



2006 Annual Results Presentation



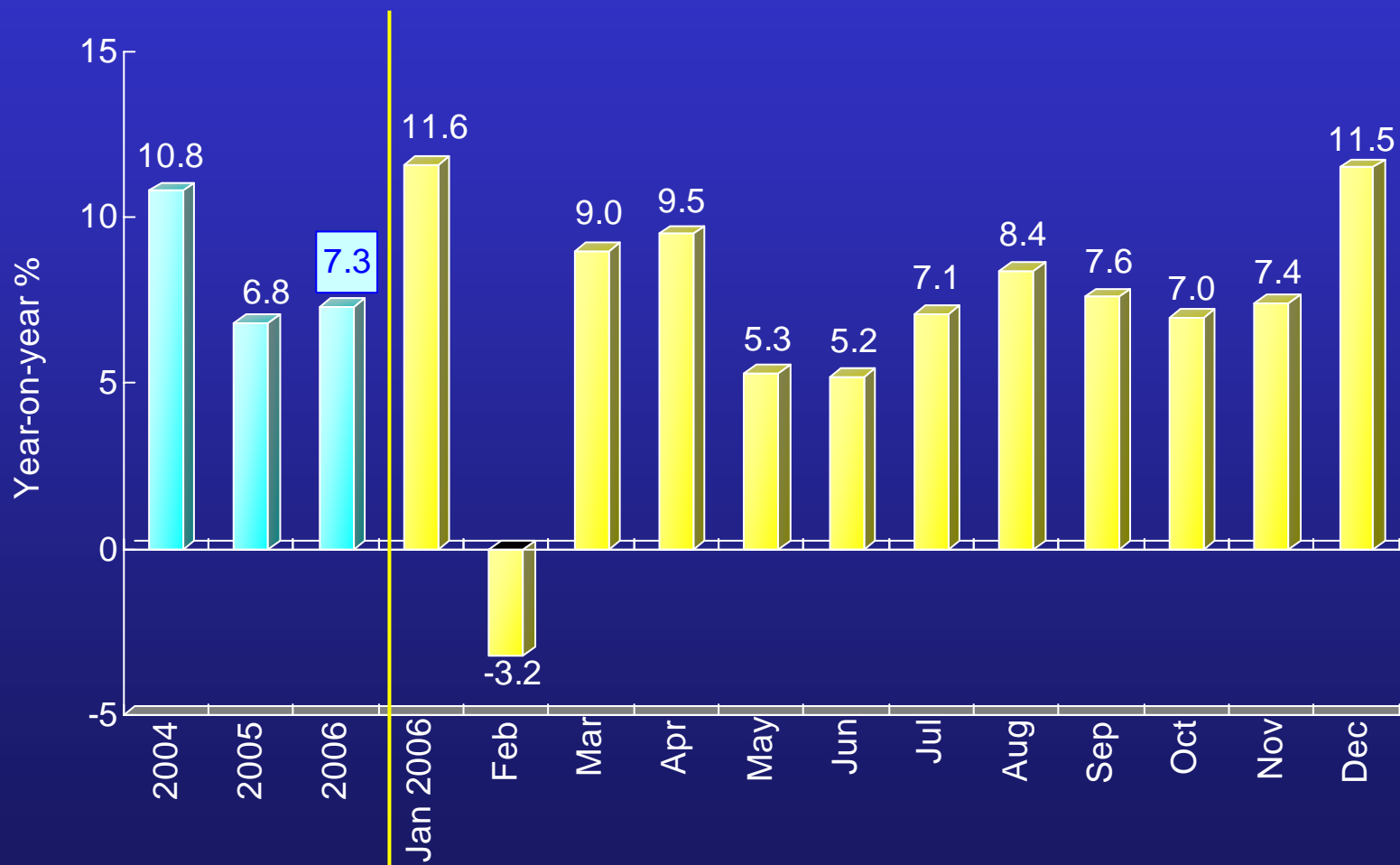
Member of Li & Fung Group

7 March 2007

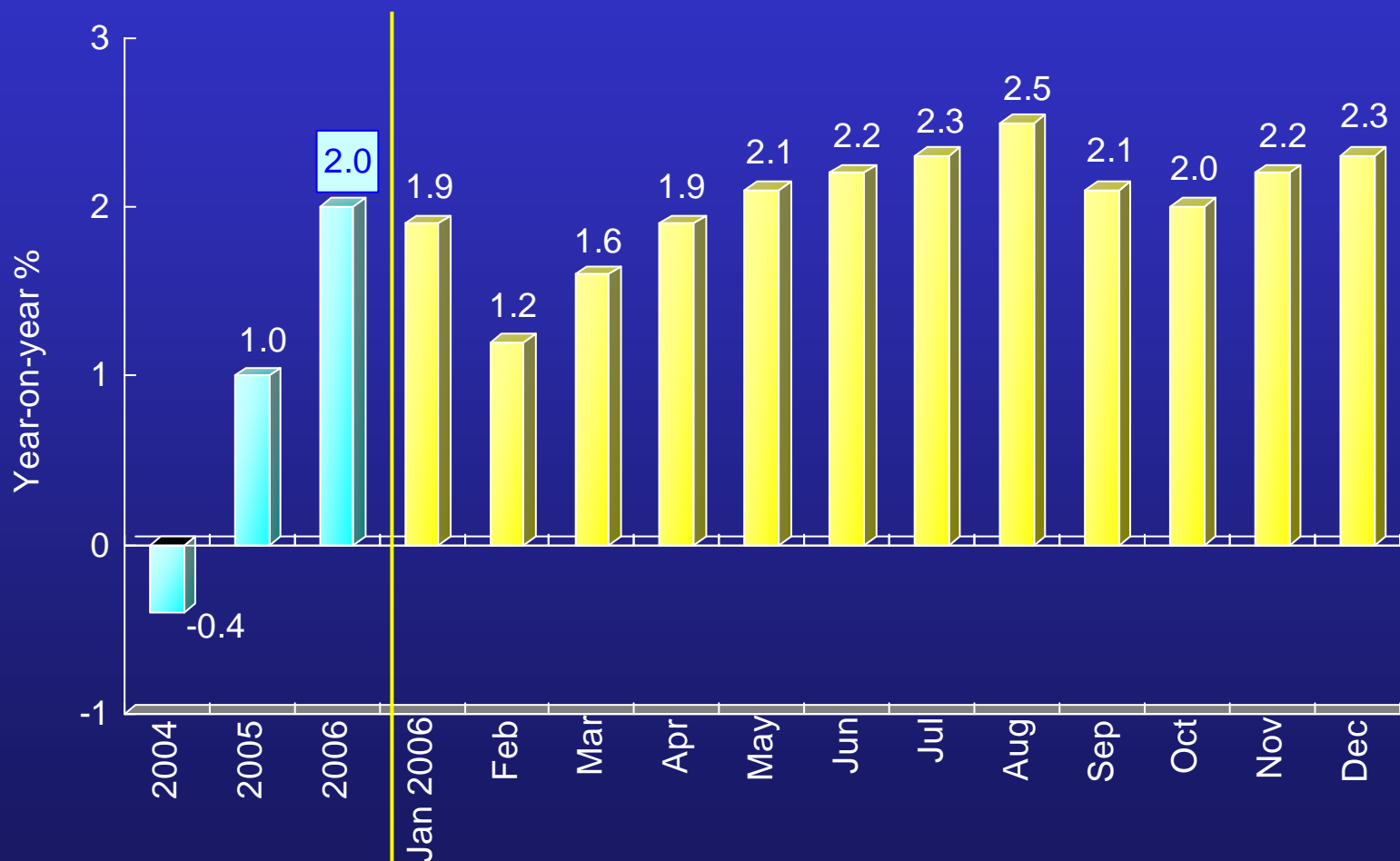
2006 Annual Result Presentation Agenda

