



1st Quarter 2008 Results Announcement

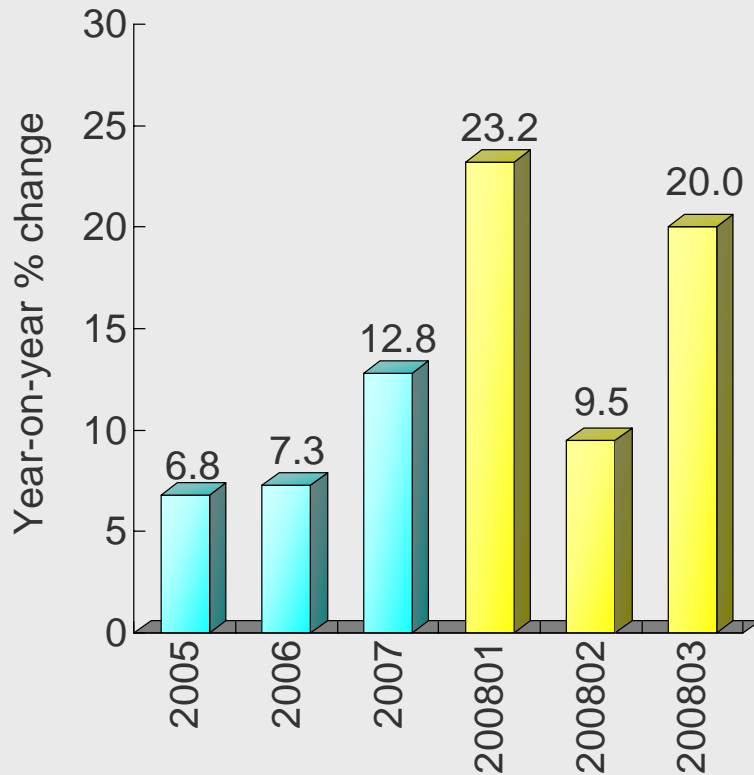
7 May 2008

2008Q1 Results Announcement

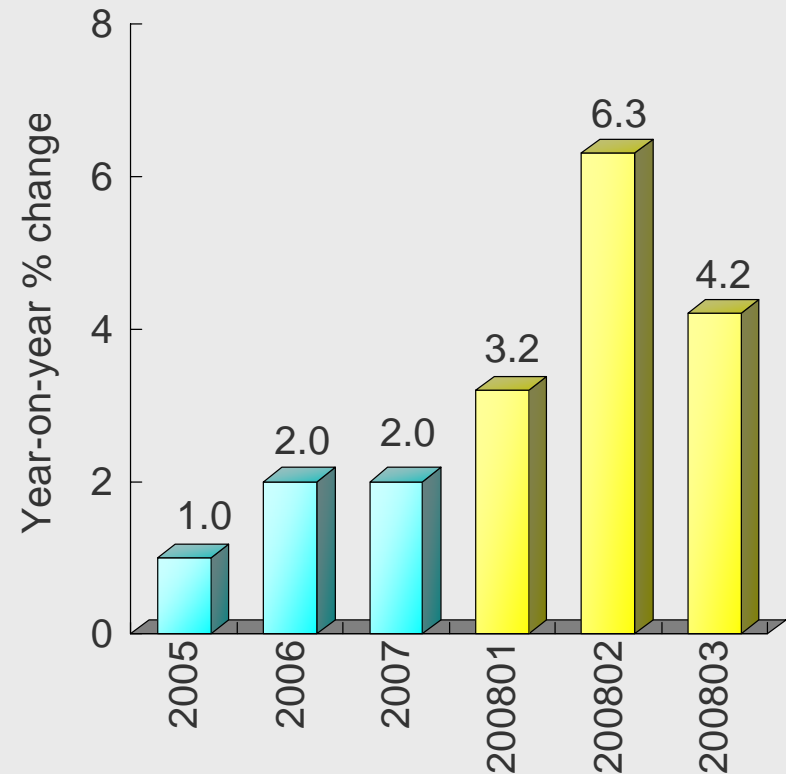
- Overall Hong Kong & Guangzhou Retail Markets
- 2008Q1 Key Highlight
- 2008Q1 Financial Results Highlight
- 2008 Update & Outlook

