



**Convenience Retail Asia Ltd**  
**1<sup>st</sup> Quarter 2011**  
**Results Announcement**

5 May 2011

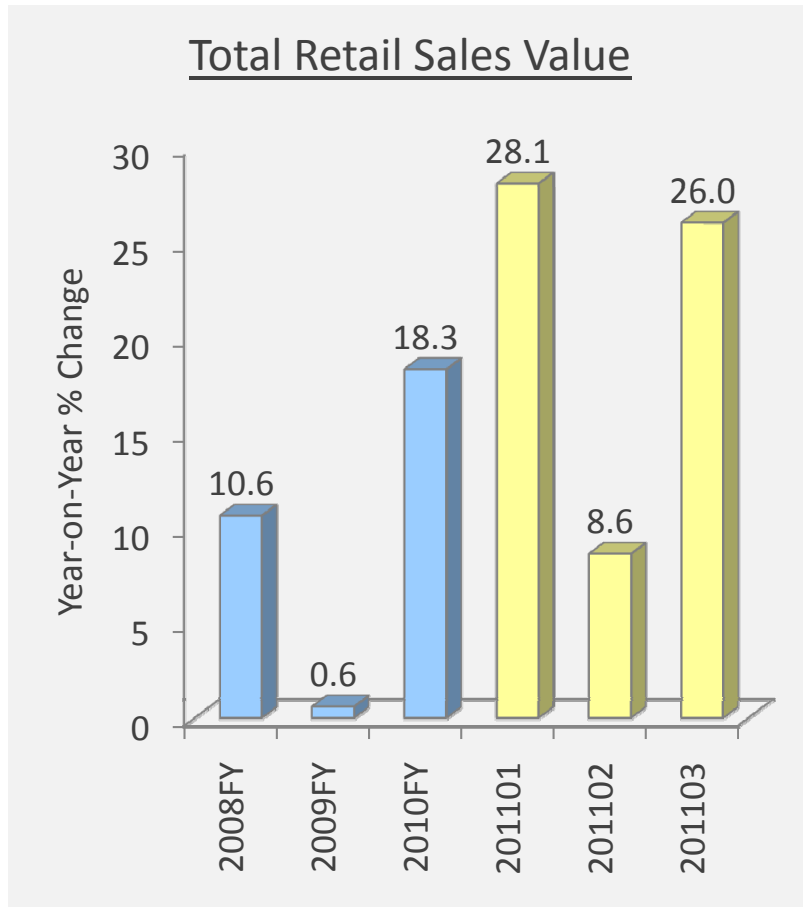
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- Overall Hong Kong & Guangzhou Retail Markets
- 1<sup>st</sup> Quarter 2011 Key Highlight
- 1<sup>st</sup> Quarter 2011 Financial Results highlight
- 2011 Update & Outlook
- Questions & Answers

