



Convenience Retail Asia Limited

2010 Annual Results

9 March 2011



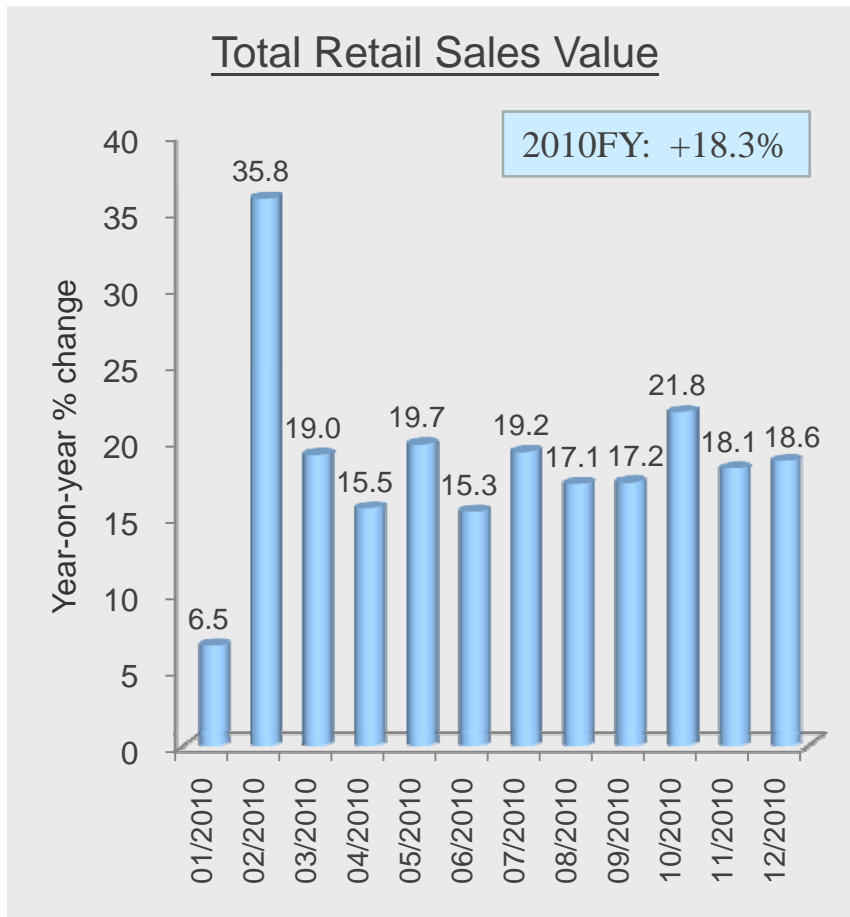
Agenda

- Overall Hong Kong & Guangzhou Retail Markets
- 2010 Key Highlight
- 2010 Financial Results Highlight
- 2011 Update & Outlook
- Questions & Answers

