



Convenience Retail Asia Limited 2020 Annual Results Announcement

23 March 2021



Zoff

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Agenda

- 2020 Hong Kong Retail Market Key Highlights
- 2020 Financial Results Highlights
- 2021 Outlook





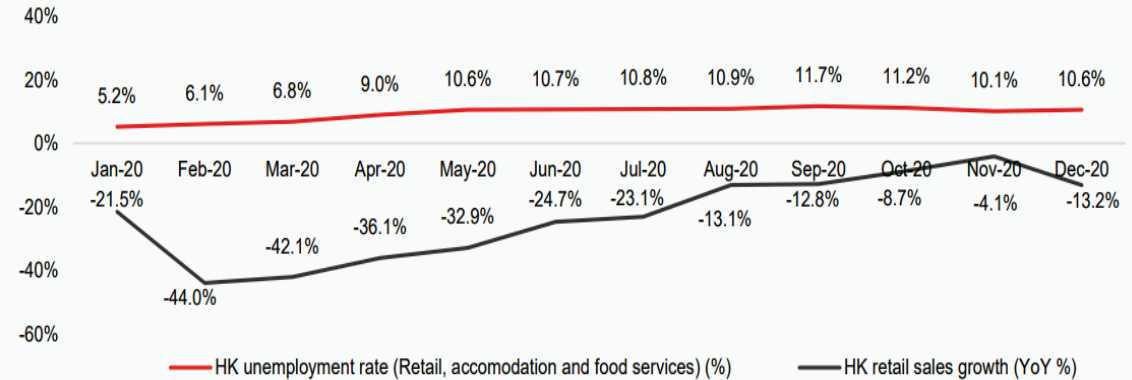
2020 HONG KONG RETAIL MARKET KEY HIGHLIGHTS

Economic Recession Deepened In Hong Kong

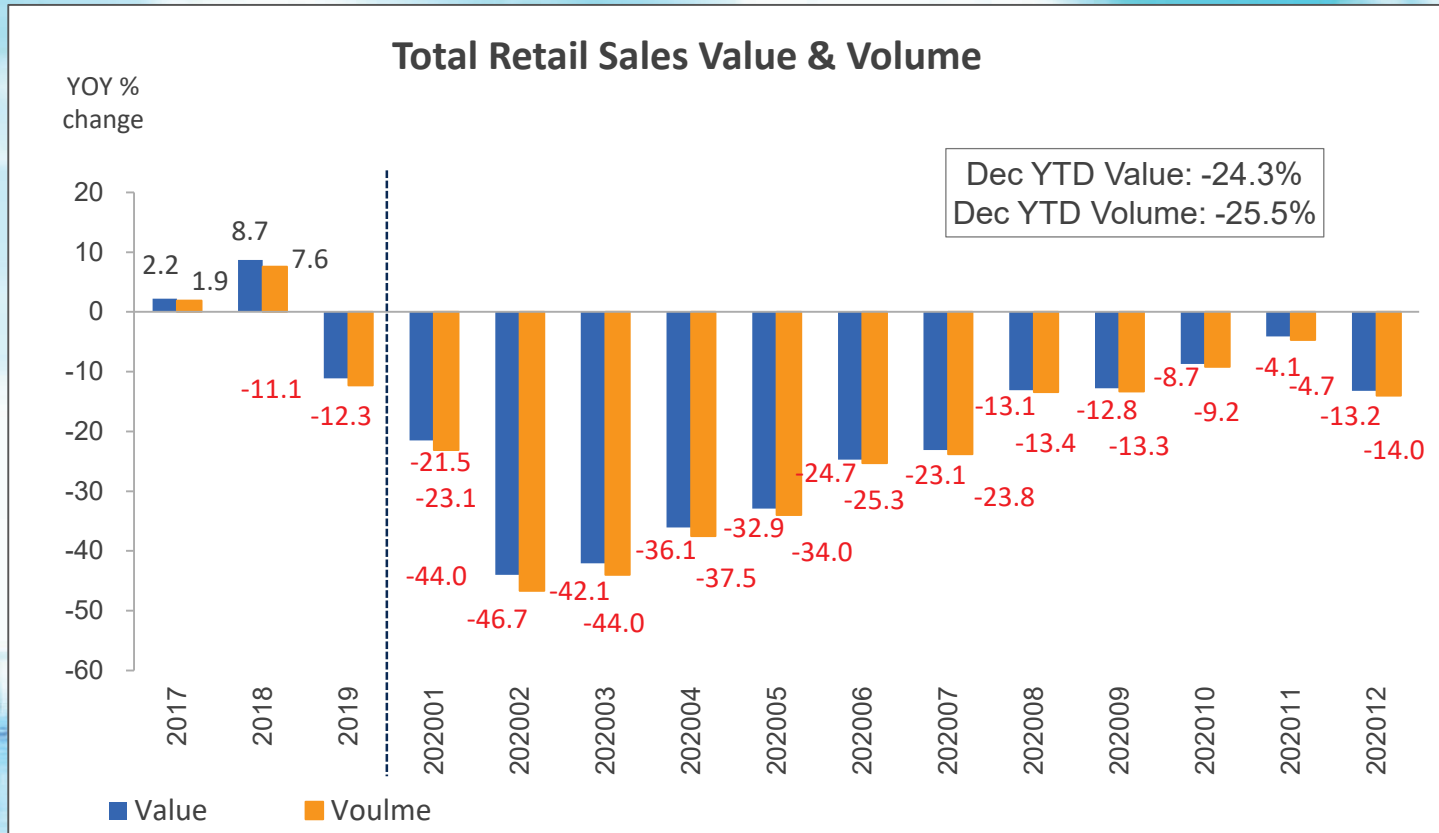
Hong Kong GDP growth (YoY %)