# Hong Kong & Guangzhou Retail Markets



# Hong Kong Retail Market



March 2011 YTD: +21%

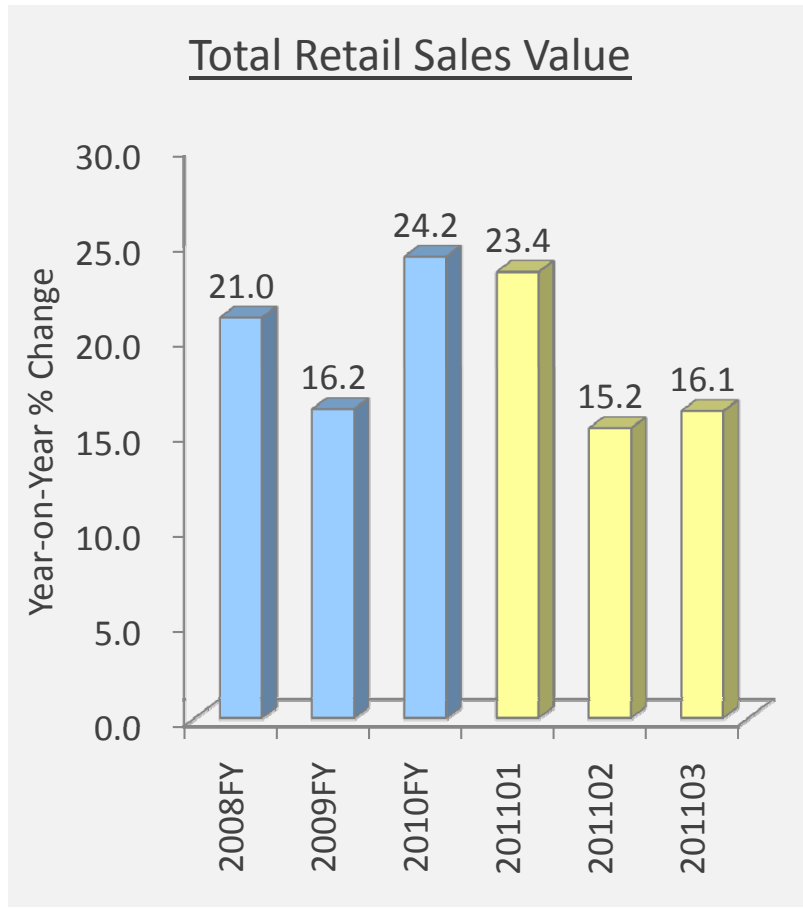


March 2011 YTD: +4%

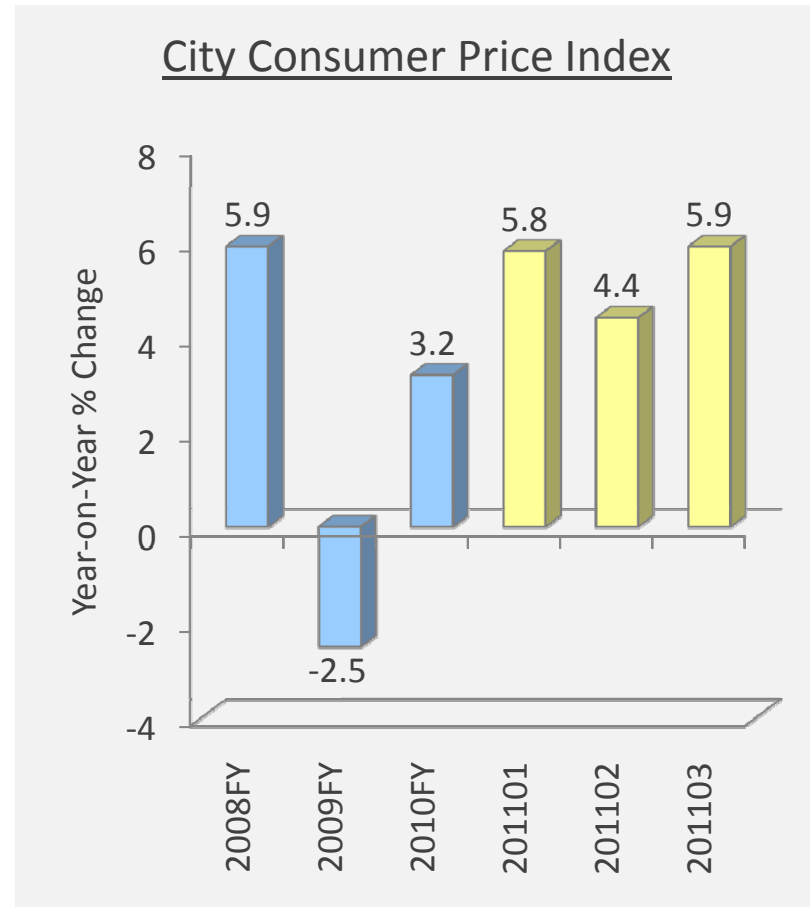
# Hong Kong Retail Market

	Retail Value	Retail Volume
	<i>March YTD 2011 vs. March YTD 2010 (% change)</i>	
All retail outlets	+21.0%	+16.3%
Other consumer durable goods	+80.7%	+95.1%
Jewellery, watches and clocks, and valuable gifts	+42.7%	+33.1%
Motor vehicles and parts	+23.7%	+20.5%
Clothing, footwear and allied products	+23.0%	+17.4%
Medicines and cosmetics	+22.9%	+18.5%
Food, alcoholic drinks and tobacco <i>(other than supermarkets)</i>	+8.2%	-0.2%
Supermarkets	+10.2%	+5.4%

# Guangzhou Retail Market



March 2011 YTD: +16.1%



March 2011 YTD: +5.4%



# 1<sup>st</sup> Quarter 2011 Key Highlight





# 2011Q1 Key Highlight Hong Kong Market

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- Customers accepting reasonable price increase
- Circle K recorded strong sales as a result of strong consumer spending and promotions
- The drastic increase in tobacco duty effective 23 February 2011 unfavorably affected store traffic and slowed down the growth momentum
- Saint Honore recorded solid growth as a result of new products, successful promotions and strong festive sales
- Saint Honore launched new image store at Langham Place on 1 April 2011



