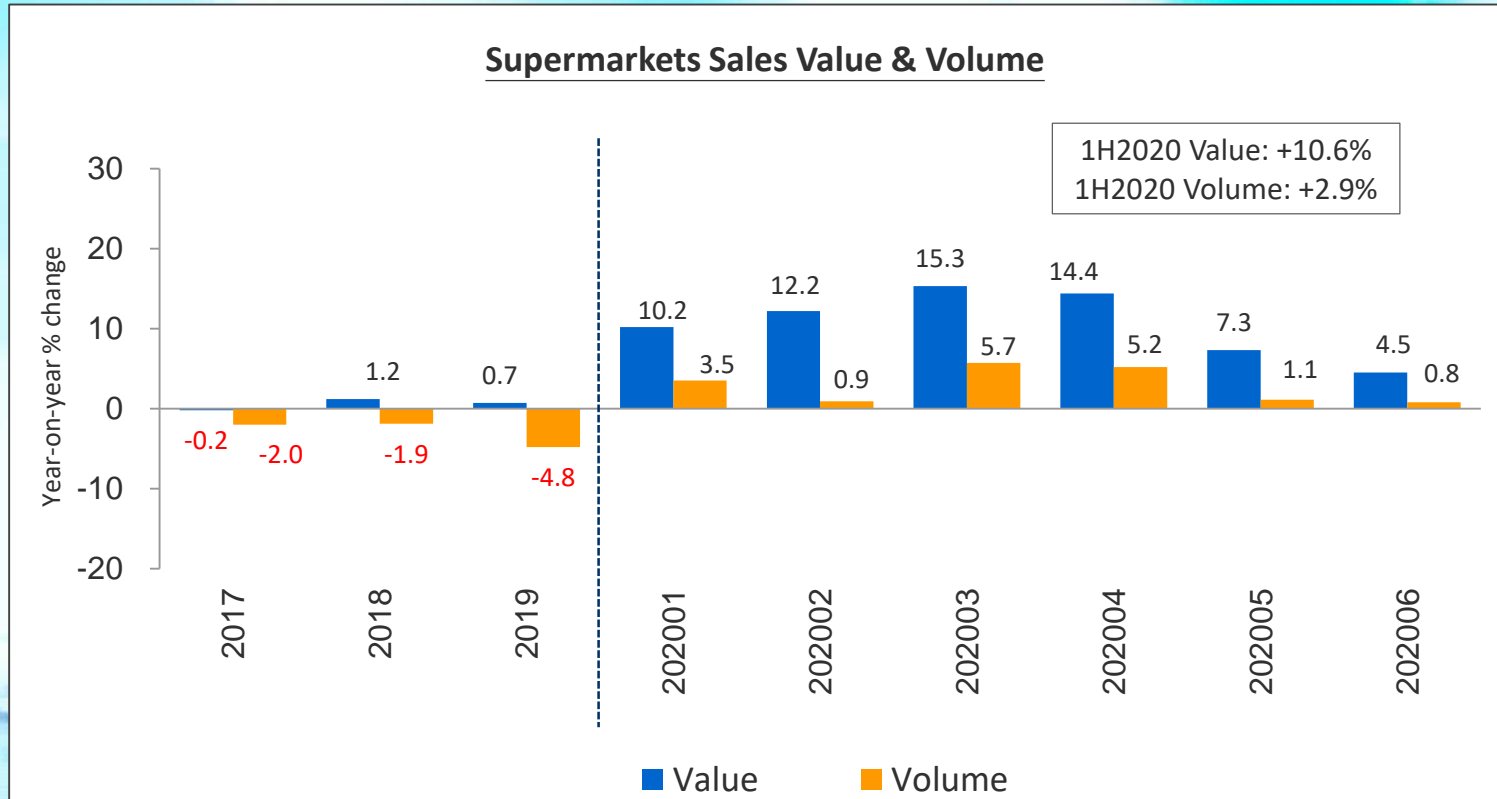
Hong Kong Retail Sales Forecast

Hong Kong retail sales is estimated to fall 19.7% in 2020



Source: Census and Statistics Department ; Forecast by PwC

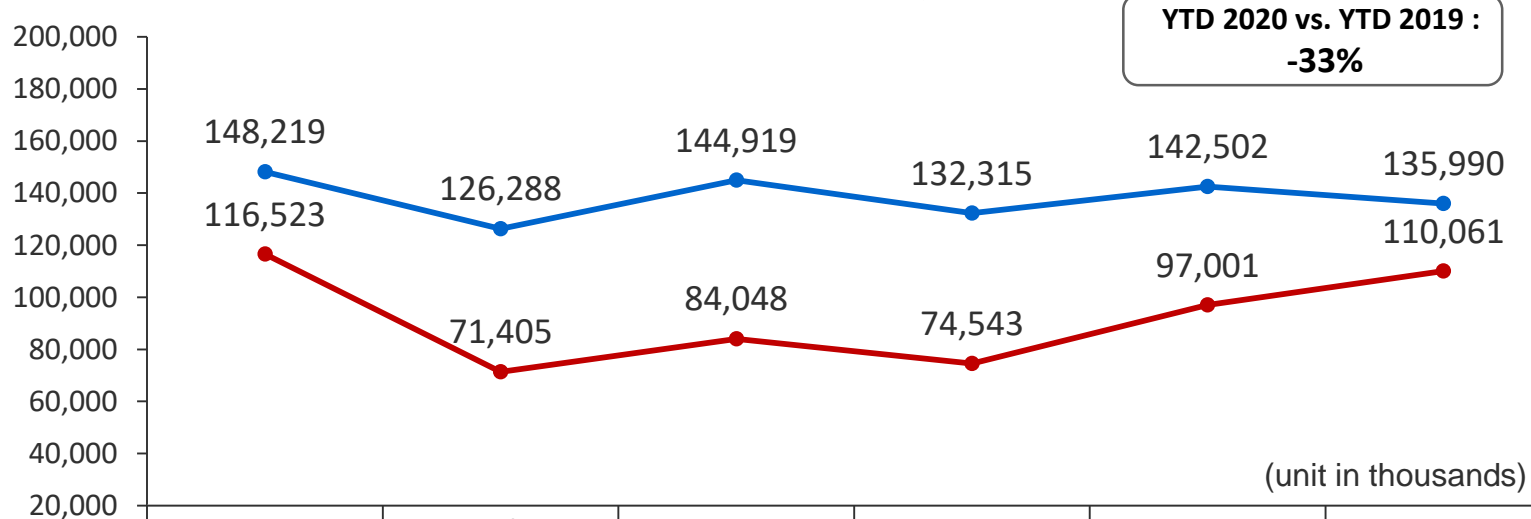
2020 Retailing In Hong Kong



Source: Census & Statistics Department HKSAR

MTR Latest Passenger Number

Domestic Service Monthly Total



	Jan	Feb	Mar	Apr	May	June
Year 2019	148,219	126,288	144,919	132,315	142,502	135,990
Year 2020	116,523	71,405	84,048	74,543	97,001	110,061
% Change	-21%	-43%	-42%	-44%	-32%	-19%

* Domestic Service included Tsuen Wan Line, Kwun Tong Line, Island Line, South Island Line, Tseung Kwan O Line, Tung Chung Line, Disneyland Resort Line, East Rail Line (excluding Cross boundary), Tuen Ma Line Phase 1 and West Rail Line with effect from 2 December 2007.

The background of the slide is a blue-tinted photograph of a city skyline, likely Hong Kong, viewed from across a body of water. The sky is filled with soft, white clouds. The text is centered in the upper half of the image.

IMPACT OF COVID-19 ON OUR BUSINESSES

COVID-19 Impact To Retailers

Retailing Format

What Gains

What Loses

Food

Non-Food

Essential

Discretionary