	Q1	Q2	Q3	Q4	Full year
2015	2.4%	3.1%	2.3%	1.9%	2.4%
2016	1.1%	1.8%	2.3%	3.3%	2.2%
2017	4.5%	3.9%	3.5%	3.4%	3.8%
2018	4.5%	3.4%	2.6%	1.1%	2.8%
2019	0.7%	0.4%	-2.8%	-3.0%	-1.2%
2020	-9.1%	-9.0%	-3.6%	-3.0%	-6.1%

Monthly unemployment rate and retail sales in 2020



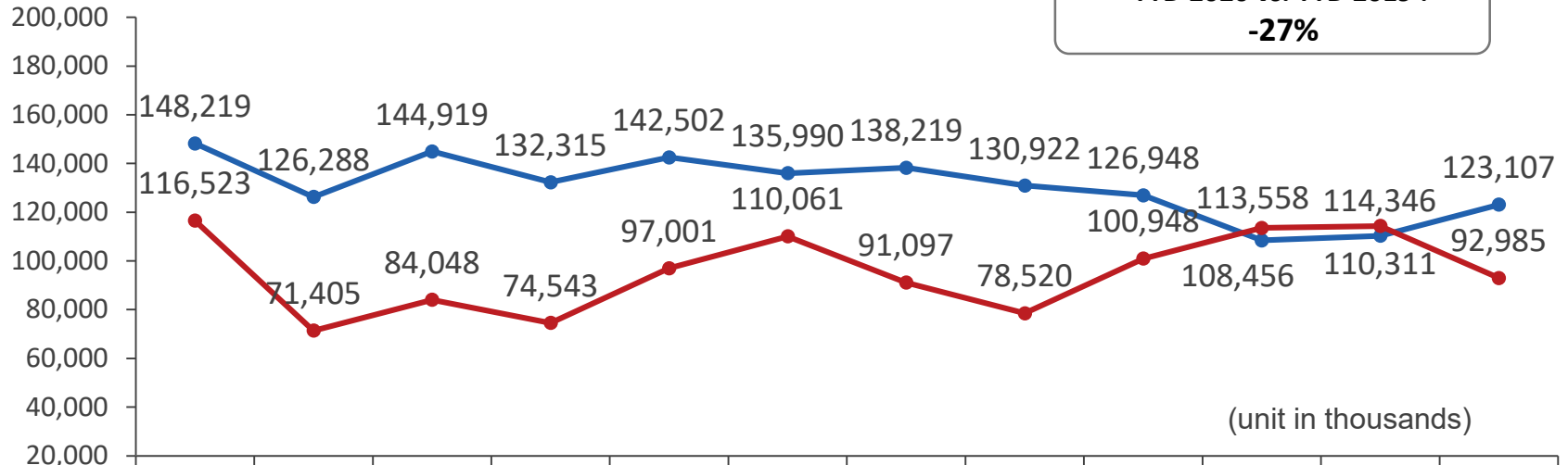
Economic Recession Deepened In Hong Kong



