



Convenience Retail Asia Limited
2010 Half Year
Results Announcement

2 August 2010



Agenda

- Overall Hong Kong & Guangzhou Retail Markets
- 2010Q2 Key Highlight
- 2010Q2 Financial Results Highlight
- 2010 Update & Outlook



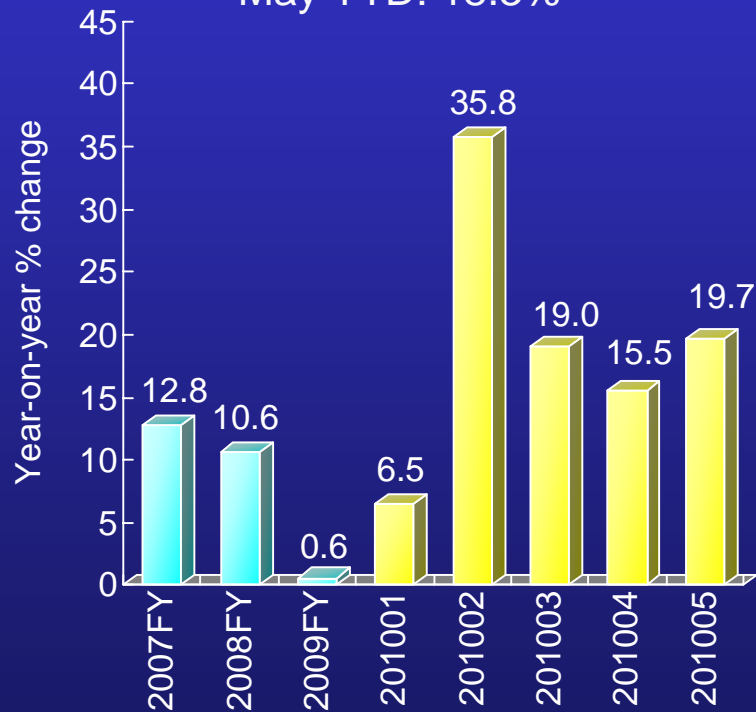
Hong Kong & Guangzhou Retail Markets



Hong Kong Retail Market

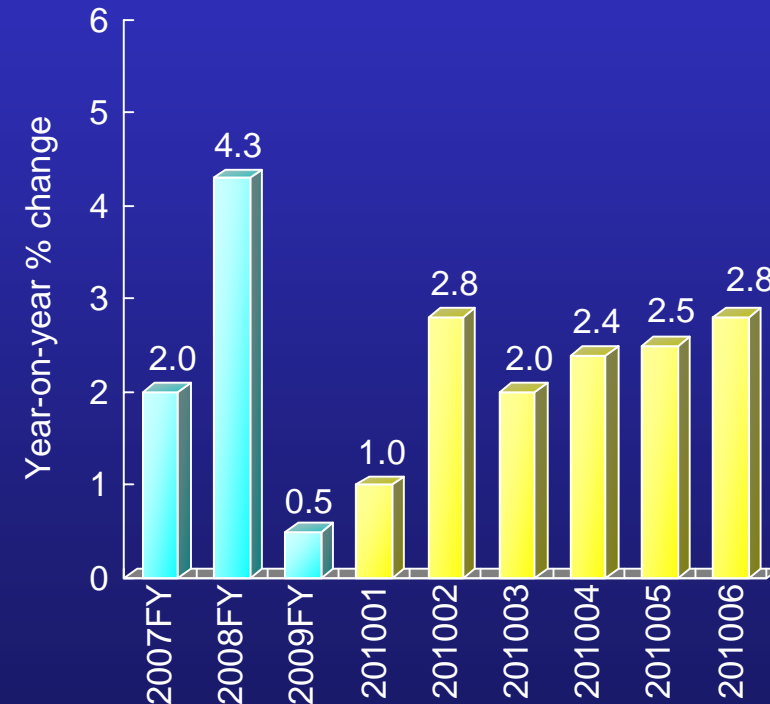
HK Retail Sales Value

May YTD: 18.3%



HK Consumer Price Index

June YTD: 2.2%

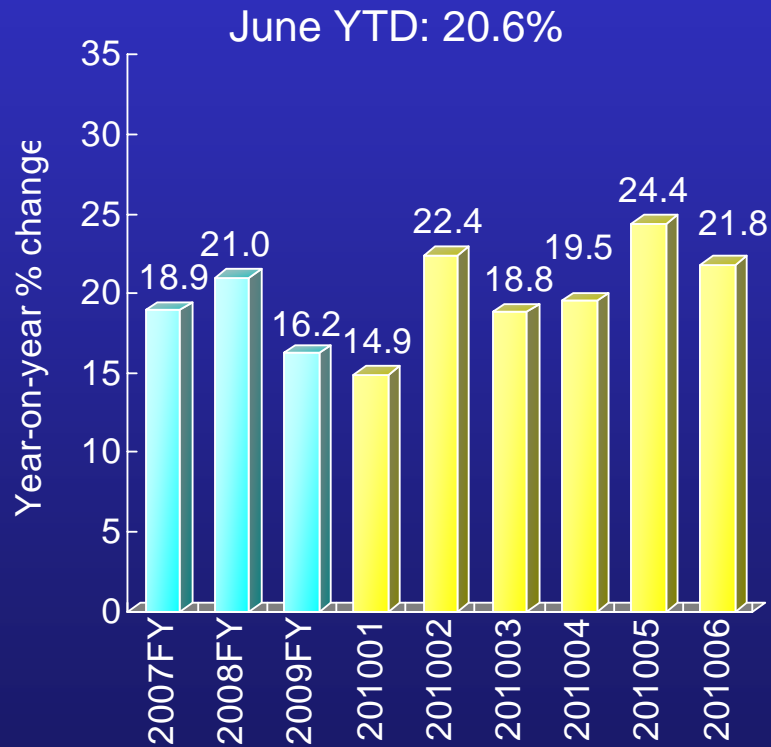


Hong Kong Retail Market

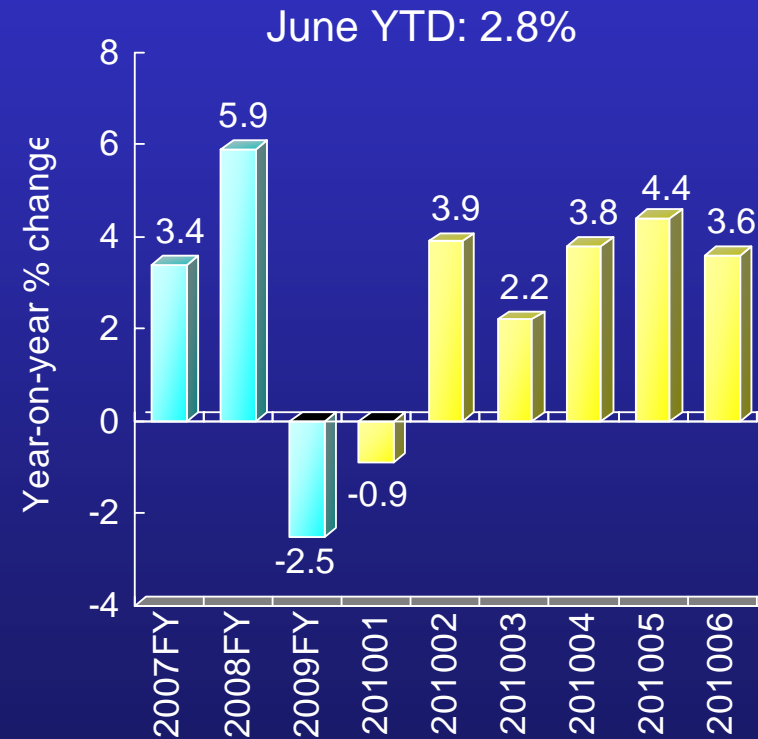
	Retail Value May YTD 2010	Retail Volume May YTD 2010
	<i>(vs. May YTD 2009 % Change)</i>	
All retail outlets	18.3%	15.2%
Motor vehicles and parts	57.4%	55.4%
Jewellery, watches & clocks, and valuable gifts	38.8%	26.3%
Alcoholic drinks & tobacco	27.1%	17.5%
Other consumer durable goods	24.5%	29.2%
Electrical goods and photographic equipment	21.8%	28.2%
Supermarkets	3.0%	0.7%

Guangzhou Retail Market

GZ Retail Sales Value



GZ City Consumer Price Index





2010Q2 Key Highlight



2010Q2 Key Highlight Hong Kong Market

- Strong overall retail sales growth primarily driven by increase in PRC visitors as well as purchase of consumer durables
- Overall market for daily necessities and food remained quite stagnant
- Inflation rate showing up-trend
 - Rental and wages still going up
 - CVS still impacted by cigarette tax increase as well as plastic bay levy
 - + Customers accept price increase
 - + Sales for Saint Honore bakery/cake business showing satisfactory sales growth
 - Increase in raw material costs

New Products, Creative Promotions, Higher Productivity

OK便利店

