



**Convenience Retail Asia Limited**  
**3rd Quarter 2010**  
**Results Announcement**

4 November 2010



# Agenda

- Overall Hong Kong & Guangzhou Retail Markets
- 2010Q3 Key Highlight
- 2010Q3 Financial Results Highlight
- 2010 Update & Outlook

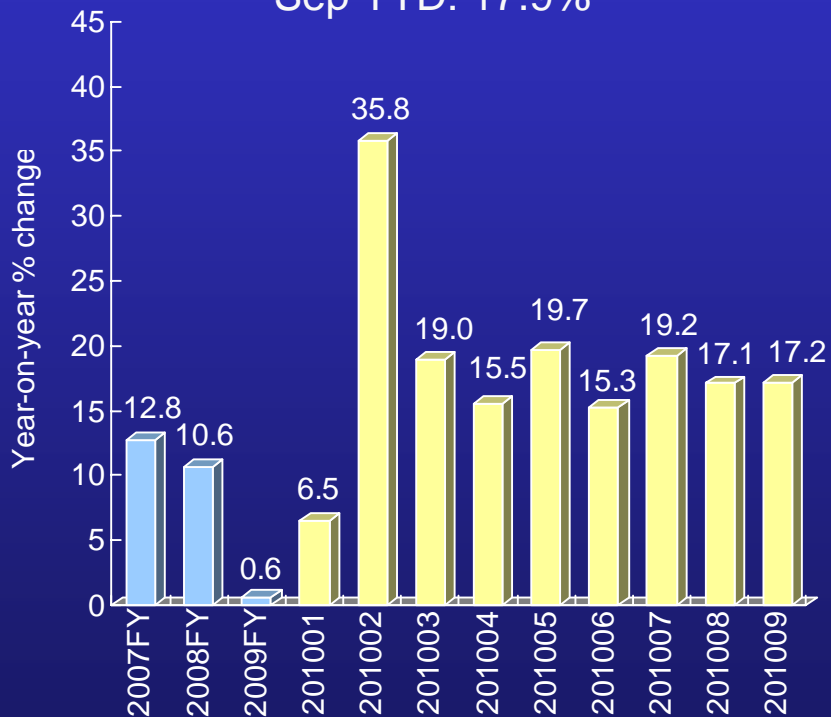
# Hong Kong & Guangzhou Retail Markets



# Hong Kong Retail Market

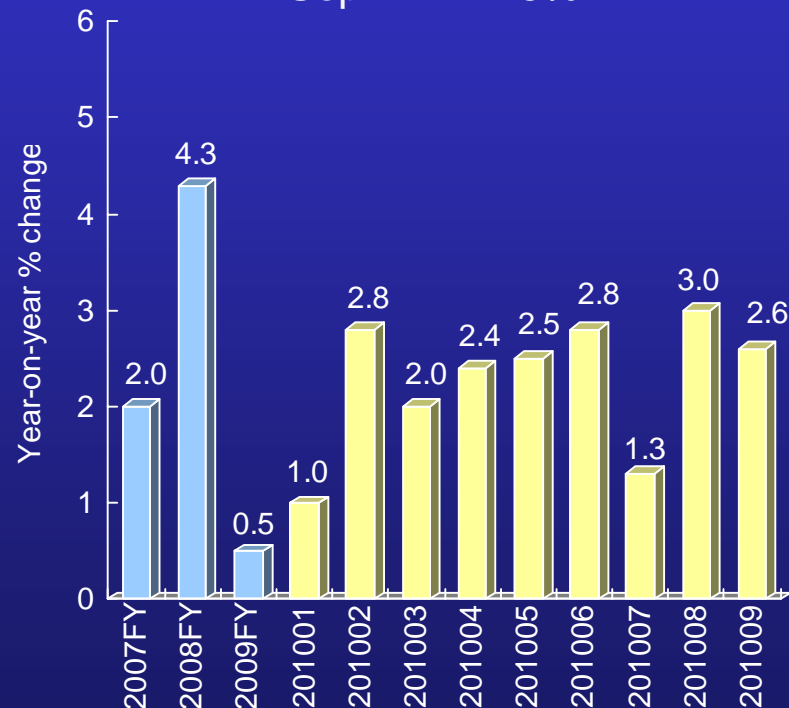
HK Retail Sales Value

Sep YTD: 17.9%



HK Consumer Price Index

Sep YTD: 2.3%



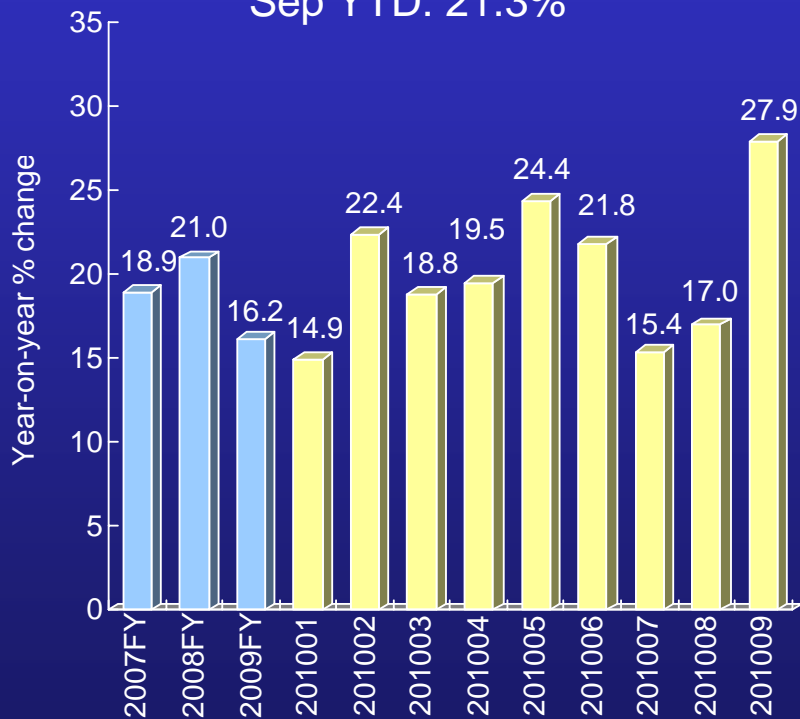
# Hong Kong Retail Market

	Retail Value Sep YTD 2010	Retail Volume Sep YTD 2010
	<i>(vs. Sep YTD 2009 % Change)</i>	
All retail outlets	17.9%	15.0%
Motor vehicles and parts	49.6%	47.0%
Jewellery, watches & clocks, and valuable gifts	36.9%	25.6%
Other consumer durable goods	29.6%	35.9%
Alcoholic drinks & tobacco	22.7%	17.1%
Electrical goods and photographic equipment	20.3%	26.6%
Supermarkets	4.0%	2.2%