# New Products, Services & Promotions

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**富貴壽皇糕**

紅包代表貴氣吉祥，有滋補潤肺、生津大劑之靈。作為款年禮品最合不過。聖安娜今年全新推力的富貴壽皇糕，由食品及裱花師精心研製，精選優質進口西米與真紅豆、中國國以上等好料精心，加上師傅用心烹調，極具製作特色，為 您帶來全新的口味體驗，加上富貴壽皇糕的紅色包裝，送禮自是，令人愛不釋手。

建議享法：每件蒸5-8分鐘，可品嚐到真貴氣量豐富清潤。

- 金裝賀年糕禮盒** 每盒特價 \$290
- 現任字牌糕** 每盒 \$80
- 極品賀年糕禮盒** 每盒特價 \$223
- 至尊馬蹄糕** 每盒 \$63
- 尊貴賀年糕禮盒** 每盒特價 \$206
- 桂花紅豔年糕** 每盒 \$72

尊貴壽皇糕好食靚門！

**Luggage Tag 限量新登場**

100 Fun 免費換

為您的生日送上至Cute禮物

**2011日本版芝麻街 Happy Plates**

3套共6款啲心碟

**SESAAME STREET**

凡來觀聖安娜1周年生日蛋糕或生日蛋糕券，即送 2011限量日本版芝麻街Happy Plates 1套2張(每套)

生日快樂 請有聖安娜蛋糕

生日快樂 總有聖安娜

**Happy Cakes Collection LOVE BABY!**

# Saint Honore New Image 2G Store

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# 2011Q1 Key Highlight Southern China Market

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- Increase in food prices
- Minimum wages increased by 18% to RMB1,300 effective March 2011
- City Improvement and Education Tax (12% of VAT) effective January 2011
- Consumers are receptive to reasonable price increase
- All stores improving steadily, with positive comparable store sales growth, higher gross margin/other income and positive store contribution
- Circle K opened 7 new stores
- Saint Honore sales continued to increase