Hong Kong Retail Market

HK Retail Sales Value

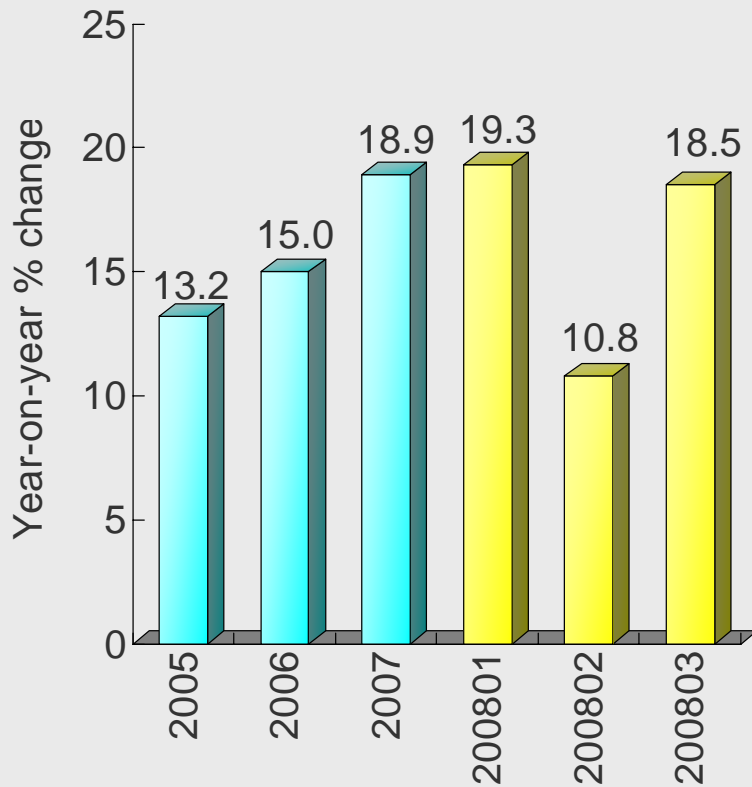


HK Consumer Price Index

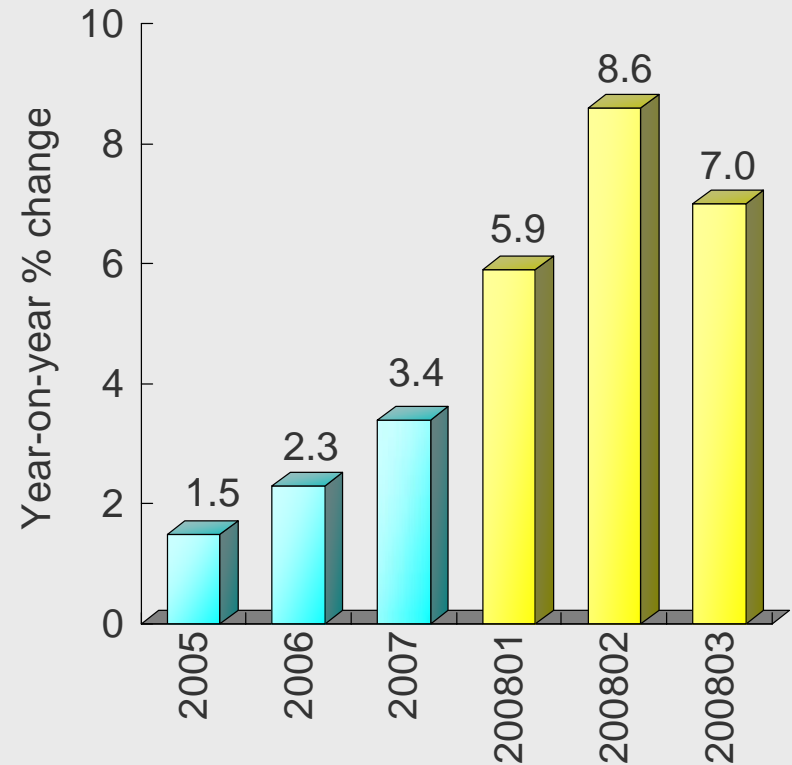


Guangzhou Retail Market

GZ Retail Sales Value



GZ City Consumer Price Index



2008Q1 Key Highlight



2008Q1 Key Highlight Hong Kong Market

- Unusually cold weather in January and February
- Huge increase in food cost
- Challenging rental increase on renewal
- Inflation pressure on other operating expenses

2008Q1 Key Highlight Southern China Market

- Run-away food cost increases such as pork, poultry and flour
- Escalating operational expenses
- Increasing labour shortage
- Consumer sentiment to spend continues to be strong

2008Q1 Financial Results Highlight



2008Q1 Financial Results Highlight

Number of Store – Circle K

- Total 373 Circle K stores
 - 271 stores in Hong Kong
 - 63 stores in Guangzhou
 - 8 stores in Dongguan
 - 5 stores in Shenzhen
 - 16 stores in Macau
 - 10 stores in Zhuhai