- Overall Hong Kong & Guangzhou Retail Markets
- 2006 Financial Results Highlights
- 2007 Update & Outlook
- Questions & Answers

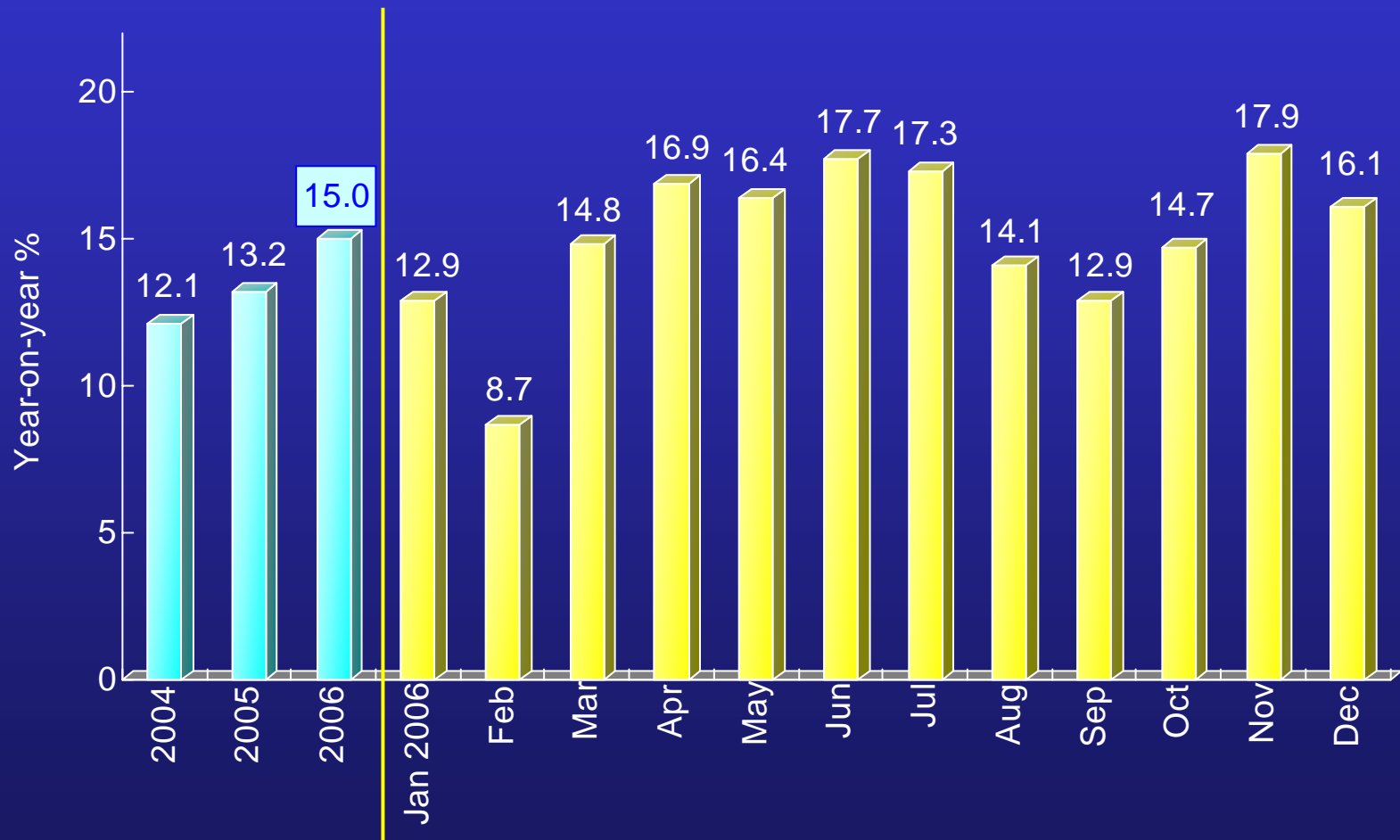
2006 Hong Kong Retail Sales Value Year-on-year % Change