Residential

Commercial & Tourist

Online

Offline

Delivery / Hygiene

Almost All Services

Convenience Stores

What Gains

What Loses

Cigarettes

Packaged Beverage

Wine & Beer

Confectionery

Ice-cream

Food Services

Masks / Hand Sanitizers /
Disinfectants

Newspaper / Magazines

BOPIS Services

Gift Tins / Non-Food

Quick Actions Taken

1. Defence Strategies & Actions
 - Staff Safety, Wellness & Health
 - Business Continuity – Operationally & Financially
 - Take Good Care of the Community, Staff & Customers
2. Conserve Resources & Zero Waste
3. Effective Expenditures & Tight Control of Expenses
4. Freeze New Capital Expenditures, New Hires, New Investments
5. Zero Infection, Zero Impact on Sales, Zero Impact on Bottom Line

Strategies Dealing With Coronavirus Crisis

Safety, Health & Wellness



Office

Work Place As Safe As Home! 預防肺炎及呼吸道傳染病

提升辦公室防疫措施

為提供更理想的工作環境，以應對目前嚴峻的疫情，寫字樓內將會有以下安排：

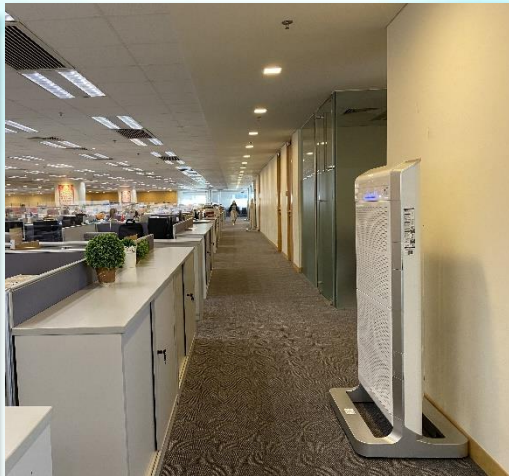
工作間隔板

- 加裝隔板 (Partition)。
- 盡量分隔工作間。
- 與鄰座同事有一定的距離，降低互相感染的機會。

空氣清新機

- 在辦公室內 (包括公共地方、會議室及同事房等) 添置多部空氣清新機。
- 淨化室內空氣，同事可以在空氣清潔度更高的環境下安心工作。

備註：請請各部門每日最後離開公司的同事和對付任何可能擴空清新機，支持環保。



預防肺炎及呼吸道傳染病

零感染防疫措施

會議

- 減少面對面或多人會議
- 縮短開會時間
- 開會時必須戴口罩
- 開會時避免飲食 (如：需暫時多次的聯絡等)

