




# Agenda

- 
- ↑ Financial Review
  - ↑ Business Review
  - ↑ Future Plans
  - ↑ Open Forum



# Financial Review



# Financial Summary

(RMB '000)	1H2015	1H2016	+/-	Change
Revenue from principal business	5,310,400	<b>5,419,638</b>	109,238	2.1%
EBIT ( <i>EBIT Margin</i> )	154,190 (2.9%)	<b>142,139</b> <b>(2.6%)</b>	-12,051	-7.8%
Profit before tax	70,383	<b>68,624</b>	-1,759	-2.5%
Profit attributable to shareholders ( <i>Net profit margin</i> )	21,040 (0.4%)	<b>17,365</b> <b>(0.3%)</b>	-3,675	-17.5%
Basic EPS (RMB cents)	5.1	<b>4.2</b>	-0.9	-17.6%

## Financial Summary – gross profit & other income

(RMB '000)	1H2015	1H2016	+/-	Change
Revenue from principal business	5,310,400	<b>5,419,638</b>	109,238	2.1%
Gross profit	678,212	<b>661,648</b>	-16,564	-2.4%
Other income	504,111	<b>516,165</b>	12,054	2.4%
Gross profit & other income	1,182,323	<b>1,177,812</b>	-4,511	-0.4%
<i>(Gross profit &amp; other income)/ revenue from principal business</i>	22.3%	<b>21.7%</b>	-	-0.6p.p

## Financial Summary – cost breakdown

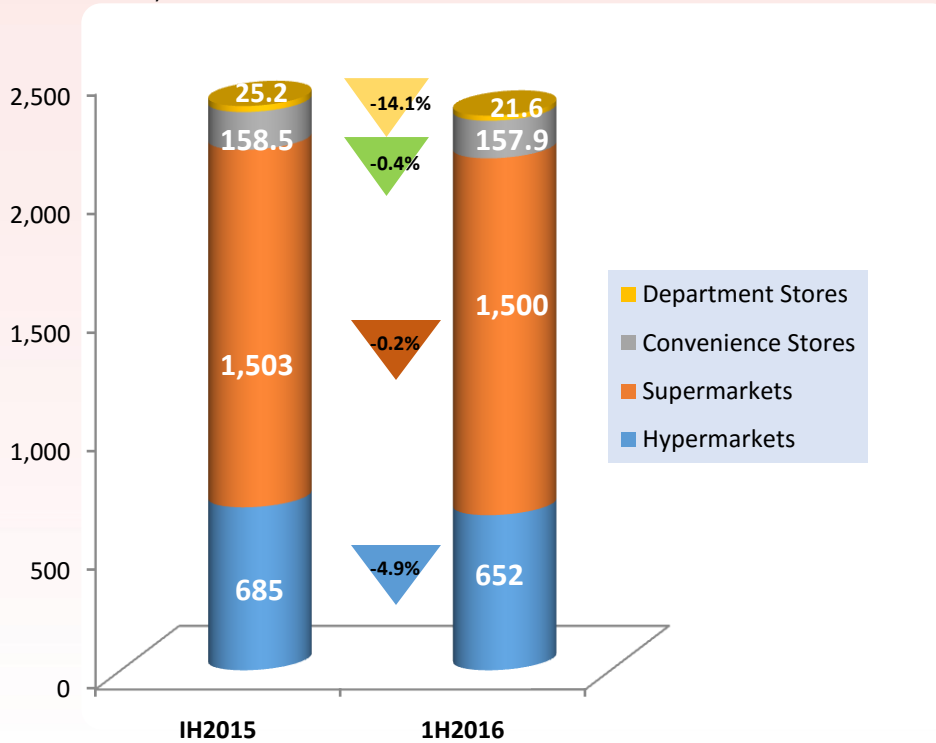
(RMB '000)	1H2015	1H2016	+/-	Change
Selling and distribution cost	847,254	<b>862,666</b>	15,412	1.8%
Administration expenses	141,187	<b>153,230</b>	12,043	8.5%
<i>(Selling and distribution costs &amp; administration expenses)/ revenue from principal business</i>	18.6%	<b>18.7%</b>	-	0.1p.p
Interest expenses	83,806	<b>73,515</b>	-10,291	-12.3%
<i>Interest expenses/ revenue from principal business</i>	1.6%	<b>1.4%</b>	-	-0.2p.p