1人午餐 OK至多美味選擇

OK 推出多款美味午餐選擇，包括：

- 飯類**：日式金魚燒、照燒牛腩飯、什錦炒飯、上海燻魚、高麗辣炒雞、芝麻雞、什錦炒飯
- 粉麵類**：什錦炒麵、什錦炒粉、什錦炒麵、什錦炒粉、什錦炒麵、什錦炒粉
- 三文治、捲餅、煎餅**：什錦三文治、什錦捲餅、什錦煎餅
- 粥粉麵、煎餅、粥類**：什錦粥、什錦粉、什錦麵、什錦煎餅、什錦粥、什錦粉、什錦麵、什錦煎餅

Disney Winnie the Pooh 陪你Cute爆暢遊

OK FUN 推出Winnie the Pooh "Hooey Curries" 系列

to celebrate Winnie the Pooh DVD launch

慶祝 Winnie the Pooh DVD 系列推出

凡購買 Winnie the Pooh DVD 系列，即可獲贈 Winnie the Pooh "Hooey Curries" 系列，包括：

- Winnie the Pooh "Hooey Curries" 系列
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Rilakkuma

聖誕節為您送上甜滋滋的生日禮物——
輕鬆小熊 Very Strawberry Happy Cups

2010 Limited Collection

凡購買 Rilakkuma 系列生日蛋糕，即可獲贈 Rilakkuma 系列生日蛋糕，包括：

- Rilakkuma 系列生日蛋糕
- Rilakkuma 系列生日蛋糕
- Rilakkuma 系列生日蛋糕

食得有瀛

全新日式麵包滋味輪流登場

- 日式香蔥牛肉卷餅
- 日式芝麻香蔥卷餅
- 芝士麻薯卷餅
- 比利時朱古力薄餅
- 日式脆椰粟米夾餅
- 芝士蟹柳長 Pizza

新舖即製 好滋味

OK 世界波 齊齊勁抽

OK 勁抽 世界波

凡購買 OK 勁抽 世界波，即可獲贈 OK 勁抽 世界波，包括：

- OK 勁抽 世界波
- OK 勁抽 世界波
- OK 勁抽 世界波

大量贈食贈飲等送送你，中獎機會超過50%!

Very Chocolate Cakes ...

Belgium 55° Chocolate Banana

Belgium 75° Chocolate Banana

凡購買 Very Chocolate Cakes 系列生日蛋糕，即可獲贈 Very Chocolate Cakes 系列生日蛋糕，包括：

- Very Chocolate Cakes 系列生日蛋糕
- Very Chocolate Cakes 系列生日蛋糕
- Very Chocolate Cakes 系列生日蛋糕



2010Q2 Key Highlight Southern China Market

- Effective 1 January, Hot & In food services products are subject to VAT instead of business taxes
- Effective 1 May, minimum wages increased from RMB860 to RMB1,100 in Guangzhou
- Closed total 7 stores in 1H 2010
- June YTD comparable store sales +4.3% excluding impact of VAT and cigarette license changes
- Franchise stores continued to show improving sales and store contribution
- Saint Honore stores in Guangzhou all reporting improved results