用膳

- 同事應避免餐食一起用膳
- 用膳時應與別人保持適當距離
- 用膳時應妥善處理口罩及清潔雙手
- 如有必要，同事可將部門經理陪同彈性用膳時間的可能

環境

- 大廈清潔人員加密為公用空間及同事個人工作間作消毒及清潔的次數
- 同事應時刻保持良好清潔的工作間



Store

為你做多一點 讓你安心一點

OK便利店全線分店均採取以下措施，讓各位顧客放心進店購物

OK Circle K has implemented the following precautionary measures.

頻繁使用消毒用品清潔店內設施
Surfaces of facilities and equipment are cleaned with disinfectant frequently.

員工須佩戴口罩及於上班前量度體溫
Frontline staffs are requested to wear mask during duty and take temperature check before duty.

建議顧客進入店舖前戴上口罩，亦避免於店內/店內用餐及停留聚集
We encourage customers to wear mask before entering store. Please avoid eating or gathering inside or in front of stores.

謝謝你的理解及配合
Thank you for your kind consideration and cooperation.



衛生方面

1) 同事戴好口罩，勤消毒雙手

出外戴口罩 勤洗手 不摸眼口鼻

2) 提供搓手液給客人免費用及每小時消毒清潔



Strategies Dealing With Coronavirus Crisis New Opportunity - Relevant Products



關心家人
防護必備



殺菌99.9%

殺菌99.9%
殺菌成分
+510種細菌



QINBO 免洗
抗菌洗手液 540毫升 \$15/件

75%酒精成分
殺菌99.9%
全效殺菌成分
用後不乾滯



PURELL 酒精洗手液 /
蘆薈酒精洗手液 500毫升 \$29/件

70%酒精
殺菌99.9%
全效殺菌成分
用後不乾滯



EUCA 無酒精
消毒洗手泡沫 500毫升 \$50/2件

專為敏感
有效殺菌99.9%
常見細菌
不刺激皮膚
殺菌殺菌



SANISWISS 消毒
洗手液 500毫升 \$50/2件

瑞士製造
有效殺菌99.9%
不含殺菌劑
殺菌、殺菌、
殺菌



BIOSIS 消毒洗手液
500毫升 \$69/2件

澳洲製造
70%酒精殺菌成分
全效殺菌成分
用後不乾滯



PURELL 消毒洗手液
400毫升 \$65/件

澳洲製造
多維天然植物成分
天然花露水



PURELL 消毒洗手液
30毫升 x 20包 (每包10.3cm) \$29/件

全效殺菌成分
及天然植物成分
殺菌殺菌

增強抵抗力



ORIHORO 維他命C /
多種維他命及礦物質咀嚼片
(30 x 12 x 12) \$78/2件

日本製造
補充日常
維他命
及礦物質



味覺維他命C
營養補充軟糖 200粒裝 \$29.9/件

含9種維他命
及18種礦物質
具抗氧化作用
及增強免疫力



維他命C 咀嚼
軟糖 200粒裝 \$19.9/件

香港好味
增強抵抗力
及健康美妝

保持清潔



潔而亮
抗菌清潔噴霧 700毫升 \$29/件

美國製造
殺菌99.9%
全效殺菌成分
殺菌殺菌

防護必備

每人每日每款限定2盒

SHIELD PLUS 成人兒童口罩
20片裝 \$50/盒



*圖片只供參考。以上產品只適用於指定分店，售完/售完即止。
*推廣日期：2020年7月30日早上7時至2020年8月12日

Just Take It Easy!