## Financial Summary – cost breakdown

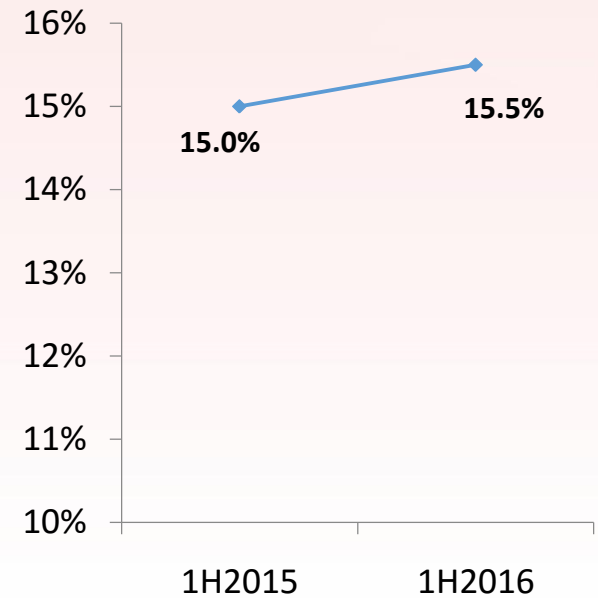
(RMB '000)	1H2015	1H2016	+/-	Change
Labor cost	382,097	<b>373,044</b>	-9,053	-2.4%
<i>Labor cost / revenue from principal business</i>	7.2%	<b>6.9%</b>	-	-0.3p.p
Rental cost	116,167	<b>118,996</b>	2,829	2.4%
<i>Rental cost / revenue from principal business</i>	2.2%	<b>2.2%</b>	-	-
Energy expenses	55,488	<b>50,846</b>	-4,642	-8.4%
Transportation expenses	64,282	<b>76,071</b>	11,789	18.3%

# Retail Business (directly-operated)

(RMB million)



## Gross Profit Margin\*



## Revenue Breakdown by Retail Segments

\* Refers to the GP margin of directly-operated hypermarkets, supermarkets and convenience stores.





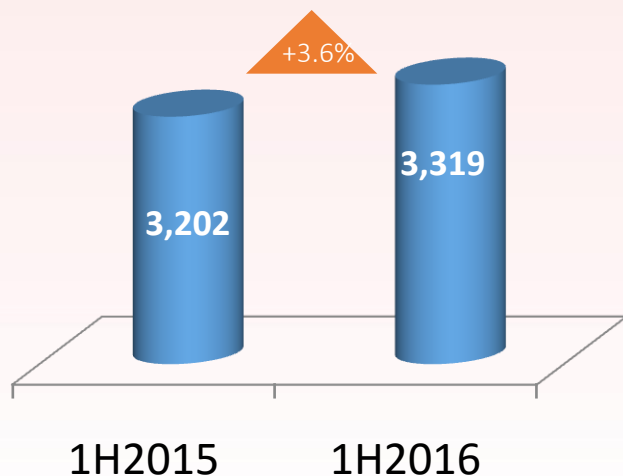
## Retail Business (directly-operated)

	Hypermarket		Supermarket		Convenience Store	
For the 6 months ended 30 June	1H2015	<b>1H2016</b>	1H2015	<b>1H2016</b>	1H2015	<b>1H2016</b>
Number of directly operated stores	12	<b>12</b>	73	<b>68</b>	108	<b>107</b>
Total operating area ('000 sq.m.)	86.1	<b>86.1</b>	156.6	<b>148.2</b>	20.2	<b>20.4</b>
Average area per store ('000 sq.m.)	7.2	<b>7.2</b>	2.1	<b>2.2</b>	0.19	<b>0.19</b>
Revenue / Operating area / day (RMB)	50.4	<b>47</b>	65.2	<b>67.2</b>	55.1	<b>54.6</b>
Average value per transaction (RMB)	82.7	<b>84.6</b>	54.6	<b>56.4</b>	21.5	<b>21.8</b>