MTR Latest Passenger Number

Domestic Service Monthly Total

YTD 2020 vs. YTD 2019 :
-27%



	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Year 2019	148,219	126,288	144,919	132,315	142,502	135,990	138,219	130,922	126,948	108,456	110,311	123,107
Year 2020	116,523	71,405	84,048	74,543	97,001	110,061	91,097	78,520	100,948	113,558	114,346	92,985
% Change	-21%	-43%	-42%	-44%	-32%	-19%	-34%	-40%	-20%	5%	4%	-24%

* 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.

Strategies Dealing With Coronavirus Crisis

Safety, Health & Wellness for Our People, Customers & Community



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：

工作間隔版

- 加裝隔板 (Partition)、書櫃分隔工作間
- 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、會議室及同事間隔) 添置多部空氣清新機
- 淨化室內空氣，同事可以在空氣清新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負責檢查及關閉空氣清新機，支持環保

自己為人，同事亦值得特別尊重個人及家人的健康，同時加強防疫工作。



預防肺炎及呼吸道傳染病

零感染防疫措施

會議

- 減少面對面多人會議
- 縮短會議時間
- 開會時必須戴口罩
- 開會時避免飲食

用膳

- 同事應避免餐後一起用膳
- 用膳時應與他人保持適當距離
- 用膳時應可盡量避開口氣及清潔雙手
- 如有需要，同事可與部門經理聯絡彈性用膳時間的可能

環境

- 大量清潔人員並密切用空氣凈化器
- 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

K

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

To ensure the health and safety of our customers and frontline staffs, 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，亦避免於店前/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.

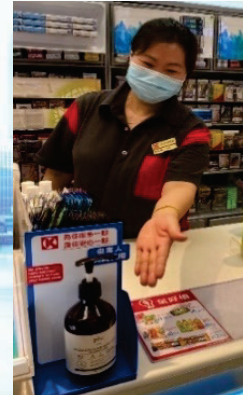
謝謝你的理解及配合
Thank you for your kind consideration and cooperation.

衛生方面

1) 同事戴好口罩，勤消毒雙手

出外戴口罩 勤洗手 不碰眼口鼻

2) 提供搓手液給客人免費用及每小時消毒清潔



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



Happy
Energized
Achievements
Respect
Training
Success

Helping The Hong Kong Community



550,000 Circle K Meal Box / Food Coupons



200,000 Saint Honore Bread Coupons



HK\$1,000,000 to Charities & Partners



Acquisition of CVS Business By ACT

Date	
7 December 2020	EGM – 99.9% voted Yes
21 December 2020	Completion on Term
30 December 2020	Payment of Special Dividend Completed
End April 2021	Final Adjustment

Weak Retail Performance



LINE FRIENDS Store將全線停業
11月底前最後朝聖的限期?