# Guangzhou Retail Market

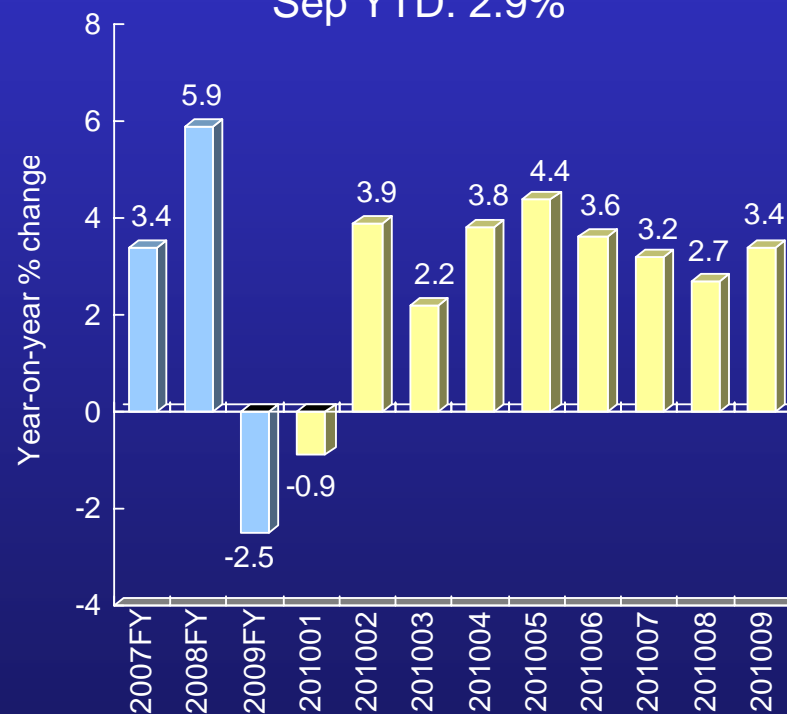
GZ Retail Sales Value

Sep YTD: 21.3%



GZ City Consumer Price Index

Sep YTD: 2.9%



# 2010Q3 Key Highlight



# 2010Q3 Key Highlight Hong Kong Market

- Strong overall retail sales growth as a result of increase in PRC visitors and purchase of consumer durables
- YTD supermarket spending and volume increased by 4% and 2%
- Rental and wages still going up
- Successful Circle K Toy Story 3 Promotion
- Successful Saint Honore Moon Cake Campaign
- CRA recorded record turnover of \$992 million
- Record net profit of \$45.8 million







# 2010Q3 Key Highlight Southern China Market

- Overall retail sales continued to show strong increase
- CPI edging up to 3% - 4% range
- Comparable store sales continued to improve
- Both Circle K and Saint Honore stores continued recording improved results

