



Convenience Retail Asia Limited
2011 Half Year
Results Announcement

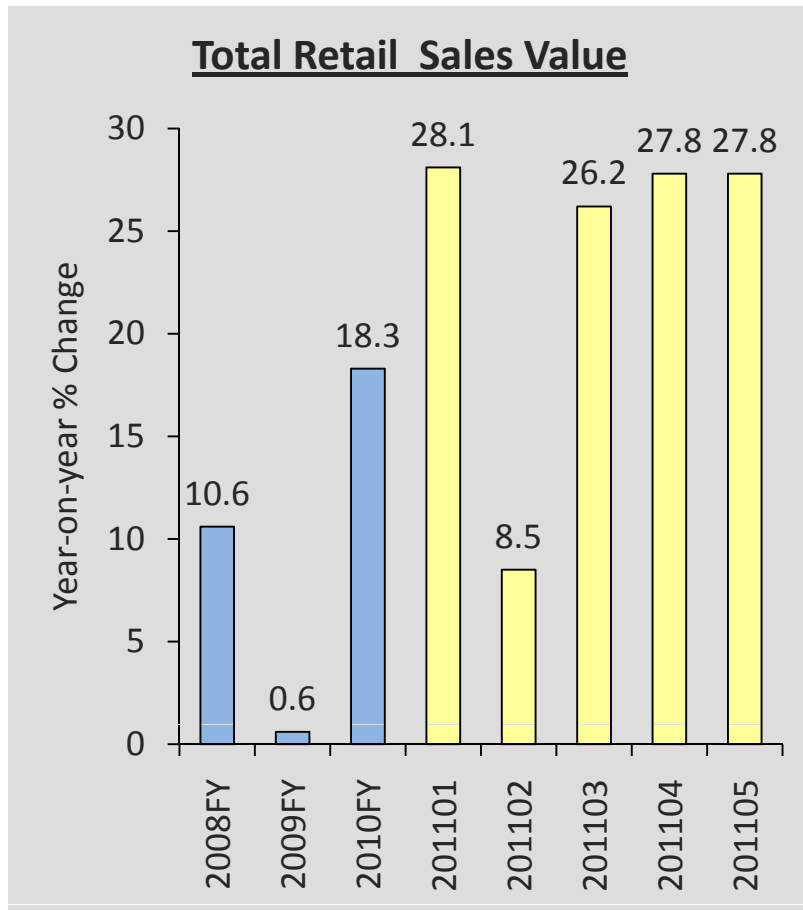
27 July 2011

- Overall Hong Kong and China Retail Markets
- 1H 2011 Key Highlight
- 1H 2011 Financial Results Highlight
- 2011 Update & Outlook
- Questions & Answers