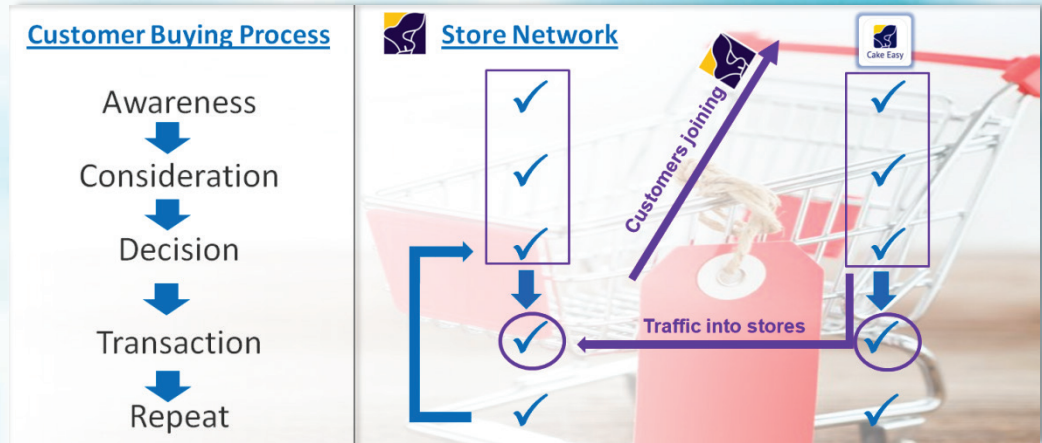
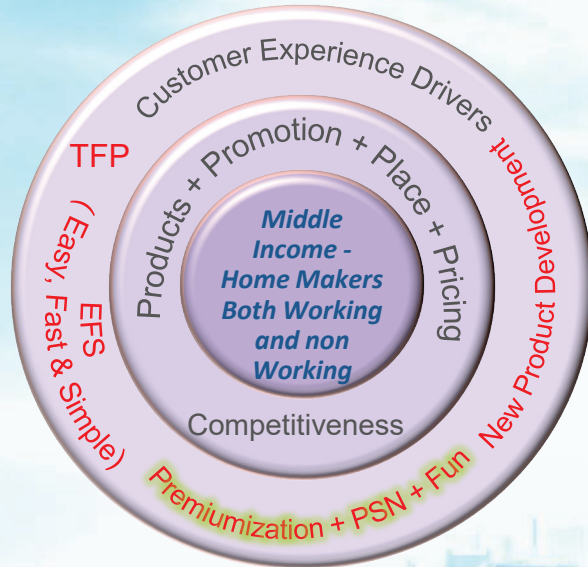


消費及旅遊相關行業重災 失業率飆至7.2% 17年來新高



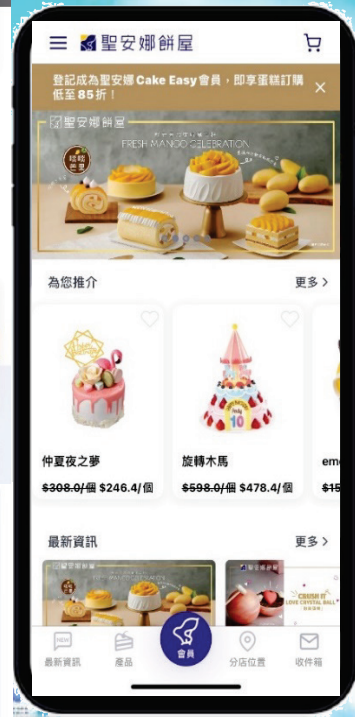


The 3 “Plus” Strategies Is The Right Direction



1. Focus on “**Internet Plus**” customers
2. Deliver “**4P’s Plus**” relevant customer experience
3. Transition to “**B&M Plus**” (O2O) business models

Re-inventing Strategy Lifting Customer Experience



Cake Easy exceeded 830,000 members



Mon cher

Mon cher Sogo Shop (opened 1st September 2020)

- A Japanese brand since year 2003
- One of the key cake brands in Japanese department stores
- An expanding brand in Asia, total 46 shops (Japan – 21 shops ; Korea – 20 shops ; Shanghai – 4 shops ; Hong Kong – 1 shop)
- A well developed brand which is expanding in different business models (Premium cake shop and café , Casual dining restaurant , Online shop)
- In Japan, Mon cher synonymous with its signature Dojima Roll



Mon cher Pop-up Store at Langham Place, Mongkok





New Collections & Services

雖是透明，卻是太陽眼鏡。
UV 100% CUT!
Zoff UV CLEAR SUNGLASSES

可拆卸式保護罩防止
飛沫 濺入眼睛
+ 抗菌

Zoff + PROTECT
 ANTI-BACTERIAL

減低鏡片起霧的問題

日本製 殺菌防霉噴劑 **HK\$68**

Zoff 配鏡取鏡
 1TAKE過!

最快30分鐘取鏡!
 特別訂製鏡片免費宅配!