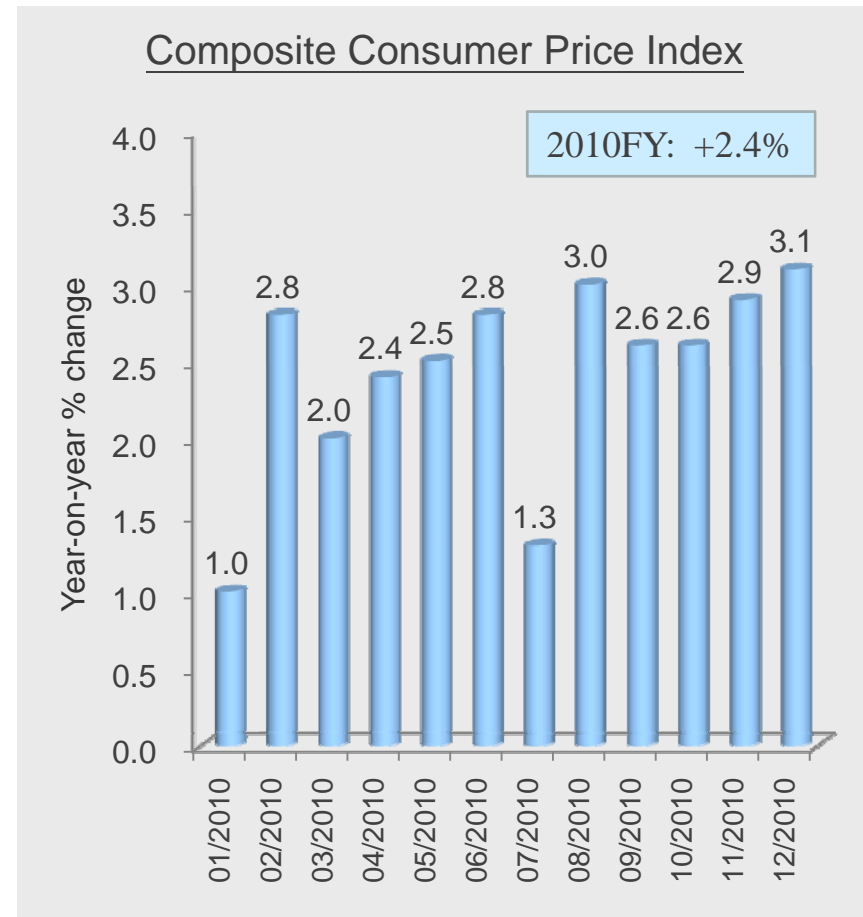
Hong Kong & Guangzhou Retail Markets



Hong Kong Retail Market



2008: +10.6%; 2009: +0.6%

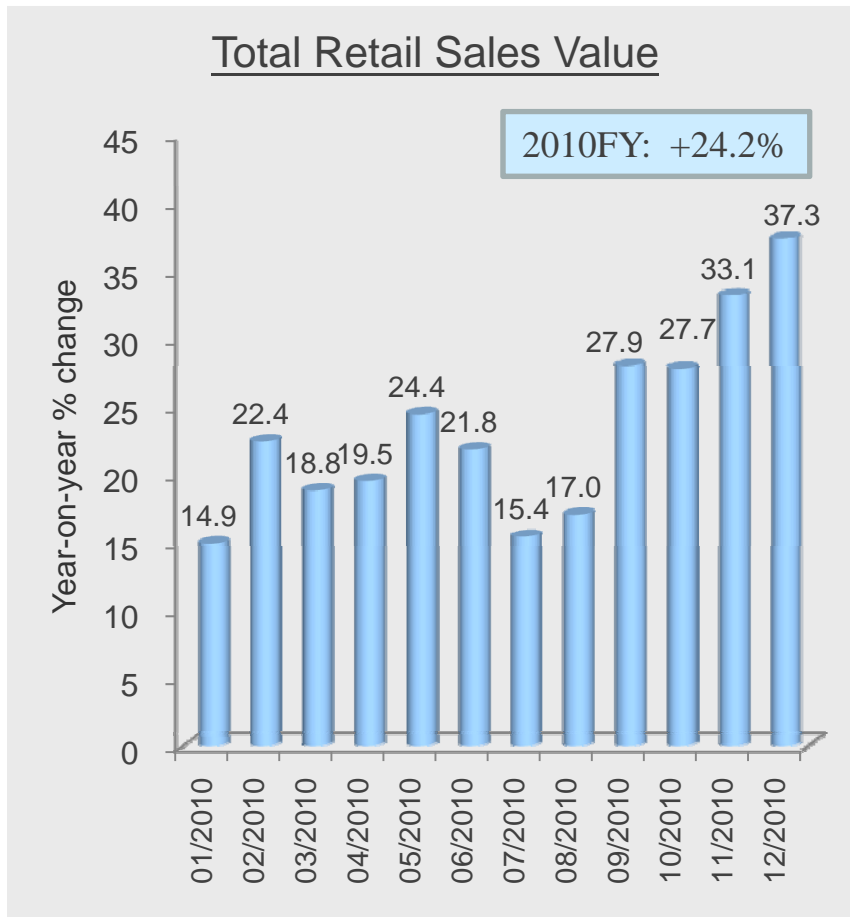


2008: +4.3%; 2009: +0.5%

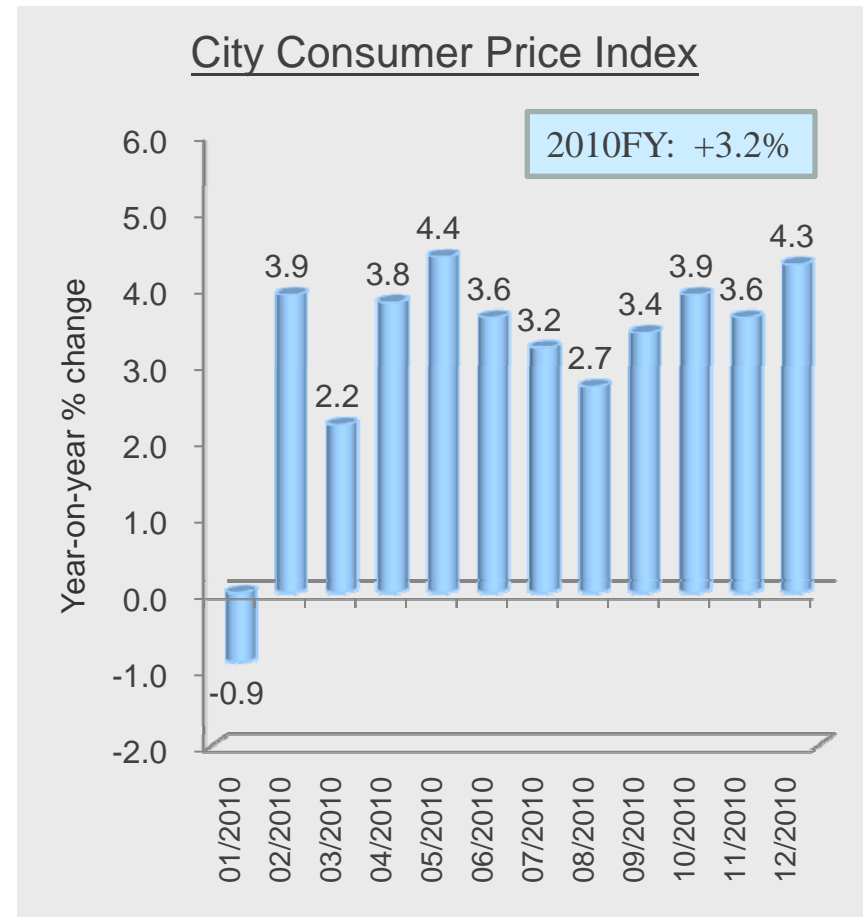
Hong Kong Retail Market

	Retail Value (2010 vs. 2009)	Retail Volume (2010 vs. 2009)
All retail outlets	+18.3%	+15.5%
Other consumer durable goods	41.3%	49.8%
Motor Vehicles and parts	40.4%	36.8%
Jewellery, watches & clocks, and valuable gifts	36.1%	26.0%
Electrical goods & photographic equipment	22.1%	28.6%
Alcoholic drinks & tobacco	21.1%	16.7%
Supermarkets	5.6%	+3.5%

Guangzhou Retail Market



2008: +21.0%; 2009: +16.2%



2008: +5.9%; 2009: -2.5%



2010 Key Highlight



2010Q4 Key Highlight Hong Kong Market

- Strong overall retail sales growth
 - Increase in PRC visitors
 - Local consumers sentiment to spend
 - Inflation
- Customers willing to accept reasonable price increase
- Raw material costs up 8.3% vs. 2009
- Rental and labour cost all increasing at the same time
- Both Circle K and Saint Honore experienced healthy sales growth

New Products & Creative Promotions - Circle K

OK 慶祝 25週年 大派禮物
免費贈送Cute版磁石
惠顧每滿\$20*即送一件 (限時限店)

Celebrating 25th Anniversary 全類21款

Hot & n 餅乾	自己DIY OK	華菓系列	日式沖繩	新飲品
新推出必勝日誌	果汁汽水	罐頭食品	罐頭食品	罐頭食品
新推出	新推出	新推出	新推出	新推出

Circle K *Always Available Now for 25 years*

OK 世界波 齊齊勁抽

OK 勁抽 世界波

全球最大獎：全球限量5,000套 **2010世界波!**

大量贈食贈飲等住送男界
中獎機會超過50%!

Circle K *Always Available Now*

Disney Pixar 反斗奇兵 3 3D Figure Pen 勁Fun登陸

一套六款

- Iron 鐵名筆
- Green Army Men 綠色小兵 (2款)
- Lighter 打火機
- Lotso 糖果
- Shake Shake 搖搖筆 (2款)
- Mr. Potato Head 薯仔

零售每盒\$20* 送 "OK Fun包" 一件，內附印花一張
總額1000元 免費換取 Figure Pen 六款中任擇一款，先到先得，數量抽完即止
即送 Lotso 大食公仔一個

超過 10,000 套 Jumbo 印花

Circle K *Always Available Now*

Aliens & Friends Fun Mug 反斗盤場

儲滿 100 Fun 免費換

Disney Pixar 反斗奇兵 3

每款每盒\$20* 送 "OK Fun包" 一件，內附印花一張
總額 100 Fun 免費換取 Aliens & Friends Fun Mug 六款中任擇一款，先到先得，數量抽完即止

Circle K *Always Available Now*

1人午餐 OK至多美味選擇

OK 便利店

- 炸雞**：香脆炸雞、香脆炸雞、香脆炸雞、香脆炸雞
- 粥粉麵**：什錦、廣東及肉碎、什錦及肉碎、什錦及肉碎、什錦及肉碎
- 三文治、珍珠、煎焗**：鹹蛋三文治、鹹蛋三文治、鹹蛋三文治、鹹蛋三文治
- 燒臘、麵粉、粥麵**：豉汁蒸排骨、豉汁蒸排骨、豉汁蒸排骨、豉汁蒸排骨

Circle K *Always Available Now*

Winnie the Pooh 陪你Cute爆場遊

OK Fun 陪你Winnie the Pooh "Hokey Hokey" 系列

零售每盒\$20* 送 "OK Fun包" 一件，內附印花一張
總額 100 Fun 免費換取 Winnie the Pooh "Hokey Hokey" 系列，先到先得，數量抽完即止