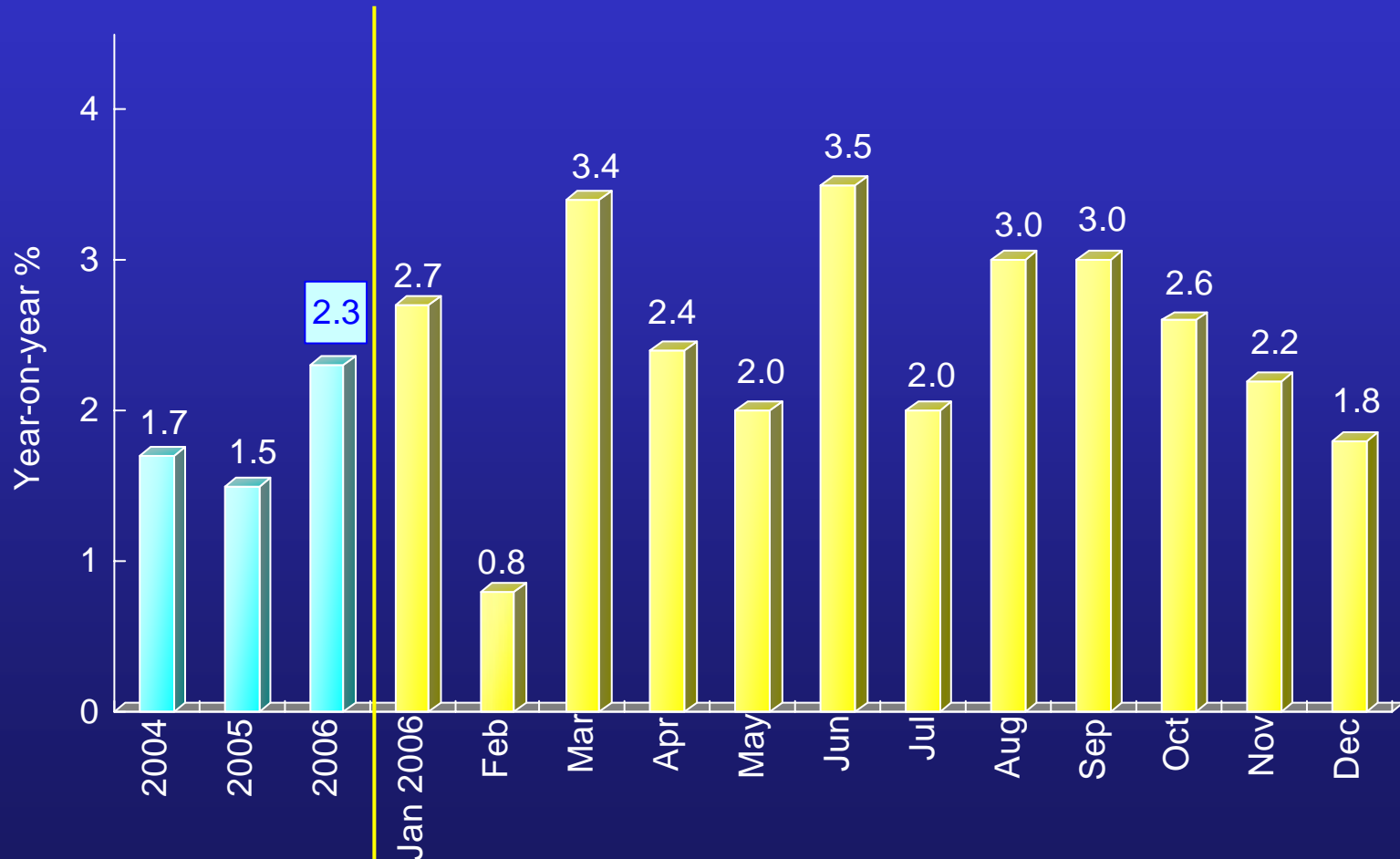
2006 Hong Kong Consumer Price Index Year-on-year % Change