# **1<sup>st</sup> Quarter 2011 Financial Results Highlight**





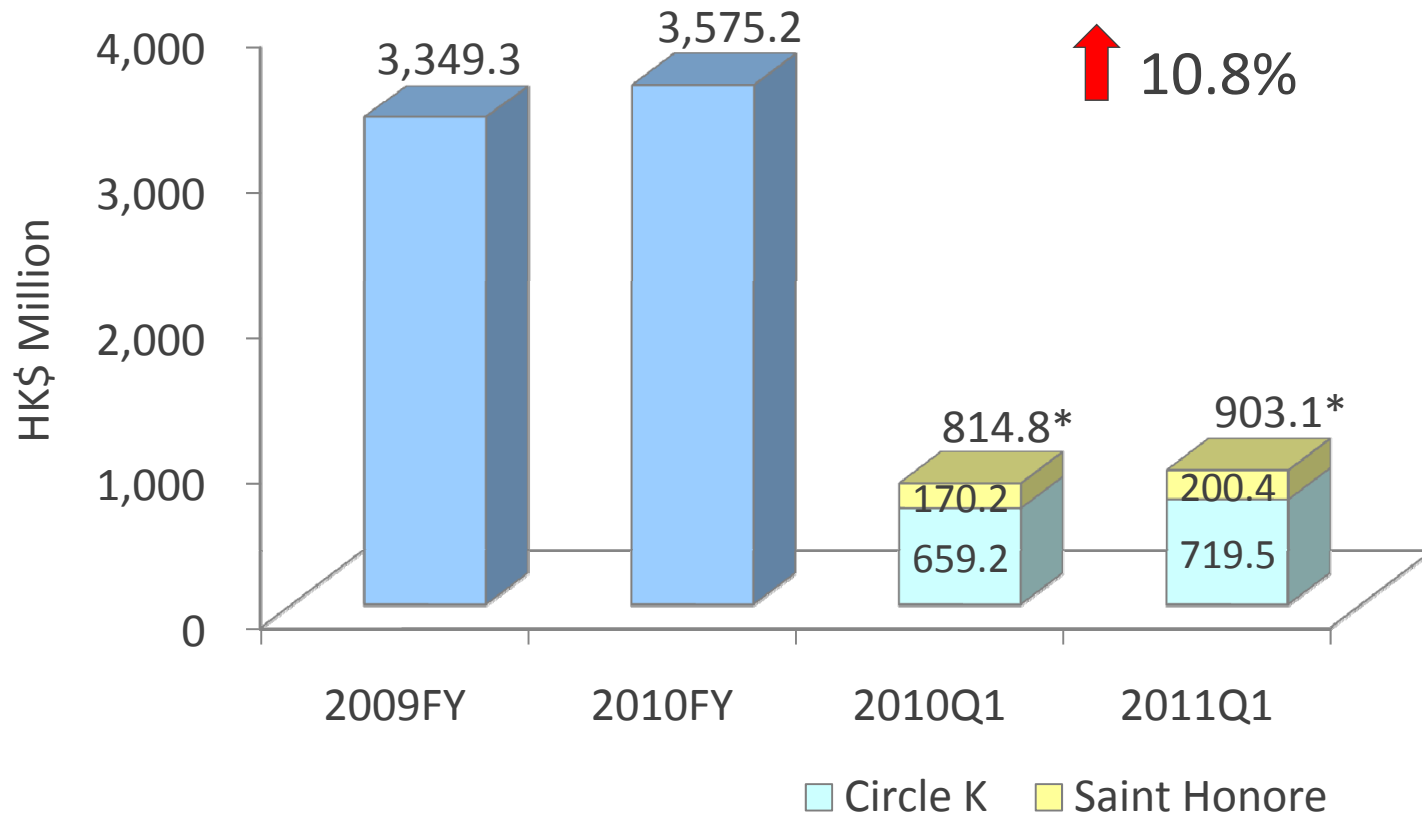
# 2011Q1 Financial Results Highlight

## Number of Stores

	End of 2010	Opened	Closed	End of 2011Q1
Circle K Hong Kong	318	5	(4)	319
Circle K Southern China	63	7	(2)	68
- Guangzhou (owned)	56	7	(2)	61