即送 Winnie the Pooh "Hokey Hokey" 印花一張

超過 10,000 套 Jumbo 印花

Circle K *Always Available Now*

2010Q4 Key Highlight Southern China Market

- Very strong increase in overall retail sales:
 - Government, policies to promote consumption
 - Strong consumer sentiment to spend
 - Inflation
- High inflation and resulting price increase
- Overall Circle K sales was satisfactory although affected by pre-Asian Game and persistent cold weather
- Successful refinement of store models, as well as lowering store expenses and capex
- Saint Honore recorded strong growth in sales and gross margin



2010 Financial Results Highlight



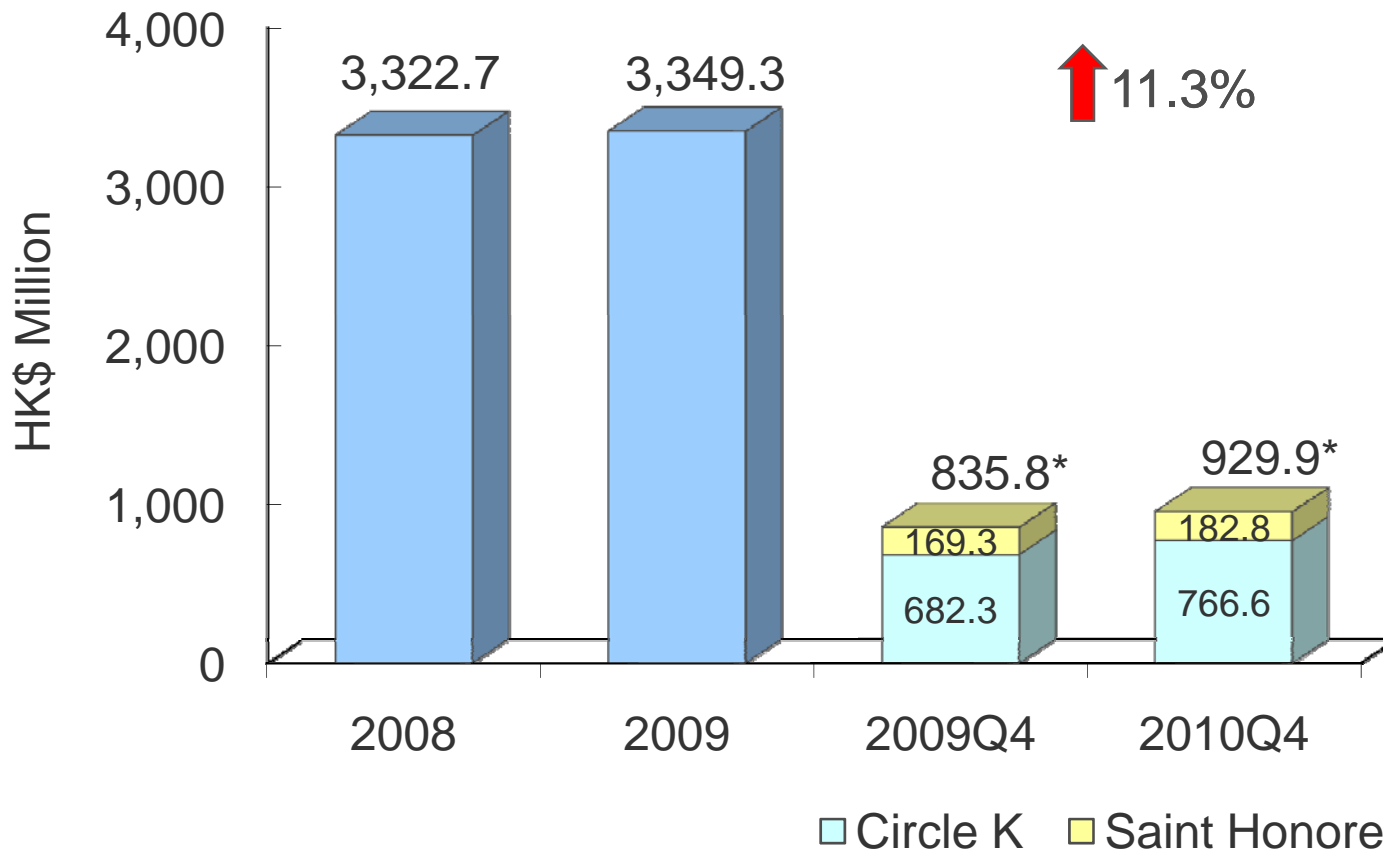


2010 Financial Results Highlight Number of Stores

	End of 2009	Opened	Transfer from/(to)	Closed	End of 2010
Circle K Hong Kong	299	26	-	(7)	318
Circle K Southern China	62	9	-	(8)	63
- <i>Guangzhou (owned)</i>	57	9	(3)	(7)	56
- <i>Guangzhou (franchised)</i>	4	-	3	(1)	6
- <i>Shenzhen</i>	1	-	-	-	1
Circle K Macau (J.V.)	19	4	-	(2)	21
Circle K Zhuhai (J.V.)	12	1	-	(1)	12
Saint Honore Group	101	14	-	(3)	112
CRA Group Total	493	54	-	(21)	526