2010Q2 Financial Results Highlight



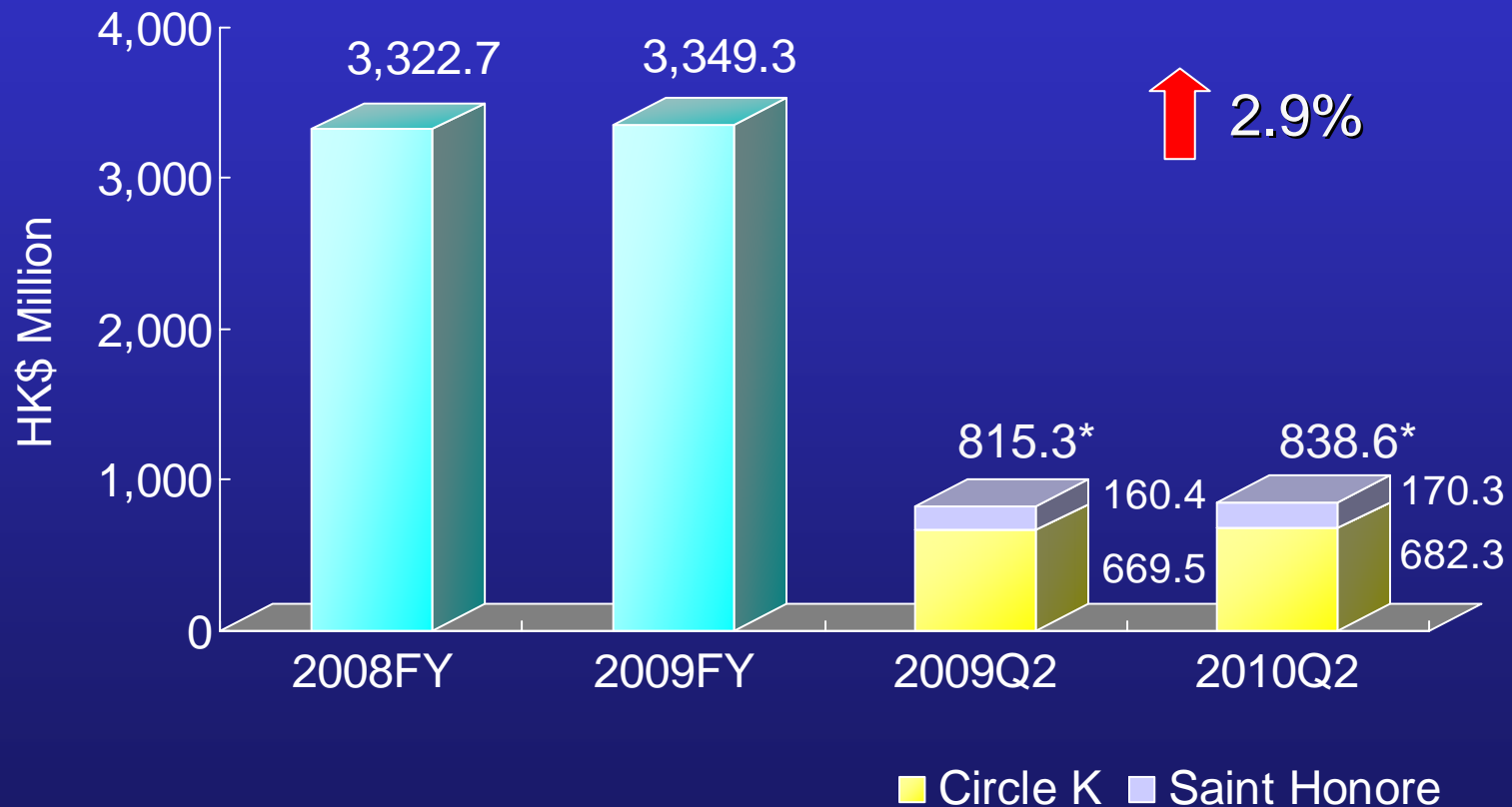


2010 Financial Results Highlight Number of Stores

	End of 2009	Opened	Closed	Transfer from/(to)	End of 2010Q2
Circle K Hong Kong	299	13	(4)	-	308
Circle K Southern China	62	4	(7)	-	59
- <i>Guangzhou (owned)</i>	57	4	(6)	(1)	54
- <i>Guangzhou (franchised)</i>	4	-	(1)	1	4
- <i>Shenzhen</i>	1	-	-	-	1
Circle K Macau (J.V.)	19	2	(1)	-	20
Circle K Zhuhai (J.V.)	12	1	(1)	-	12
Saint Honore Group	101	2	(1)	-	102
CRA Group Total	493	22	(14)	-	501