- Guangzhou (franchised)	6	-	-	6
- Shenzhen	1	-	-	1
Circle K Macau (franchised)	21	-	-	21
Circle K Zhuhai (franchised)	12	1	-	13
Saint Honore Group	112	3	(2)	113
<b>CRA Group Total</b>	<b>526</b>	<b>16</b>	<b>(8)</b>	<b>534</b>



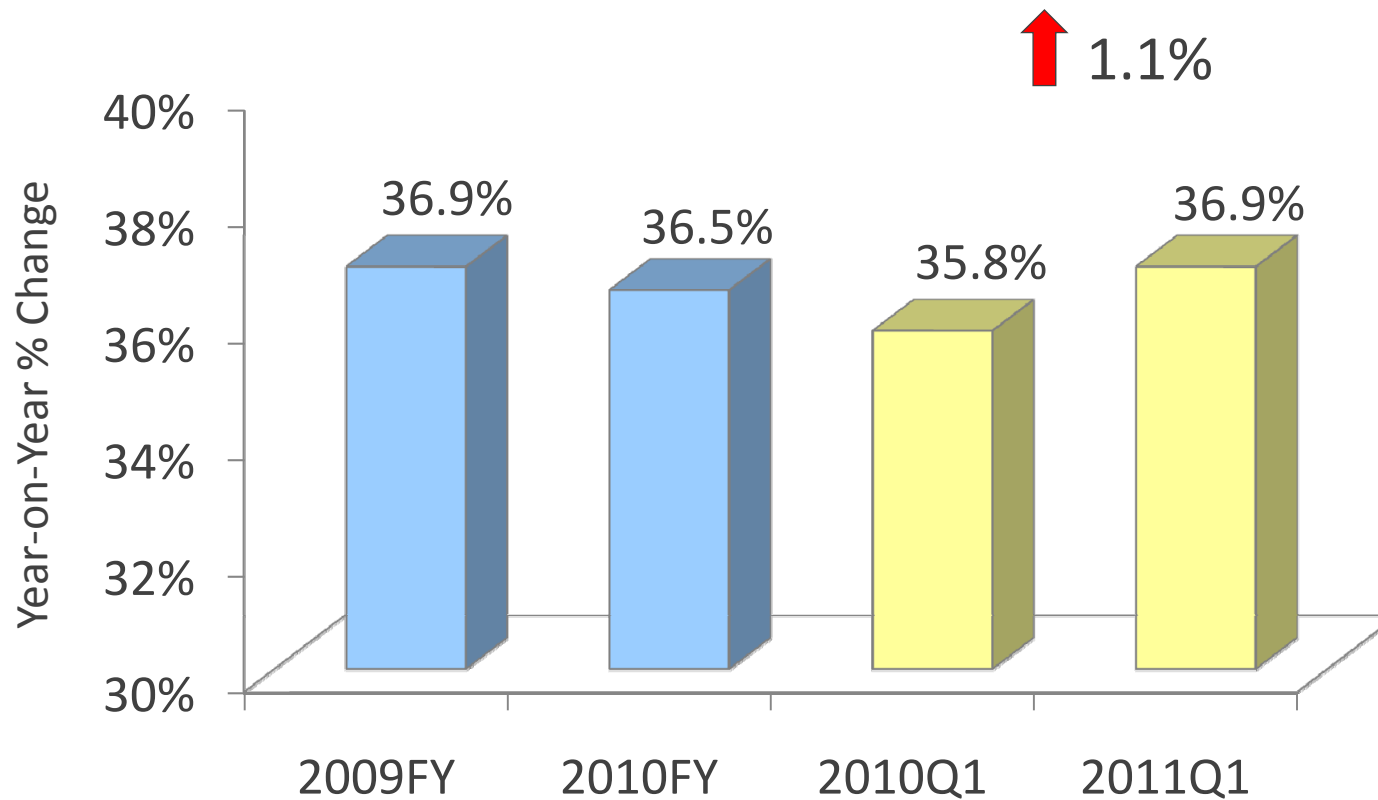
# 2011Q1 Financial Results Highlight Group Turnover



