

For fresh fruit and vegetable marketing and distribution in Asia



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Strong finish for Tesco in Asia

Tesco's operations in Thailand and Malaysia posted increased profits in the final year before their sale



Tesco's Asian operations have posted increased sales and profits, results which follow the company's decision to sell its businesses in Thailand and Malaysia.

In [March](#), Tesco announced the sale of its 2,000 stores in Thailand and 74 stores in Malaysia to Thai conglomerate CP Group for £8.2bn (US\$10.3bn).

The transaction is subject to shareholder and regulatory approval and is expected to be completed during the second half of the 2020 calendar year.

Once completed, CP Group is set to inherit businesses that delivered promising results in 2019/20 (year ending 29 February 2020).

The operating profit of Tesco's Asian operations grew 33.5 per cent year-on-year to £426m (US\$536m) at actual exchange rates. Additionally, sales grew 6.7 per cent to £5.2m (US\$6.5m).

In Thailand, Tesco opened 54 new stores in Thailand, primarily in its Express format and established two 'ultra-convenient' E-Pop stores in the Bangkok region.

The retailer accelerated its cost savings initiatives, employing a more efficient distribution operation and more focused, more effective marketing activity.

Tesco also simplified its

fresh food offer in Thailand, with more competitive prices and it ran a 'Food Love Stories' campaign to improve customer quality perceptions.

In Malaysia, Tesco increased its market share, opening two new small stores following favourable legislation changes, it has plans for a further four openings in 2020/21.

It also worked across the country to build trust with customers through a focus on reducing food waste and plastic usage.