Hong Kong and China Retail Markets



Hong Kong Retail Market



May 2011 YTD: +23.6%

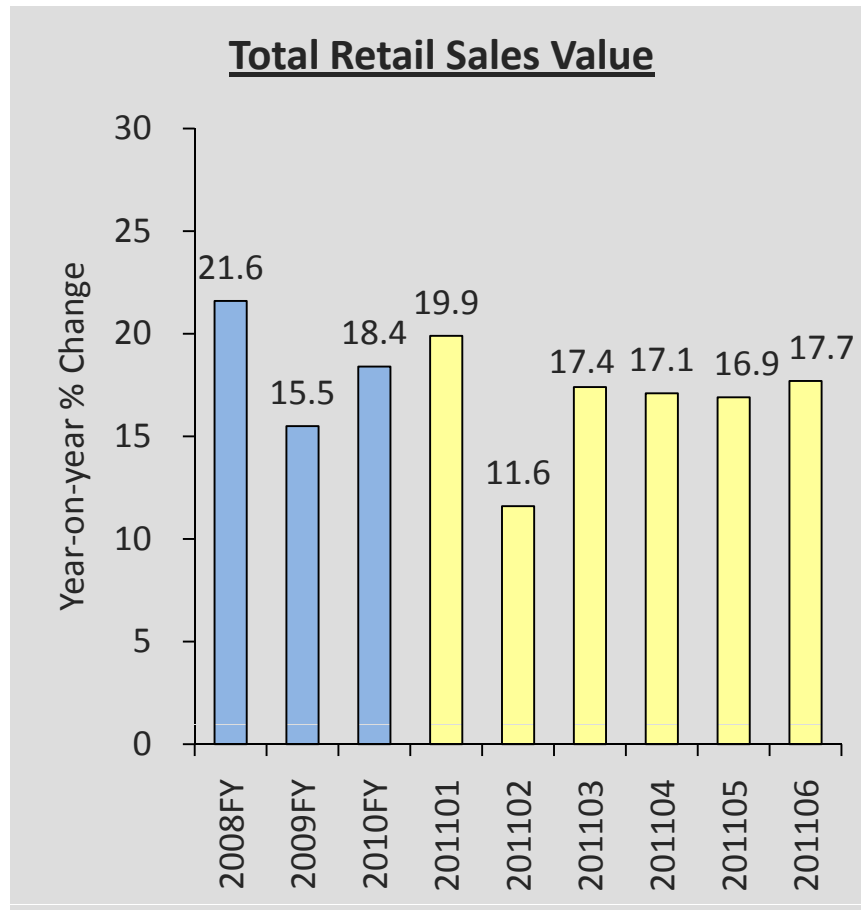


June 2011 YTD: +4.5%

Hong Kong Retail Market

| | Retail Value | Retail Volume |
|--|---|---------------|
| | <i>May YTD 2011 vs. May YTD 2010 (% change)</i> | |
| All Retail Outlets | +23.6% | +18.4% |
| Other consumer durable goods | +102.5% | +118.9% |
| Jewellery, watches & clocks, and valuable gifts | +48.7% | +37.2% |
| Clothing, footwear and allied products | +27.8% | +21.0% |
| Medicines and cosmetics | +22.9% | +18.1% |
| Electrical goods and photographic equipment | +20.9% | +28.4% |
| Food, alcoholic drinks and tobacco (other than supermarkets) | +6.6% | -3.4% |
| Supermarkets | +10.6% | +4.3% |

China Retail Market



June 2011 YTD: +16.8%



June 2011 YTD: +5.4%



1H 2011 Key Highlight





1H 2011 Key Highlight Hong Kong Market

1. Mainland tourist shopping, improvement in local consumer sentiment, inflation boosted Hong Kong retail value growth
2. Inflation, Inflation, Inflation
3. Customers accepting reasonable price increase
4. Very high rental making it more difficult to expand store network
5. Controlling cost & operating expenses and boosting productivity
6. Strong comparable store and total store sales increases due to pricing increases, tobacco tax increase, new products & services and strong promotions

Hong Kong & Macau Markets New Products

CREAMY COW
「滑牛牛」特濃牛乳
軟雪糕新地
特價\$7.5 \$8*

買5送1
購買軟雪糕新地1杯，即可獲贈印花1張。累積5張印花，免費多送1杯。

OK便利店 創意便利服務

- 免費服務
- 代收水電費
- 代收地產費
- 代收士巴丹拿門費
- 網上遊戲
- 充電服務
- EPS 提款器

買1, www.ok.com.hk 詳情請參閱各分店廣告

HAPPY MOTHER'S DAY
DIY 親手做 我心 為媽媽設計蛋糕

MOM
Happy Mother's Day

MOM 的禮物

Happy Easter

1磅巧克力蛋糕 \$89
2磅巧克力蛋糕 \$169

Happy Father's Day

芝士蛋糕 \$159

芝士蛋糕 \$89

芝士蛋糕 \$89

以上3款 優惠組合 \$149/2款

速遞收件站

宅急便
TA·Q·BIN

即日送件之截止時間：早上10:30
翌日送件之截止時間：下午16:00

雅瑪多運輸(香港)有限公司
http://hk.ta-q-bin.com
查詢熱線：2829-2222

淘點

到OK購物 最高\$6

淘點「價」超優惠
咁Circle K克己，搞搞一take嚟

My Card

本店有售

- 50M - HK\$14
- 150M - HK\$40
- 300M - HK\$80
- 350M - HK\$93
- 400M - HK\$108
- 450M - HK\$120
- 1000M - HK\$265
- 1150M - HK\$305
- 2000M - HK\$530

聖安娜雙色西米水晶糰
So Good!