Shield Plus 99%

關心家人 防護必備

FACE MASK for adults

香港製造 6月24日下午2時 於指定80間分店 開始發售

SHIELD PLUS 成人3層口罩 20片裝 \$50/盒

每人每日限購1盒

數量有限，售完即止

關心家人 返學必備

FACE MASK for kids

香港製造 6月15日下午2時 於指定80間分店 開始發售

SHIELD PLUS 兒童3層口罩 20片裝 \$50/盒

每人每日限購1盒

數量有限，售完即止

關心家人 防護必備

QINBO 免洗抗菌洗手液 500毫升 \$10/支

數量有限 售完即止

關心家人 防護必備

威靈士消毒濕紙巾 10巾裝 \$5/包

數量有限 售完即止

關心家人 防護必備

P&G 除菌清潔噴霧 370毫升 \$38/件

數量有限 售完即止

Helping The Hong Kong Community

K 協助長者防疫

免費派發口罩
100,000
個



即日(2月7日)下午1時開始，年滿65歲或以上長者親身可於指定20間分店領取「口罩籌號」1張，憑籌可免費領取口罩5個。數量有限，派完即止。不設預訂或留貨。



K 愛心捐贈

10,000個



給予

香港公益金
THE COMMUNITY CHEST

10,000支



給予

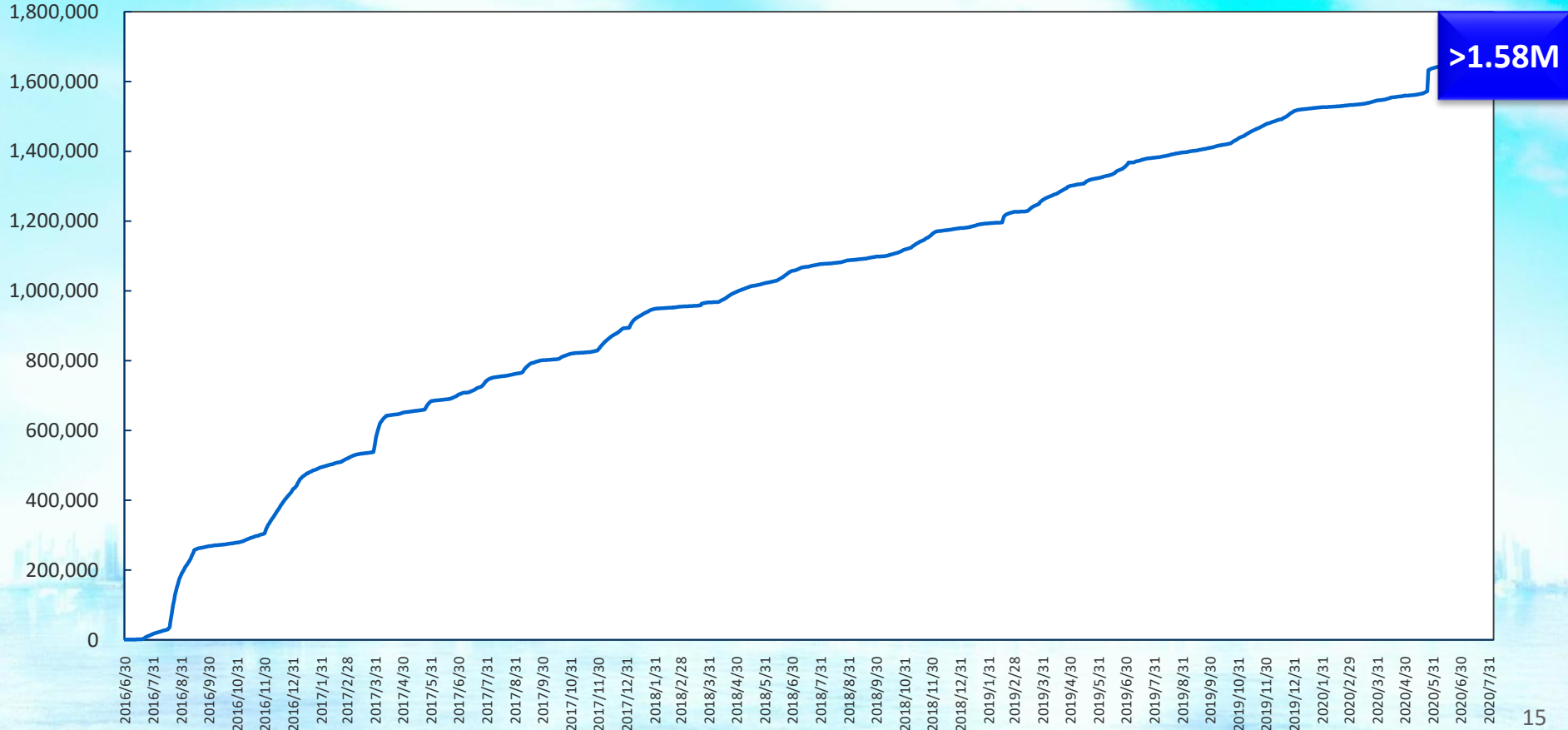


東華三院
Tung Wah Group of Hospitals

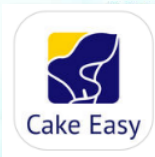




OK Stamp It – Total Members



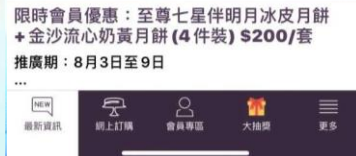
Saint Honore Building Up Loyal Customers Base



聖安娜 Cake Easy

電子印花

密密儲·密密賞



Cake Easy exceeded 730,000 members



New Collections & Services

減低鏡片起霧的問題

日本製
眼鏡防霧噴劑
HK\$68

Zoff + PROTECT
ソフ・プロテクト

2WAY眼鏡
可拆卸式保護層

已獲取
專利!

價錢已包括標準鏡片
HK\$680

ON 時，是防花粉眼鏡。 OFF 時，是平日可用的眼鏡。

Zoff 配鏡取鏡
🕒 1TAKE過!

最快30分鐘取鏡!
特別訂製鏡片免費宅配!

雖是透明 UV100% CUT

Zoff UV CLEAR SUNGLASSES

可選擇!
2款防花粉眼鏡

花粉 STOP!