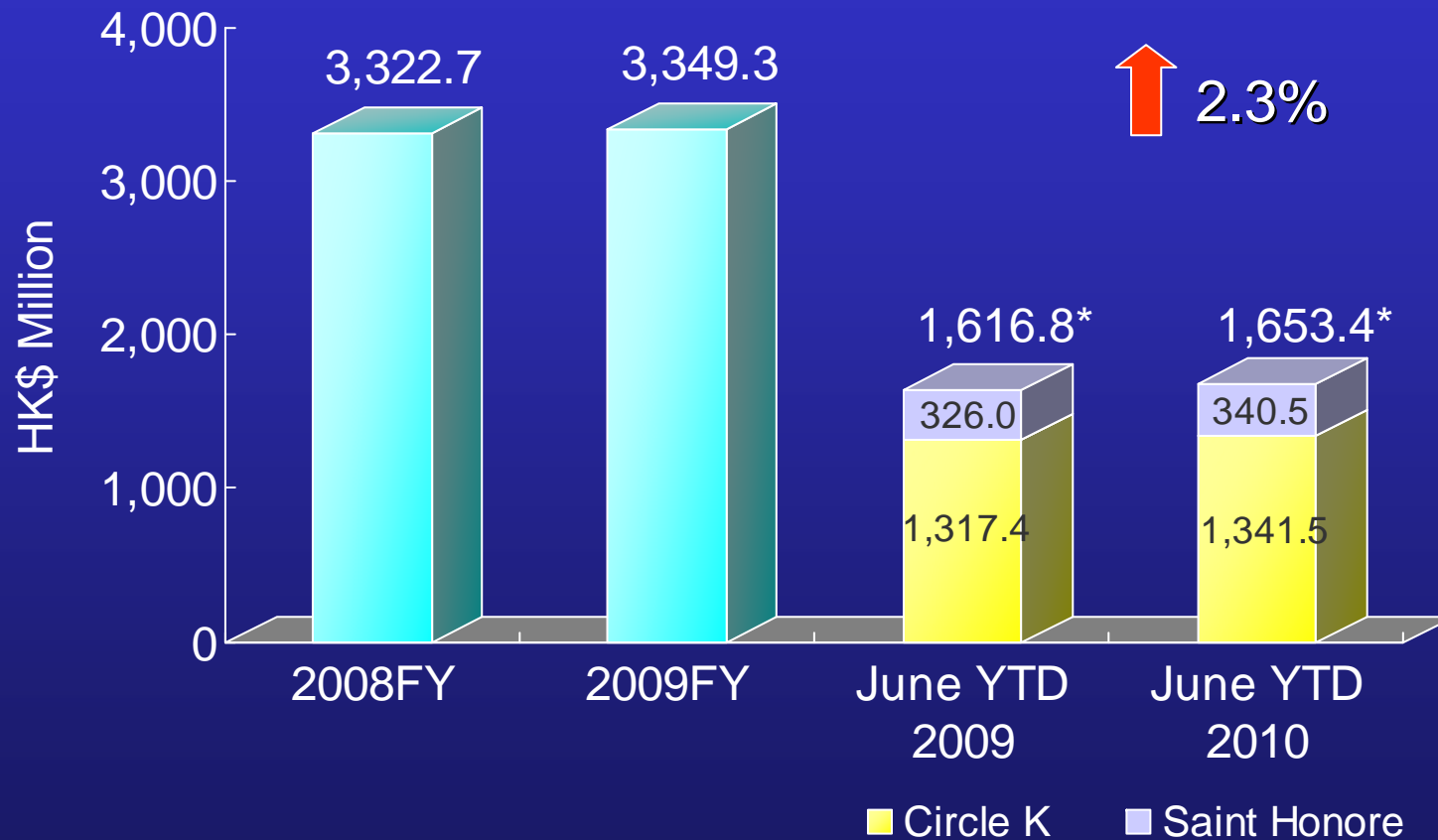


2010 Financial Results Highlight Group Turnover – 2nd Quarter



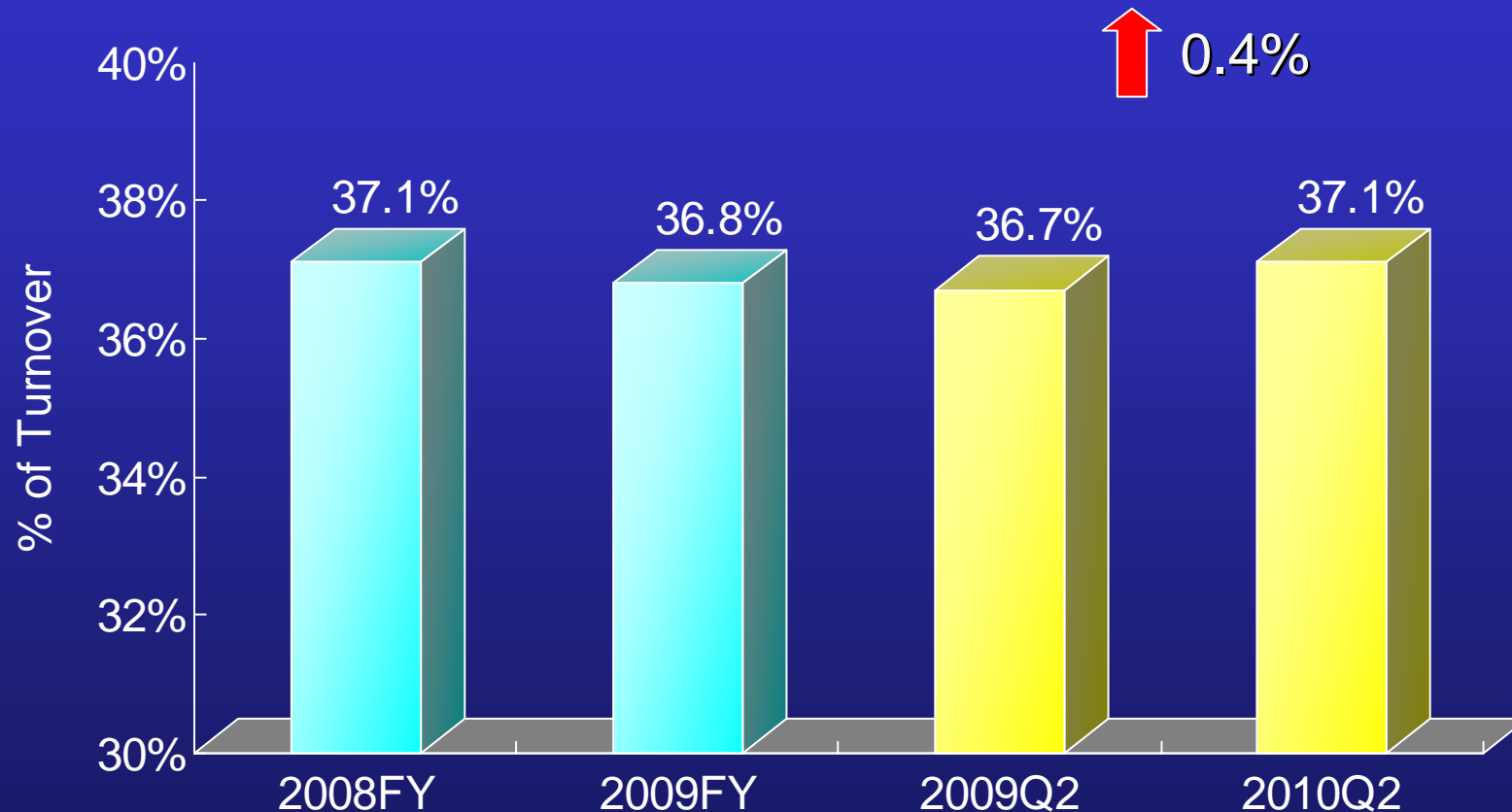
* Less inter-group sales: HK\$14.6M in Q2 2009 and HK\$14.0M in Q2 2010