Zoff PC

BLUE LIGHT
 35% CUT 50% CUT

更輕量 更舒適
Zoff SMART

Zoff SPORTS
 -SLIDE TYPE-

Zoff
 全面眼睛健康
 檢查服務

基本眼睛健康檢查
 由專業視光師或第一級配鏡師提供以下檢查服務:
 - 視力 - 雙眼協調能力評估
 - 屈光度數檢查 - 雙眼內外健康檢查
 - 色覺檢查

現已接受長者醫療券作為付款方式
醫療券
 Health Care Voucher

HK\$180
 (僅供基本檢查用, 隱形眼鏡另加收費)

查詢詳情:
 將軍澳分店 3590 8109 | 千色Citynova分店 2728 9410 | 青衣分店 2712 4065

Zoff x takashi kumagai

可同時作為普通眼鏡與太陽眼鏡使用的2WAY

NIGHT & DAY

ROMANTIC LADY

MADE IN JAPAN
 日本製

PEANUTS
 Zoff PEANUTS COLLECTION

70 YEARS

MARVEL

NEW
 MARVEL COLLECTION
 AVENGERS SERIES

Disney Collection
 created by **Zoff**

Disney

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)



2020 Overall Results To Conclude

- 2020 one of the most unusual and difficult years
- Grateful we were able to end the year with great achievements
 - People and families are safe and well
 - HEARTS Culture to take care of each other
 - Helping the community
 - Circle K and Saint Honore achieving plan
 - Zoff affected but still profitable
 - Japanese premium cake brand – Mon cher
- Successful acquisition of Circle K by ACT



A blue-tinted photograph of a city skyline across a body of water under a cloudy sky. The text "2020 FINANCIAL RESULTS HIGHLIGHTS" is centered in the middle of the image.

2020 FINANCIAL RESULTS HIGHLIGHTS

Number of Stores

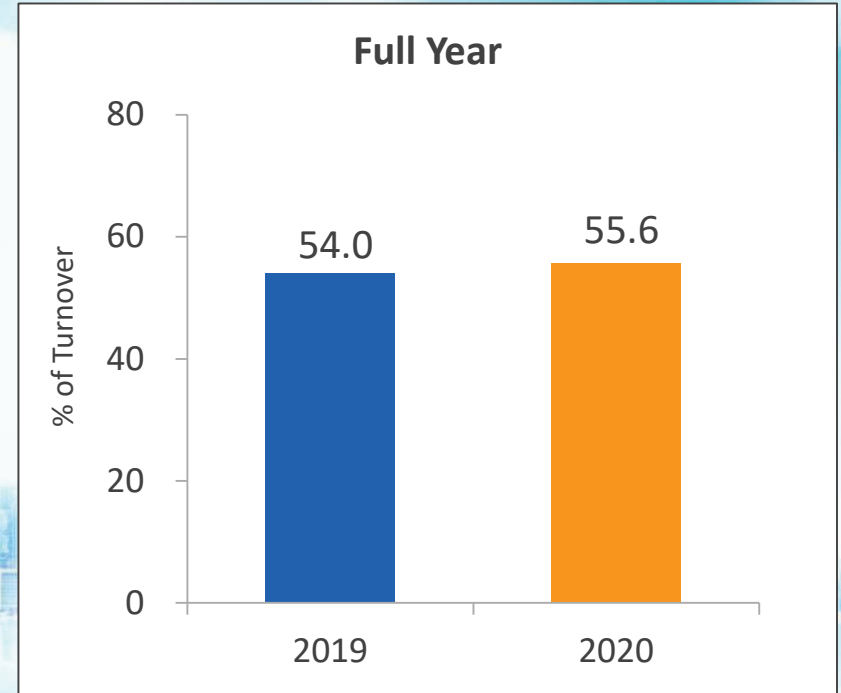
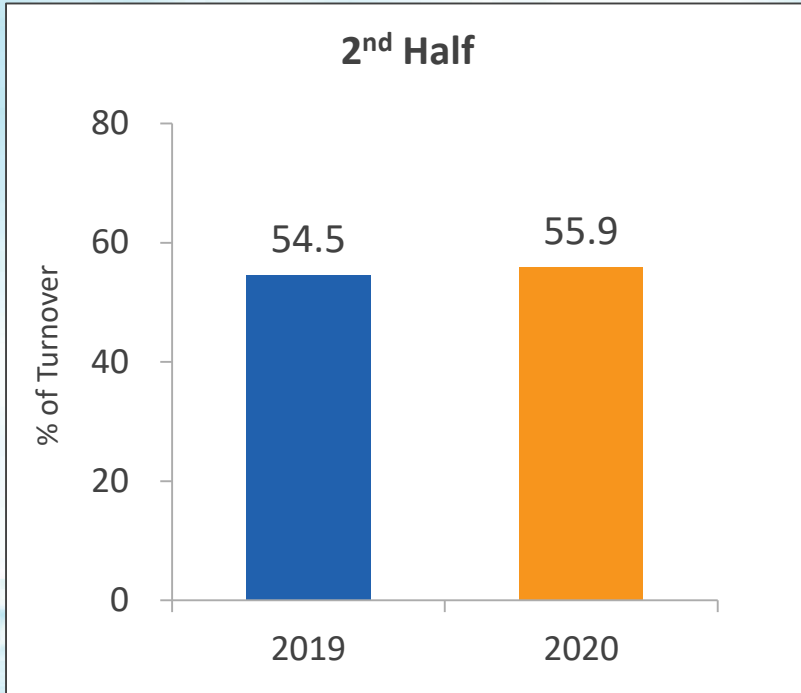
	End of 2019	Opened	Closed	End of 2020
Bakery Group	126	6	(12)	120
■ Saint Honore - HK & Macau	99	5	(11)	93
■ Saint Honore - China	27	-	(1)	26
■ Mon cher	-	1	-	1
Zoff	9	2	-	11
Continuing Operations	135	8	(12)	131
Discontinued Operation	383	11	(21)	373