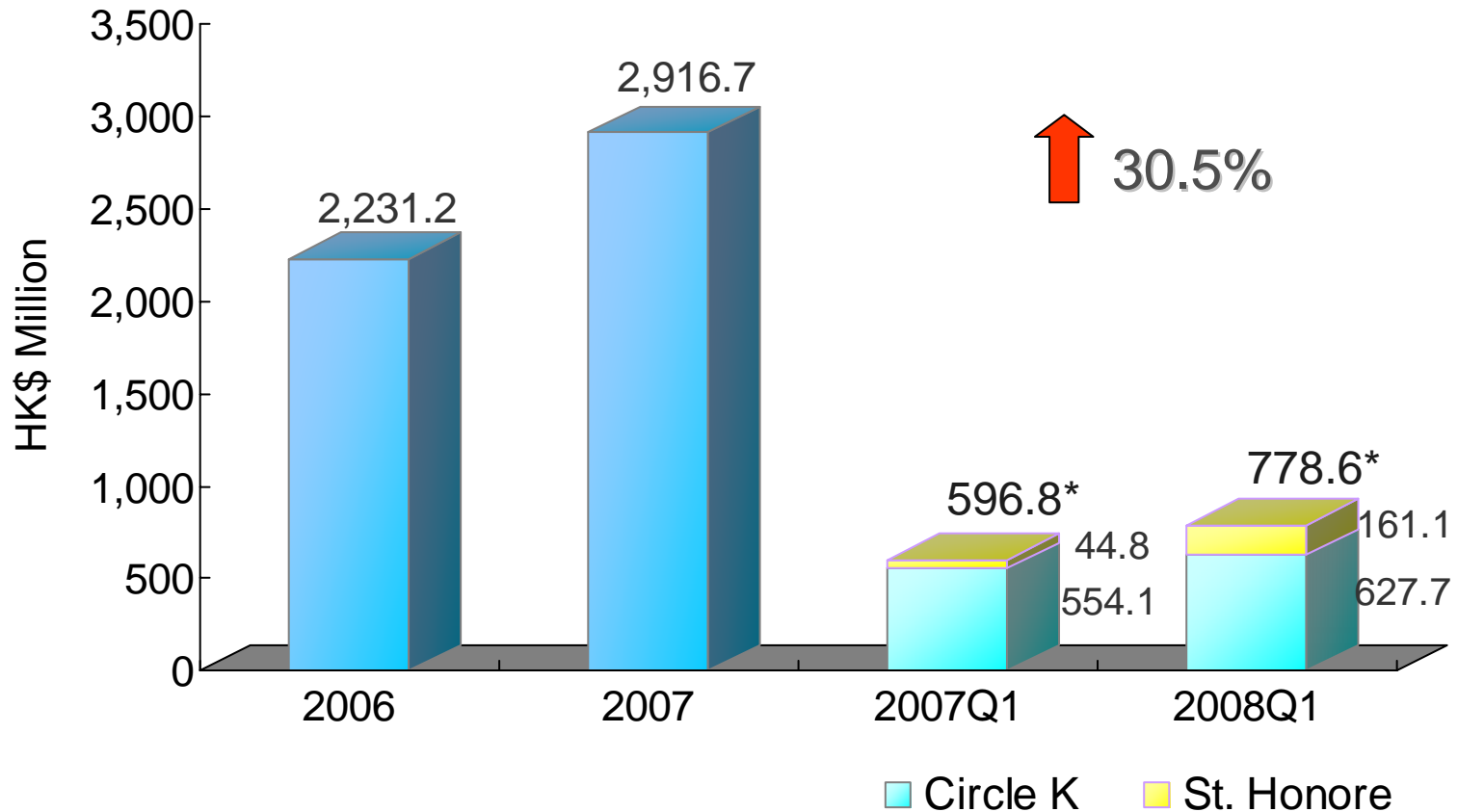


2008Q1 Financial Results Highlight Number of Store – Saint Honore

- Total 100 Saint Honore stores
 - 84 stores in Hong Kong
 - 9 stores in Guangzhou
 - 7 stores in Macau