2010 Financial Results Highlight Group Turnover – June YTD



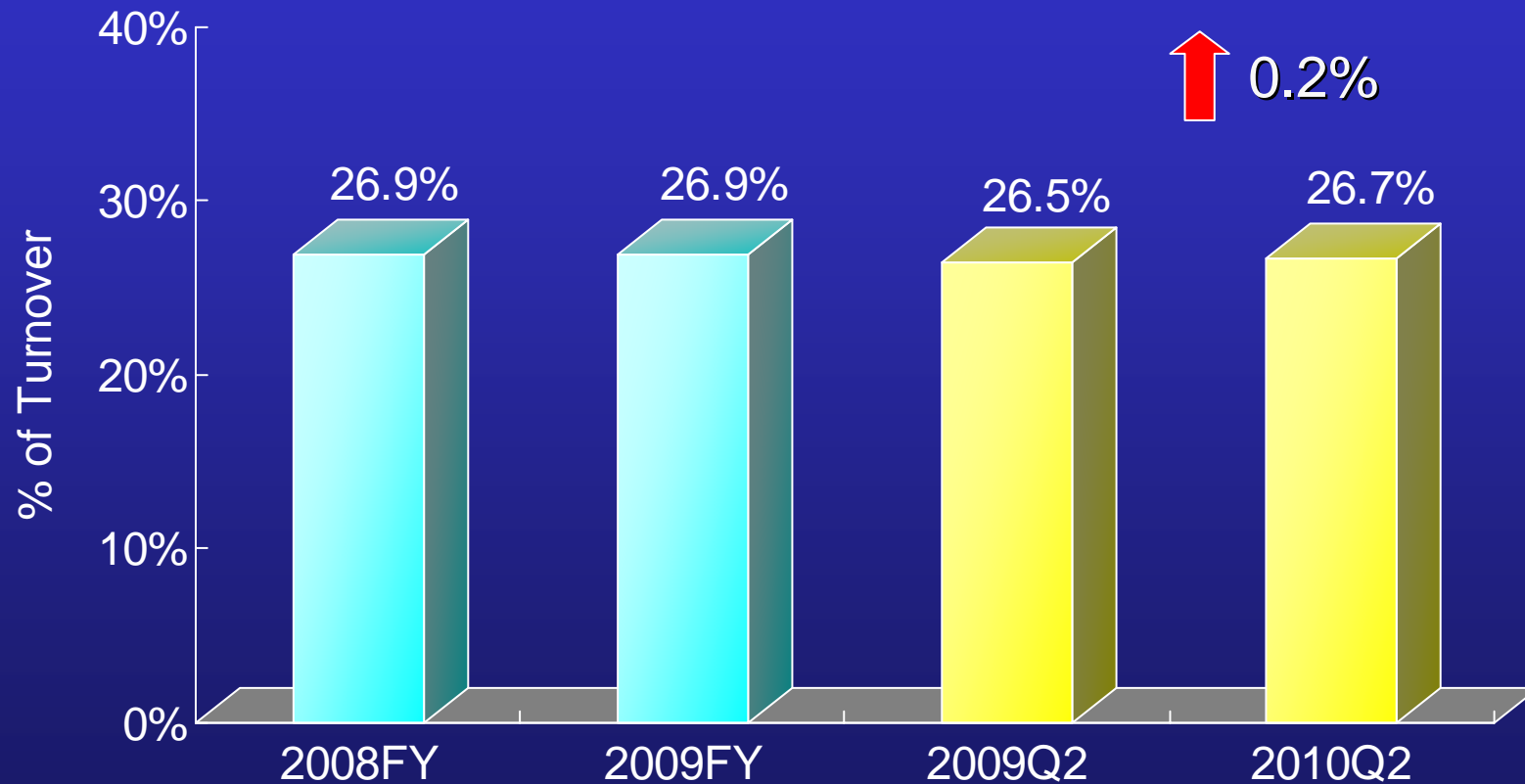
* Less inter-group sales: HK\$26.6M in 1H 2009 and HK\$28.6M in 1H 2010