全鮮推介
雙色西米水晶糰好食靚門！

早買超值價至2011年5月23日
逾期折扣不再

鮮奶球麵包

採用天然鮮奶，包身鬆軟，外層香脆。

雙層全蛋鮮奶球 \$1.99

雙層全蛋鮮奶球 \$1.99

雙層全蛋鮮奶球 \$1.99

New Generation of Stores



Other Highlights

2. Circle K gaining on brand leadership:

- Campaign and TNS
 - 2011 Top 10 Motivating Advertiser
 - 2011 Top 10 Brand in Hong Kong
- Hong Kong Retail Management Association
 - 2010 Service Retailer of CVS Category
 - Service Category Leader of CVS Category for the periods of Nov 2010 – Jan 2011 and March 2011 – May 2011



HONG KONG Top 10 brands

| | |
|-------------|--------------------|
| 1 Sony | 6 Nestlé |
| 2 Panasonic | 7 Samsung |
| 3 Canon | 8 Watsons |
| 4 Apple | 9 Starbucks |
| 5 HSBC | 10 Circle K |

Source: Top 1000 brands 2011

TOP 10 Motivating advertisers

| |
|--------------------------|
| 1 Apple |
| 2 HTC |
| 3 Sony |
| 4 Cathay Pacific |
| 5 Canon |
| 6 Ocean Park Hong Kong |
| 7 Disney |
| 8 Hang Seng Bank |
| 9 Circle K Stores |
| 10 Nike |

Source: TNS



1H 2011 Key Highlight Southern China Market

1. Food, rental and labour costs increased higher than official inflation rates
2. Consumers are becoming more prudent in spending
3. Added net 5 Circle K stores and 6 Saint Honore stores while renovating existing store network
4. Healthy increase in comparable store sales marginally covered increase in cost and operating expenses
5. Circle K and Saint Honore gross margin, store contribution improving steadily despite inflation