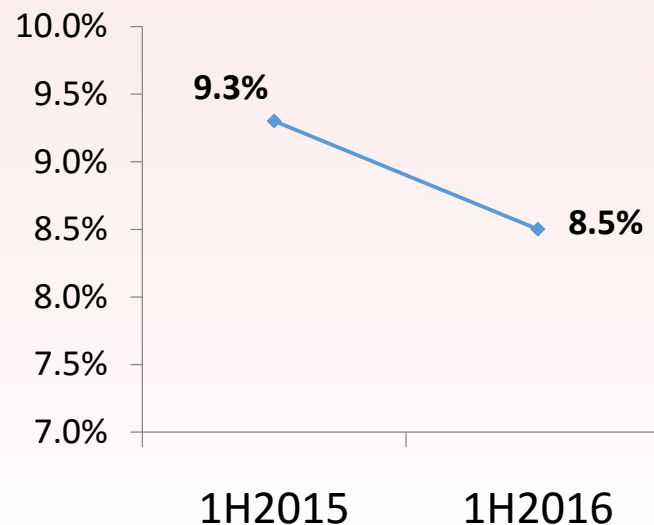
# Wholesale Business

## Revenue from principal business\*

(RMB million)



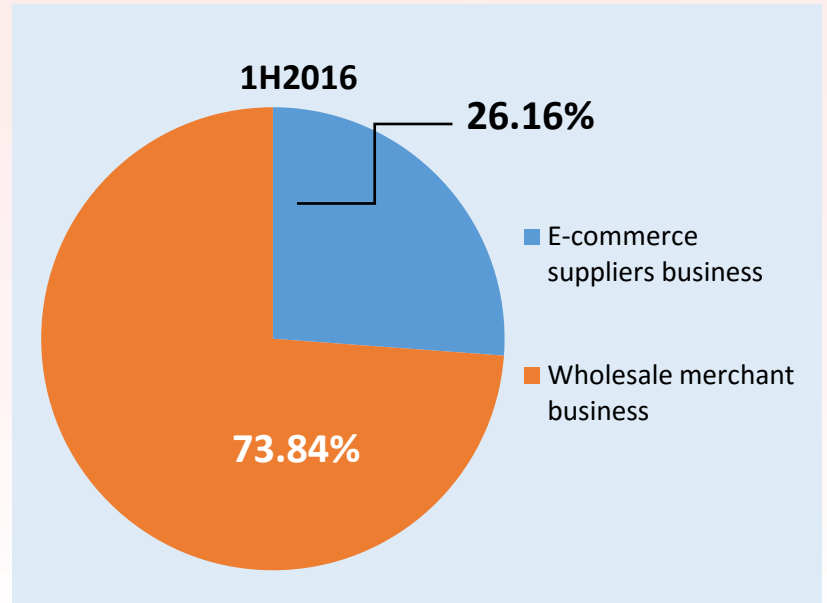
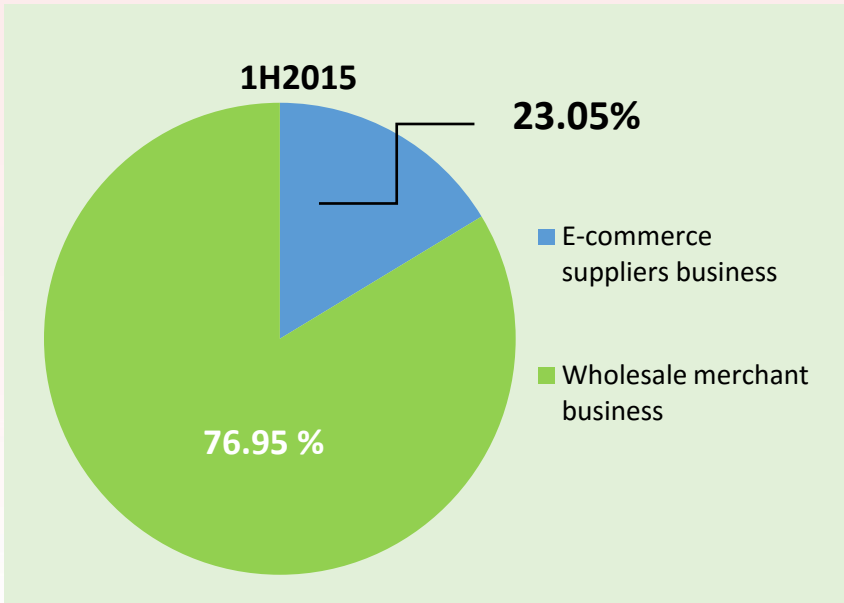
## Gross Profit Margin\*



\* Refers to revenue from principal business recognised by Chaopi Trading and its subsidiaries including intersegment sales.