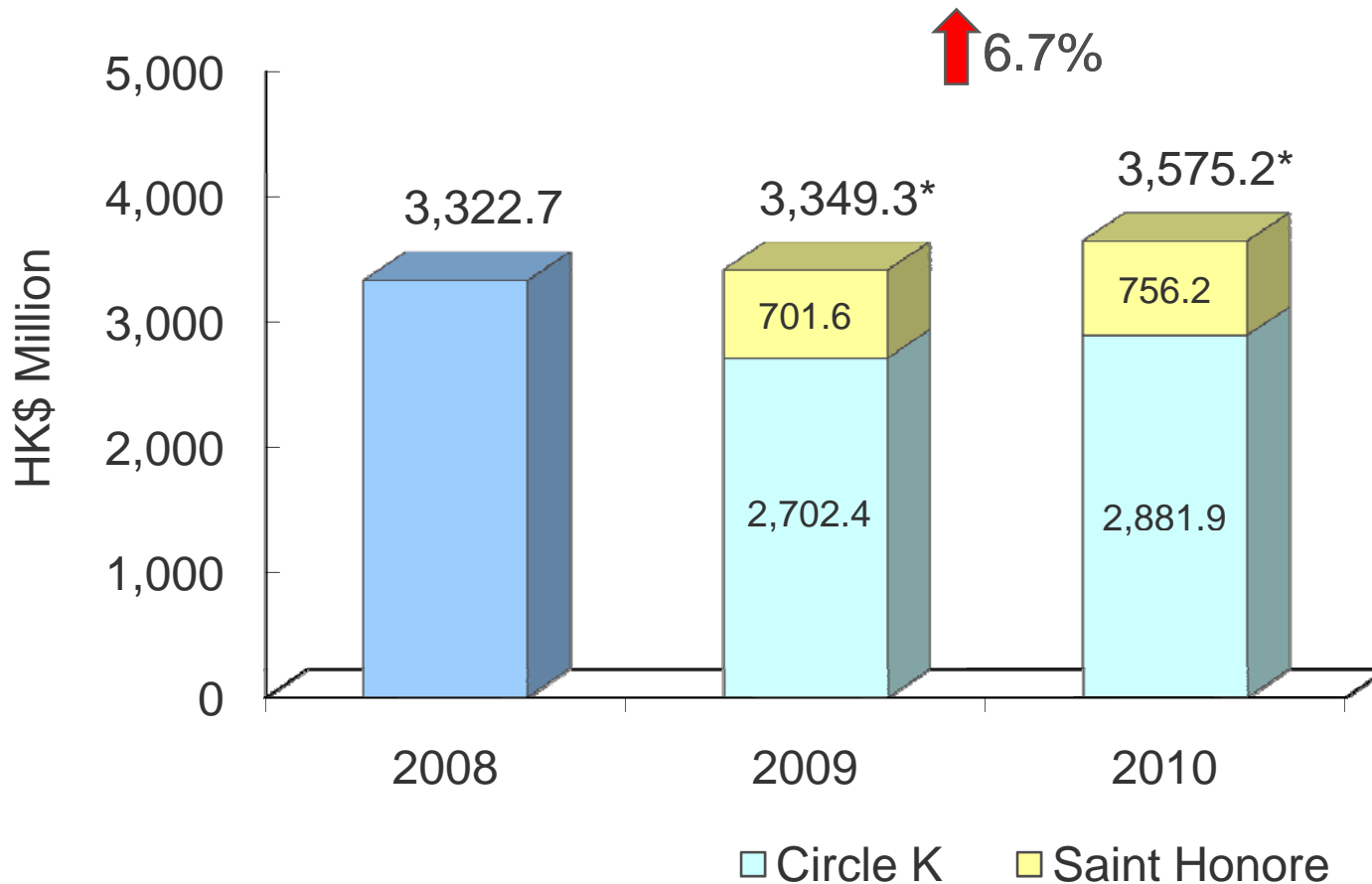


2010 Financial Results Highlight Group Turnover – 4th Quarter



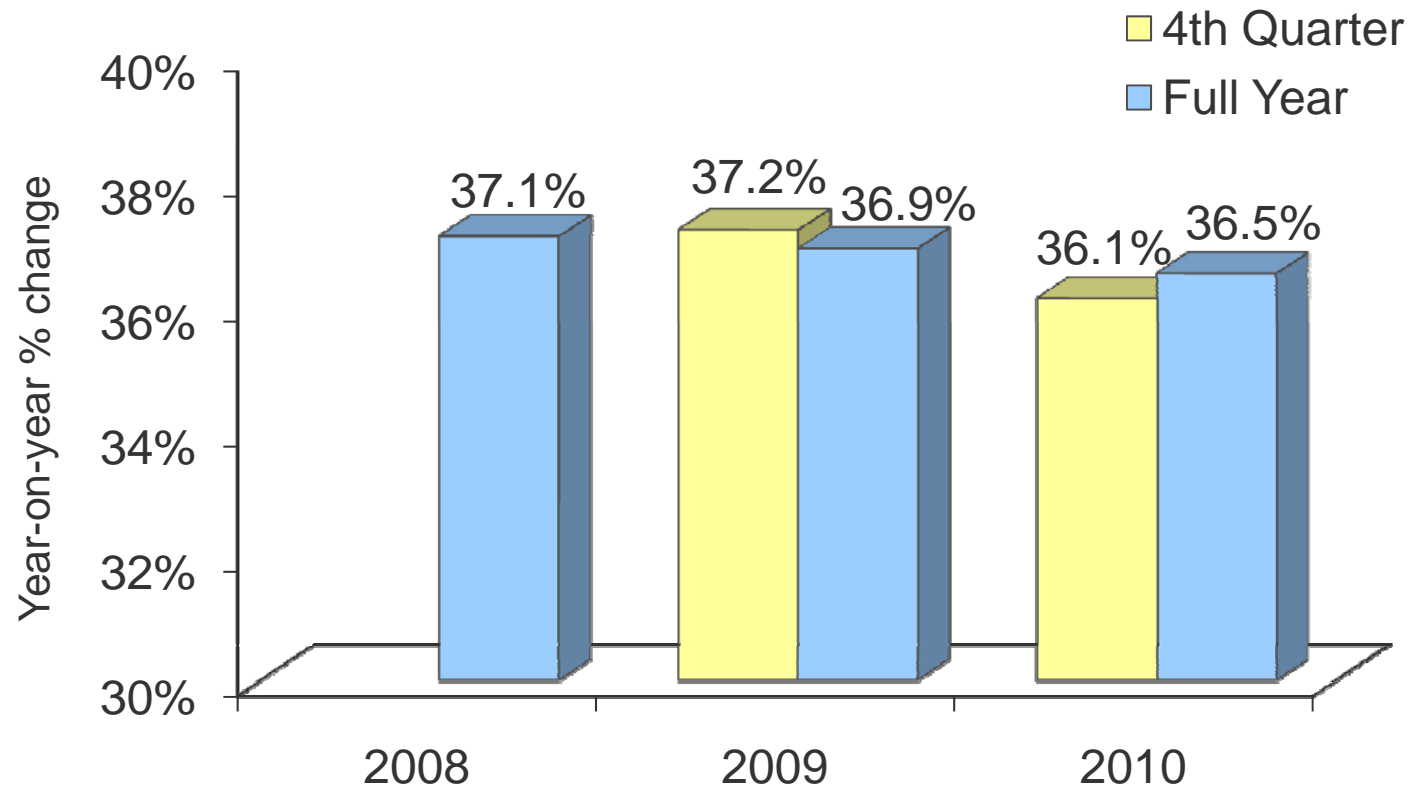
* Less inter-group sales: HK\$15.8M in 2009Q4 and HK\$19.5M in 2010Q4