# 2010Q3 Financial Results Highlight



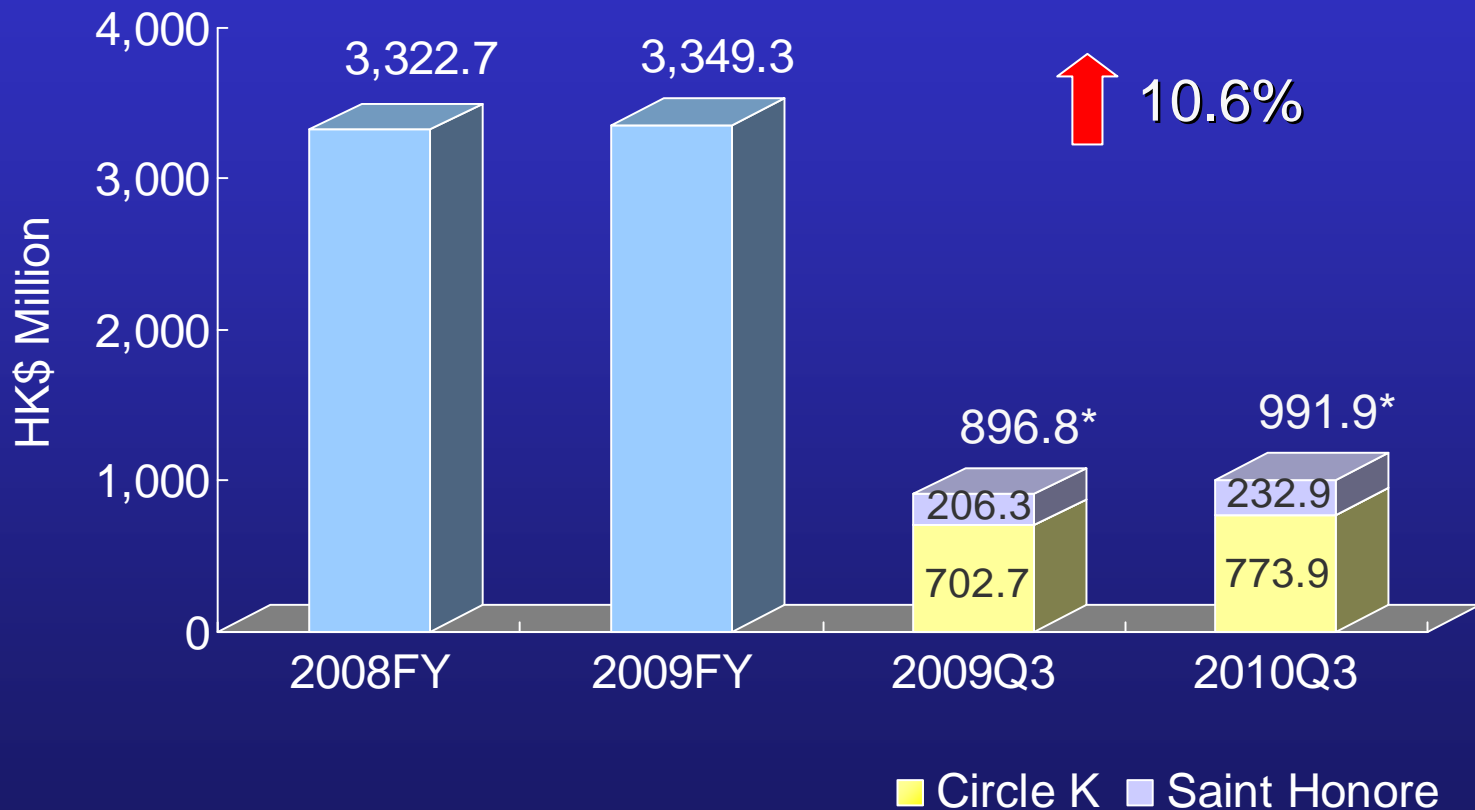


# 2010 Financial Results Highlight

## Number of Stores

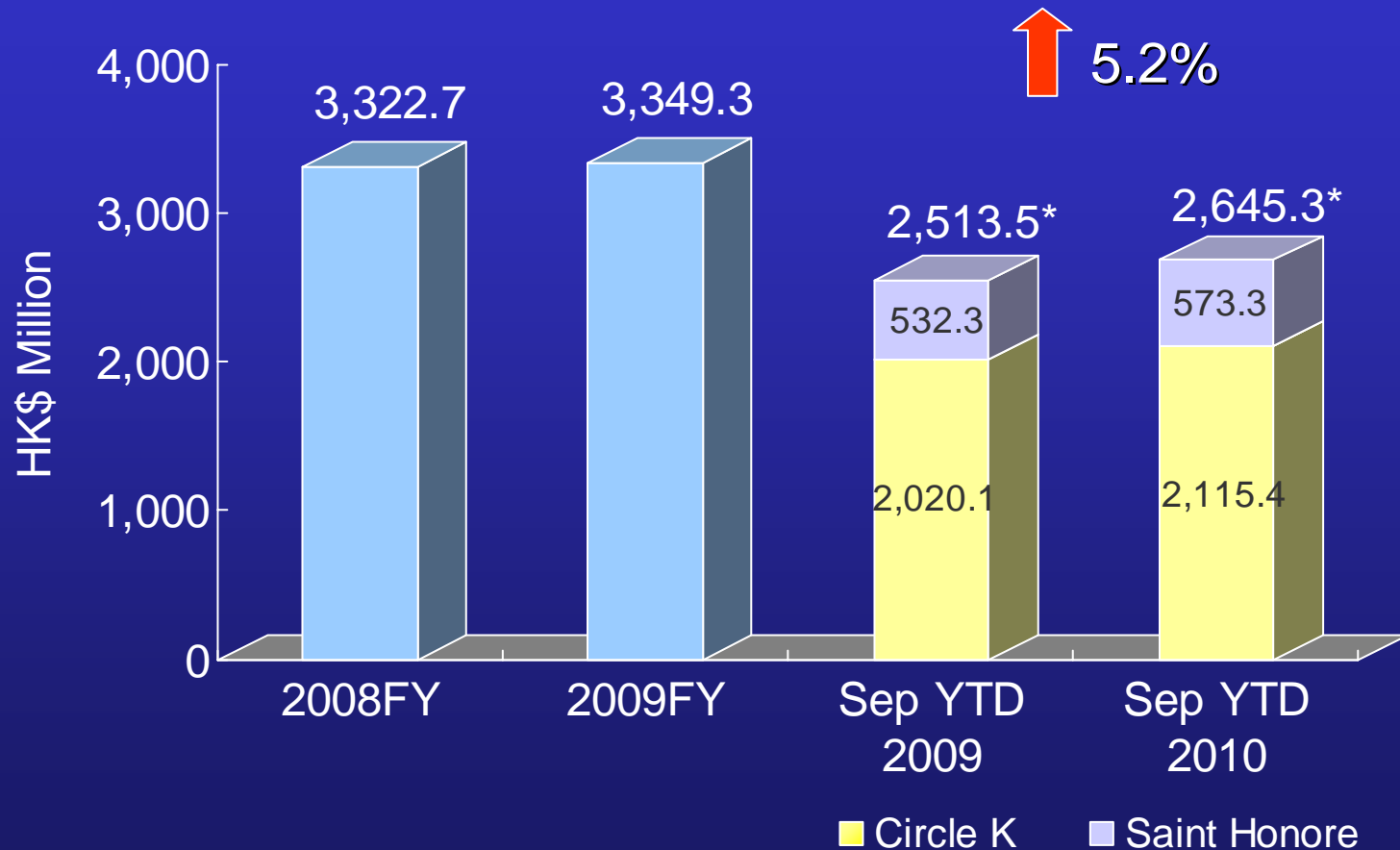
	End of 2009	Opened	Closed	Transfer from/(to)	End of 2010Q3
Circle K Hong Kong	299	19	(5)	-	313
Circle K Southern China	62	8	(8)	-	62
- <i>Guangzhou (owned)</i>	57	8	(7)	(2)	56
- <i>Guangzhou (franchised)</i>	4	-	(1)	2	5
- <i>Shenzhen</i>	1	-	-	-	1
Circle K Macau (J.V.)	19	2	(2)	-	19
Circle K Zhuhai (J.V.)	12	1	(1)	-	12
Saint Honore Group	101	6	(2)	-	105
CRA Group Total	493	36	(18)	-	511