# Wholesale Business



**Steady increase of e-commerce suppliers business**





## Financial Figures – turnover days

For the 6 months ended 30 June	Retail Business		Wholesale Business	
	1H2015	1H2016	1H2015	1H2016
Inventory turnover days	32	<b>33</b>	63	<b>72</b>
Debtor turnover days	2	<b>2</b>	91	<b>92</b>
Creditor turnover days	75	<b>79</b>	48	<b>52</b>

# Business Review



# Retail Business Improvement

- Continuous development of mobile apps
- Strengthening standardized operation of fresh produce
- Making exploration and innovation from multidimensional perspectives including marketing method, payment method and business model
- Improve store management by strengthening data analysis



# Retail Business

## Number and net operating area of retail outlets as at 30 June 2016

	Department Stores	Hypermarket	Supermarket	Convenience Stores	Total
<b>Number of retail outlets:</b>					
Directly -operated	2	12	68	107	<b>189</b>
Franchise-operated	-	-	1	62	<b>63</b>
<b>Total</b>	<b>2</b>	<b>12</b>	<b>69</b>	<b>169</b>	<b>252</b>
<b>Net operating area (square meters):</b>					
Directly-operated	39,742	86,089	148,205	20,354	<b>294,390</b>
Franchise-operated	-	-	880	12,600	<b>13,480</b>
<b>Total</b>	<b>39,742</b>	<b>86,089</b>	<b>149,085</b>	<b>32,954</b>	<b>307,870</b>



# Wholesale Business Improvement

- Continuous expansion of e-commerce supplier business
- Continuous diversification of goods, extension of supply chain and expansion of distribution network
- Enhance competitiveness by accelerating development of logistics standardization





# Future Plans





## **Retail Business**

- **To provide consumers with convenient and efficient shopping experience by focusing on promoting the development of mobile Apps**
- **To upgrade live and fresh produce operation**
- **To innovate business model**

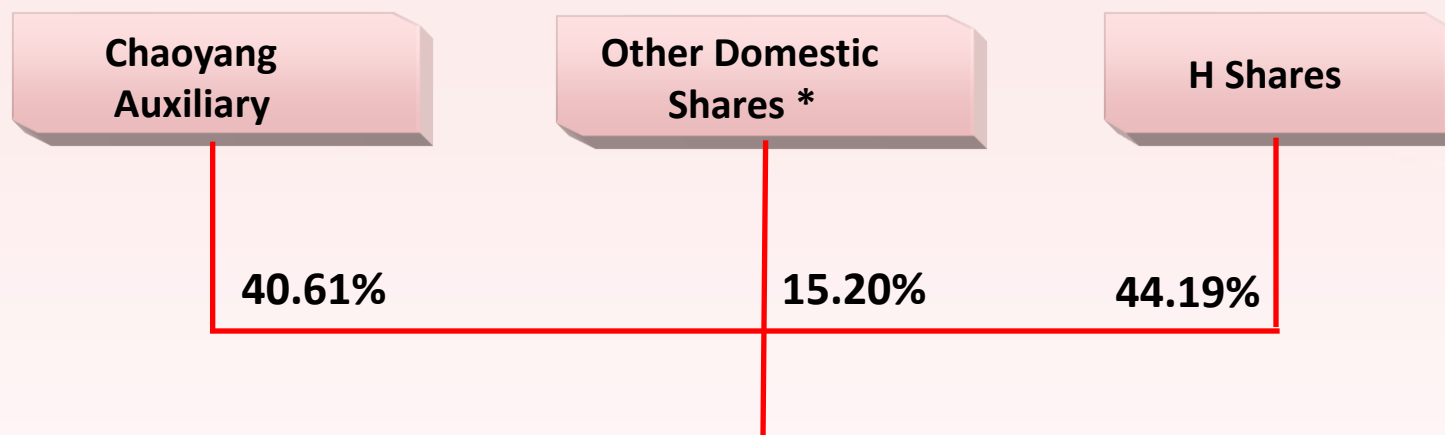
## **Wholesale Business**

- **To accelerate extension of management of the supply chain**
- **To further expand the e-commerce supplier business**

# Appendix



## Appendix I: Shareholding Structure



*\* 9.9% Domestic Shares are held by the senior management and employees.*

# Appendix II: Business Structure