AIR VISOR Zoff + PROTECT

フードON!

フードOFF!

NEW!
Zoff PC

BLUE LIGHT
35% CUT 50% CUT

可同時作為普通眼鏡與太陽眼鏡使用的2WAY

Zoff NIGHT & DAY

Zoff 全面眼睛健康
● **檢查服務**

基本眼睛健康檢查
由香港眼科視光師(第一份註冊)提供以下檢查服務:

- 屈光度數檢查
- 雙眼協調能力評估
- 色覺普查
- 雙眼內外健康檢查

現已接受長者醫療券作為付款方式

醫療券
Health Care Voucher

HK\$180
(請預約或電預約, 檢查時間大約30分鐘)

查詢預約:

將軍澳廣場店 3590 8109
千色Citistore茶灣店 2728 9410
青衣城店 2712 4065

The Tenth Store In Hong Kong

Lee Theatre Plaza, Causeway Bay (opened 8th January 2020)



The Eleventh Store In Hong Kong

MiraPlace, Tsim Sha Tsui (opened 12th June 2020)



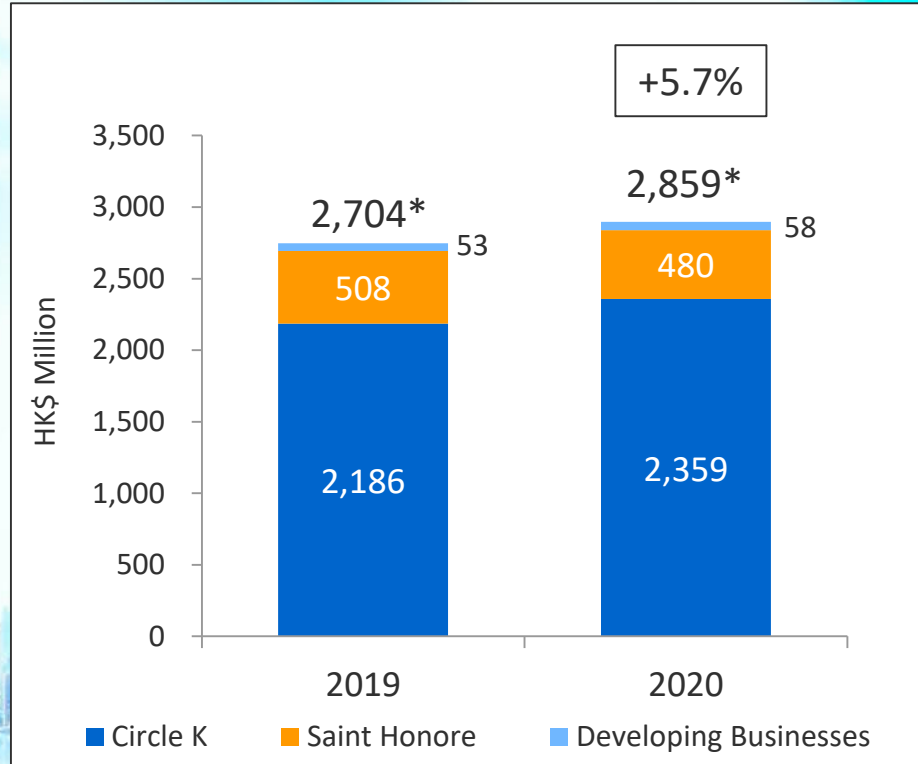
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2020 FIRST HALF FINANCIAL RESULTS HIGHLIGHT

Number of Stores

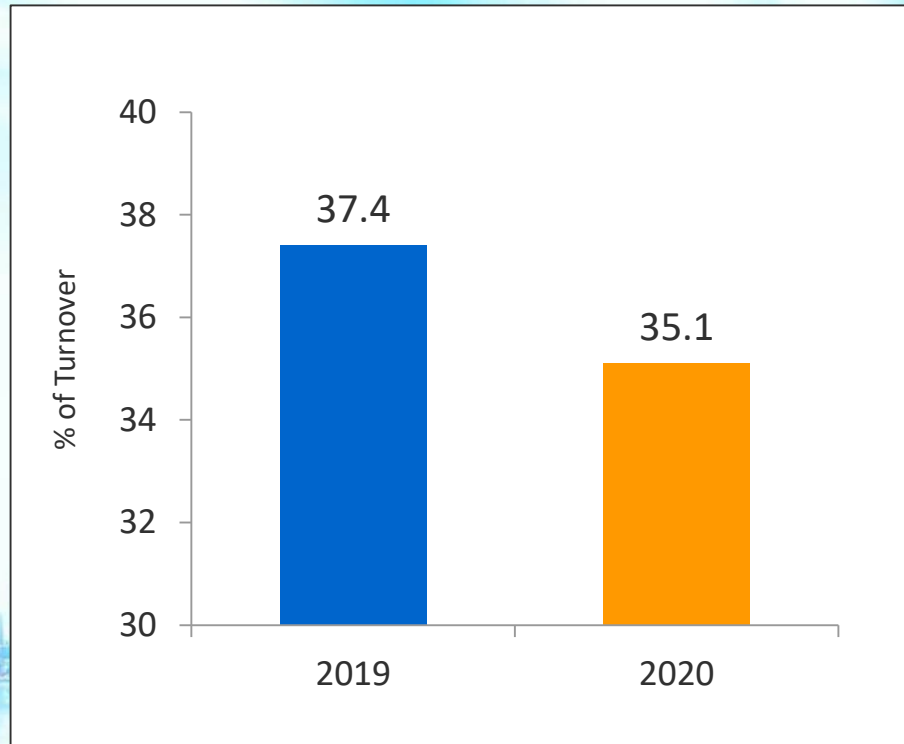
	1H2019	End of 2019	Opened	Closed	1H2020
Circle K Hong Kong	339	336	6	(2)	340
Circle K Macau (<i>franchised</i>)	32	33	-	-	33
Circle K Zhuhai (<i>franchised</i>)	14	14	-	(14)	-
Saint Honore HK & Macau	99	99	3	(4)	98
Saint Honore China	28	27	-	-	27
Zoff	7	9	2	-	11
CRA Group Total	519	518	11	(20)	509