2010 Financial Results Highlight Gross Margin / Other Income

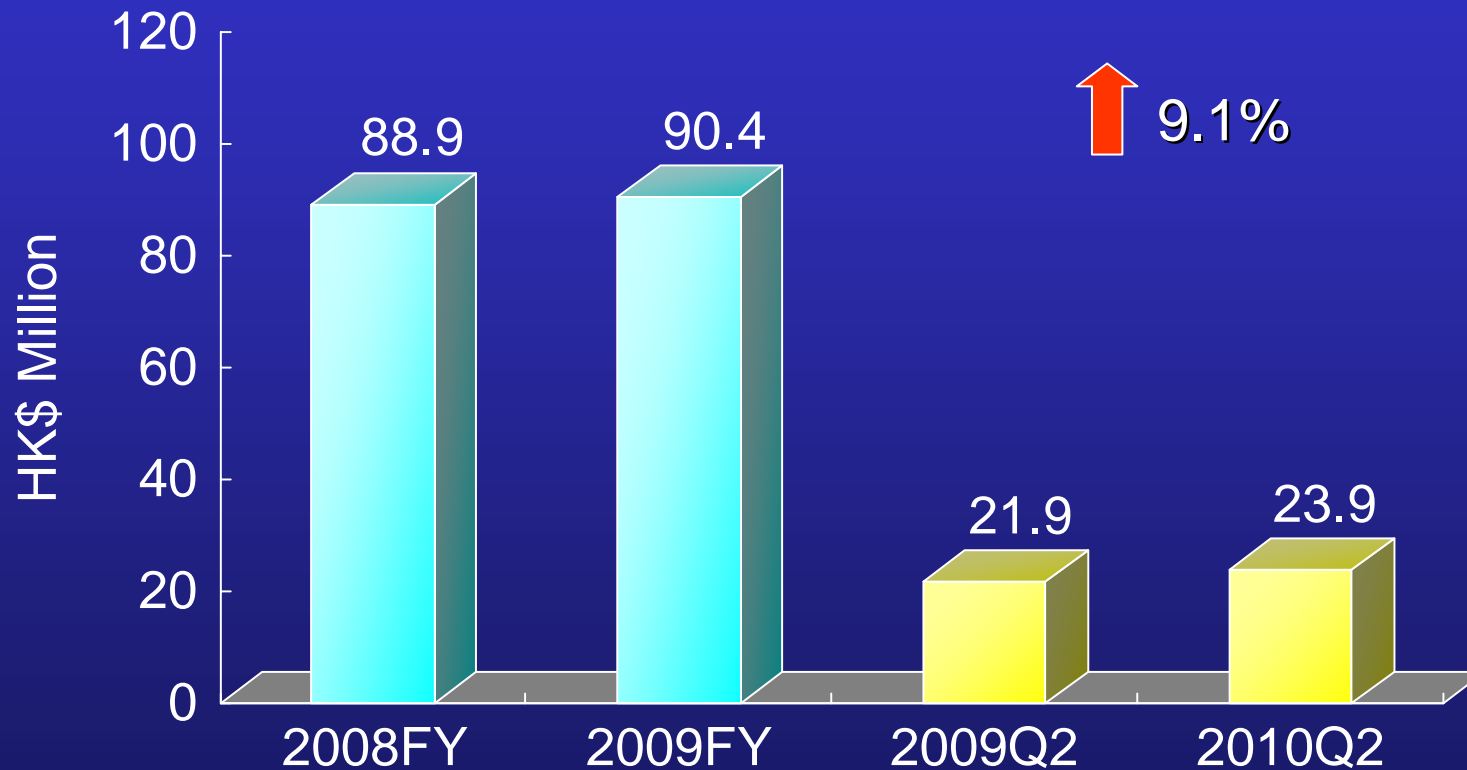


* Excluding interest income

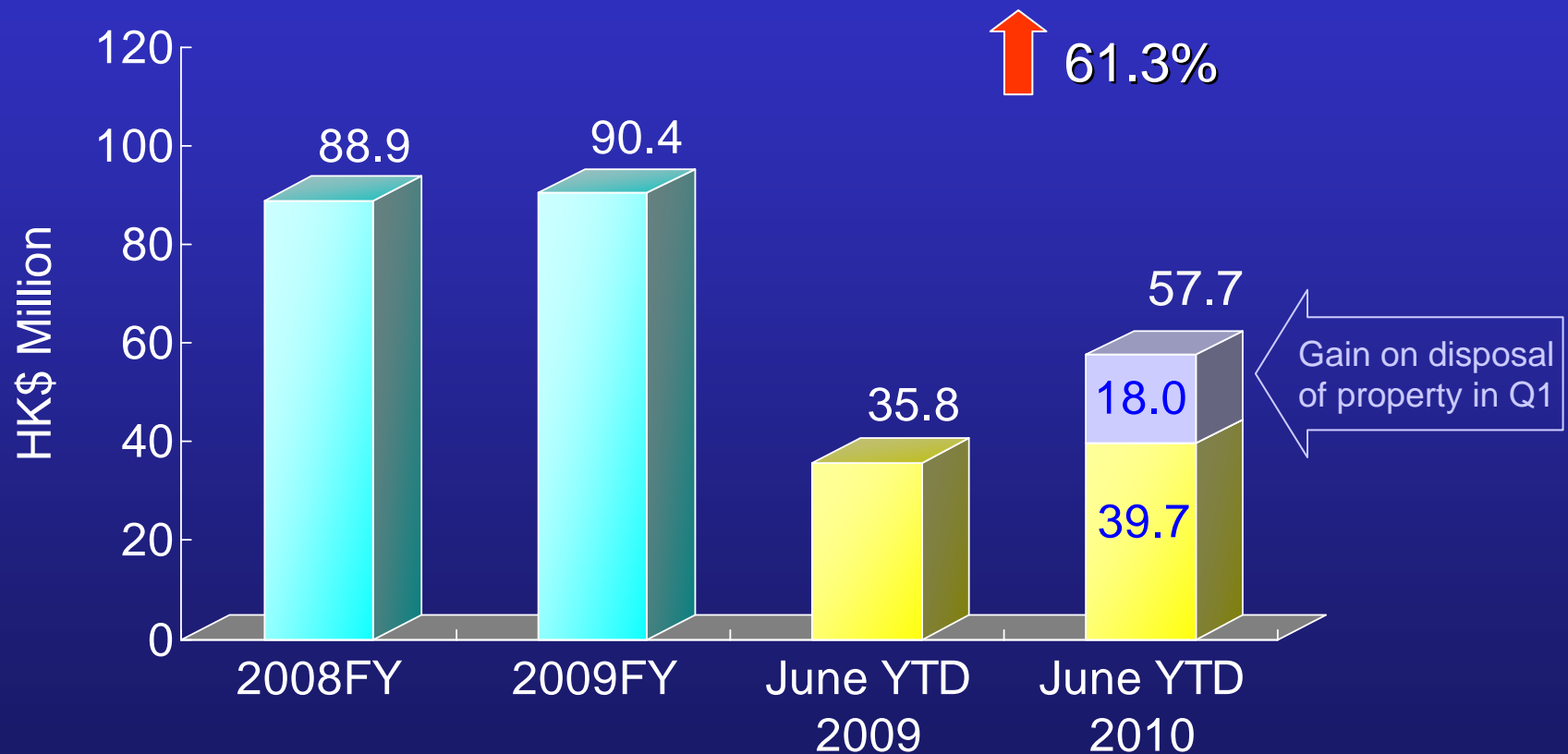
2010 Financial Results Highlight Store Operating Expenses