2010 Financial Results Highlight Group Turnover – Full Year



* Less inter-group sales: HK\$54.7M in 2009 and HK\$62.9M in 2010

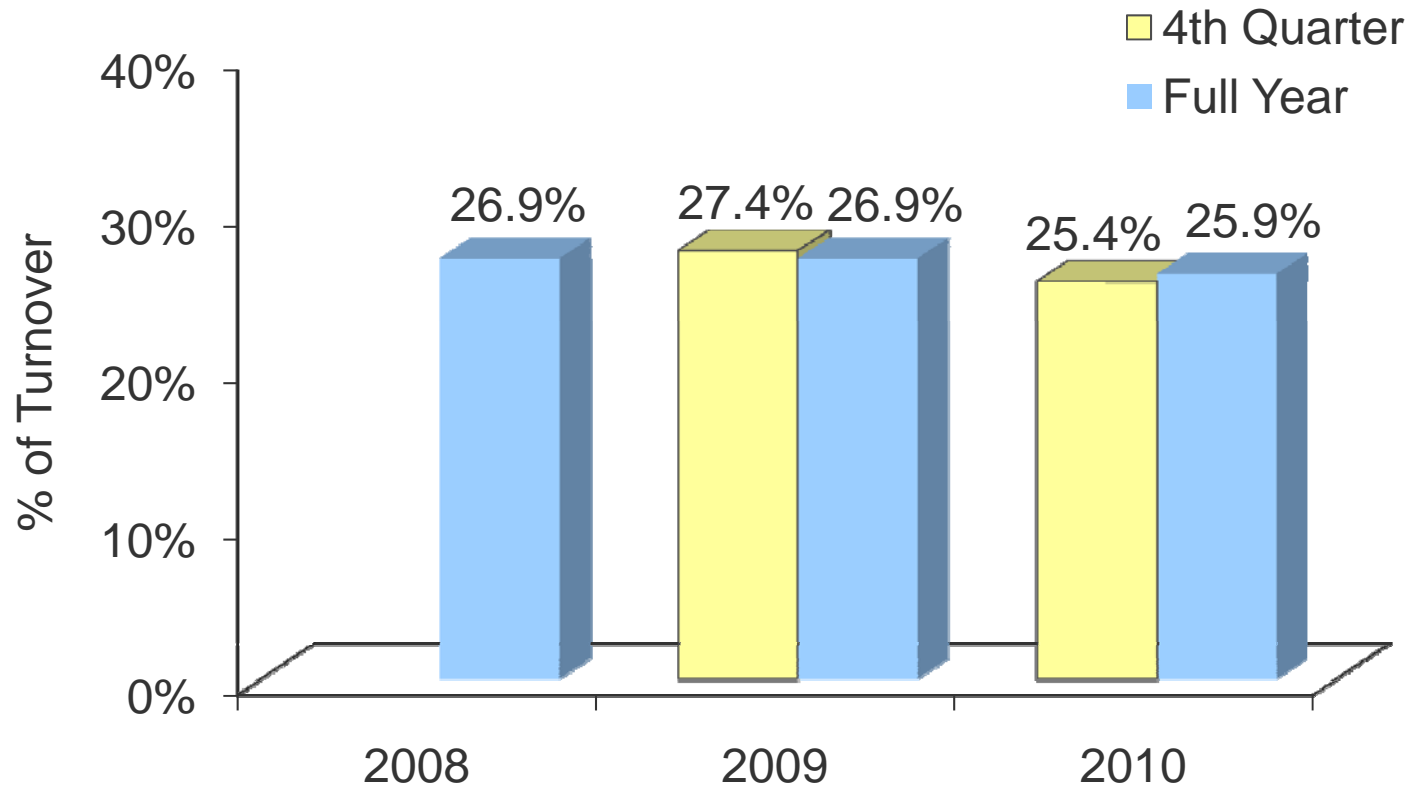
2010 Financial Results Highlight Gross Margin & Other Income