Group Turnover

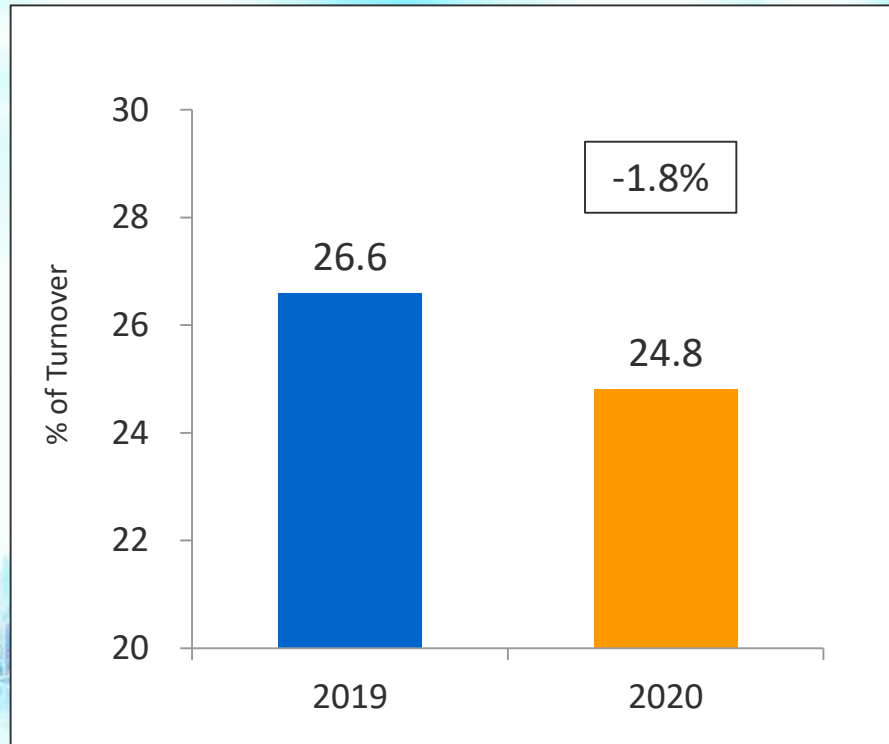


* Less inter-group sales: HK\$43M in 1H2019 & HK\$38M in 1H2020

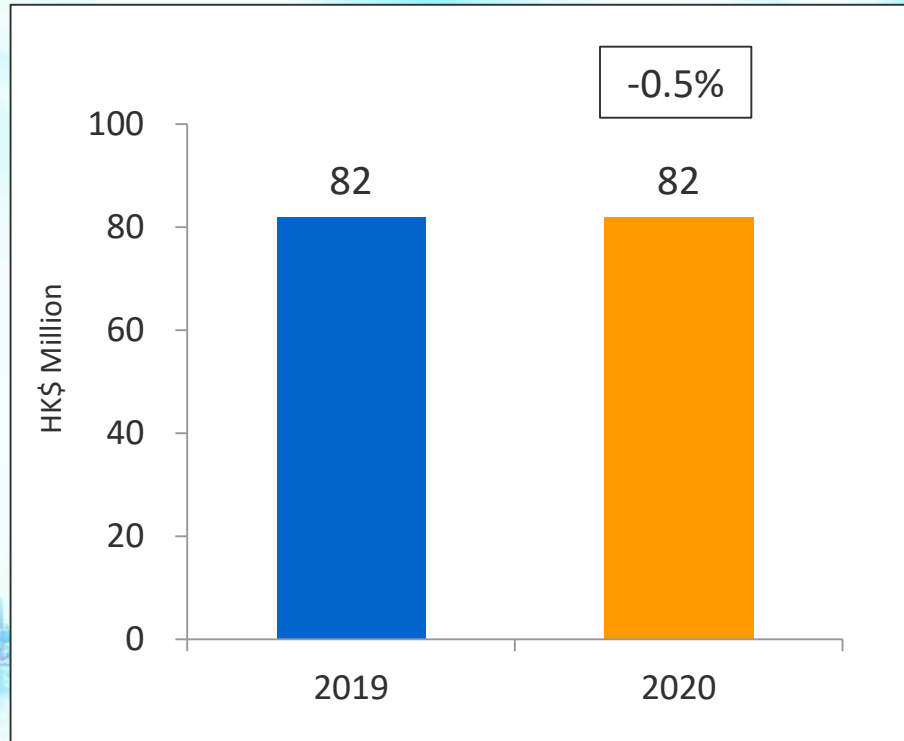
Gross Profit & Other Income



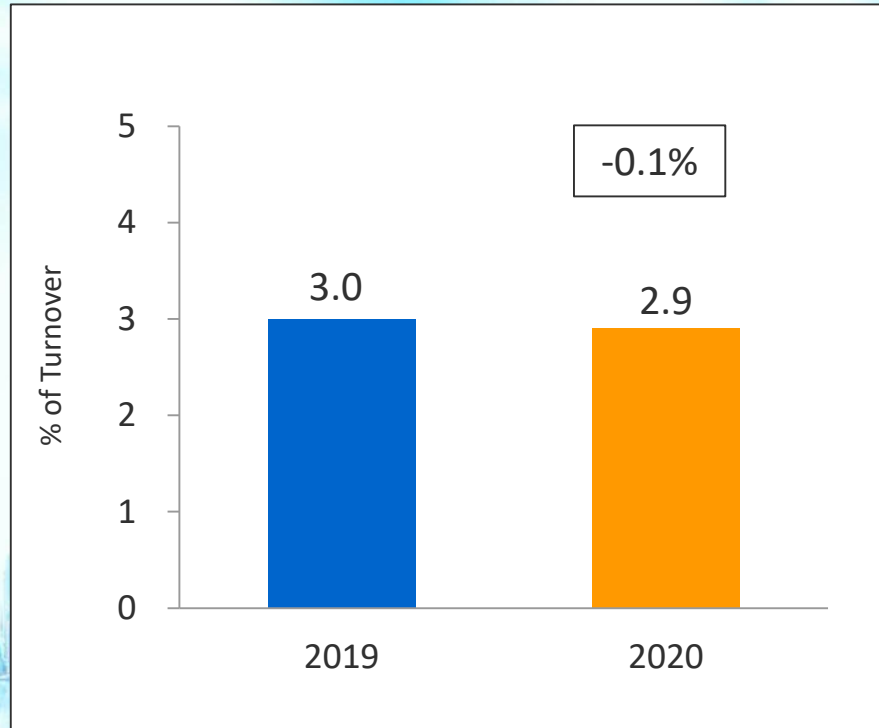
Group Store Operating Expenses



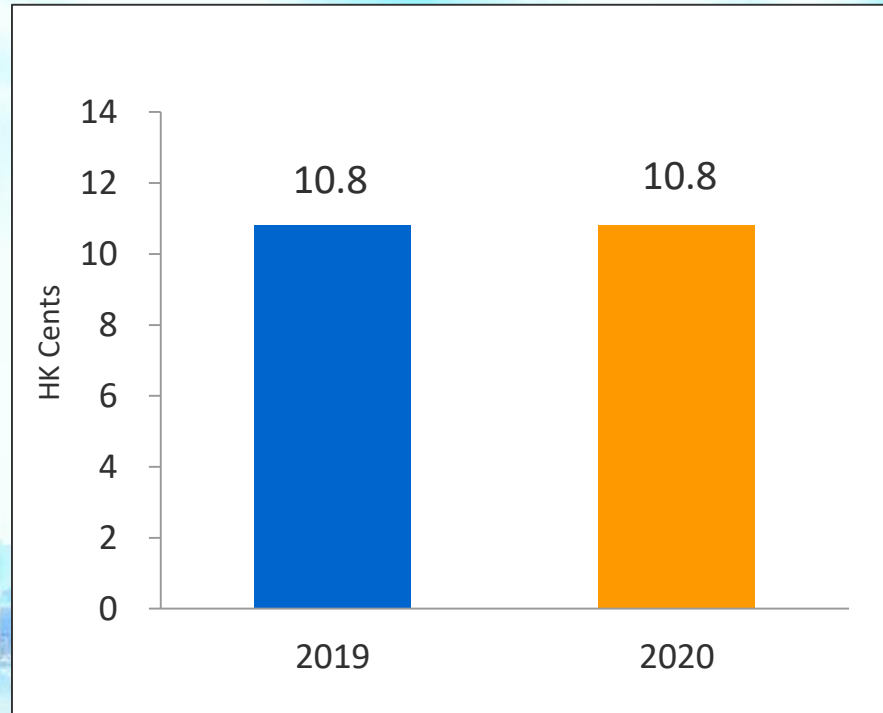
Group Net Profit



Group Net Profit as % of Turnover



Basic Earnings Per Share



2020 First Half Financial Results Highlight

	1H2019	1H2020	Change
Number of Stores	519	509	-10
Group Turnover (HK\$M)	2,704	2,859	5.7%
Group Net Profit (HK\$M)	82	82	-0.5%
Net Profit as % of Turnover	3.0	2.9	-0.1%
Basic Earnings Per Share (HK cents)	10.8	10.8	0%
Interim Dividends (HK cents)	6	6	0%