Group Turnover

<i>(HK\$ Million)</i>	2 nd Half		Change	Full Year		Change
	2019	2020		2019	2020	
Bakery Group	584	597	2.1%	1,092	1,077	-1.4%
Zoff	52	57	8.7%	105	115	10.7%
Continuing Operations	636	654	2.7%	1,197	1,192	-0.5%
Discontinued Operation	2,338	2,358	0.9%	4,524	4,717	4.3%

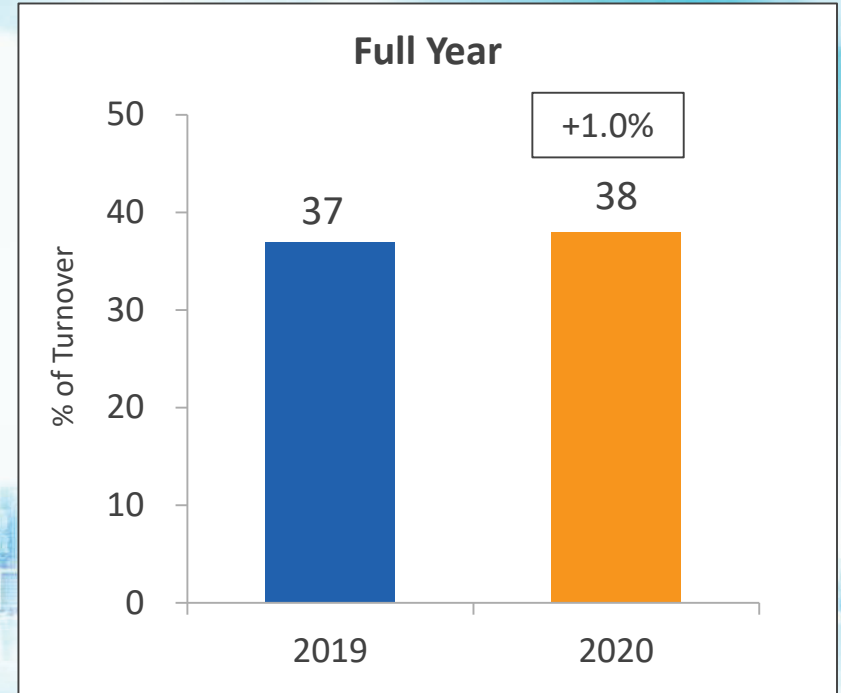
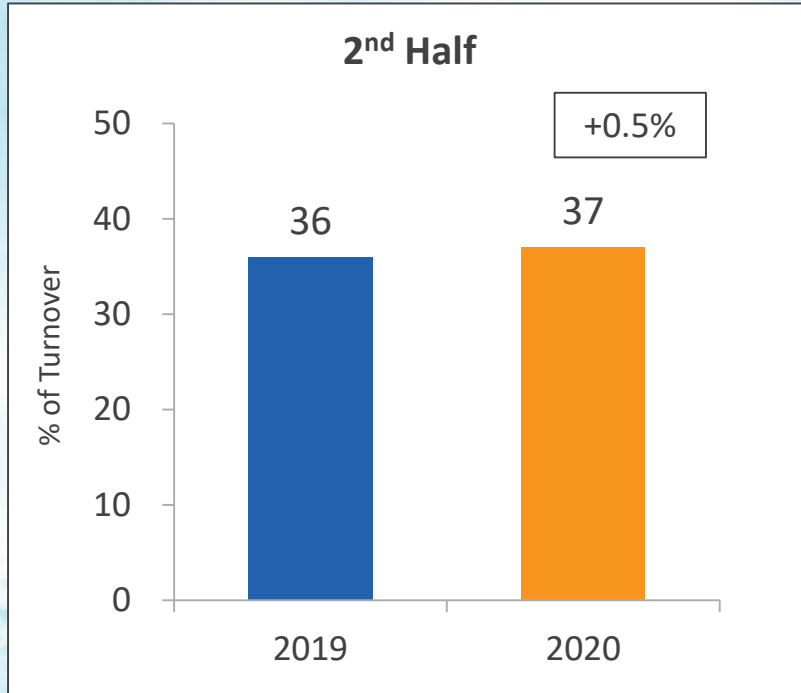
Group Gross Profit & Other Income

Continuing operations only



Group Store Operating Expenses

Continuing operations only



Group Net Profit

(HK\$ Million)	2 nd Half		Change	Full Year		Change
	2019	2020		2019	2020	
Continuing Operations	25	54	1x%	33	61	84.8%
Discontinued Operation	101	125	23.8%	175	200	14.3%
Disposal Gain	-	2,879	N/A	-	2,879	N/A
Total Group Net Profit	126	3,058	23x	208	3,140	14x

Remarks: Circle K Net Profit consolidated up to 21 December 2020

2020 Financial Results Highlight

	2019FY	2020FY	Change
Number of Stores <i>(continuing operations only)</i>	135	131	-4
Group Turnover (HK\$M) <i>(continuing operations only)</i>	1,197	1,192	-0.5%
Net Profit (HK\$M) <i>(continuing operations only)</i>	33	61	84.8%
Total Group Net Profit (HK\$M)	208	3,140	14x
Basic Earnings Per Share (HK cents)	27.2	410.7	14x
Dividends (HK cents)			
■ Interim Dividend	6	6	
■ Final Dividend	19	-	
■ Special Dividend	21	385	
■ Total	46	391	8x

Remarks: All data in this slide included discontinued operation unless otherwise stated

CRA 2020 Excluding Discontinued Operation

- HK\$1.2 Billion in Turnover
- HK\$61 Million Net Profit
- Total Asset HK\$1.35 Billion
- Total Equity of HK\$580 Million, Liabilities of HK\$770 Million
- Cash Balance of about HK\$373 Million, No bank loan

Smaller Yet Still A Quality, Healthy & Growing Company !

A panoramic view of a city skyline across a body of water under a blue sky with clouds. The skyline is composed of numerous skyscrapers of varying heights and architectural styles, reflecting in the water below. The sky is a vibrant blue with scattered white clouds. The overall scene is bright and clear.