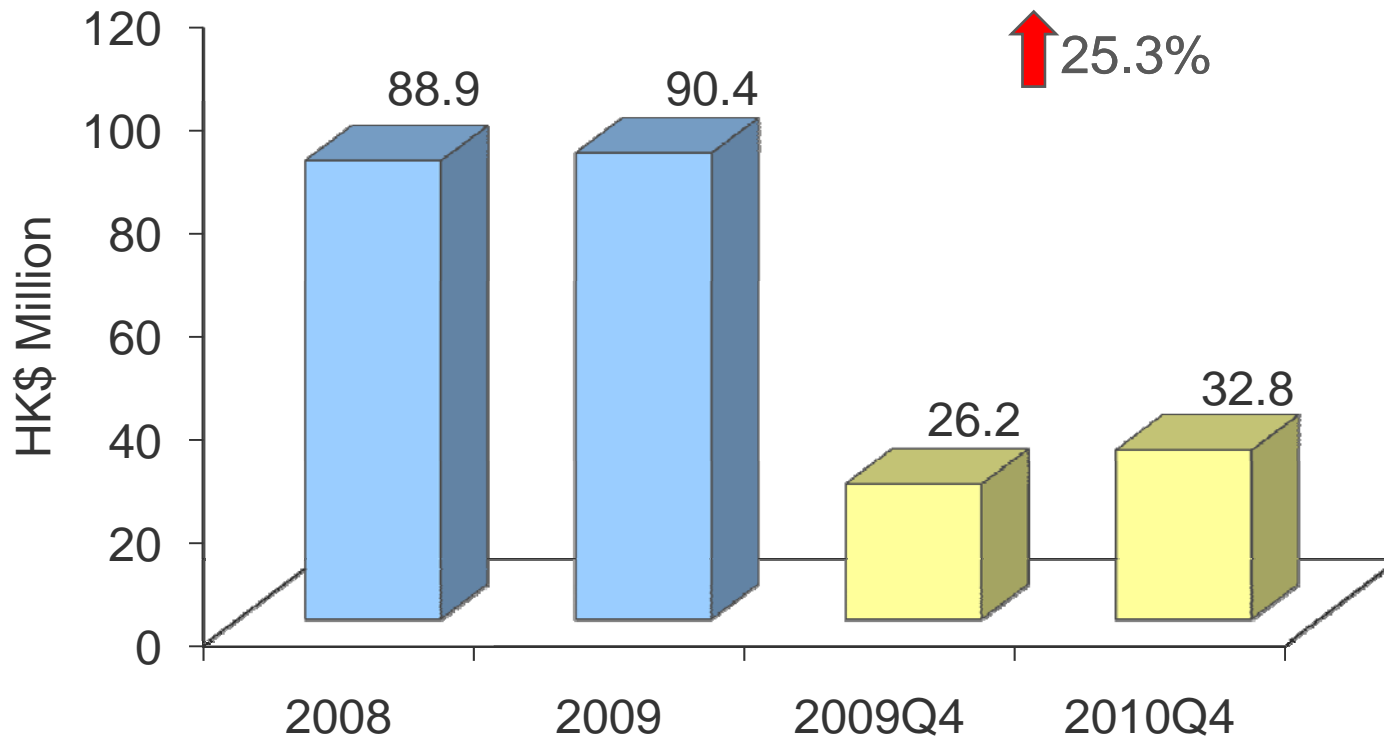
* Excluding interest income



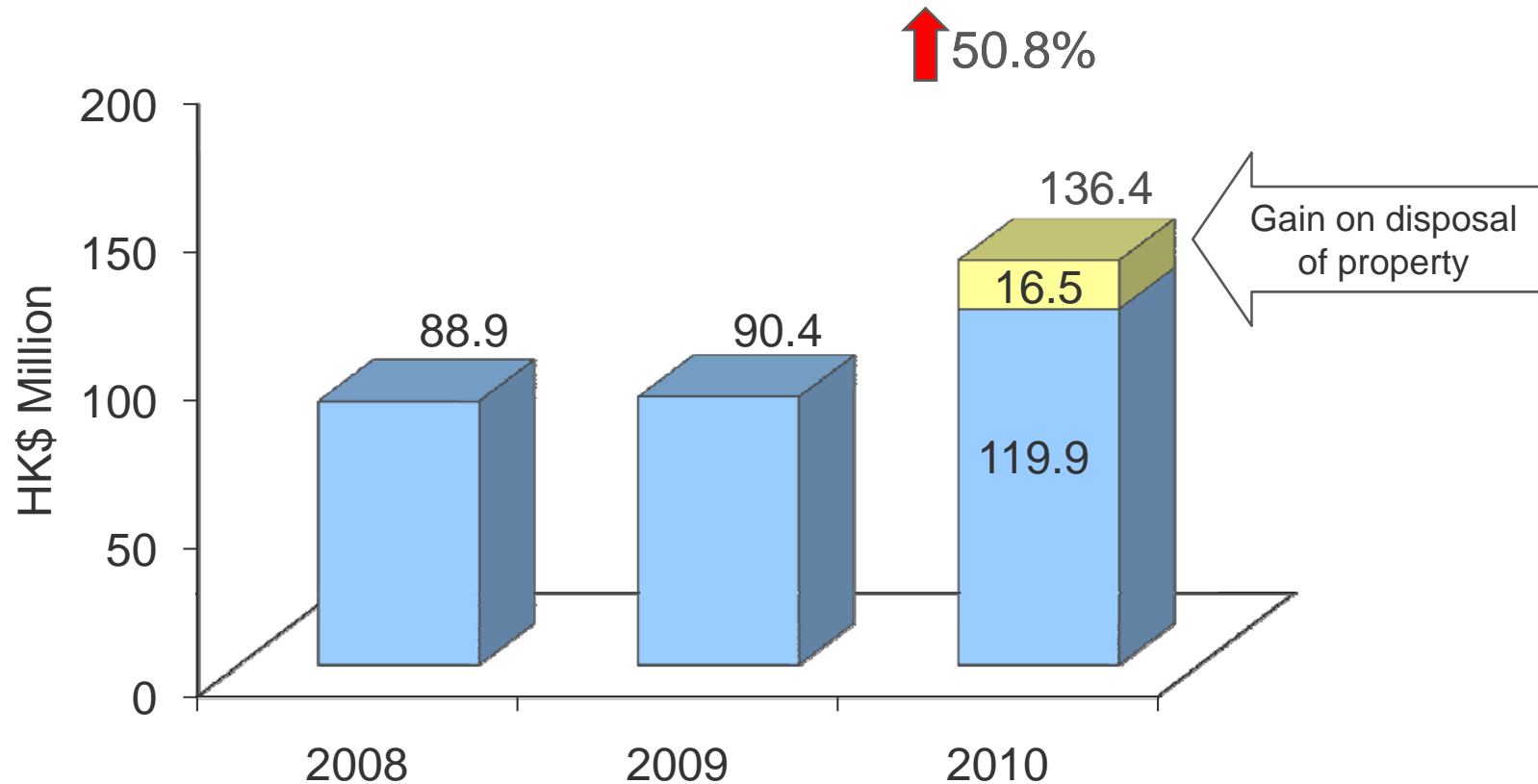
2010 Financial Results Highlight Store Operating Expenses



2010 Financial Results Highlight Group Net Profit – 4th Quarter



2010 Financial Results Highlight Group Net Profit – Full Year





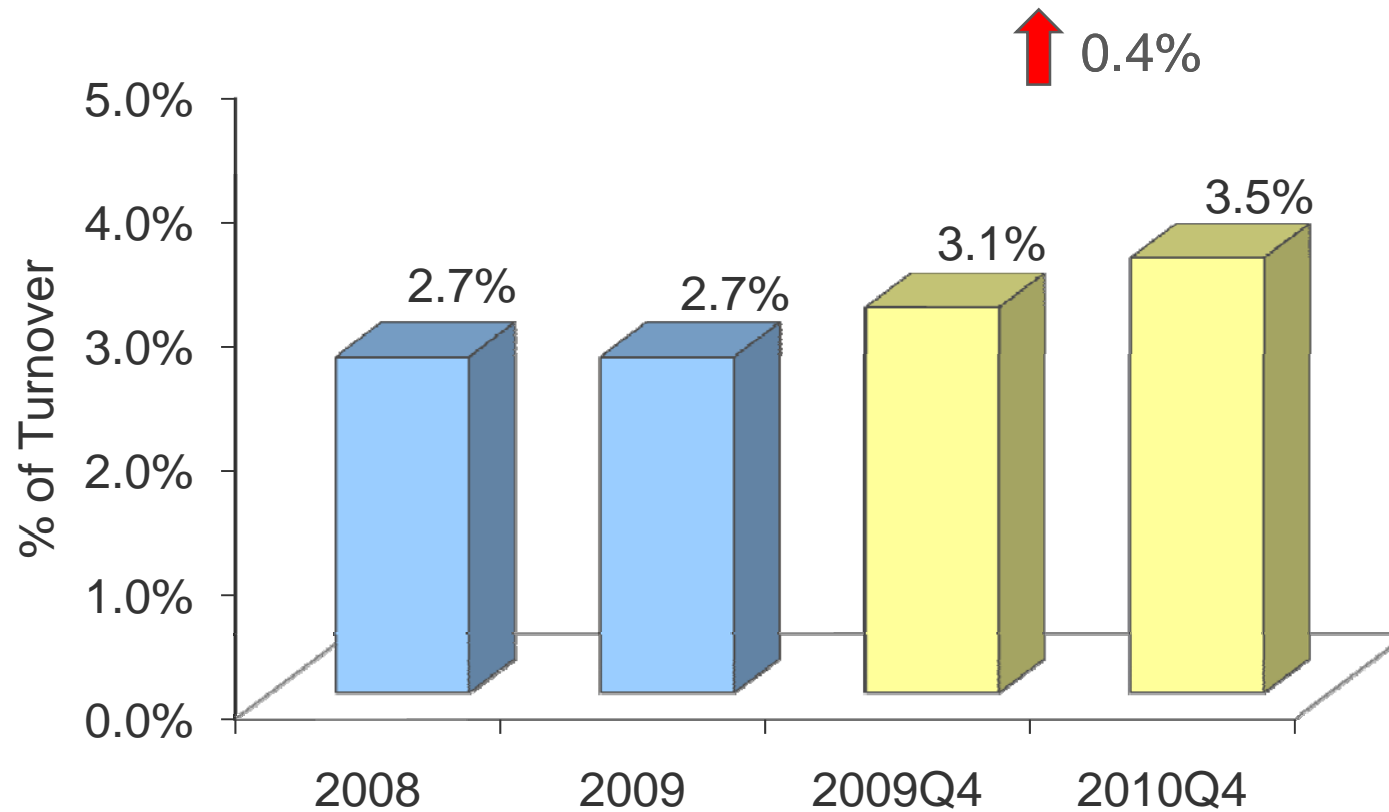
2010 Financial Results Highlight

Net Profit By Market

<i>(HK\$ Million)</i>	4 th Quarter		Full Year	
	2009	2010	2009	2010
Hong Kong & Macau Markets	44.1	37.3	134.1	158.9
China Market	(17.9)	(4.5)	(43.7)	(22.5)
CRA Group Total	26.2	32.8	90.4	136.4