1H 2011 Financial Results Highlight



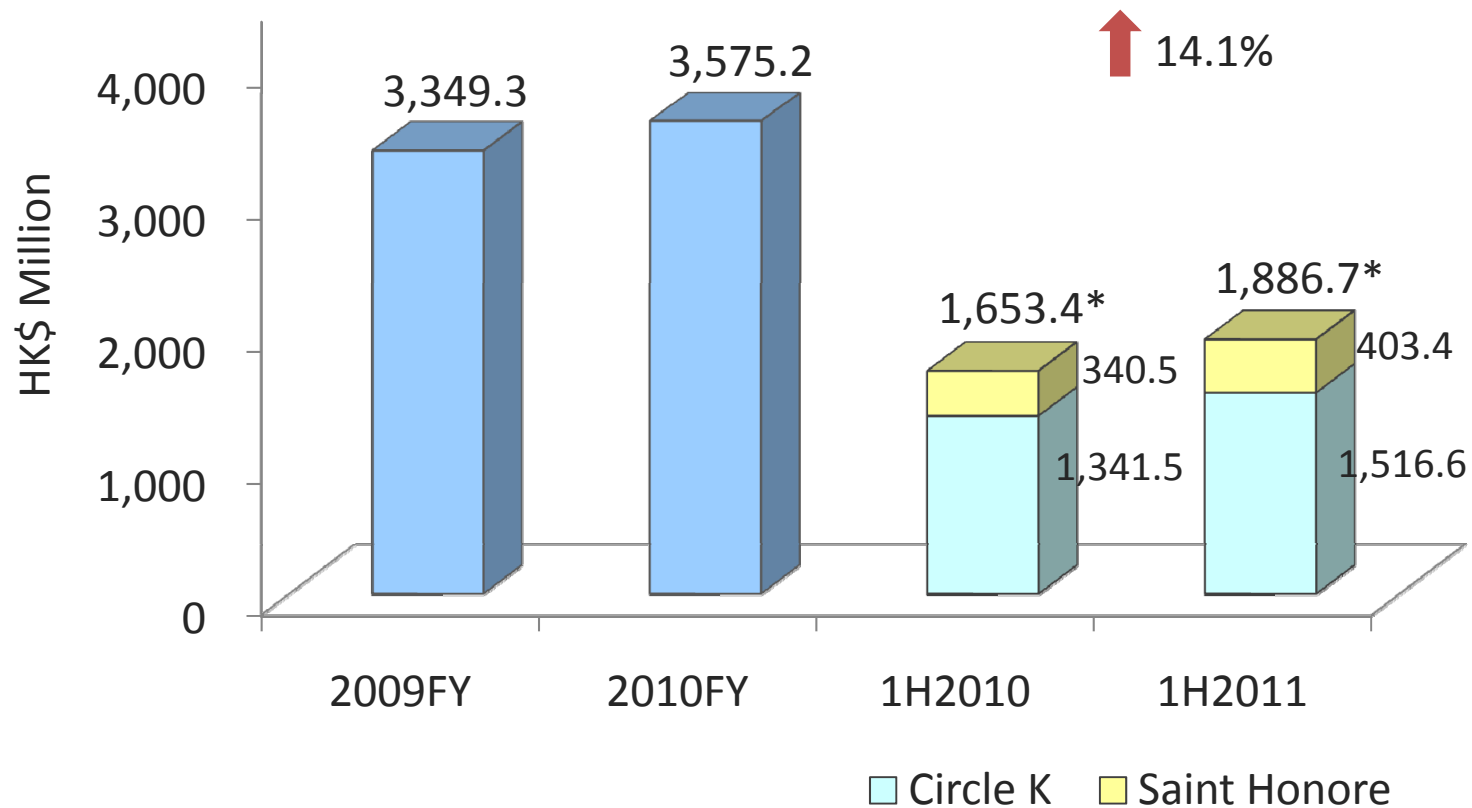


1H 2011 Financial Results Highlight

Number of Stores

| | End of 2010 | Opened | Closed | End of 1H 2011 |
|---------------------------------|-------------|-----------|-------------|----------------|
| Circle K Hong Kong | 318 | 9 | (8) | 319 |
| Circle K Southern China | 63 | 10 | (5) | 68 |