2010 Financial Results Highlight Group Net Profit – 2nd Quarter



2010 Financial Results Highlight Group Net Profit – June YTD





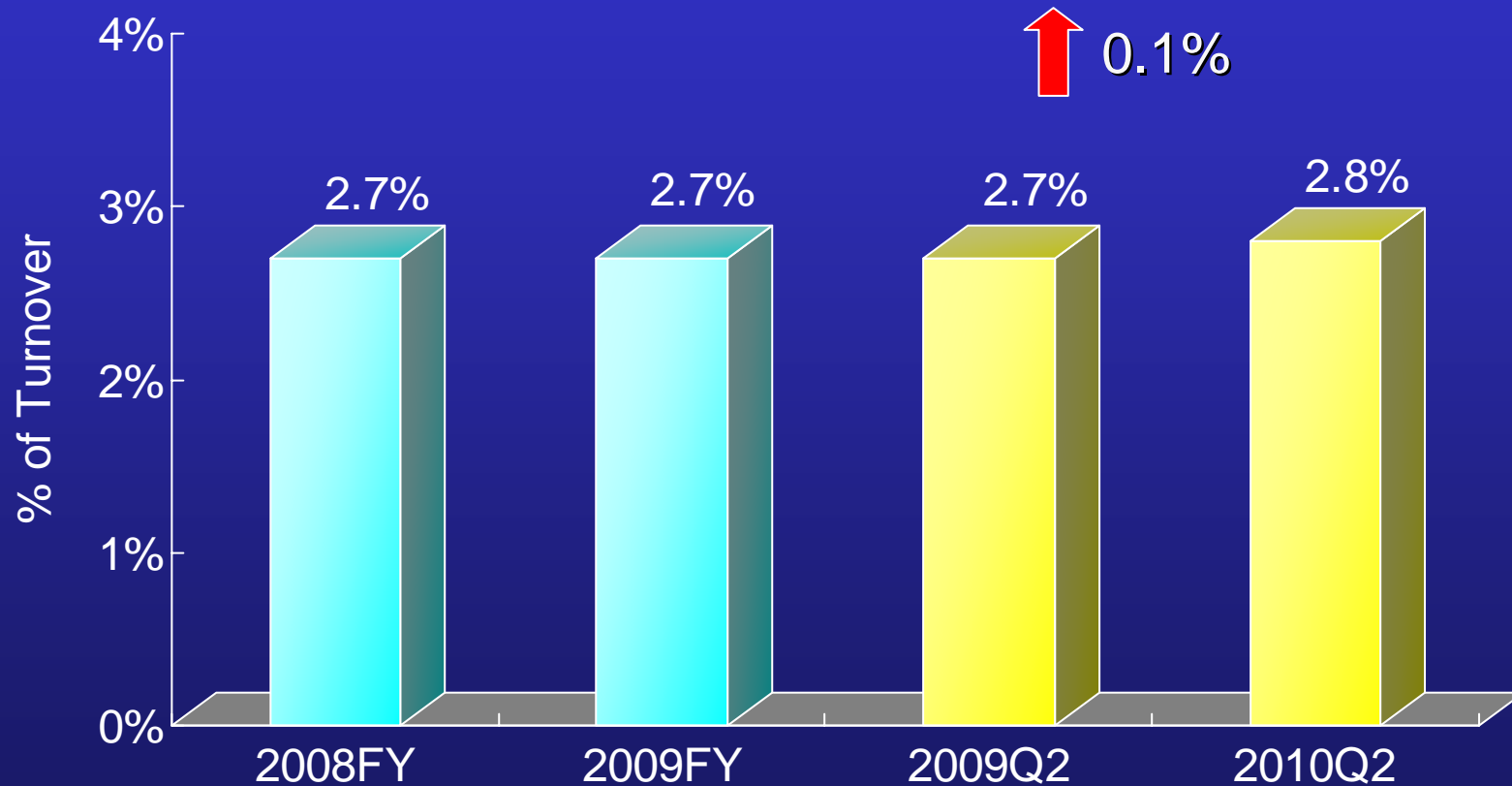
2010 Financial Results Highlight

Net Profit By Market

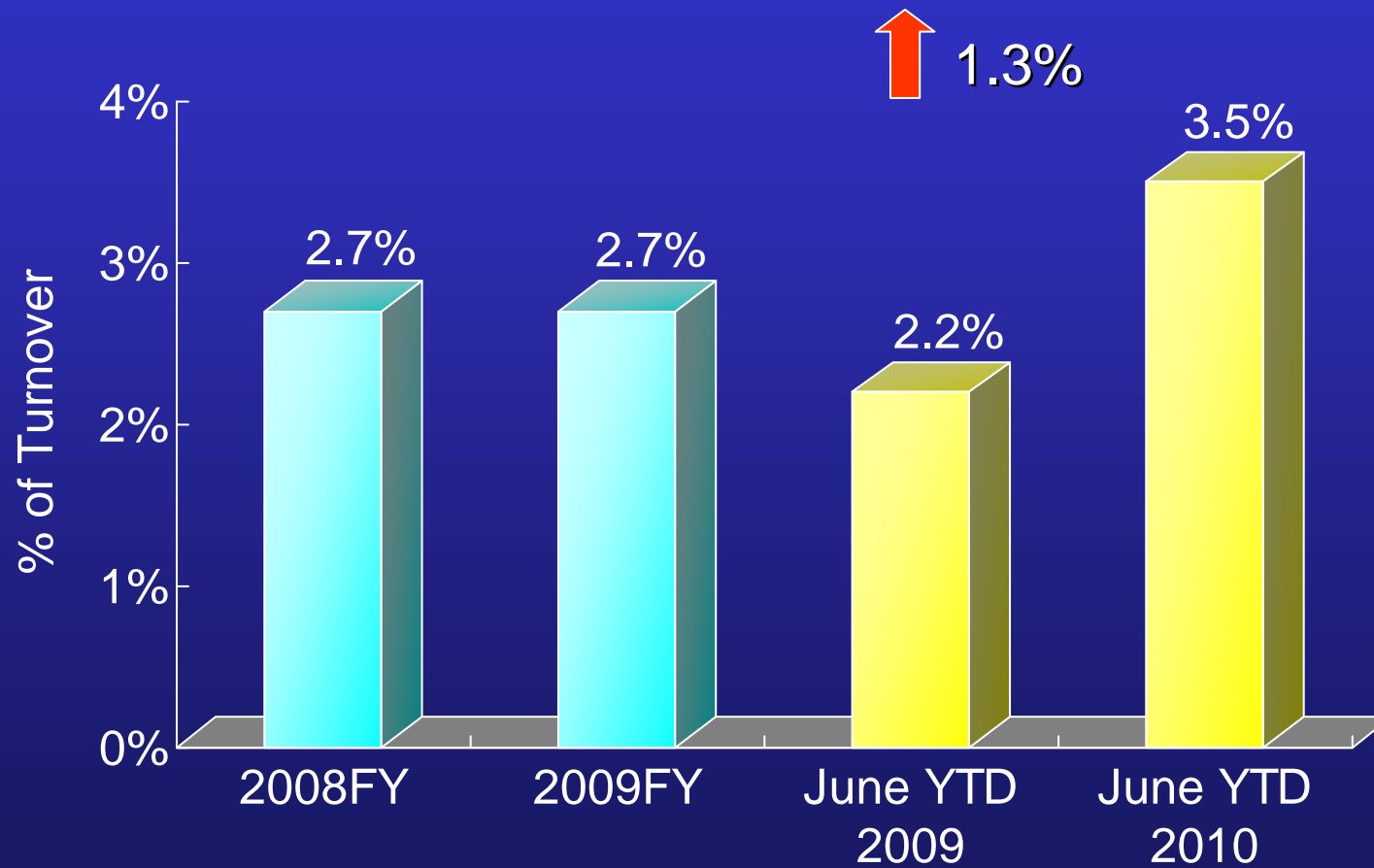
<i>(HK\$ Million)</i>	2nd Quarter		June YTD	
	2009	2010	2009	2010
Hong Kong & Macau Markets	30.5	30.2	53.6	70.9
China Market	(8.6)	(6.3)	(17.8)	(13.2)
CRA Group Total	21.9	23.9	35.8	57.7