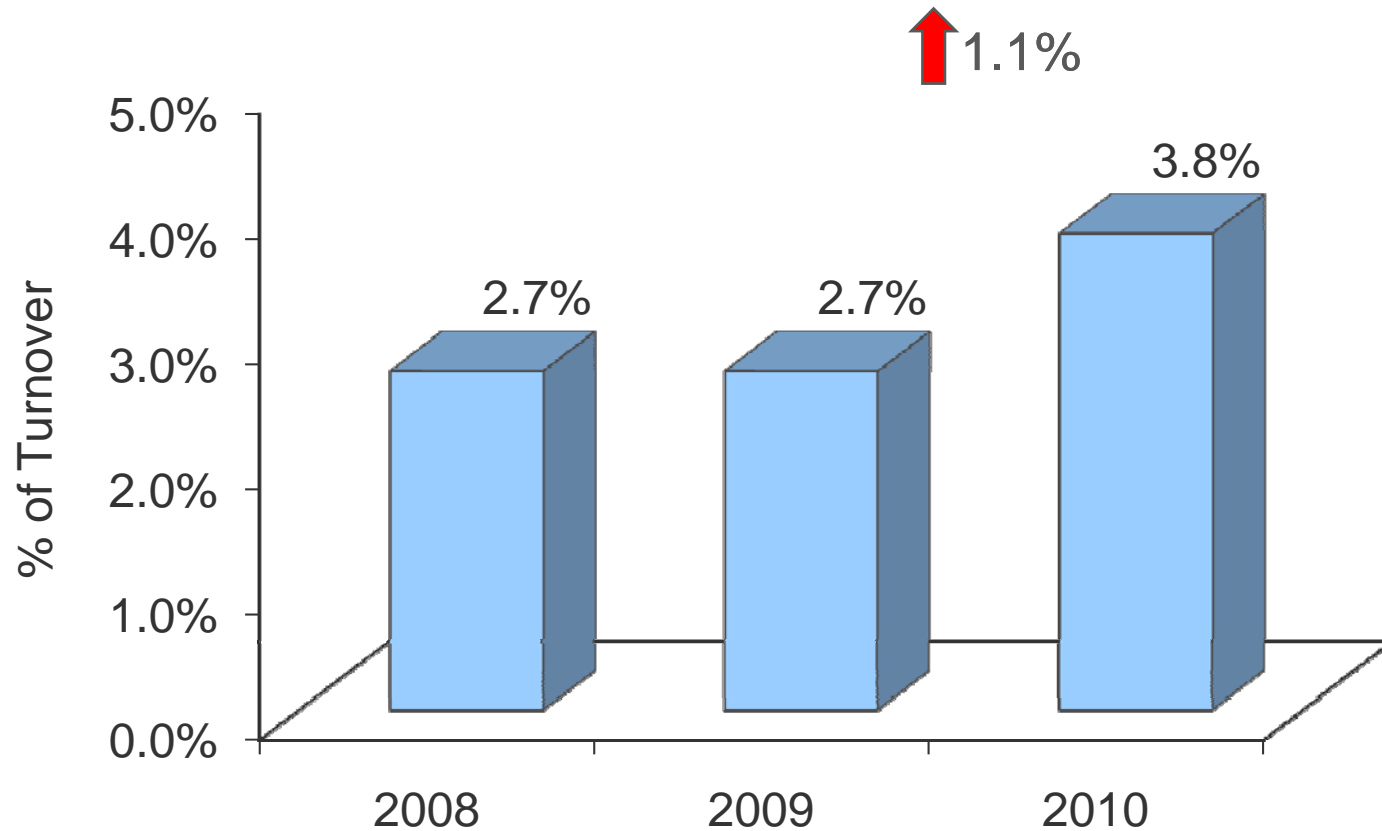


2010 Financial Results Highlight Net Profit as % of Turnover – 4th Qtr

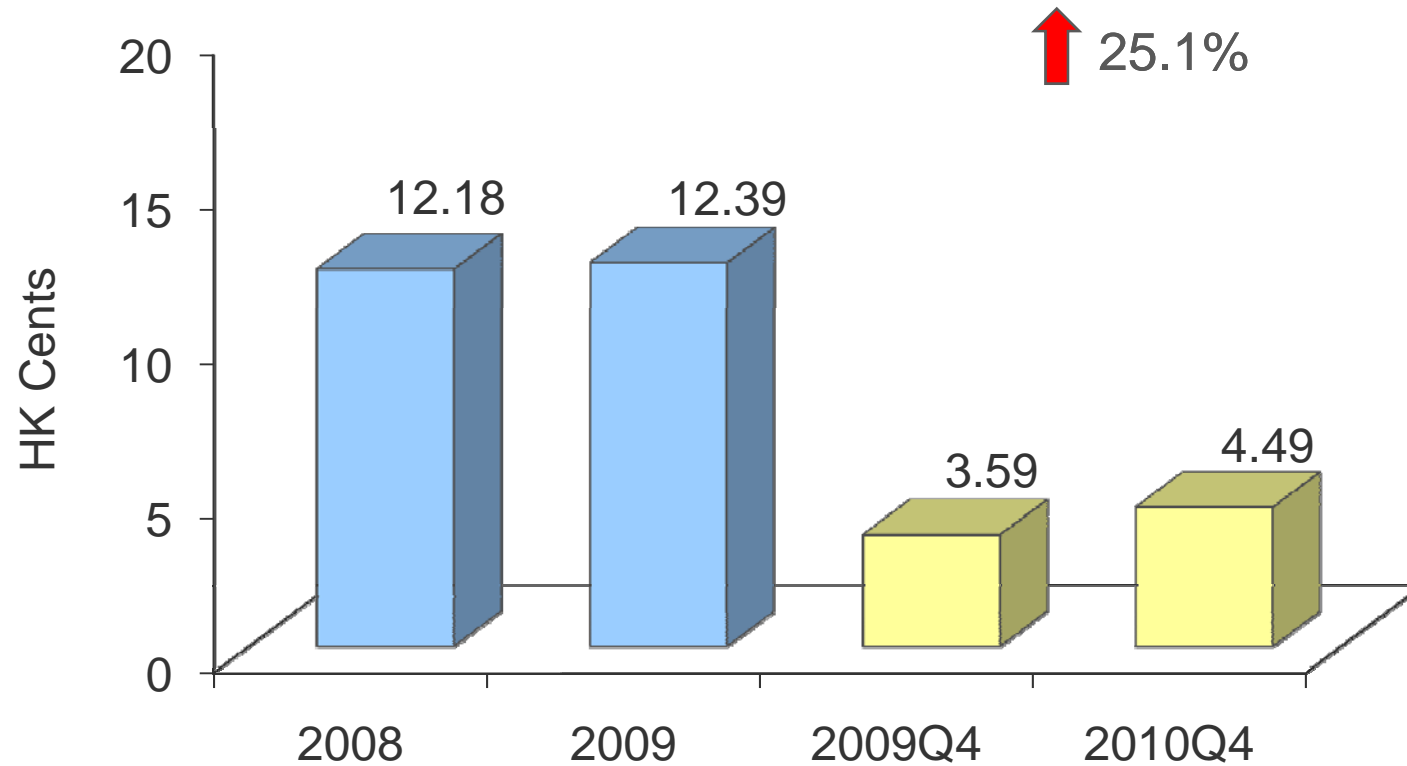




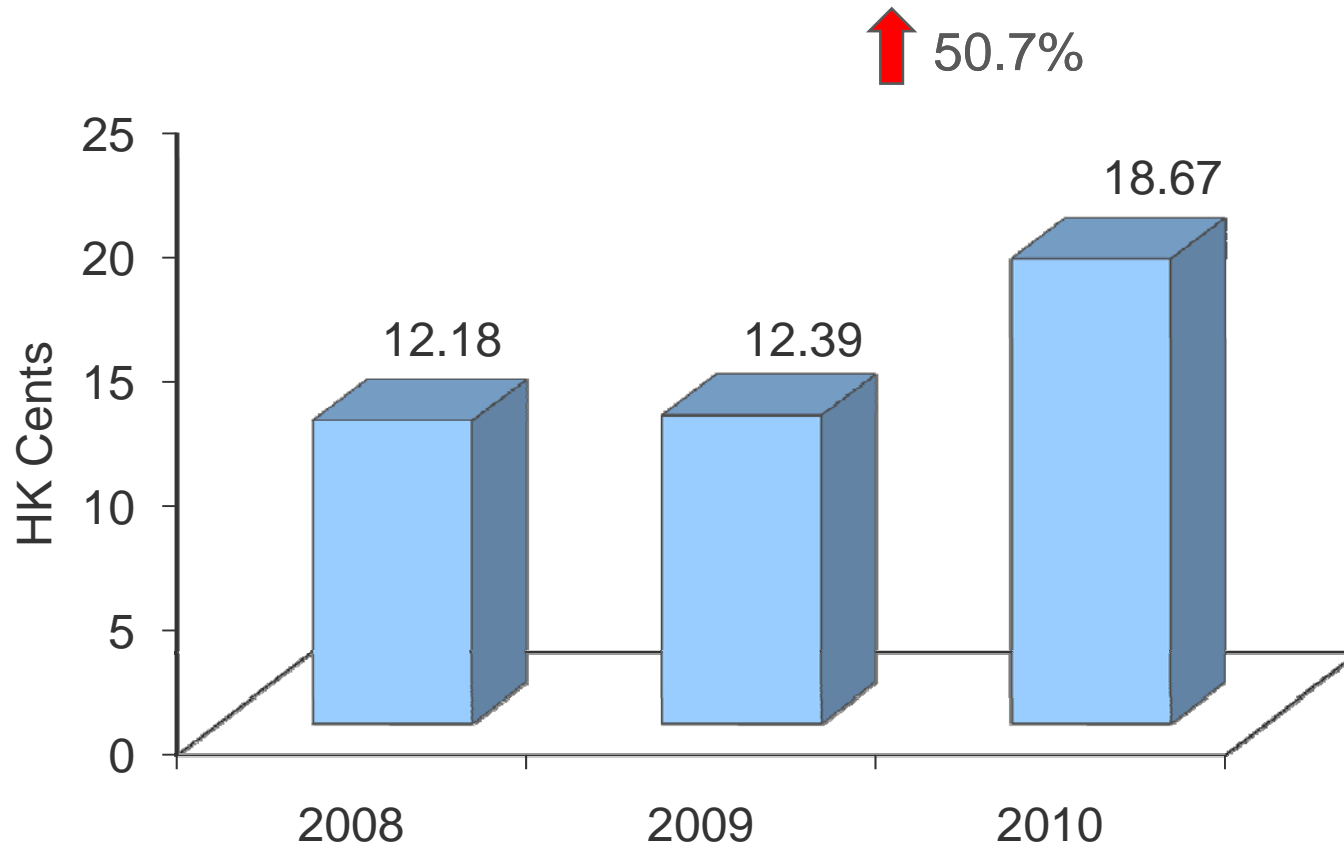
2010 Financial Results Highlight Net Profit as % of Turnover – Full Year



2010 Financial Results Highlight Basic Earnings Per Share – 4th Qtr



2010 Financial Results Highlight Basic Earnings Per Share – Full Year





2010 Financial Results Highlight

4th Quarter

	2009Q4	2010Q4	Change
Number of Stores	493	526	+33
Group Turnover (HK\$M)	835.8	929.9	+11.3%
Group Net Profit (HK\$M)	26.2	32.8	+25.3%
Net Profit as % of Turnover	3.1%	3.5%	+0.4%
Basic Earnings Per Share (HK Cents)	3.59	4.49	+25.1%

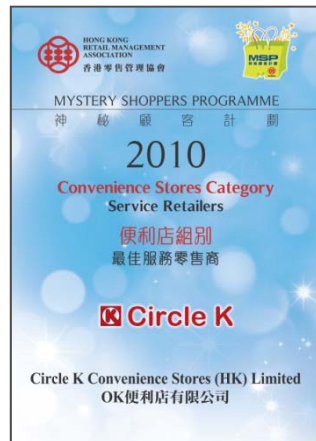


2010 Financial Results Highlight Full Year

	2009	2010	Change
Number of Stores	493	526	+33
Group Turnover (HK\$M)	3,349.3	3,575.2	+6.7%
Group Net Profit (HK\$M)	90.4	136.4	+50.8%
Net Profit as % of Turnover	2.7%	3.8%	+1.1%
Basic Earnings Per Share (HK Cents)	12.39	18.67	+50.7%
Total Dividend Per Share (HK Cents)	7.7	12.8	+66.2%
- <i>Interim Dividend (HK Cents)</i>	1.7	1.9	+0.2
- <i>Special Dividend (HK Cents)</i>	-	2.4	+2.4
- <i>Final Dividend (HK Cents)</i>	6.0	8.5	+2.5

2010 Achievements

Hong Kong Retail Management Association



- 2010 Service Retailer – *Convenience Stores Category*
- 2010 Service & Courtesy Award – Junior Frontline Level (*Supermarkets / CVS Category*)



- 2010 Service & Courtesy Award – Supervisory Level (*Food Shop Category*)



2010 Achievements



300th Store Celebration



25th Anniversary
Celebration



Hong Kong Trade Development
Council

Best Licensed Premium