| ▪ <i>Guangzhou (owned)</i> | 56 | 10 | (5) | 61 |
| ▪ <i>Guangzhou (franchised)</i> | 6 | - | - | 6 |
| ▪ <i>Shenzhen</i> | 1 | - | - | 1 |
| Circle K Macau (franchised) | 21 | 1 | - | 22 |
| Circle K Zhuhai (franchised) | 12 | 1 | - | 13 |
| Saint Honore Group | 112 | 8 | (3) | 117 |
| CRA Group Total | 526 | 29 | (16) | 539 |

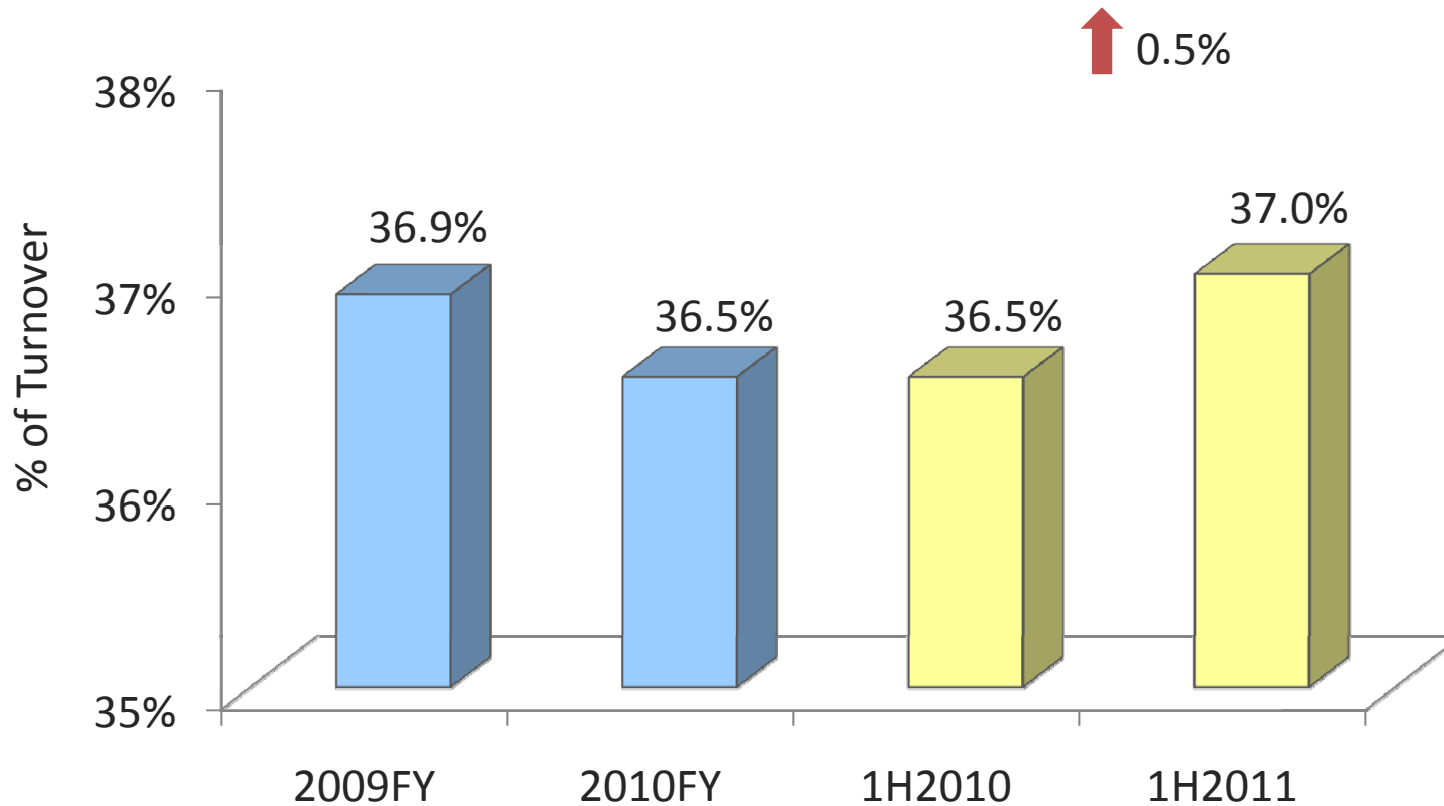
1H 2011 Financial Results Highlight Group Turnover