2010 Financial Results Highlight Net Profit as % of Turnover – 2nd Qtr

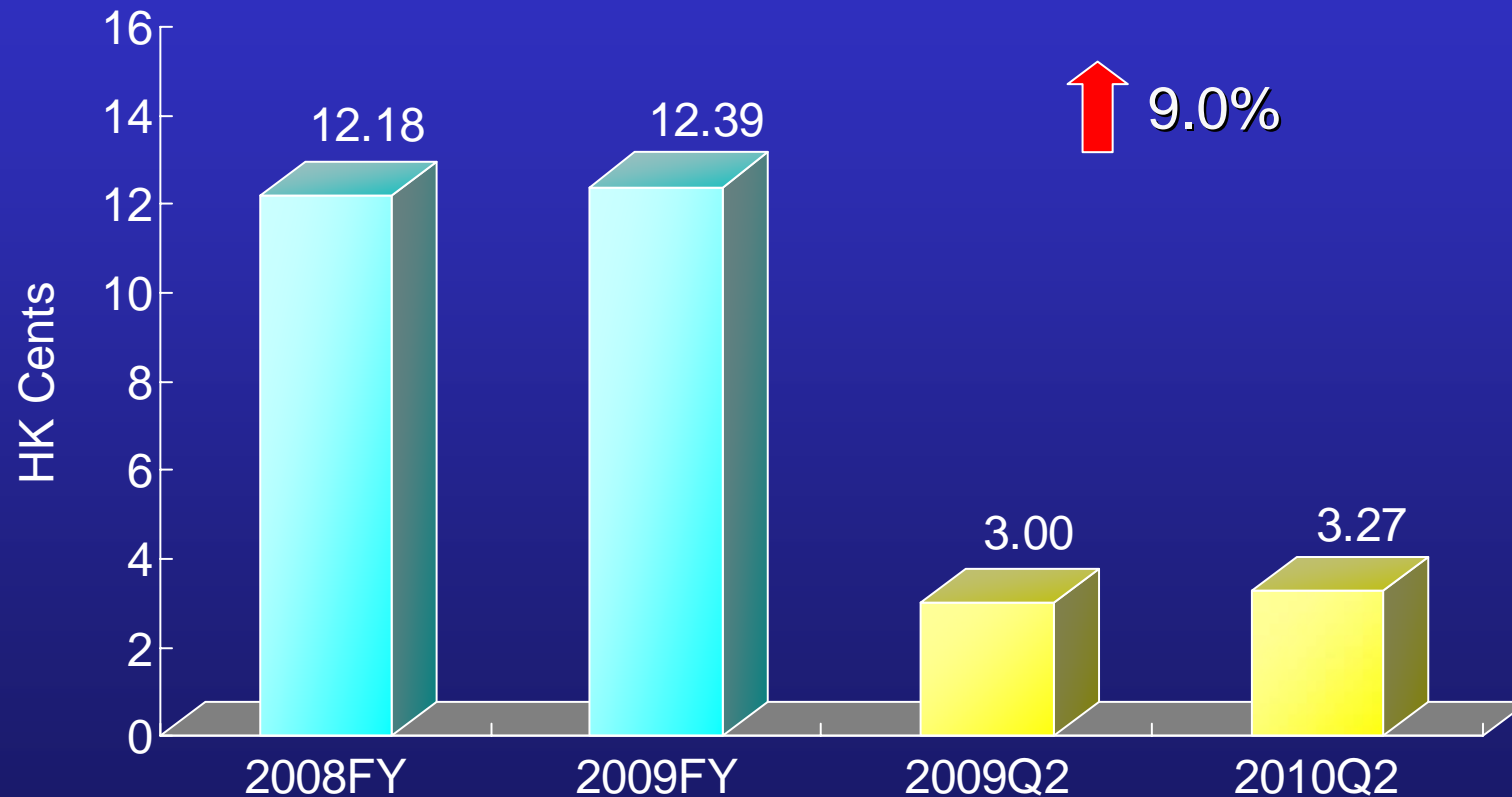


2010 Financial Results Highlight Net Profit as % of Turnover – June YTD

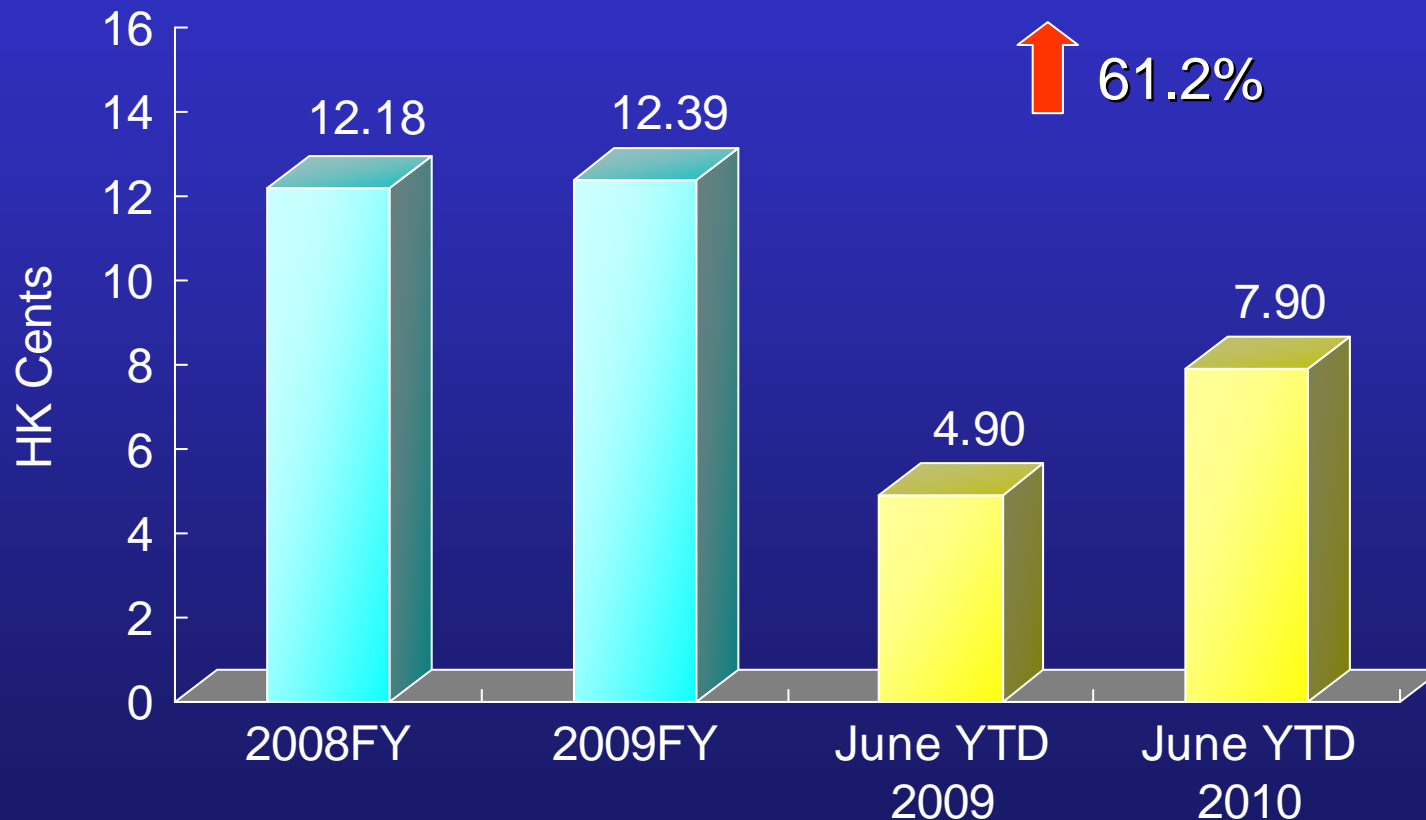




2010 Financial Results Highlight Basic Earning Per Share – 2nd Qtr



2010 Financial Results Highlight Basic Earnings Per Share – June YTD





2010 Financial Results Highlight 2nd Quarter

	2009Q2	2010Q2	Change
Number of Stores	498	501	+3 stores
Group Turnover (HK\$M)	815.3	838.6	+2.9%
Group Net Profit (HK\$M)	21.9	23.9	+9.1%
Net Profit as % of Turnover	2.7%	2.8%	+0.1%
Basic Earnings Per Share	3.00 cents	3.27 cents	+9.0%



2010 Financial Results Highlight June YTD

	June YTD 2009	June YTD 2010	Change
Number of Stores	498	501	+3 stores
Group Turnover (HK\$M)	1,616.8	1,653.4	+2.3%
Group Net Profit (HK\$M)	35.8	57.7	+61.3%
Net Profit as % of Turnover	2.2%	3.5%	+1.3%
Basic Earnings Per Share	4.9 cents	7.9 cents	+61.2%
Interim Dividend	1.7 cents	1.9 cents	+0.2 cents
Special Dividend	-	2.4 cents	-

2010 Update and Outlook



2010 Update & Outlook

- Circle K Hong Kong survived a tough 1st half of 2010 and 2nd half of 2010 should be easier
- CRSC bottomed out and starting to show up trend again but about 25% of stores will be affected by the pre-Asian Game city beautification
- Rental of cigarette counters for 38 stores in Circle K Guangzhou
- Target to add more franchisee stores by end of 2010
- Saint Honore facing intense competition limiting increase in prices and gross margin
- Overall, CRA expects better operating environment in 2nd half of 2010 when compared to 2009's



Thank You!