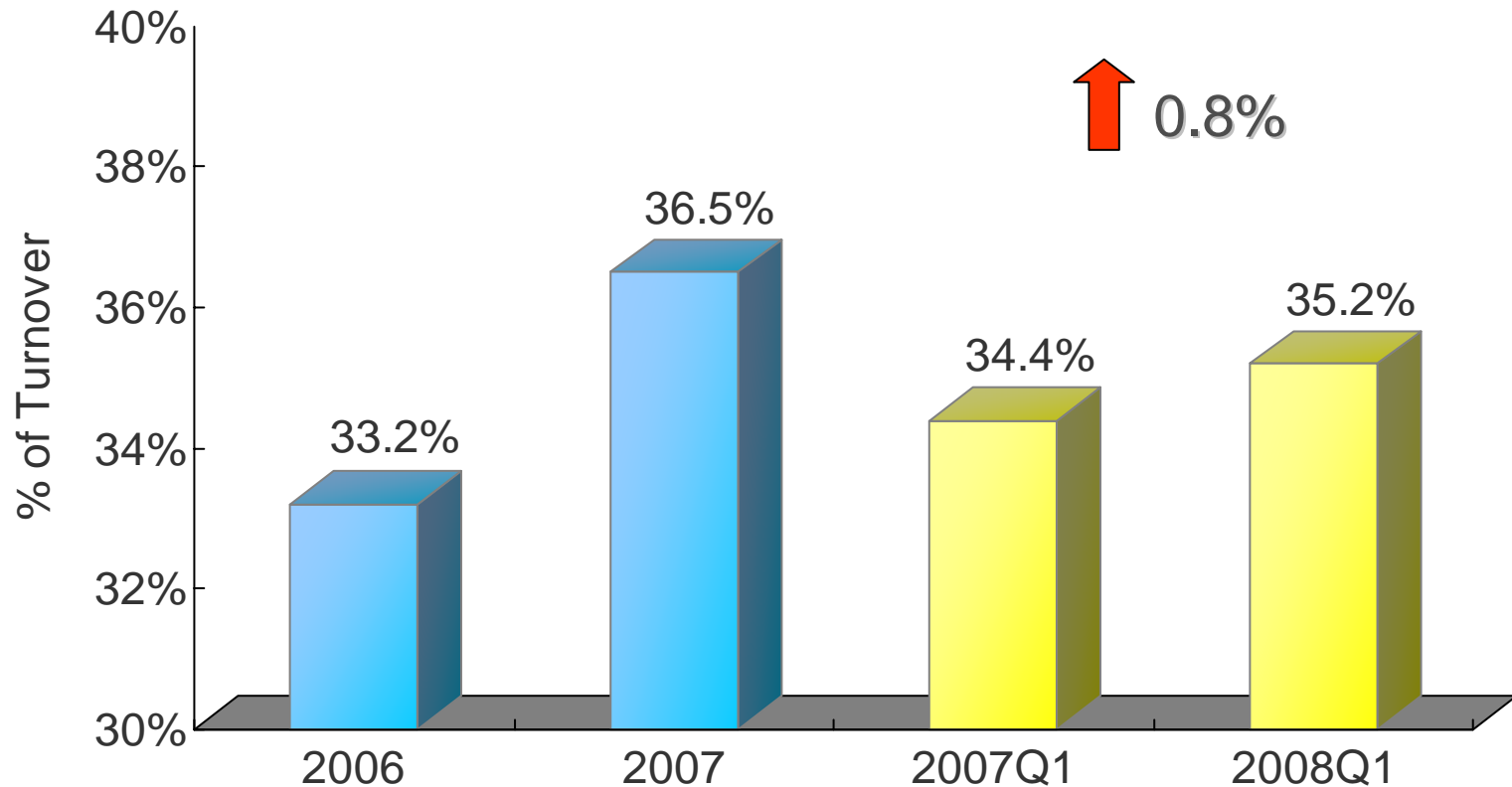


2008Q1 Financial Results Highlight Group Turnover



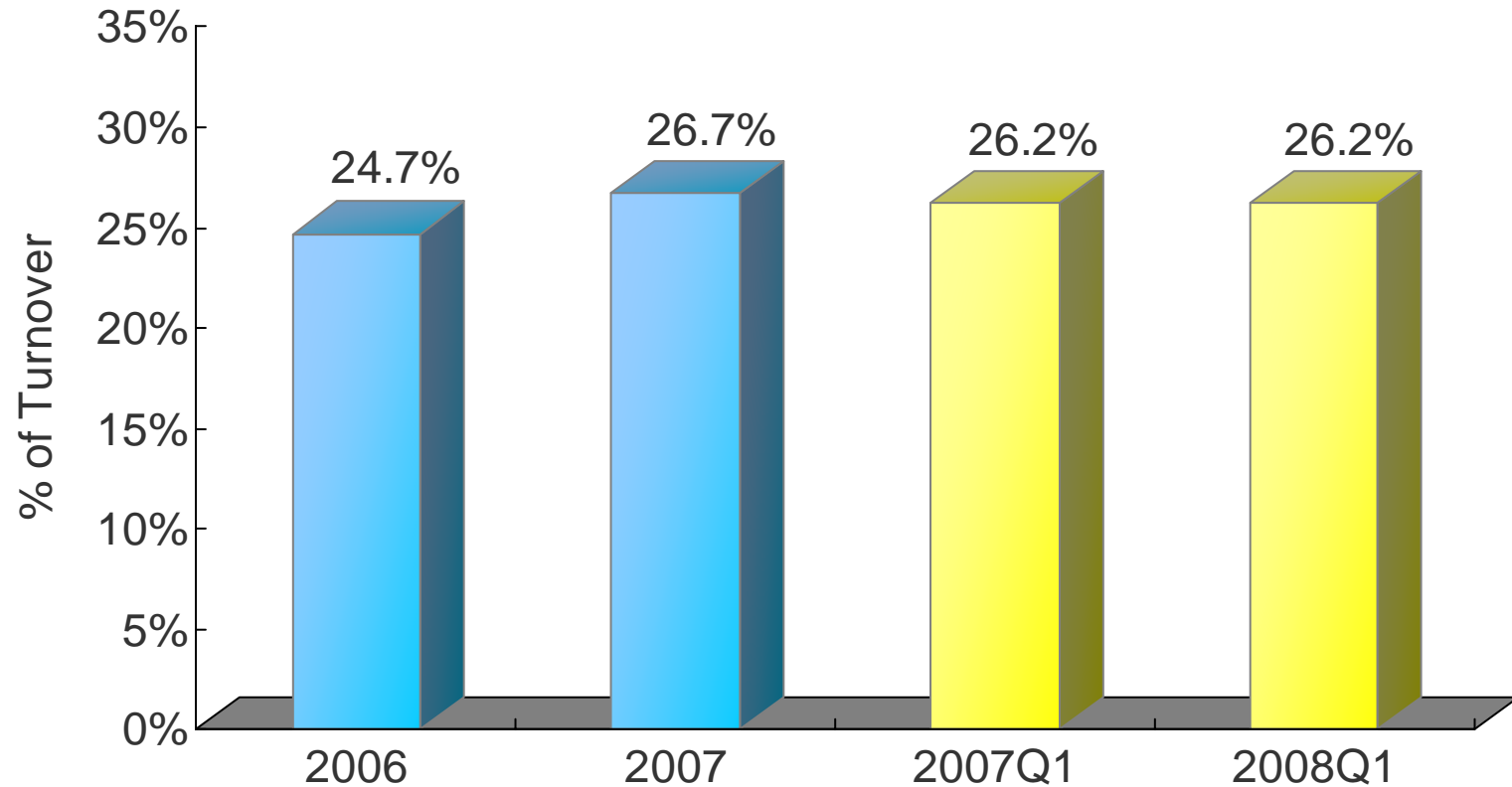
* Less inter-group sales: HK\$2.1M in 2007Q1 and HK\$10.2M in 2008Q1