* Less inter-group sales: HK\$28.6M in 1H 2010 and HK\$33.3M in 1H 2011



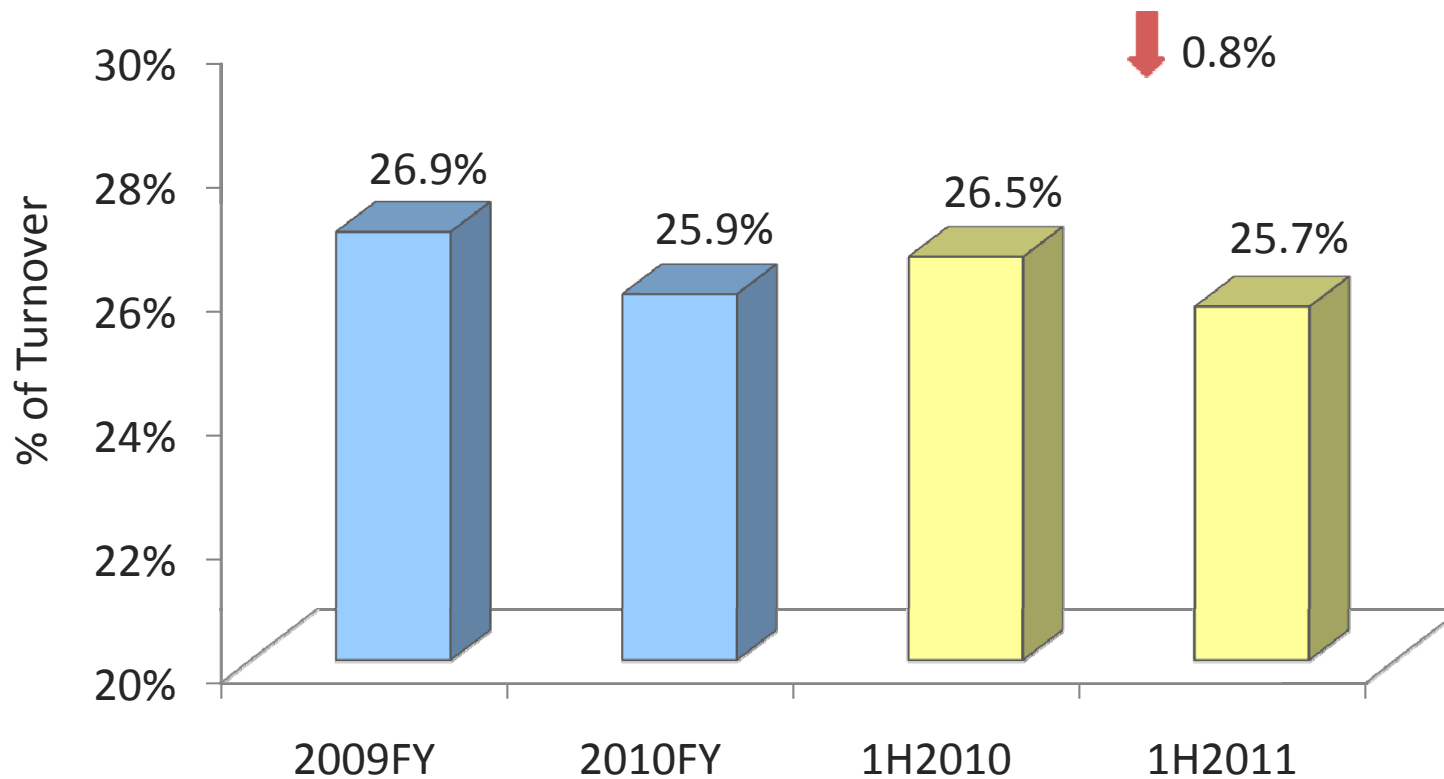
1H 2011 Financial Results Highlight Gross Margin & Other Income