\* Less inter-group sales: HK\$14.6M in 2010Q1 and HK\$16.8M in 2011Q1



# 2011Q1 Financial Results Highlight Gross Margin & Other Income



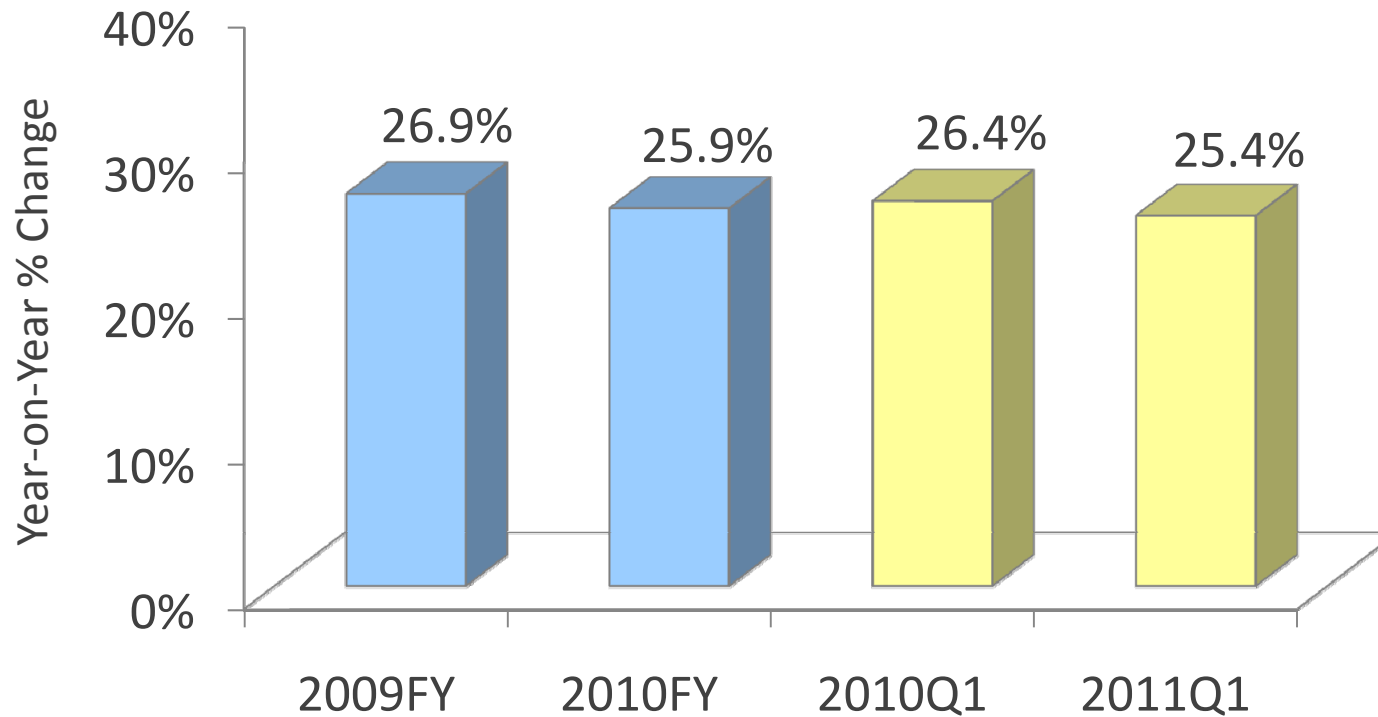
*Excluding interest income*



# 2011Q1 Financial Results Highlight

## Store Operating Expenses

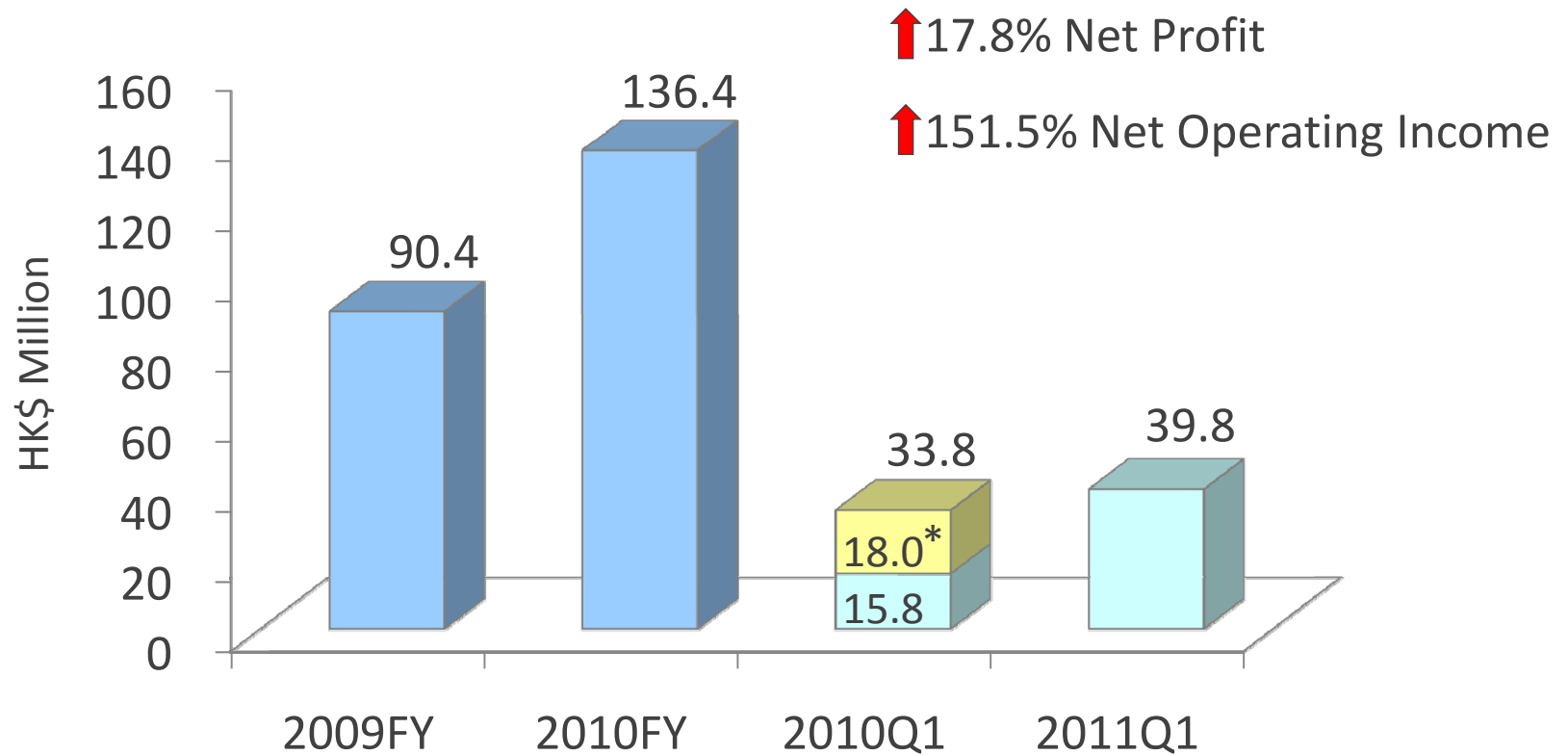
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# 2011Q1 Financial Results Highlight Group Net Profit