2008Q1 Financial Results Highlight Gross Margin / Other Income



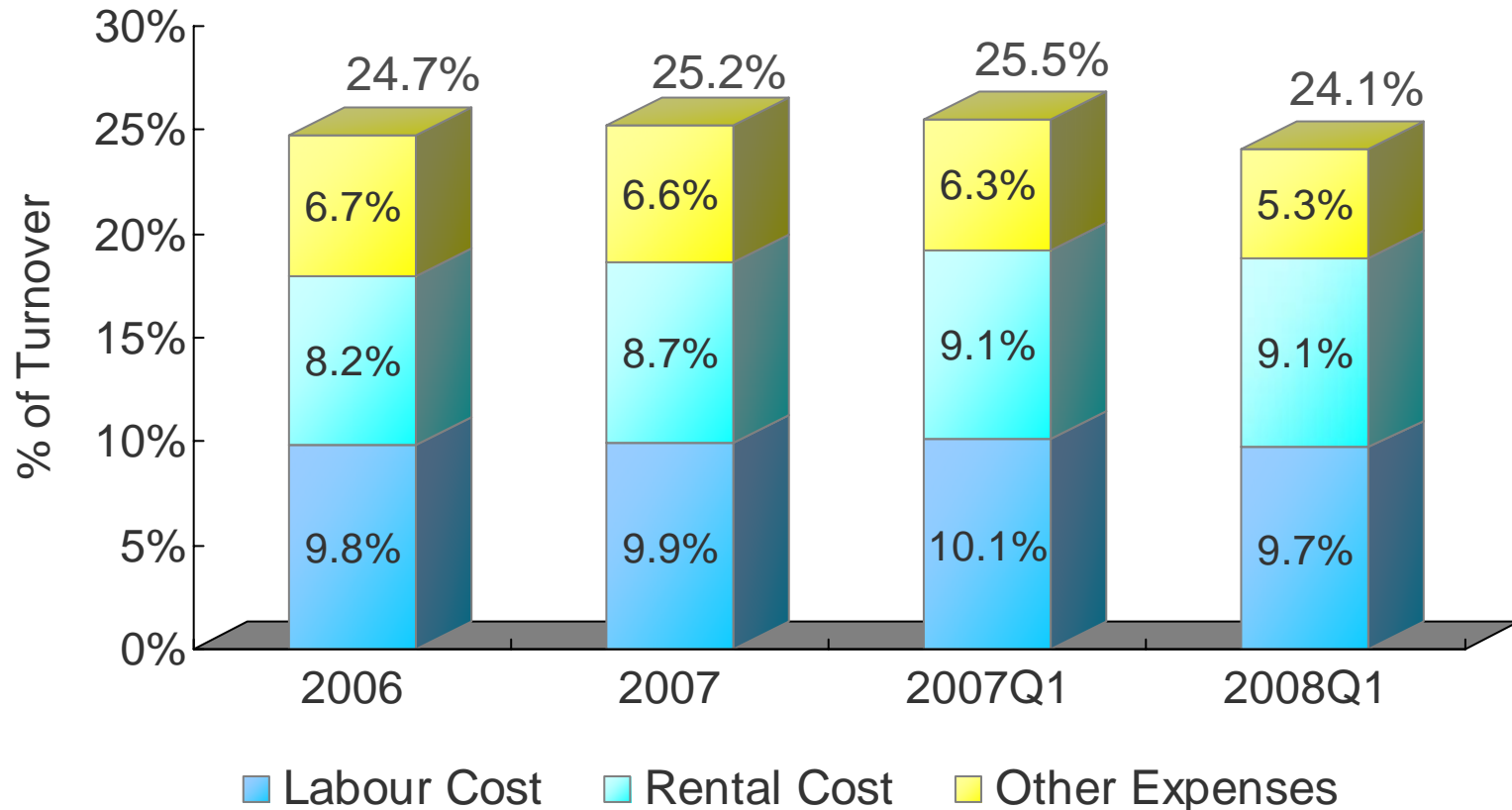
(Excluding interest income)