# 2010 Financial Results Highlight Group Turnover – 3rd Quarter



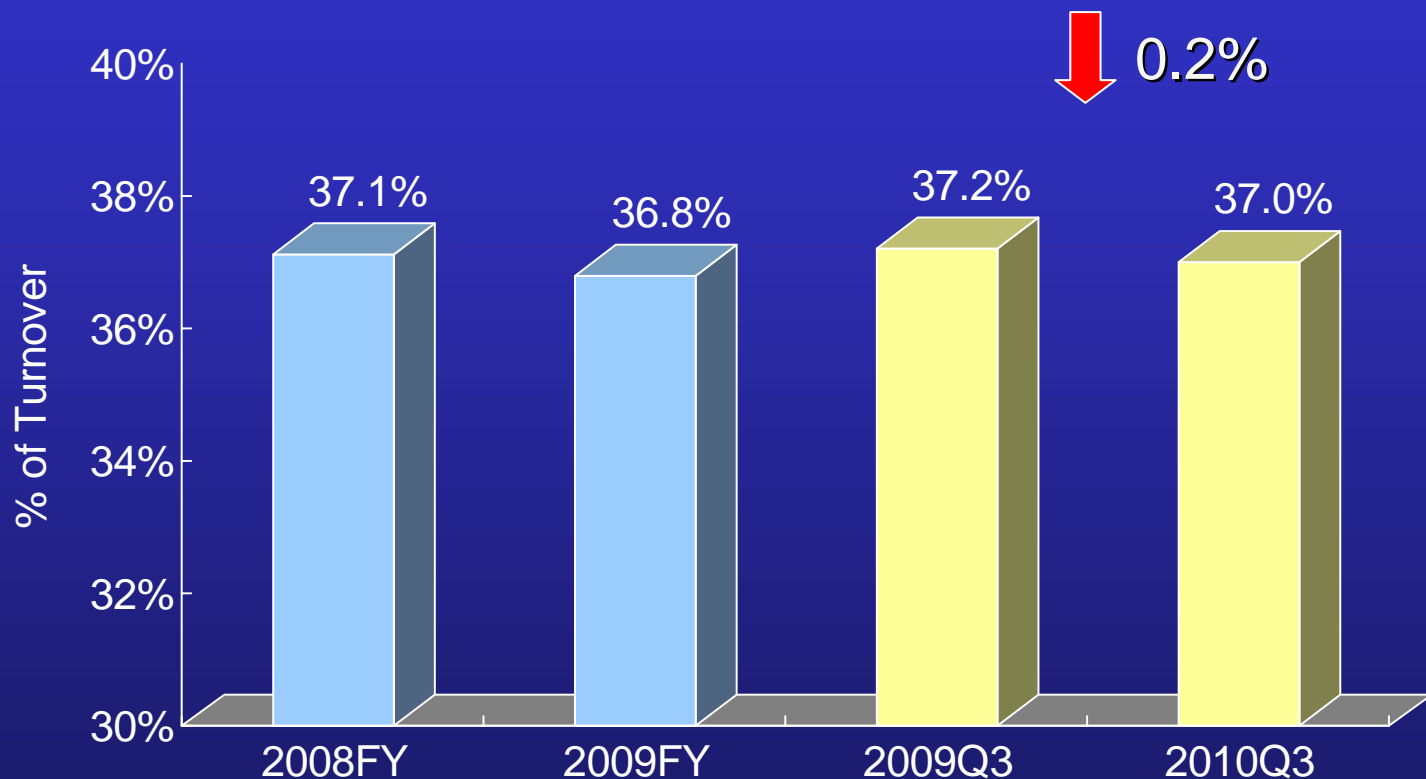
\* Less inter-group sales: HK\$12.2M in Q3 2009 and HK\$14.9M in Q3 2010

# 2010 Financial Results Highlight Group Turnover – Sep YTD



\* Less inter-group sales: HK\$38.9M in Jan-Sep 2009 and HK\$43.4M in Jan-Sep 2010

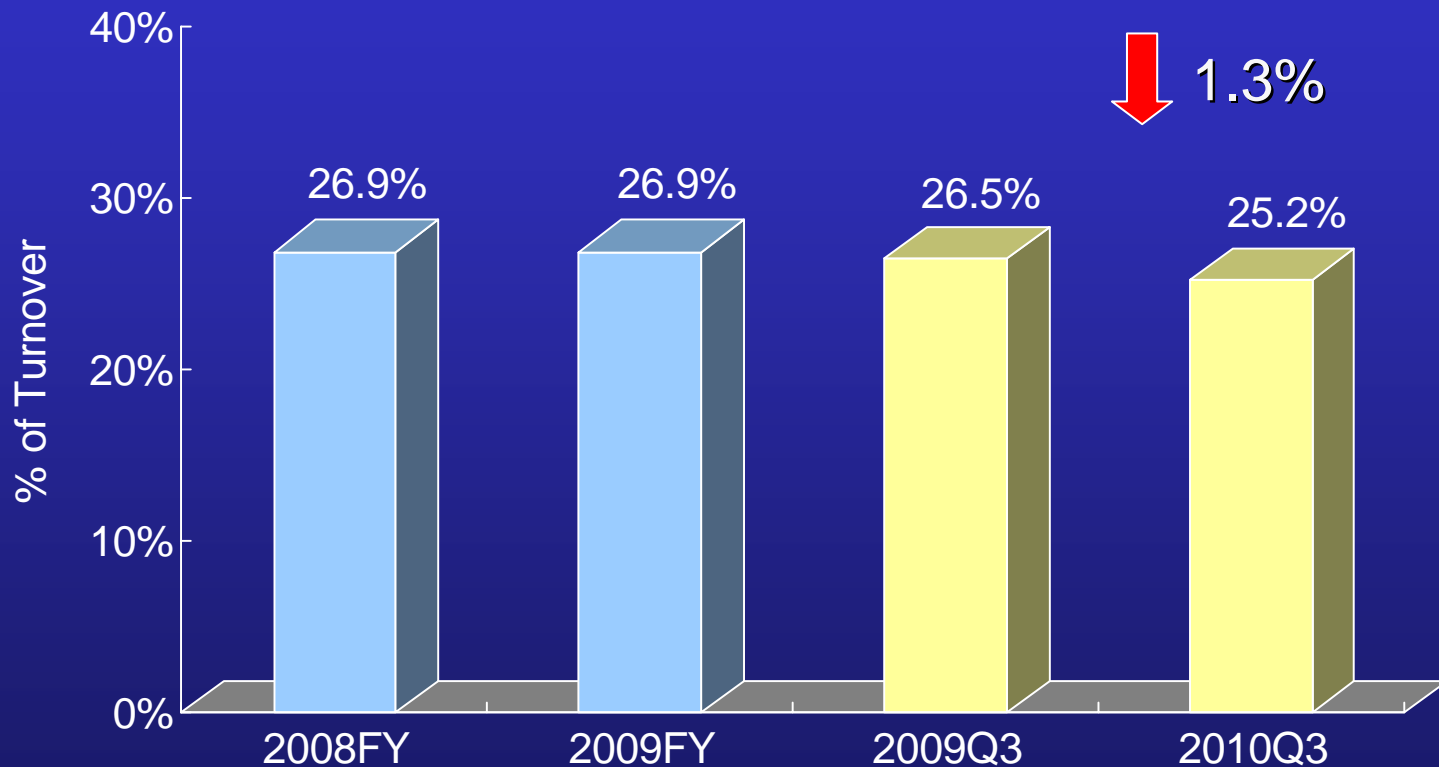
# 2010 Financial Results Highlight Gross Margin / Other Income