2006 Guangzhou Retail Sales Value Year-on-year % Change



2006 Guangzhou City Consumer Price Index Year-on-year % Change

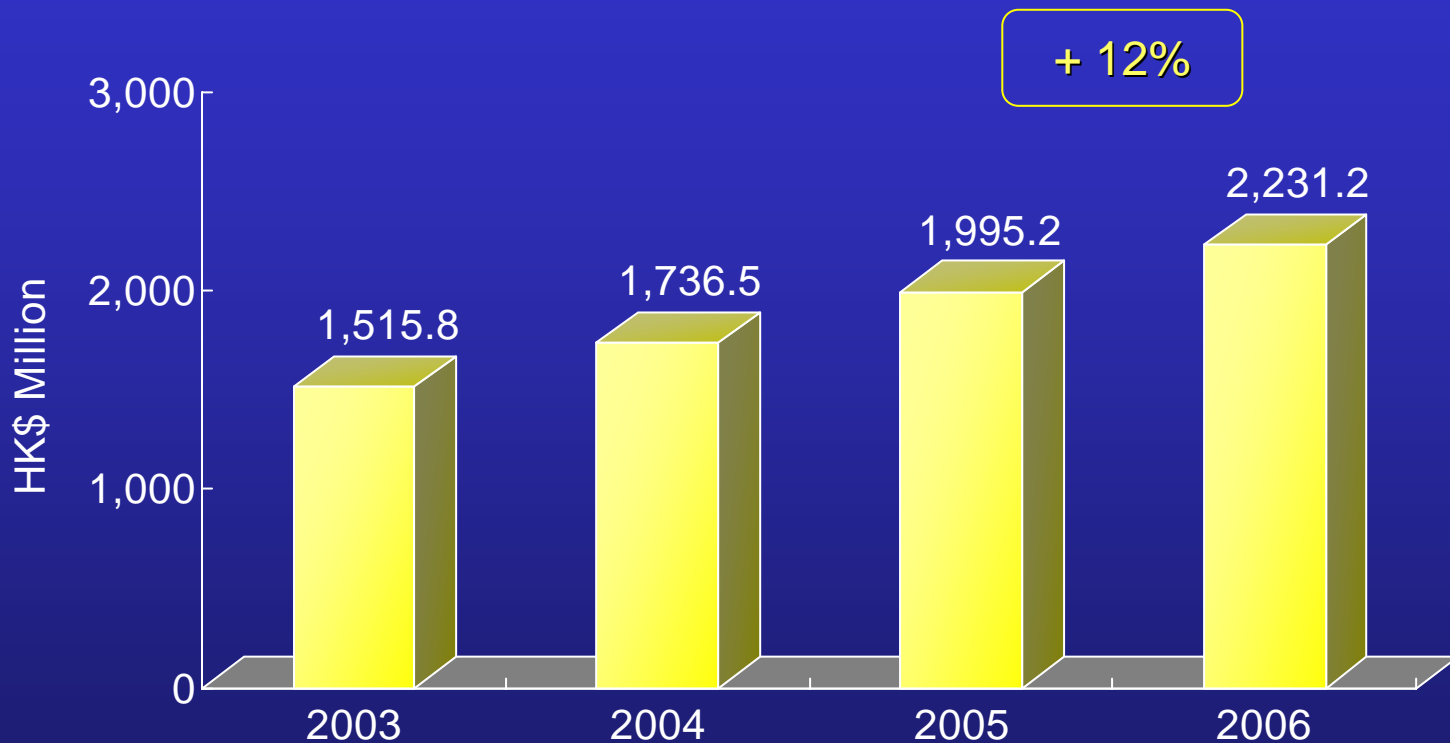


2006 Financial Results Highlights



2006 Financial Results Highlights

Group Turnover



No. of store – HK	186	205	230	250
No. of store - China	7	20	45	62

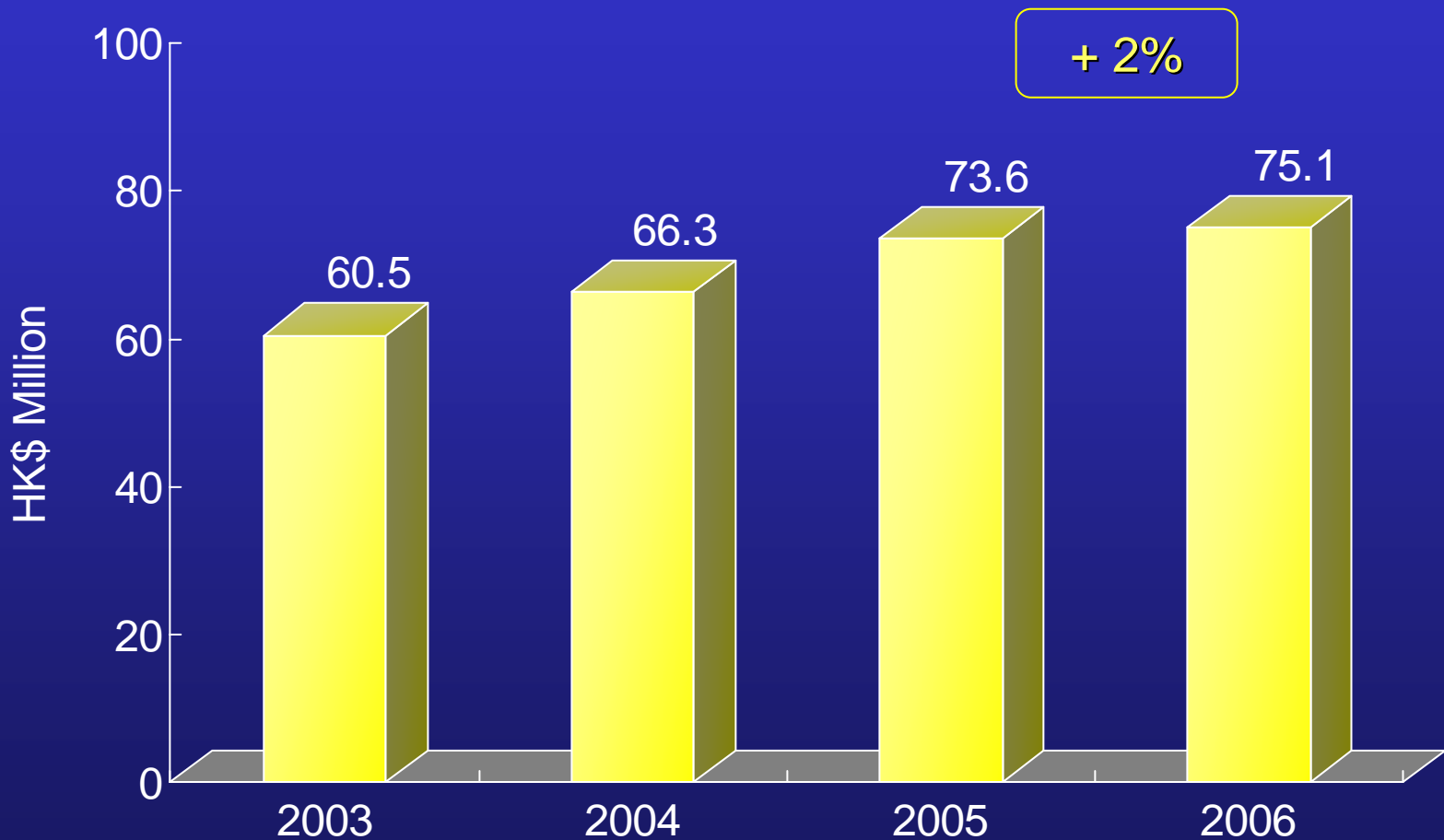


Total Number of Outlets by End of 2006

	<u>2005</u>	<u>2006</u>
Circle K – Hong Kong	230	250
<i>Circle K – Guangzhou</i>	40	52
<i>Circle K – Dongguan</i>	5	8
<i>Circle K – Shenzhen</i>	-	2
Sub-total	45	62
CRA Operate	275	312
Zhuhai J.V.	4	6
Macau J.V.	11	16
Total Circle K Stores	290	334