2008Q1 Financial Results Highlight Store Operating Expenses

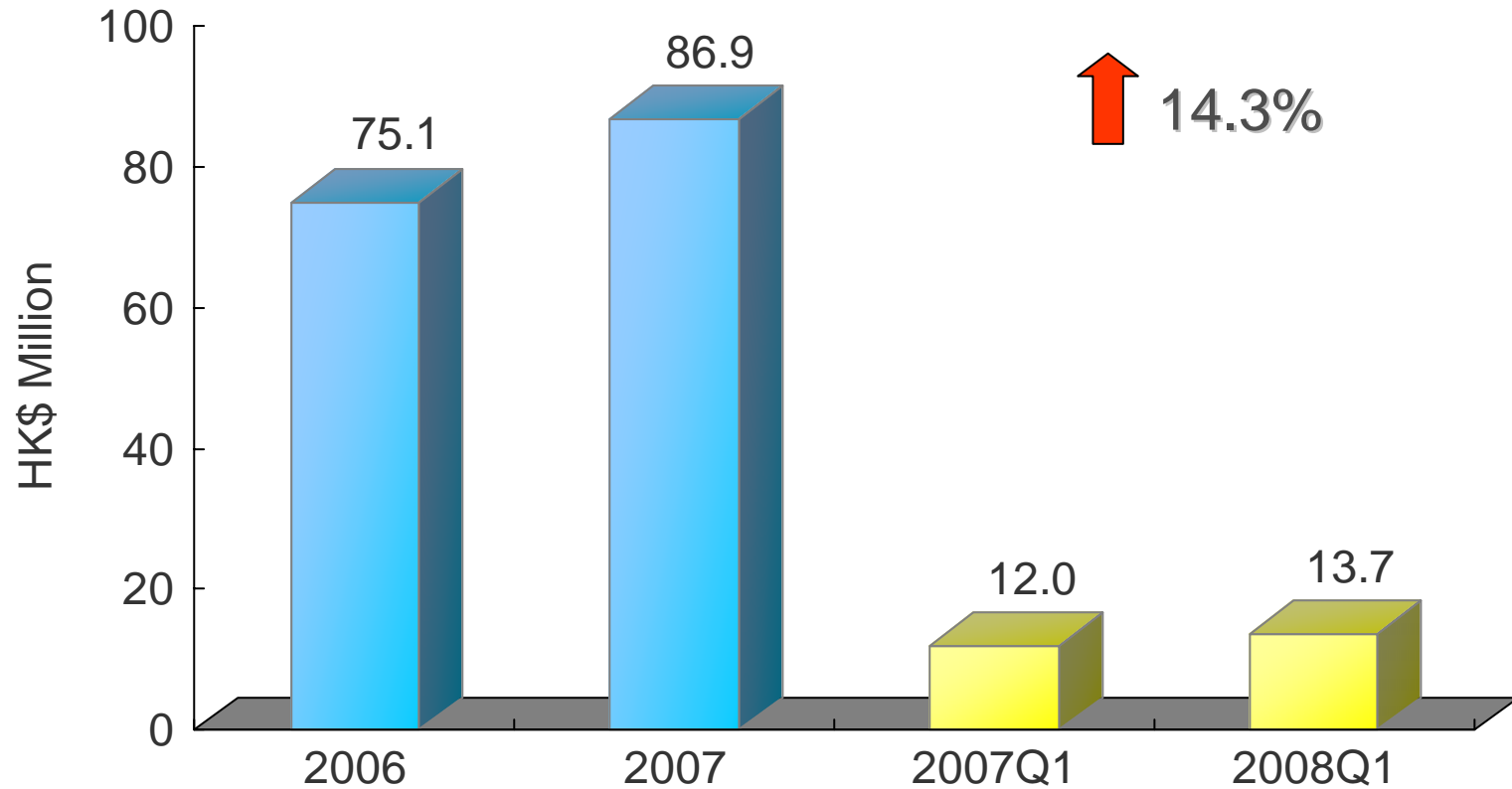


2008Q1 Financial Results Highlight Store Operating Expenses

Circle K Group Store Operating Expenses



2008Q1 Financial Results Highlight Group Net Profit

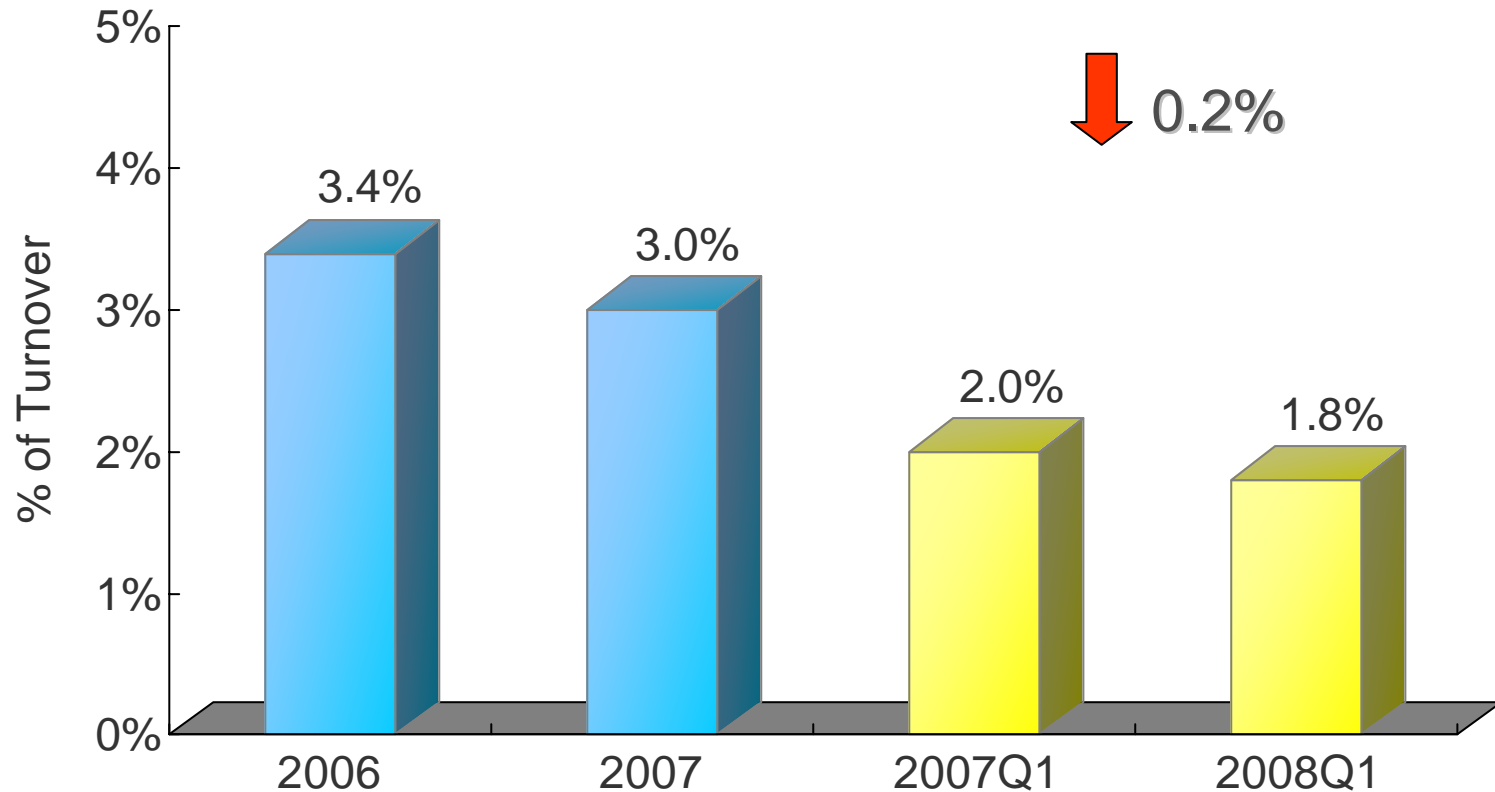


2008Q1 Financial Results Highlight

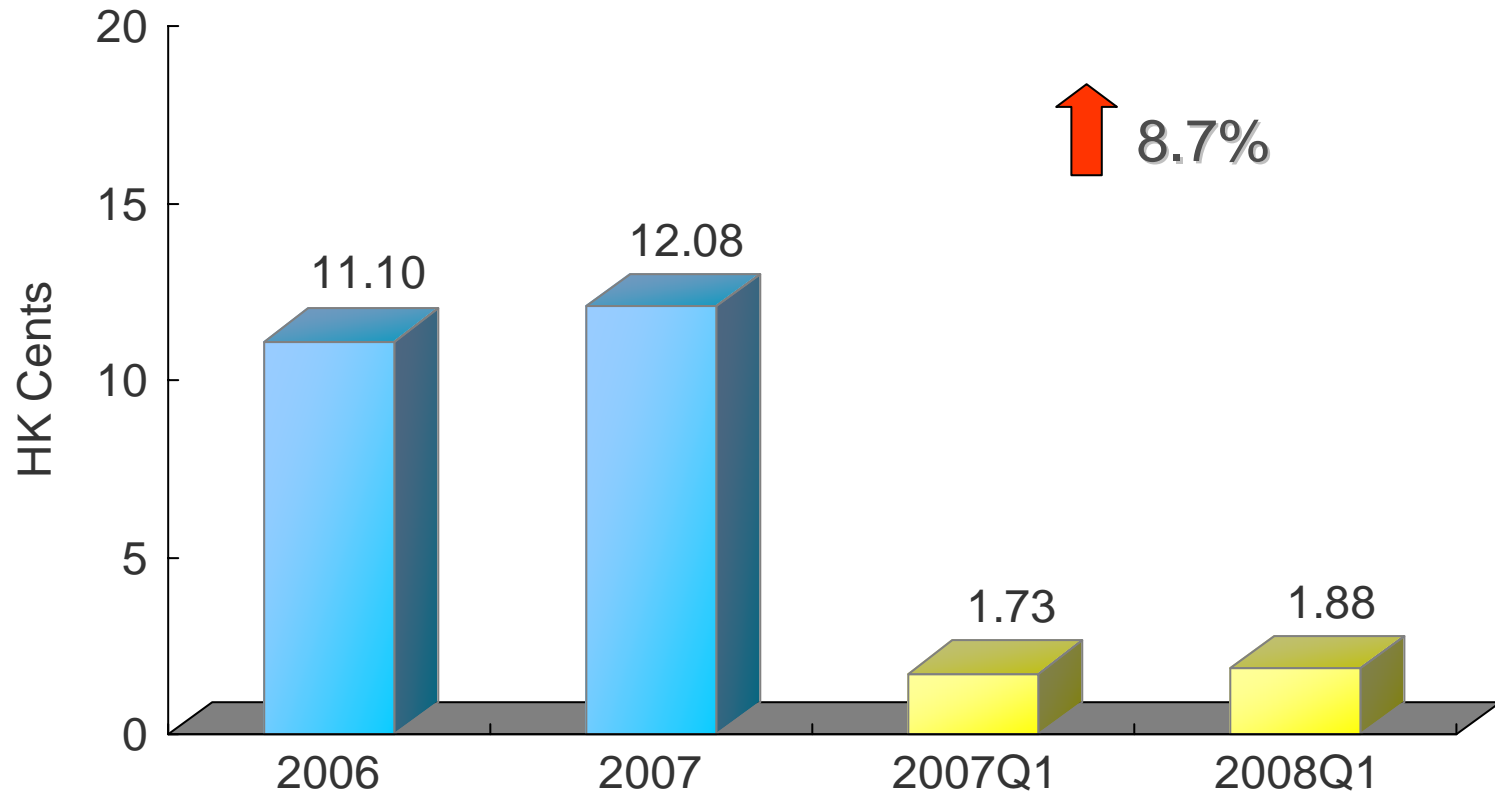
Net Profit By Market

<i>(HK\$ Million)</i>	2007Q1	2008Q1	Change
Hong Kong and Macau Markets	17.4	22.8	+ 31.4%
China Market	(5.4)	(9.1)	- 69.5%
Total	12.0	13.7	+ 14.3%

2008Q1 Financial Results Highlight Net Profit as % of Turnover



2008Q1 Financial Results Highlight Basic Earnings Per Share



2008Q1 Financial Results Highlight

	2007Q1	2008Q1	Change
Number of Stores	431	473	+ 9.7%
Group Turnover (HK\$M)	596.8	778.6	+ 30.5%
Group Net Profit (HK\$M)	12.0	13.7	+ 14.3%
Net Profit as % of Turnover	2.0%	1.8%	- 0.2%
Basic Earnings Per Share	1.73 cents	1.88 cents	+ 8.7%

2008 Update and Outlook



- High inflation and its impact on operating expenses and food cost
- Short-term squeeze in both gross and net margin
- Innovative products, creative promotions, enhanced shopping experience to increase traffic and sales dollar per transaction
- Rejuvenating Saint Honore brand

2008 China Market Outlook

- Maintaining gross margin and tight control of operating expenses
- Start franchising of Circle K stores in 2008Q2
- Balancing new store opening and P&L in 2008

2008Q1 Highlight To Summarize

- Satisfactory financial results
- Increase in food cost and high inflation
- Tougher year in terms of gross margin, expenses control and net profit margin
- Quality execution strategy in Hong Kong market
- Quality growth strategy in China market

Thank You!