\* Gain on disposal of property



## 2011Q1 Financial Results Highlight Net Profit By Market

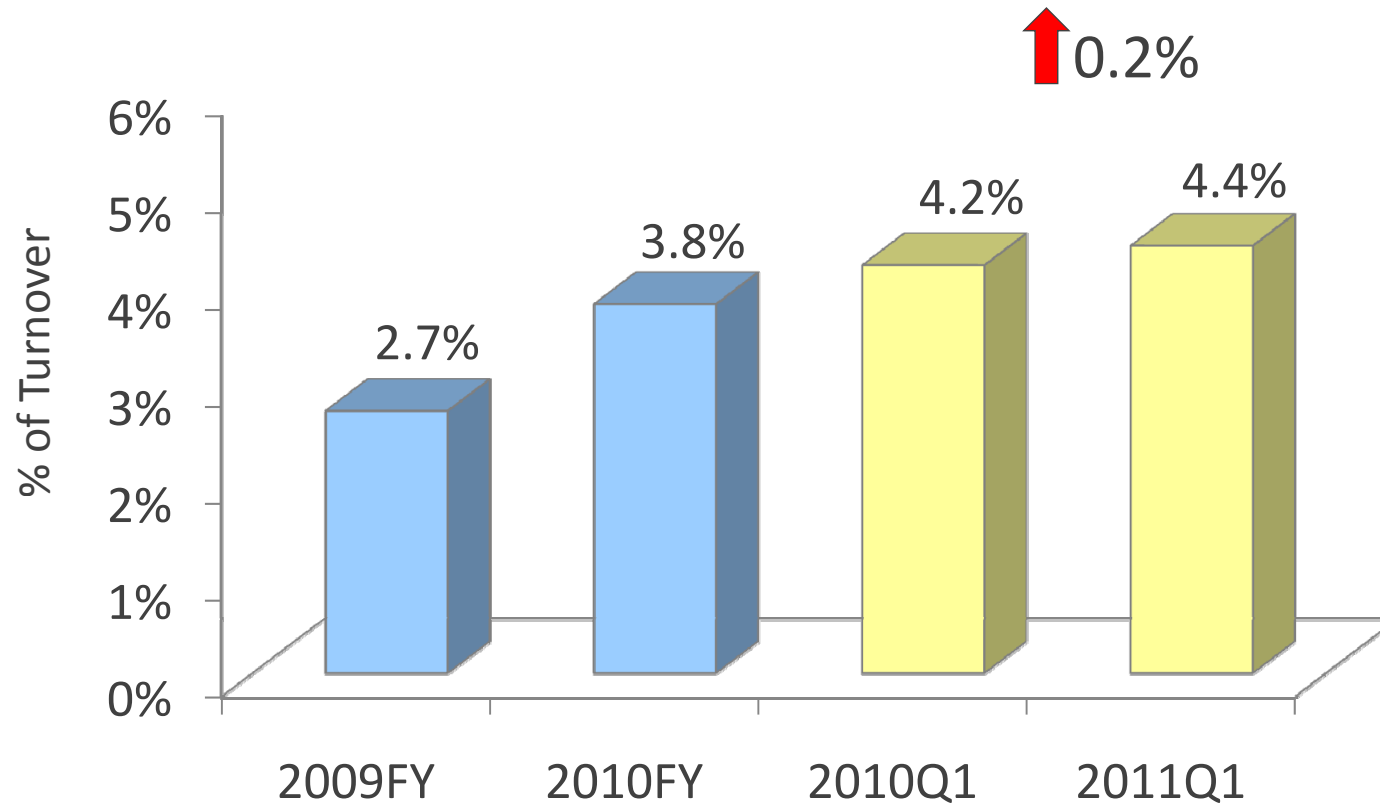
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<i>(HK\$ Million)</i>	2010Q1	2011Q1	Change
Hong Kong & Macau Markets	40.7	44.6	+9.5%
China Market	(6.9)	(4.8)	+31.0%
CRA Group Total	33.8	39.8	+17.8%