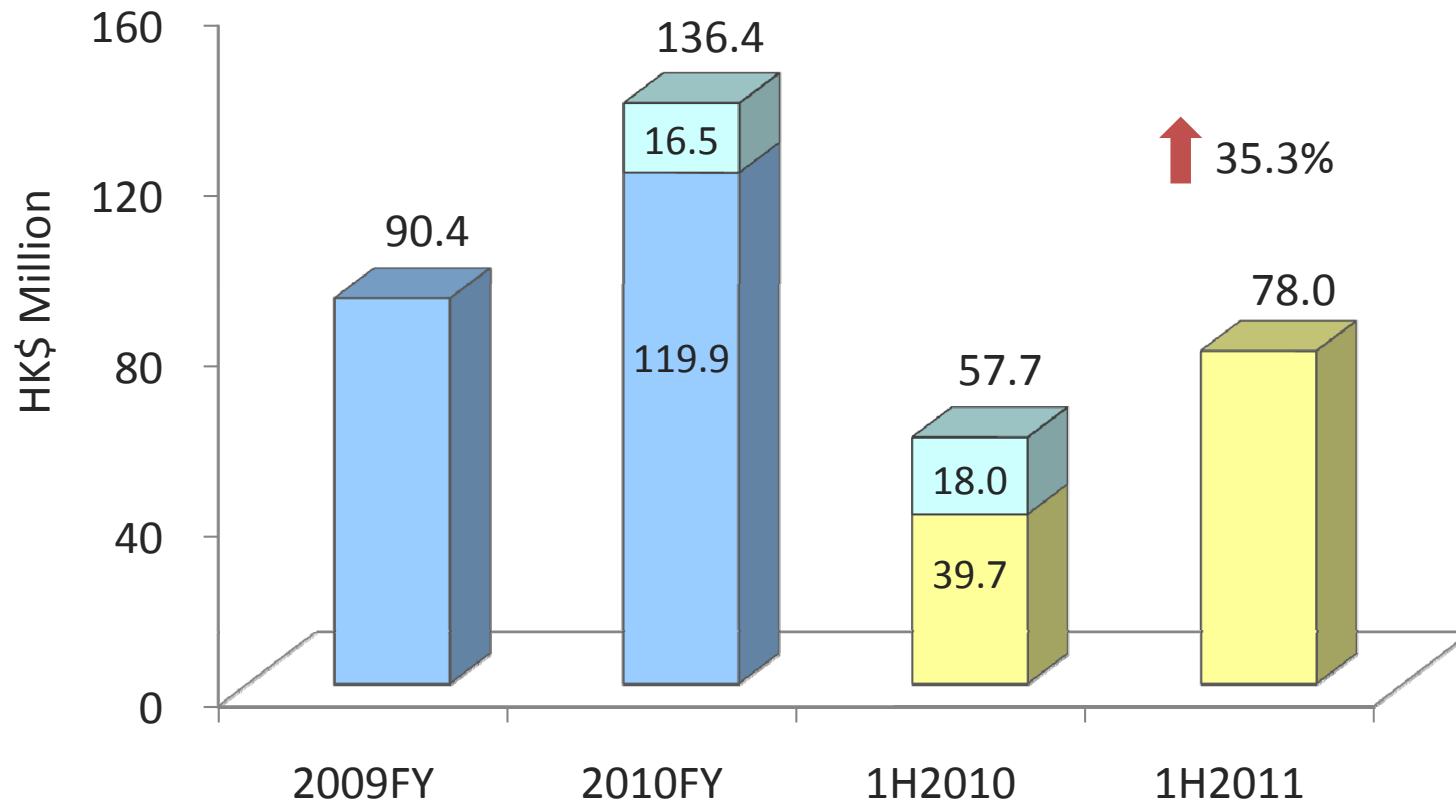
1H 2011 Financial Results Highlight

Store Operating Expenses



1H 2011 Financial Results Highlight

Group Net Profit



□ Gain on Property Disposal



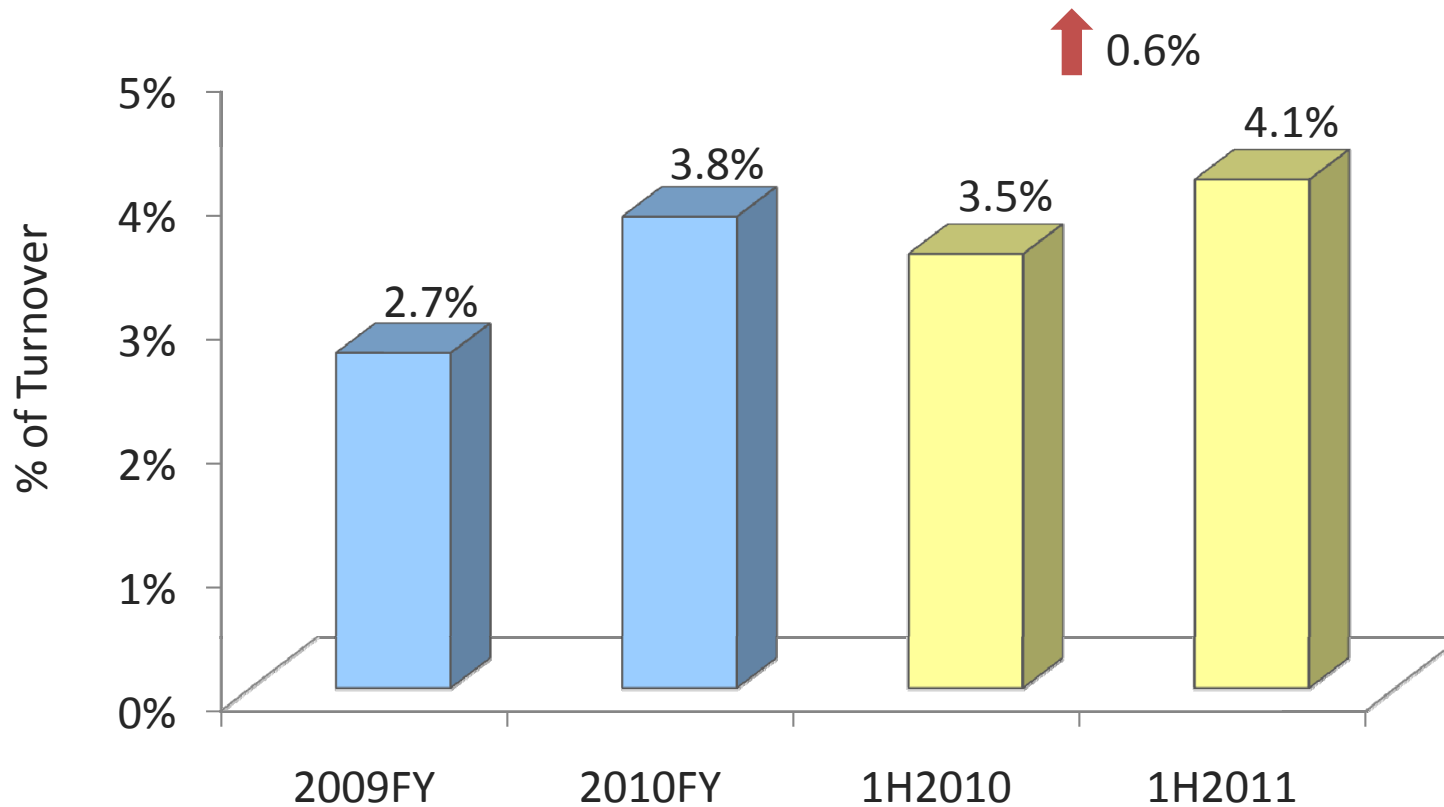
1H 2011 Financial Results Highlight

Net Profit By Market

| <i>(HK\$ Million)</i> | 1H2010 | 1H2011 |
|-----------------------------|-------------|-------------|
| Hong Kong and Macau Markets | 70.9 | 88.6 |
| China Market | (13.2) | (10.6) |
| CRA Group Total | 57.7 | 78.0 |