Promotion of the 7th Premier
Asian Licensing Award



Employees Retraining Board

Manpower Developer 1st



2011 Update & Outlook



2011 Update & Outlook

- It is the “inflation” year – raw material, rental, labour cost and other operating expenses all going up
- Consumers are more willing to accept reasonable price increase
- \$10 increase in cigarette tax is expected to affect sales in coming months
- Minimum wages effective 1 May 2011
- All business units need to re-invent the business models as well as improve effectiveness of running the business
- Despite challenges, the Group is well prepared and optimistic about 2011
- Application for the transfer of the listing of CRA shares to the Main Board

2011 – 2013 Business Plan Guiding Strategy

Re-invent Business & Store Models	Yes	Irrelevant Innovation	Strong Differentiation, More Competitive, Profitable & Growing
	No	Business Won't Survive	Expect Lower Results
		No	Yes

Continuous Improvement

Re-invention of Business Models

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Saint Honore

To Summarize

- Despite operating challenges, 2010 turned out to be the best year ever:
 - Record sales
 - Record net profit
 - Record profit growth
 - Gain in brand equity
 - People development and serving culture
- After restructuring in 2009, Circle K Southern China back on track
- 2011 is expected to be a more challenging year due to:
 - Raw material cost, rental, labour and utility expenses all going up
 - Increase in cigarette tax
 - Minimum wages
- The Group and all business units are well prepared
- Focus on executing the business plan
- Switching to Main Board



Thank You!