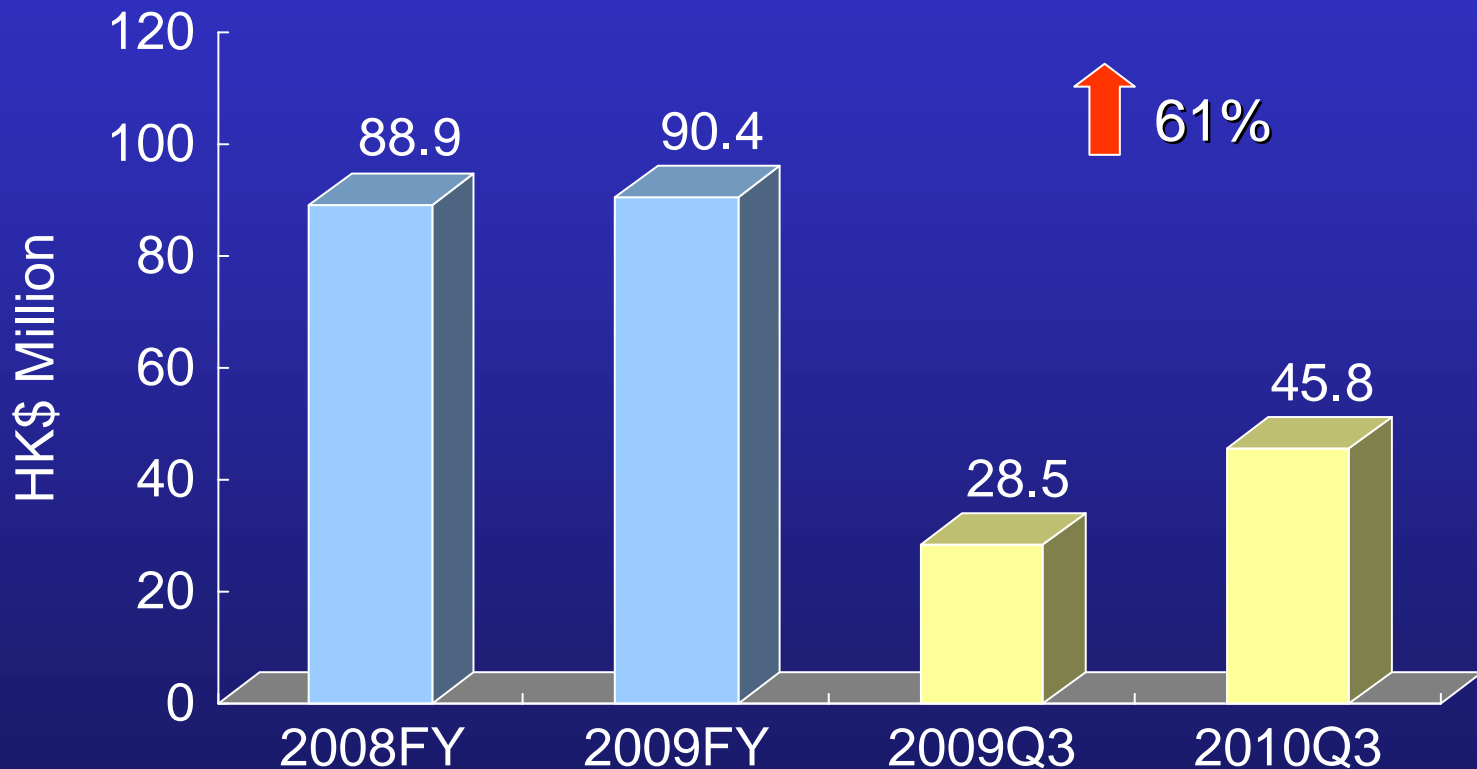
\* Excluding interest income



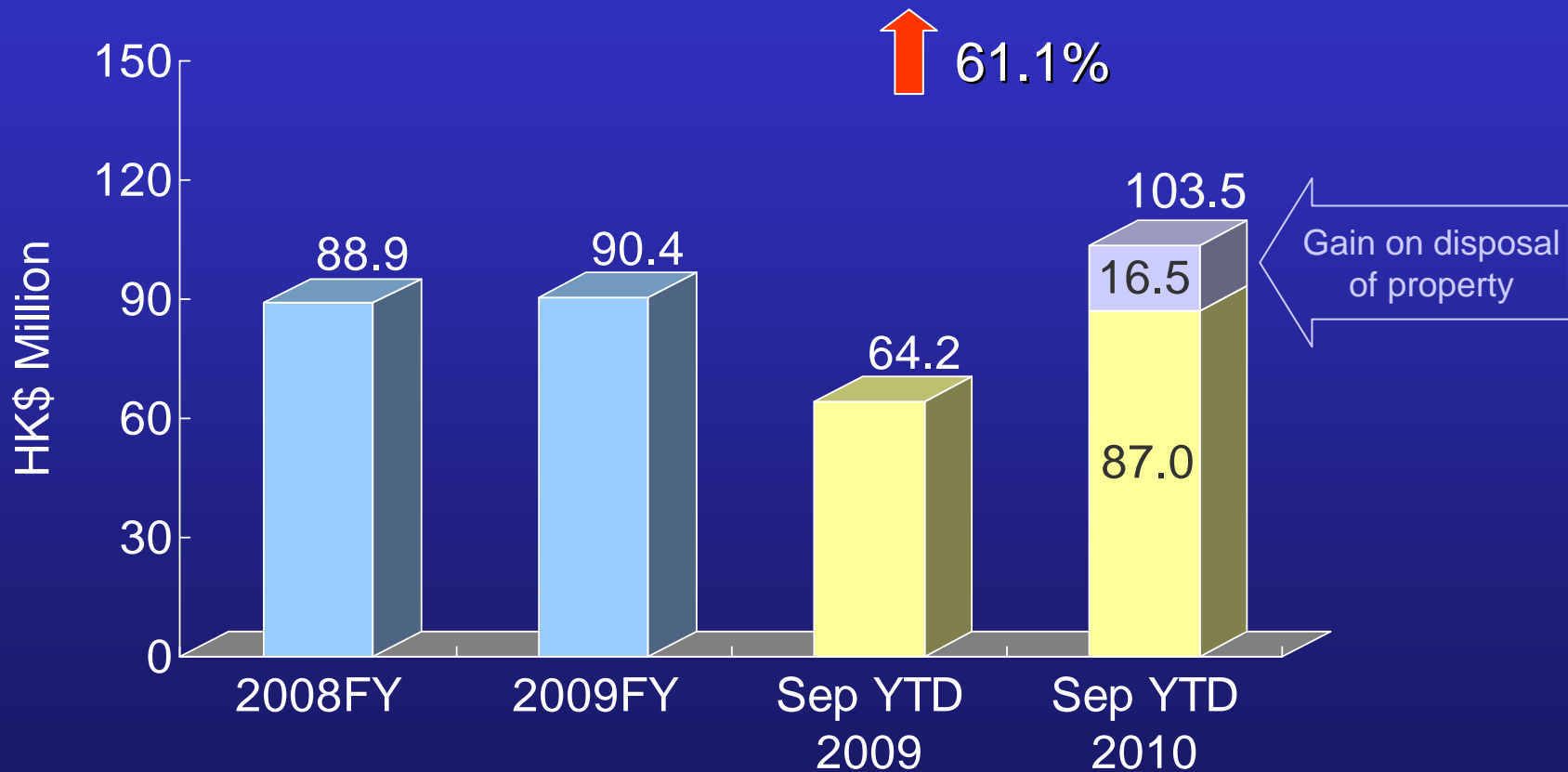
# 2010 Financial Results Highlight Store Operating Expenses