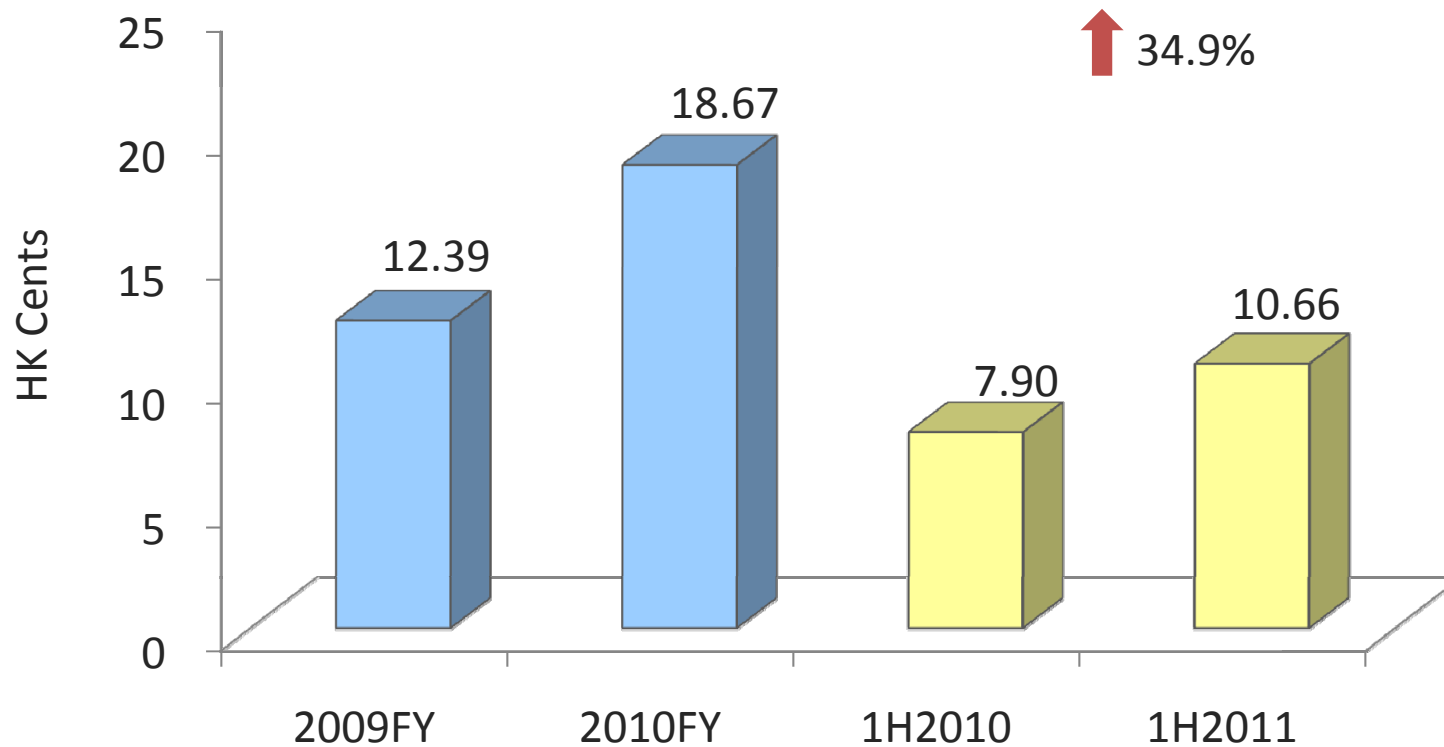
1H 2011 Financial Results Highlight Net Profit as % of Turnover





1H 2011 Financial Results Highlight

Basic Earnings Per Share





1H 2011 Financial Results Highlight

| | 1H2010 | 1H2011 | Change |
|-------------------------------------|---------|---------|--------|
| Number of Stores | 501 | 539 | +38 |
| Group Turnover (HK\$M) | 1,653.4 | 1,886.7 | +14.1% |
| Group Net Profit (HK\$M) | 57.7 | 78.0 | +35.3% |
| Net Profit as % of Turnover | 3.5% | 4.1% | +0.6% |
| Basic Earnings Per Share (HK cents) | 7.9 | 10.66 | +34.9% |
| Dividends | | | |
| ▪ Interim Dividend (HK cents) | 1.9 | 3.8 | +100% |
| ▪ Special Dividend (HK cents) | 2.4 | - | N/A |

Other Highlights

1. Successfully completed transfer of listing to the Main Board on 20 June 2011



2011 Update & Outlook



2011 Update & Outlook

- Exceptionally strong 1H 2011 results
- Favorable outlook for top-line sales
- Gross margin and net profit margin expected to be under pressure due to:
 - Large increase in cost of good, rental and labour costs
 - Customers wary of price increases
 - Lower gross margin on cigarette sales
- New products, strong promotions, upgrading of store network and tight control of expenses
- Overall, expecting an excellent year despite high inflation



Thank You!