2021 OUTLOOK

Overall Hong Kong Market

- The COVID-19 will continue to disrupt Hong Kong for most of 2021
- With warmer weather and vaccinations, overall situation will continue to improve and Hong Kong should enjoy a much-needed break before Q4 2021
- Some pent-up demands will fuel local consumers' spending
- Business closures and unemployment will remain high
- Lower Government subsidies

CRA 7 Guiding Strategies

1. **O2O** Business Model & Doing It Right
2. Adopt (**EFS**) Easy, Fast & Simple in everything we do
3. Excellent Customer Intimacy & Customer Experience (**CX**)
4. Up-to-date, Relevant & Clearly Defined **Brand** Values
5. Always **Reinventing**
6. **People** Development & Succession Planning
7. Build **Viability, Agility & Resilience** in the 6 enablers:
 - Branding, CX (Experience) & CR (Relationship)
 - Customers Platforms
 - Store Network
 - Online CRM Platform
 - IT, Digitalization & Processes
 - Supply Chain Logistics
 - Merchant / Vendors Community
 - Leadership / People / Teams / EX

CRA 2021 & Beyond

Major Strategic Actions

1. To reinvent, leverage our strengths and expand in the Hong Kong strong-hold market
 - O2O Business Models
 - Safe & EFS (Easy, Fast & Simple) for customers to shop with us
 - Right store economics in the new normal
2. Take core competencies to expand in the Greater Bay Area and the B2B markets

Vision: We bake for the happiness & sharing moments of our customers

2021 Actions



1

Sales and Operations Excellence

2

Marketing / Category Management Excellence

3

Digital CRM to the Next Level

4

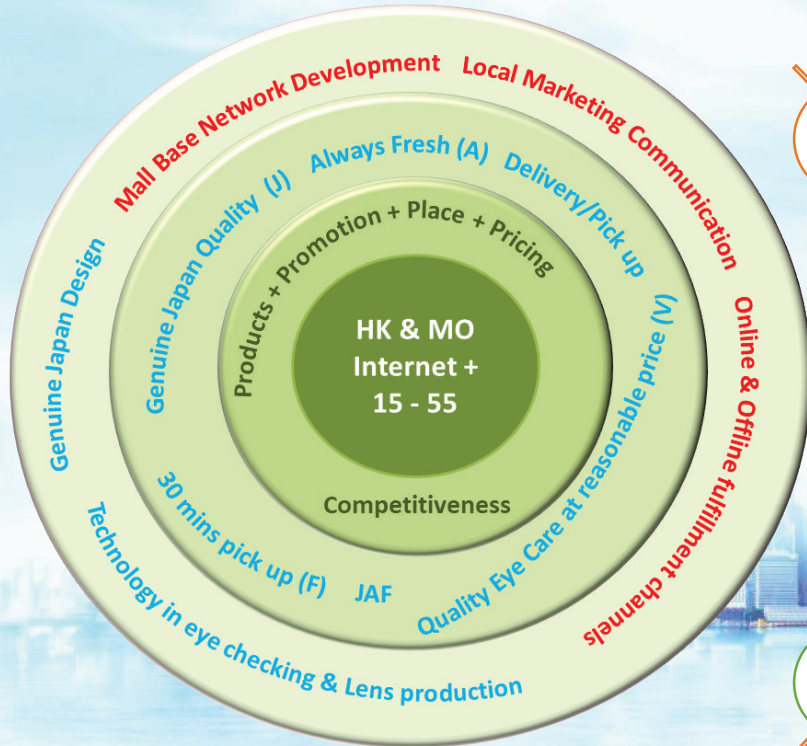
Manufacturing / Procurement Excellence

5

Total Process Simplification 2.0 (TPS)



Vision: 1st in Mind Japanese Fast Fashion Eyewear Chain



2021 Actions

1 Uplift Japan Quality Services (JAF)

2 Build up “Always Fresh” Image

3 Operation Excellence

4 Marketing Excellence

5 Store Model Development

CRA In 2021

- Post-COVID 19 New Normal comes with new challenges and new opportunities
- We have the right DNA, knowledge, competencies, teams, brands and strategies for the coming era
- Longing our strengths and building Viability, Agility & Resilience in the 6 enablers
- Our trend of quality growth in competitiveness, customer preference, market share, O2O visibility, turnover and profitability should continue
- Speed up expansion of profitable businesses in Hong Kong
- “Duck-tail” proven businesses and expand in the Greater Bay Area



THANK YOU !