# 2010 Financial Results Highlight Group Net Profit – 3rd Quarter



# 2010 Financial Results Highlight Group Net Profit – Sep YTD

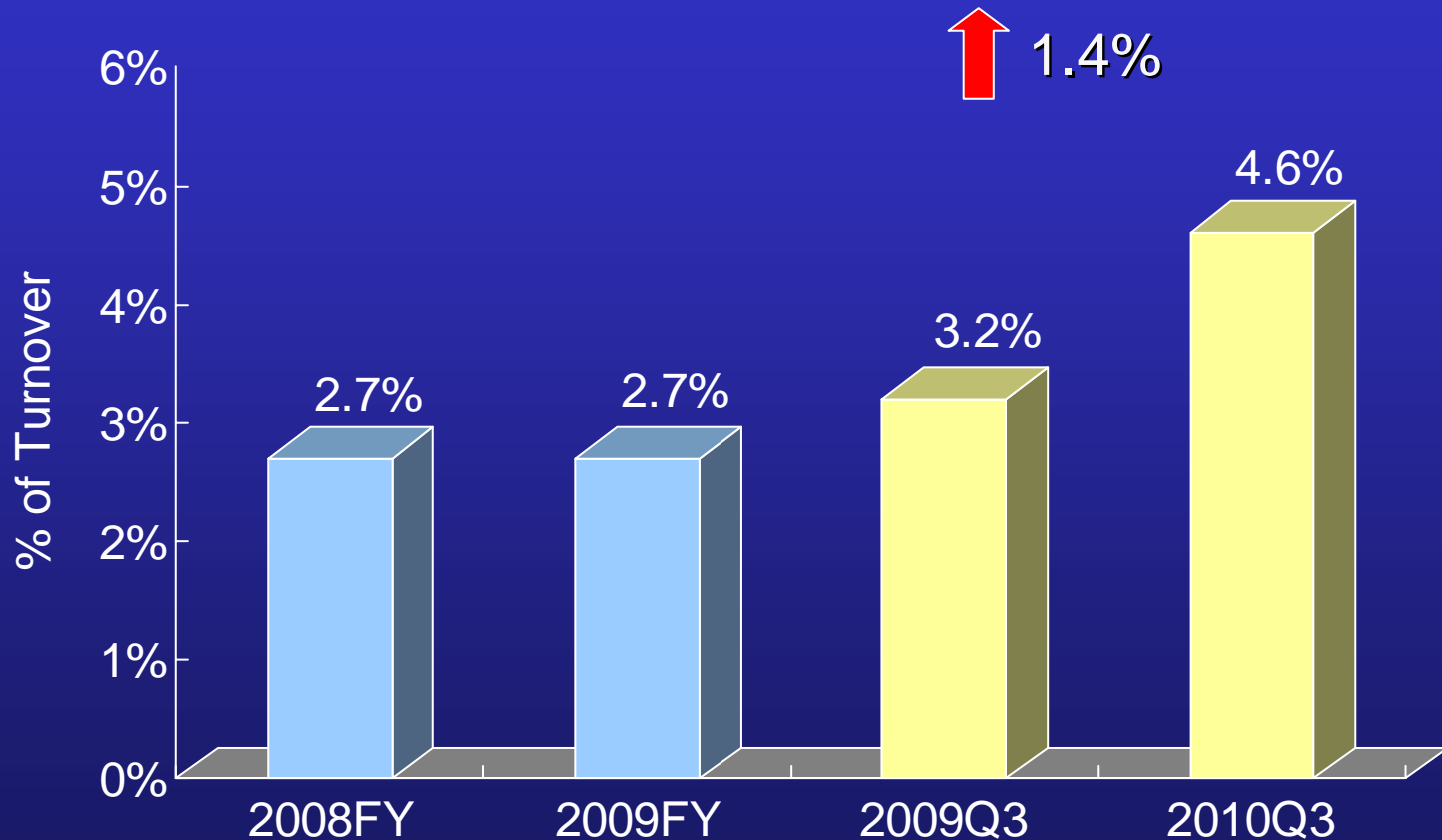


# 2010 Financial Results Highlight

## Net Profit By Market

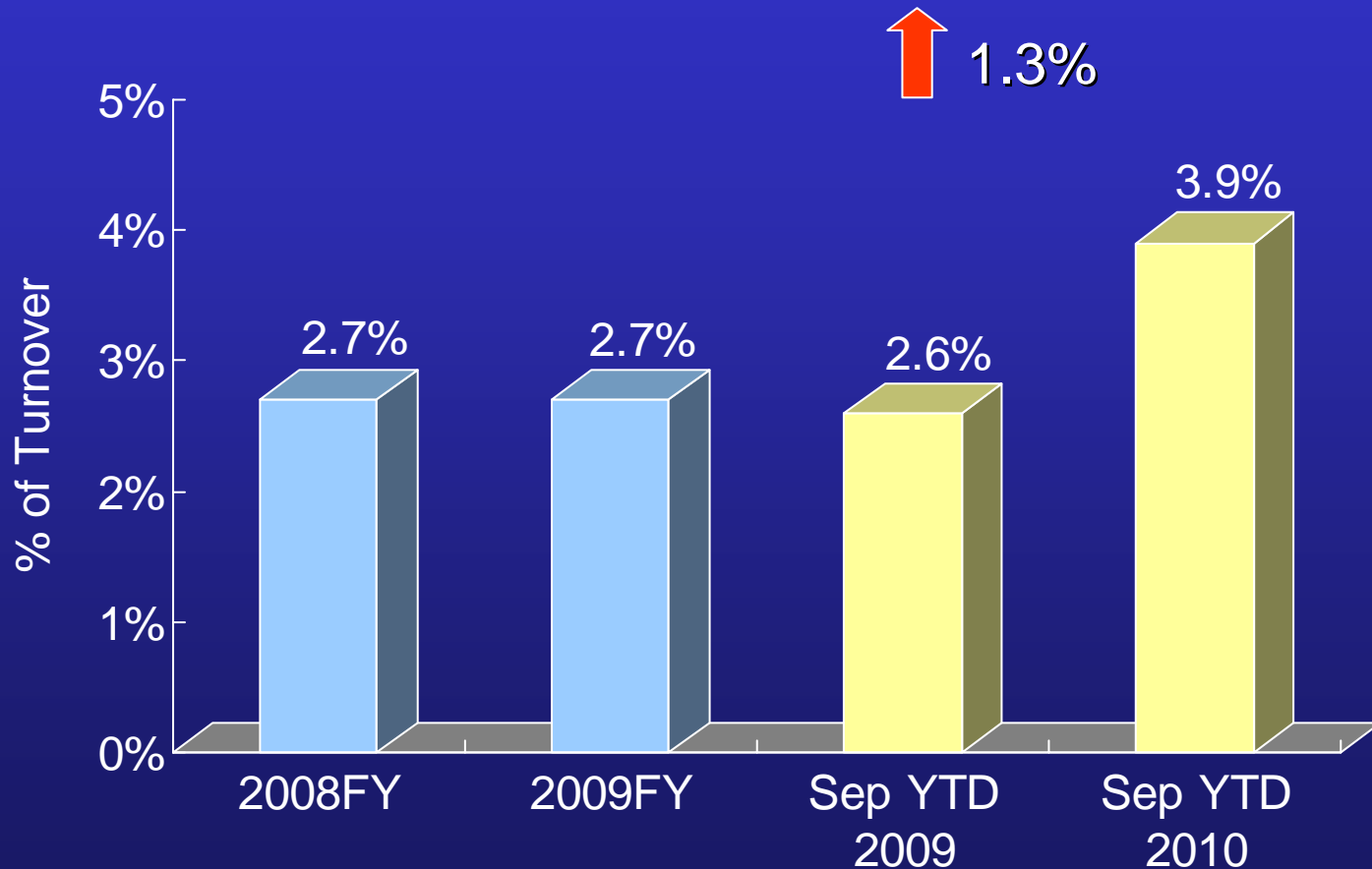
<i>(HK\$ Million)</i>	3rd Quarter		Sep YTD	
	2009	2010	2009	2010
Hong Kong & Macau Markets	36.4	50.6	89.9	121.5
China Market	(7.9)	(4.8)	(25.7)	(18.0)
CRA Group Total	28.5	45.8	64.2	103.5