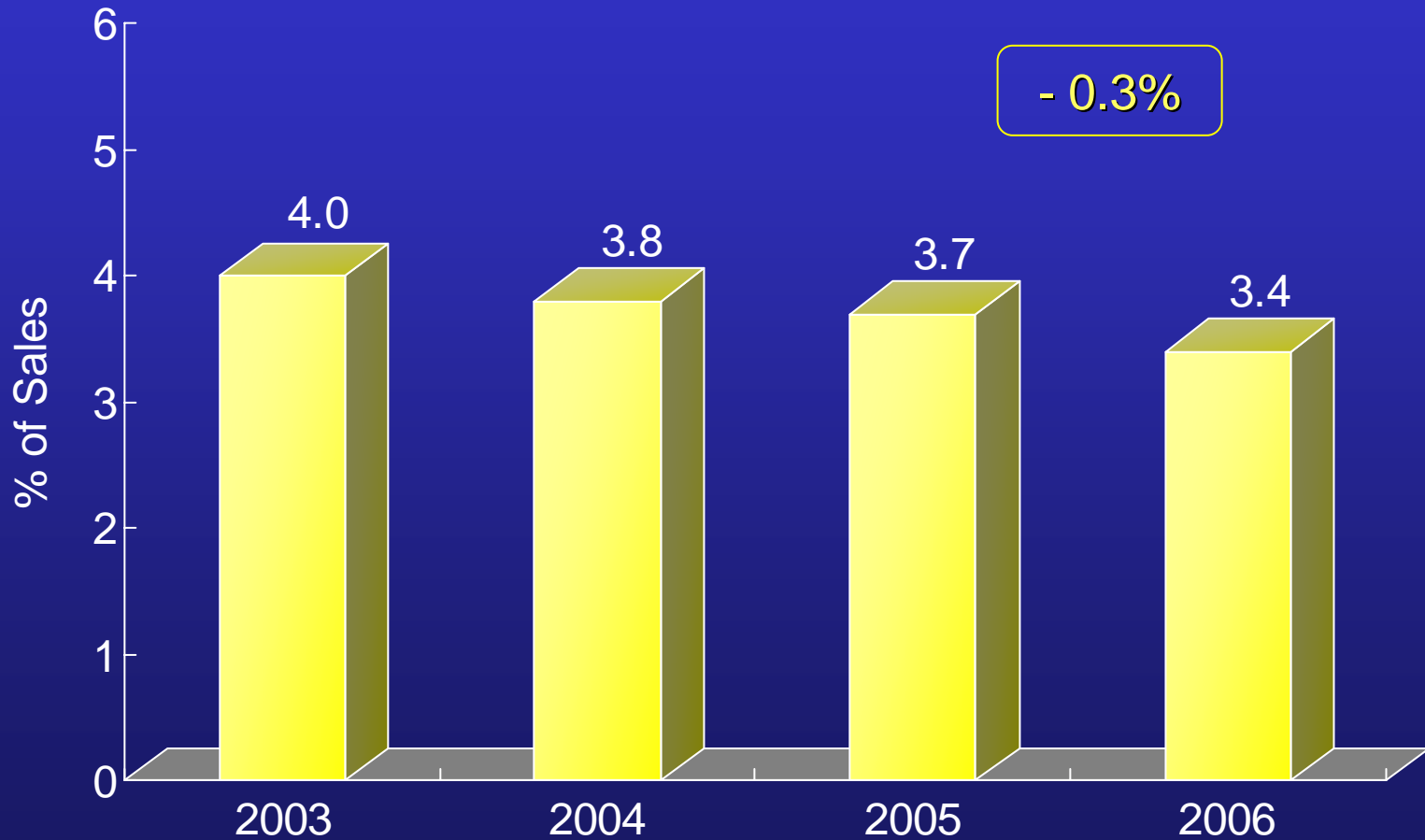
2006 Financial Results Highlights

Group Net Profit



2006 Financial Results Highlights

Net Profit as % of Turnover



2006 Financial Results Highlights

Strong Promotions & Turnover