2020 OUTLOOK



The COVID-19 New Normal

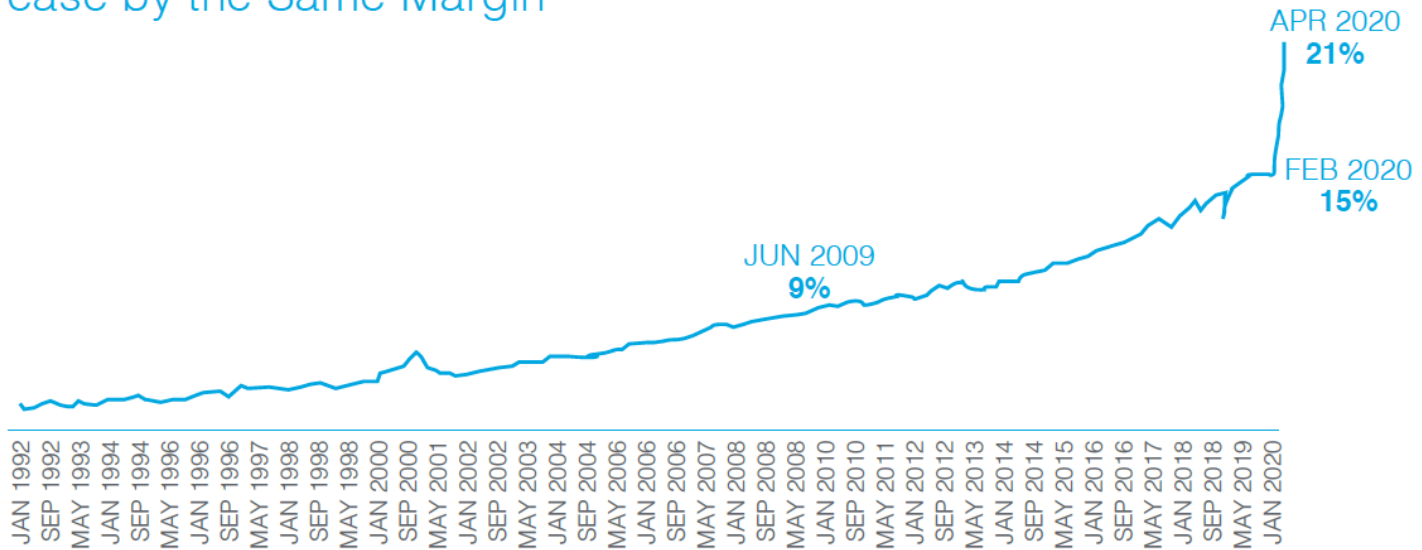
- People are surprised & scared by the experience
- The virus will not just go away
- Scenario of low cases per day could be the new normal for the coming 6 – 9 months
- Precautionary measures, travel restrictions, testing, tracing, business continuity policies , social distancing & precautionary actions by individuals & families will continue
- Customer traffic will not resume to Pre Covid-19 levels
- Consumers careful on spending due to uncertainty about the future & finances
- Safety, health & wellness, protect the family, new way of living, avoiding congestion, more EFS & Fun / Entertainment when at home

Five Emerging Changes In Customer Behaviors

- Top priority is hygiene, safety & wellness
- A big shift to digital engagement
- Nesting @ home
- Channel shifts
- How they work, How they commute, How they spend, How they shop, How they interact, How they entertain, How they learn, How they teach How they live?

ONLINE SALES GREW SIX TIMES FASTER THAN NORMAL OVERALL, AND FITNESS AND WELLNESS PRODUCTS SAW THE LARGEST GROWTH AFTER GROCERIES.

It Took a Decade for Online Retail Sales to Increase From 9% of Retail Sales to 15% Between 2009 and 2020—it Took Two Months for it to Increase by the Same Margin



The background of the slide features a panoramic view of a city skyline, likely New York City, with numerous skyscrapers. The buildings are reflected in the calm water in the foreground. The sky is a vibrant blue with scattered white clouds. The overall scene is bright and clear.

**The Coming 12 Months
Will Be The Toughest
Period Ever Faced By
Retailers !**

What We Are Doing ?

- Safest retail outlets
(Hygiene, Short queue)
- Reasonable price
- More online interaction
- Continue to expand & engage the loyal customer base
- New demand , New category, New Contents
- More EFS & effective
- Minimize drop in customer traffic & increase basket value
- Close non-performing stores

What We Must Do Next ?

- Stay up-to-date & relevant in the new normal
- Reinvent our different store models
 - Reduced customer traffic at transportation, commercial & tourist districts
 - Avoiding congestion & queuing
 - Reconfigure residential stores
 - Food services counters
 - BOPIS (Buy online & pick up in store)
 - Reset store economics



THANK YOU !