# 2011Q1 Financial Results Highlight Net Profit as % of Turnover

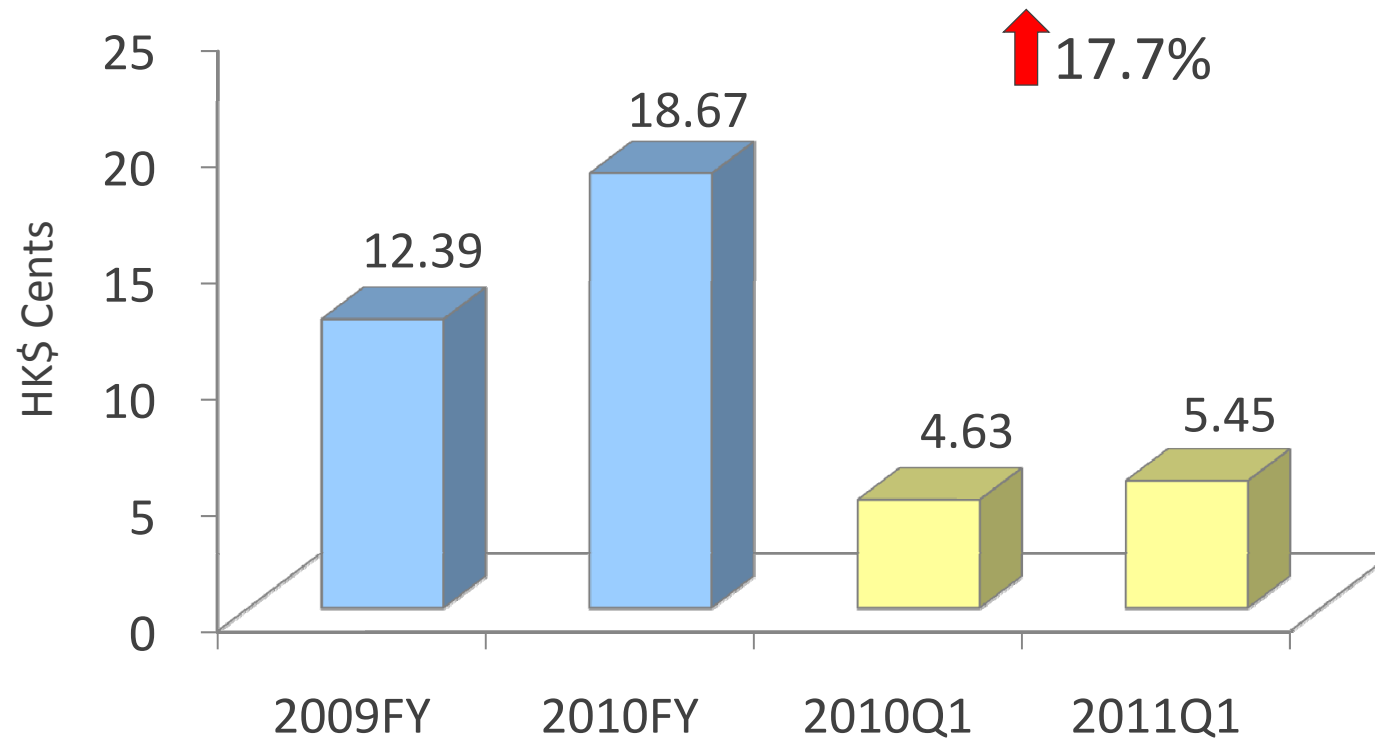
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# 2011Q1 Financial Results Highlight Basic Earnings Per Share

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## 2011Q1 Financial Results Highlight

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	2010Q1	2011Q1	Change
Number of Stores	495	534	+39
Group Turnover (HK\$M)	814.8	903.1	+10.8%
Group Net Profit (HK\$M)	33.8	39.8	+17.8%
Net Profit as % of Turnover	4.2%	4.4%	+0.2%
Basic Earnings Per Share (HK Cents)	4.63	5.45	+17.7%

# 2011 Update & Outlook



# 2011 Update & Outlook

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- Expect to complete process for switching to the Main Board in Q2 2011
- Inflation impacting raw materials, product cost, rental and labour cost
- Impact of minimum wages regulation in Hong Kong
- Favorable outlook in terms of sales and gross margin
- Controlling operating expenses and boosting productivity will be most critical in the coming months
- Launching of new products as well as effective promotions continue to be important
- Actively seeking M&A projects

# To Summarize

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- Very strong results in Q1 2011
- Expect favorable topline sales and gross margin / other income
- Operating expenses are expected to increase quite unfavorably primarily due to high inflation, escalating rental and impact of minimum wages
- Group is ready to tackle the issues
- Despite challenges, outlook for the whole year remains positive





**Thank You!**