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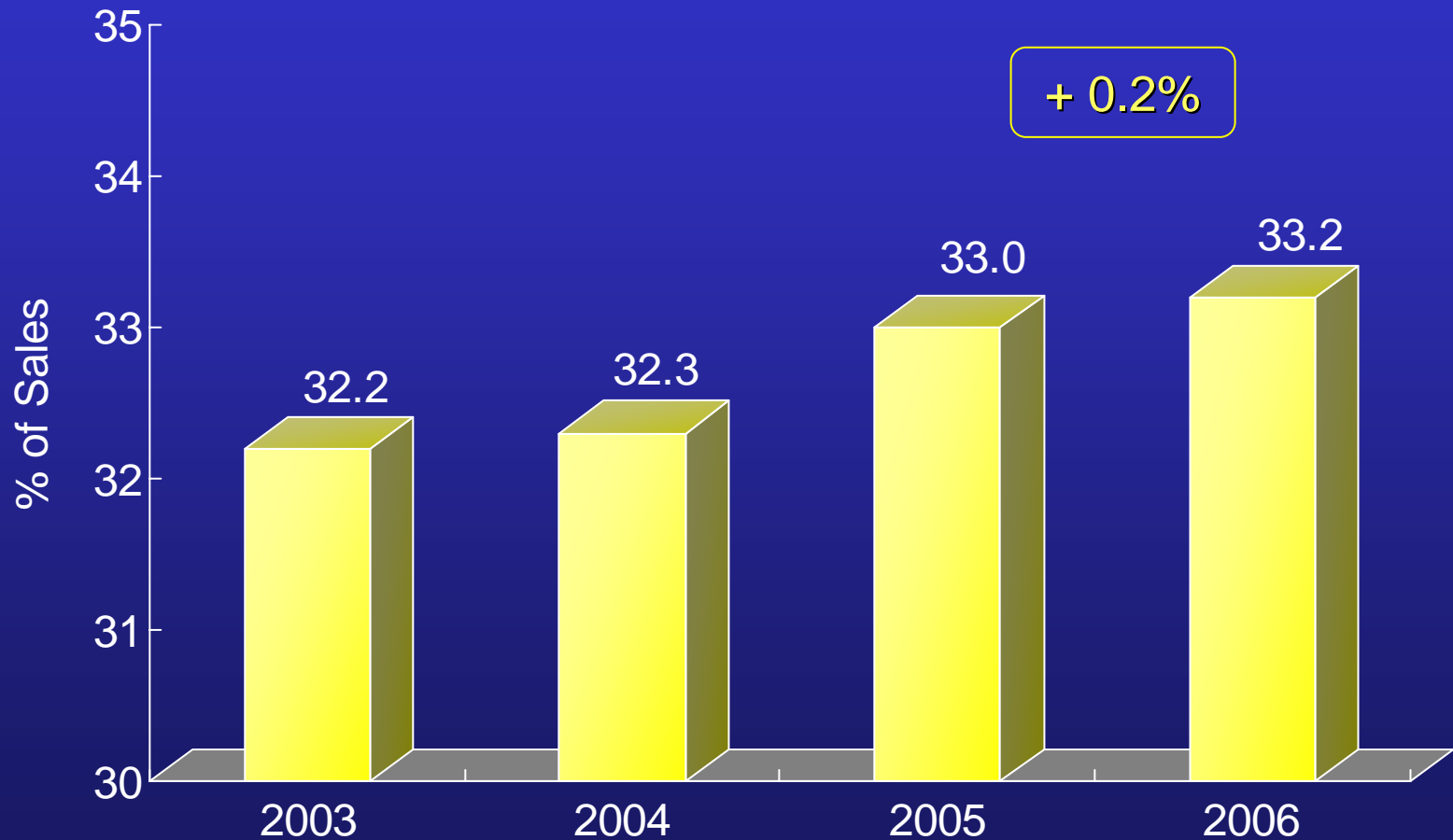
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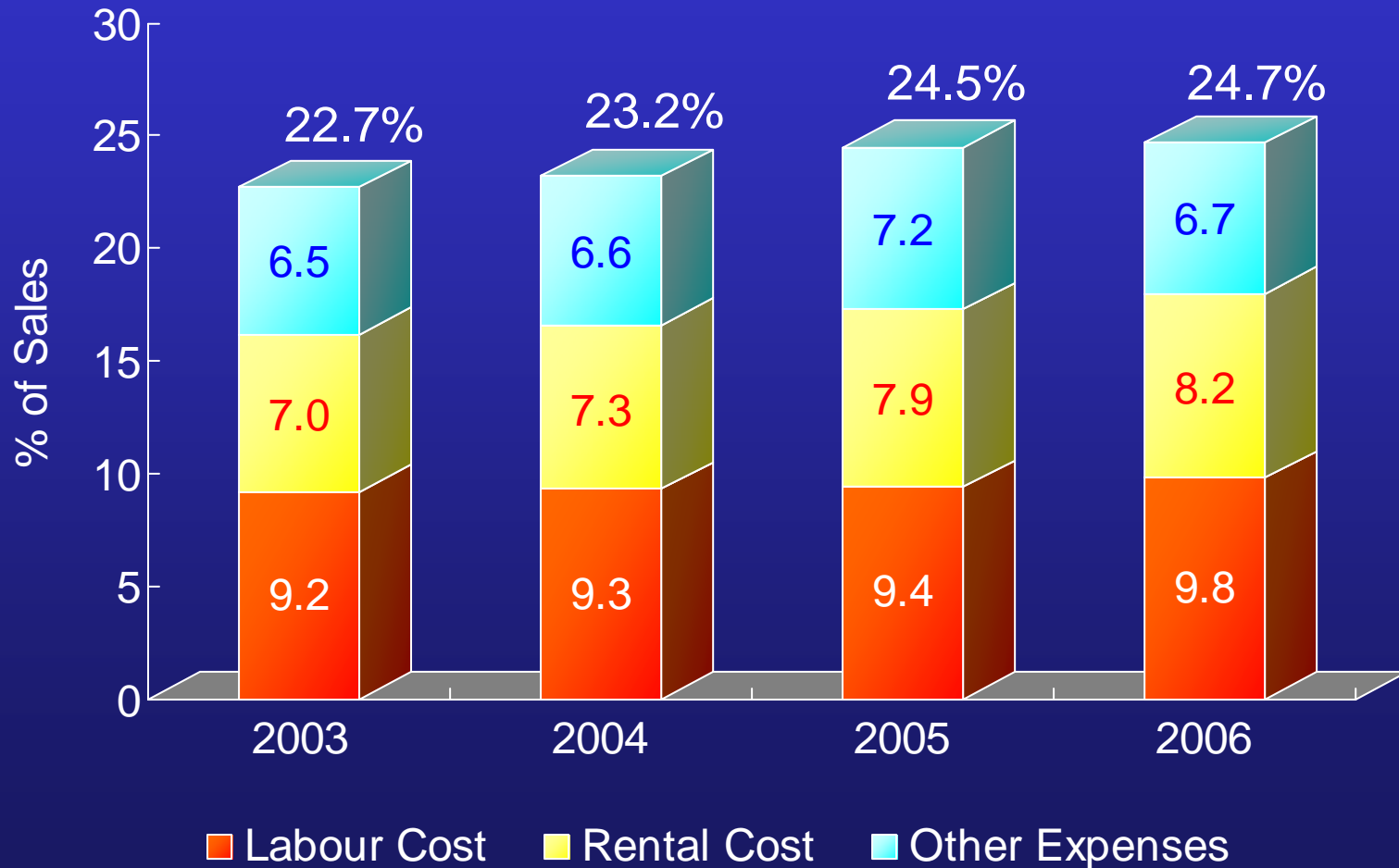
2006 Financial Results Highlights