# 2010 Financial Results Highlight Net Profit as % of Turnover – 3rd Qtr



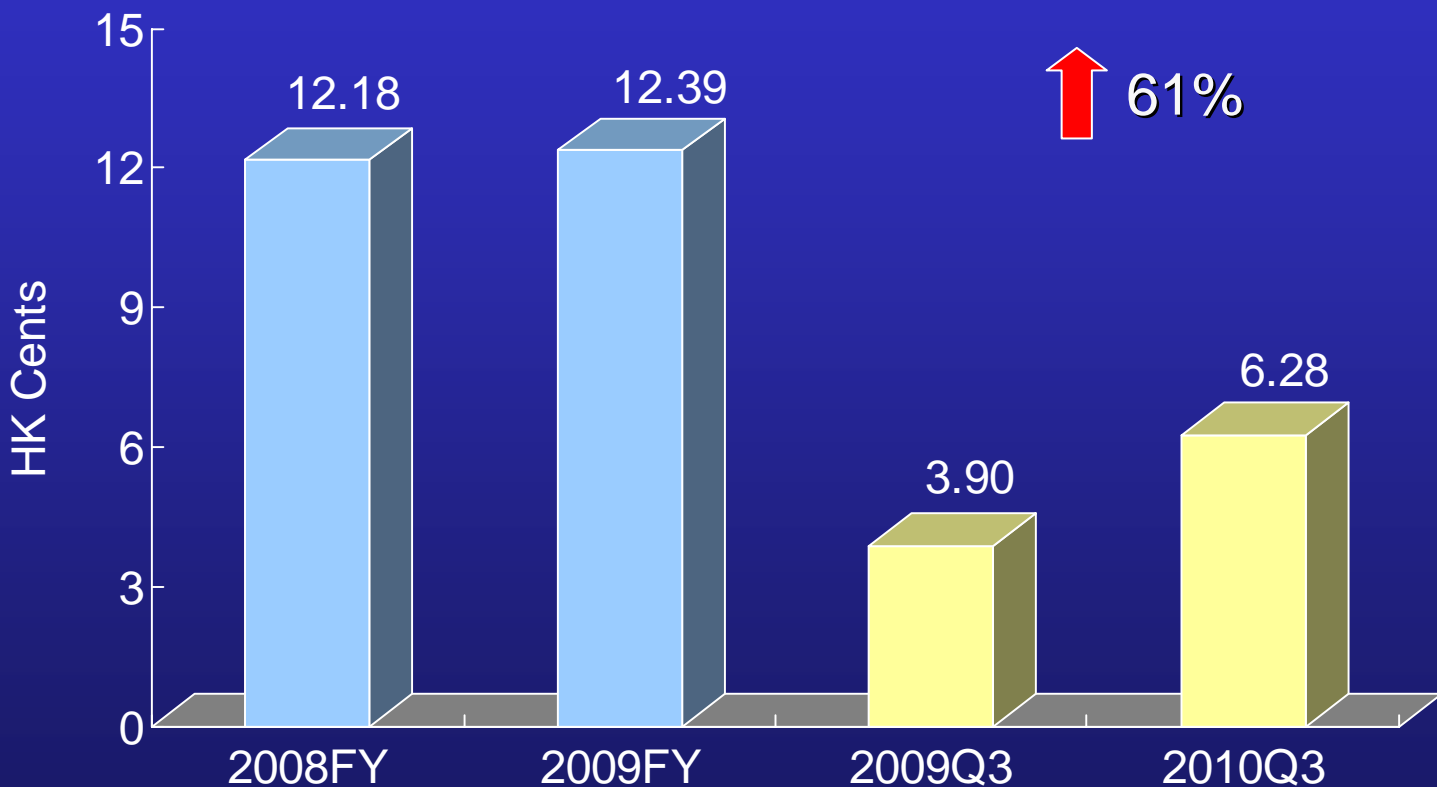
# 2010 Financial Results Highlight

## Net Profit as % of Turnover – Sep YTD



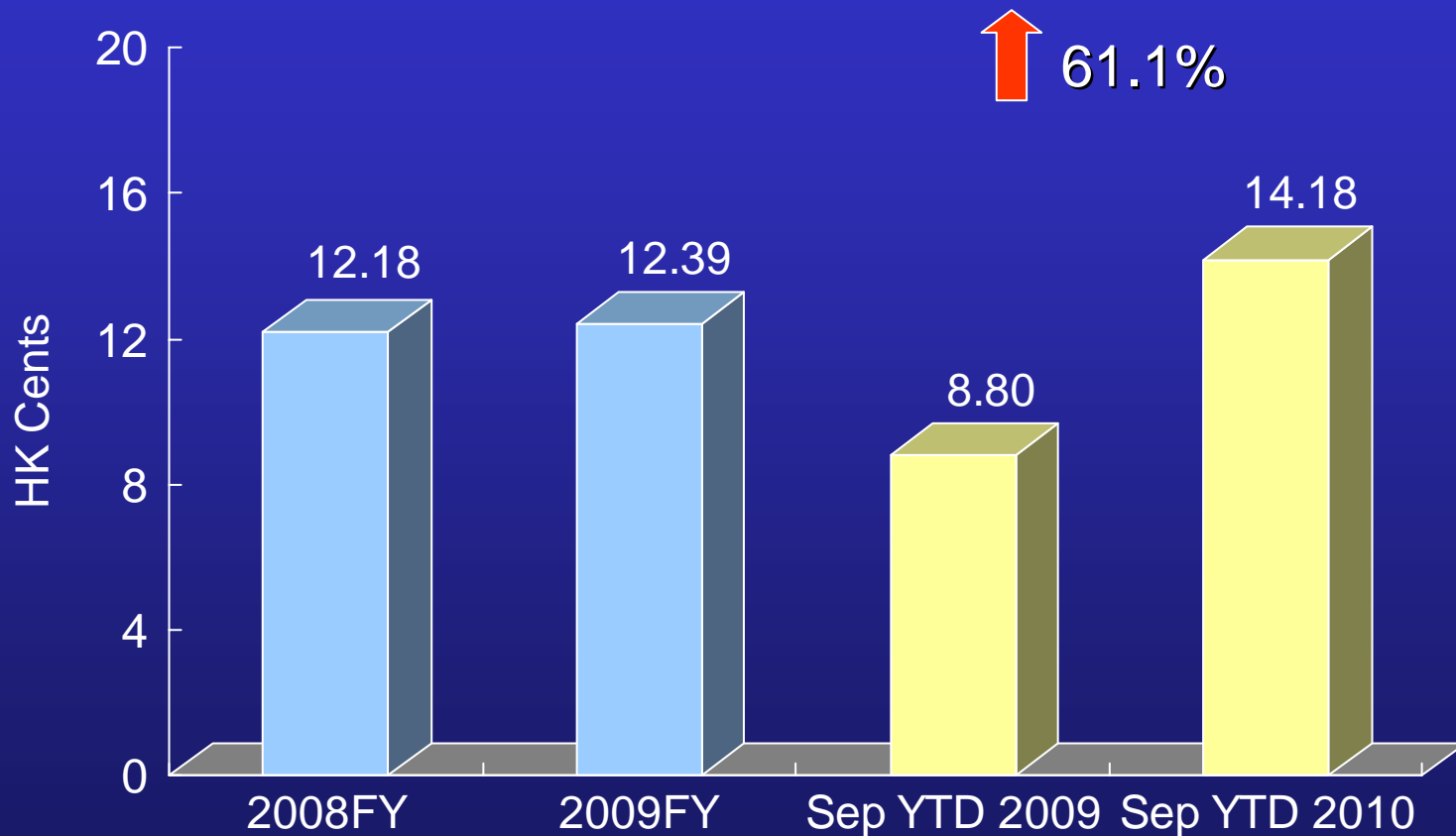
# 2010 Financial Results Highlight

## Basic Earning Per Share – 3rd Qtr



# 2010 Financial Results Highlight

## Basic Earnings Per Share – Sep YTD





# 2010 Financial Results Highlight 3rd Quarter

	2009Q3	2010Q3	Change
Number of Stores	496	511	+15 stores
Group Turnover (HK\$M)	896.8	991.9	+10.6%
Group Net Profit (HK\$M)	28.5	45.8	+61.0%
Net Profit as % of Turnover	3.2%	4.6%	+1.4%
Basic Earnings Per Share	3.90 cents	6.28 cents	+61.0%

# 2010 Financial Results Highlight September YTD

	Sep YTD 2009	Sep YTD 2010	Change
Number of Stores	496	511	+15 stores
Group Turnover (HK\$M)	2,513.5	2,645.3	+5.2%
Group Net Profit (HK\$M)	64.2	103.5	+61.1%
Net Profit as % of Turnover	2.6%	3.9%	+1.3%
Basic Earnings Per Share	8.8 cents	14.18 cents	+61.1%

# 2010 Update and Outlook



# 2010 Update & Outlook

- Sales growth for Hong Kong stores should continue to show healthy increase
- CRSC continues its pace of improvement although the Asian Games adversely affects sales
- RMB appreciation, raw material cost, rental and labour cost are increasing
- Continue strategy of close management of gross margin and tight control of operating expenses

**Thank You!**