Gross Margin / Other Income



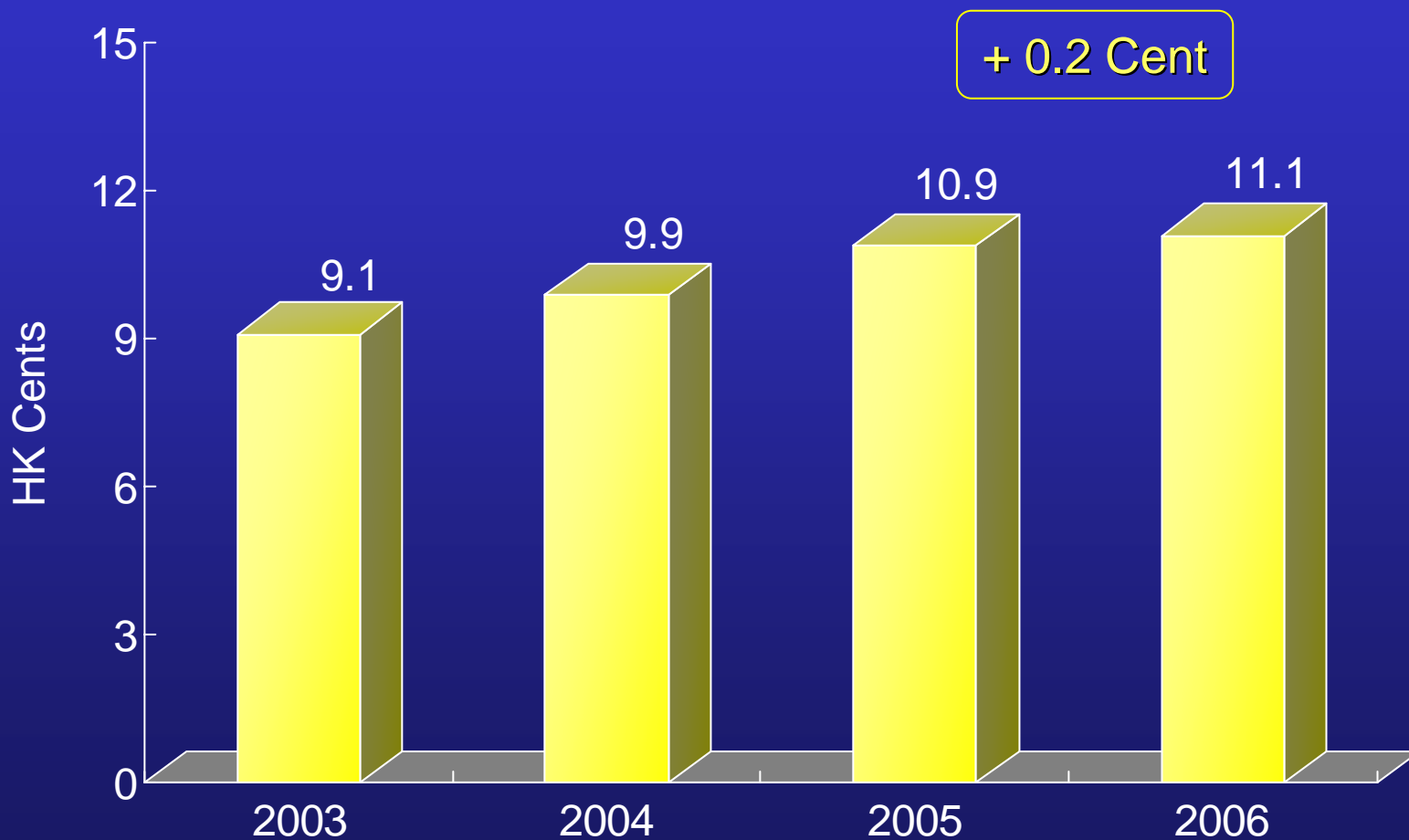
2006 Financial Results Highlights

Store Operating Expenses



2006 Financial Results Highlights

Basic Earnings Per Share



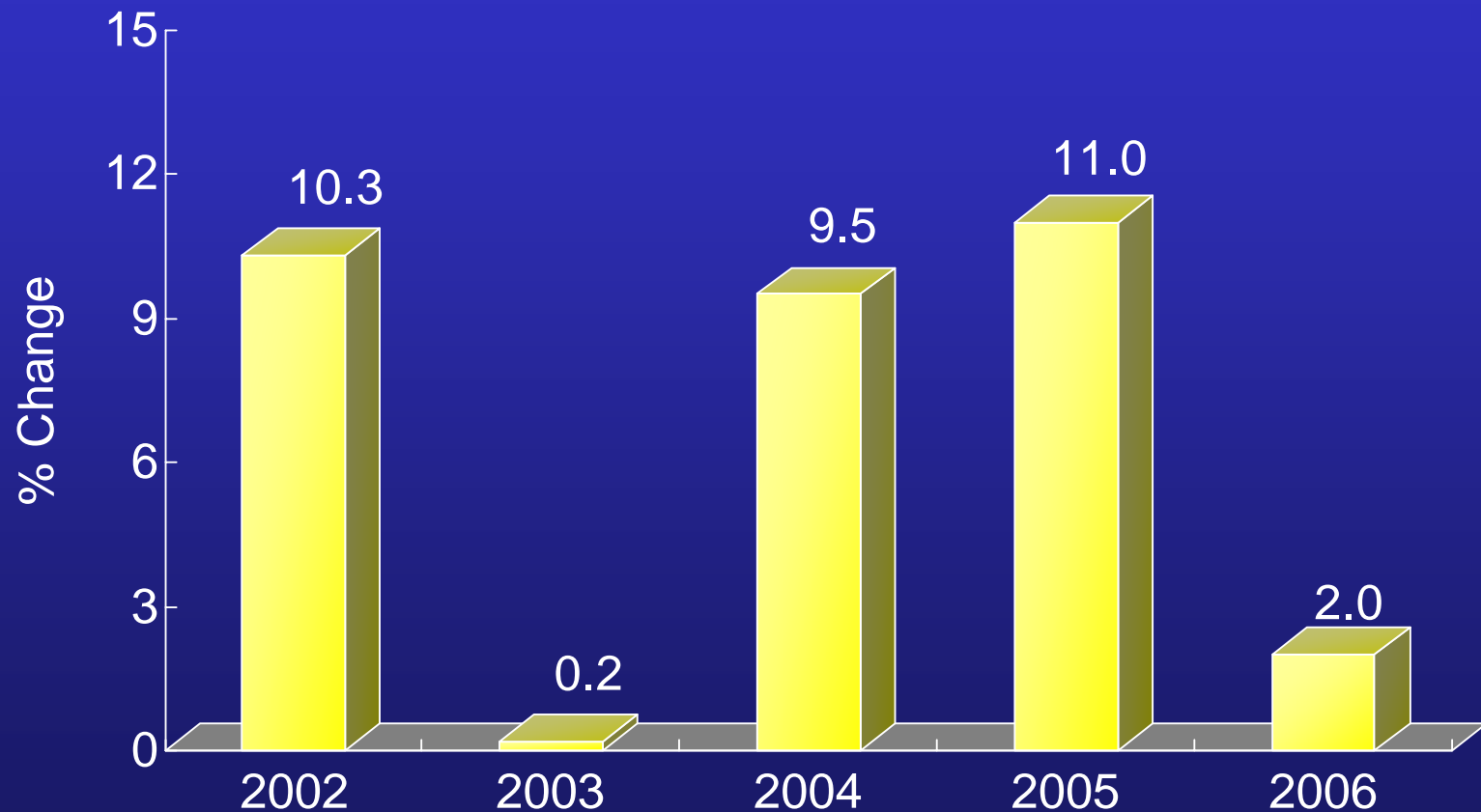
2006 Financial Results Highlights

	<u>2006</u>	<u>2005</u>	<u>Change</u>
Number of Stores	312	275	+ 13%
Group Turnover (HK\$M)	2,231.2	1,995.2	+ 12%
Group Net Profit (HK\$M)	75.1	73.6	+ 2%
Net Profit as % of Turnover	3.4%	3.7%	- 0.3%
Basic Earnings Per Share	11.1 Cents	10.9 Cents	+ 0.2 Cent
Total Dividend Per Share			
▪ Mid Year Dividend	1.5 Cents	1.5 Cents	-
▪ Final Dividend	5.0 Cents	4.5 Cents	+ 0.5 Cents

2006 Financial Results Highlights 4th Quarter

	<u>2006Q4</u>	<u>2005Q4</u>	<u>Change</u>
Group Turnover (HK\$M)	566.2	524.2	+ 8%
Group Net Profit (HK\$M)	19.5	20.9	- 7%
Net Profit as % of Turnover	3.4%	4.0%	- 0.6%
Basic Earnings Per Share	2.9 Cents	3.1 Cents	- 0.2 Cent

Year-On-Year Profitability Growth



Update on Saint Honore Acquisition

1. Transaction settled on 5 March
2. 56% cash, 44% cash plus CRA shares
3. Total consideration

	<u>HK\$</u>
- Cash paid	\$494M
- Share issued (46.6M)	145M
- Professional fees	9M
- Total	\$648M
4. Estimated cash balance from Saint Honore \$110M
5. Cash used by CRA for transaction \$393M
6. Net cash balance after acquisition \$300M
7. Expected to complete integration by end of 2nd quarter 2007



CRA Pro-Forma 2006 Results

	Before Acquisition	After Acquisition	Change
Turnover (HK\$'000)	2,231,217	2,799,759	25.5%
Profit attributable to shareholders (HK\$'000)	75,054	99,216	32.2%
EPS (HK Cents)	11.1	13.7	23.4%
No. of stores			
- <i>Hong Kong</i>	250	326	
- <i>PRC</i>	68	74	
- <i>Macau</i>	16	22	
Total	334	422	
No. of employees			
- <i>Hong Kong</i>	2,185	3,410	
- <i>PRC and Macau</i>	1,157	2,142	
Total	3,342	5,552	

* CRA 2006 (year ended Dec 2006) and Saint Honore (year ended Mar 2006) actual results



2007 Update & Outlook



2007 Hong Kong Market Outlook

- + Improving local consumers' confidence in spending
- + Inflation (2-3%) & customers' acceptance of price increase
- + More sites available than 2006
- Smoking ban and newspaper & magazine issues
- Rental already peaked but still challenging lease renewal negotiations
- High operating costs (especially rental & labour)
- + Strong promotions and differentiation
- + Consistent increase in store number and profitability



2007 Southern China Market Outlook

- + Overall retail continues to increase at double digit percentage
- + Rental and energy cost to stabilize
- Upward pressure on labour and raw material costs
- Cigarette license issue in Dongguan
- Competition continues to heat up
- + First full year of multi-city growth in Guangzhou, Dongguan, Shenzhen, Zhuhai and Macau
- + Integration of Sun-High in 2nd quarter 2007 adding 300 franchised stores in Dongguan
- Peak investment year for the PRD market



Target Total Number of Outlets by End of 2007

	<u>2006 Actual</u>	<u>2007 Target</u>
- Circle K Hong Kong	250	280
- Circle K Southern China & Macau	84	135
Total Circle K Stores	334	415
Saint Honore	88	100
Sun-High	-	300

2007 Market Outlook To Summarize

- Favourable consumer sentiments but inflation pressure on operating expenses in Hong Kong
- Fastest ever store number growth throughout the PRD
- Peak investment year for the Pearl River Delta market
- Contribution from Saint Honore business starting in 2nd half 2007
- Solid cash-flow, balance sheet and outlook



2006 Annual Results Presentation



Member of Li & Fung Group

7 March 2006