



Convenience Retail Asia Ltd

2nd Quarter 2007

Result Announcement

2 August 2007



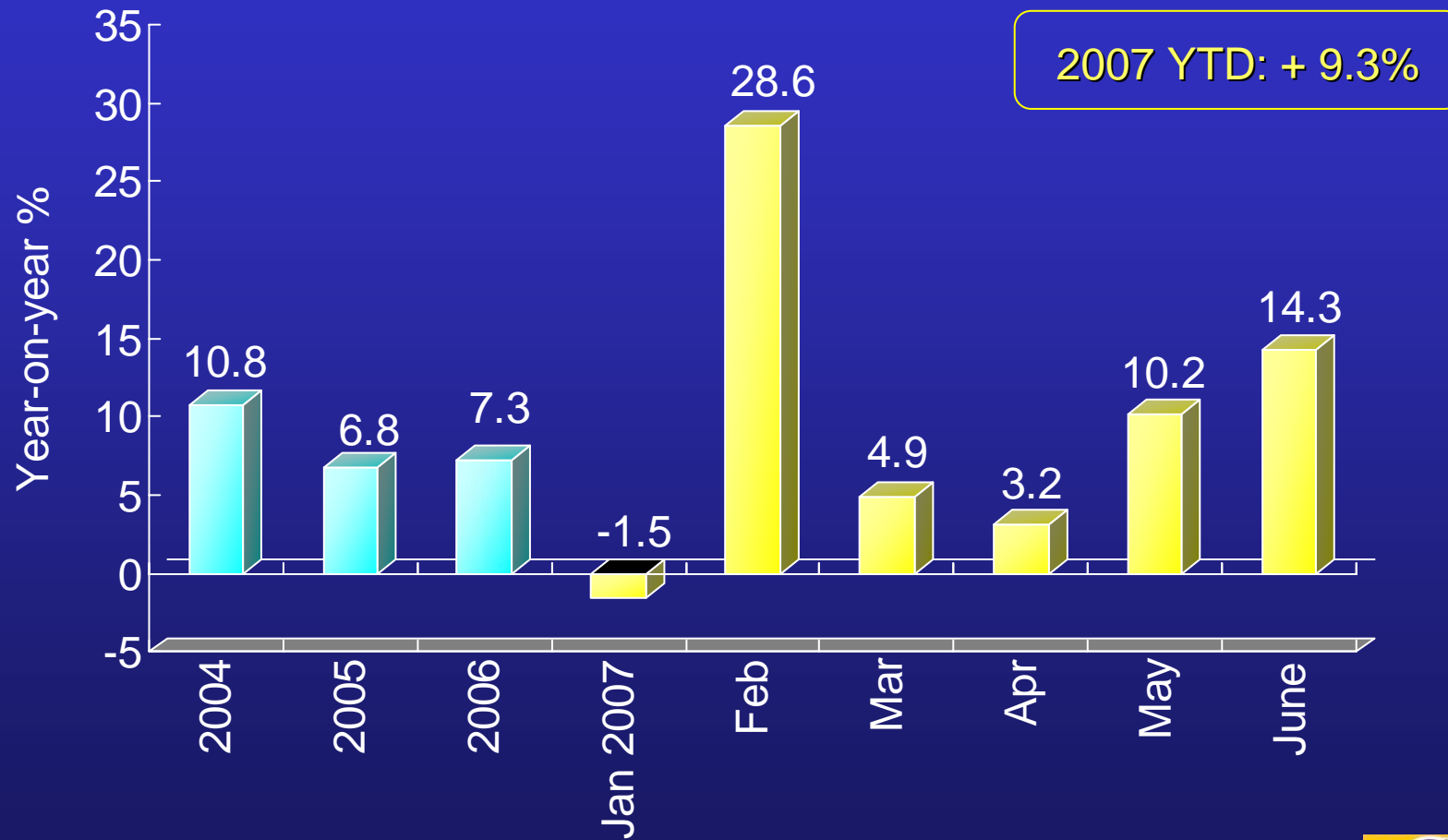


2nd Quarter 2007 Results Presentation Agenda

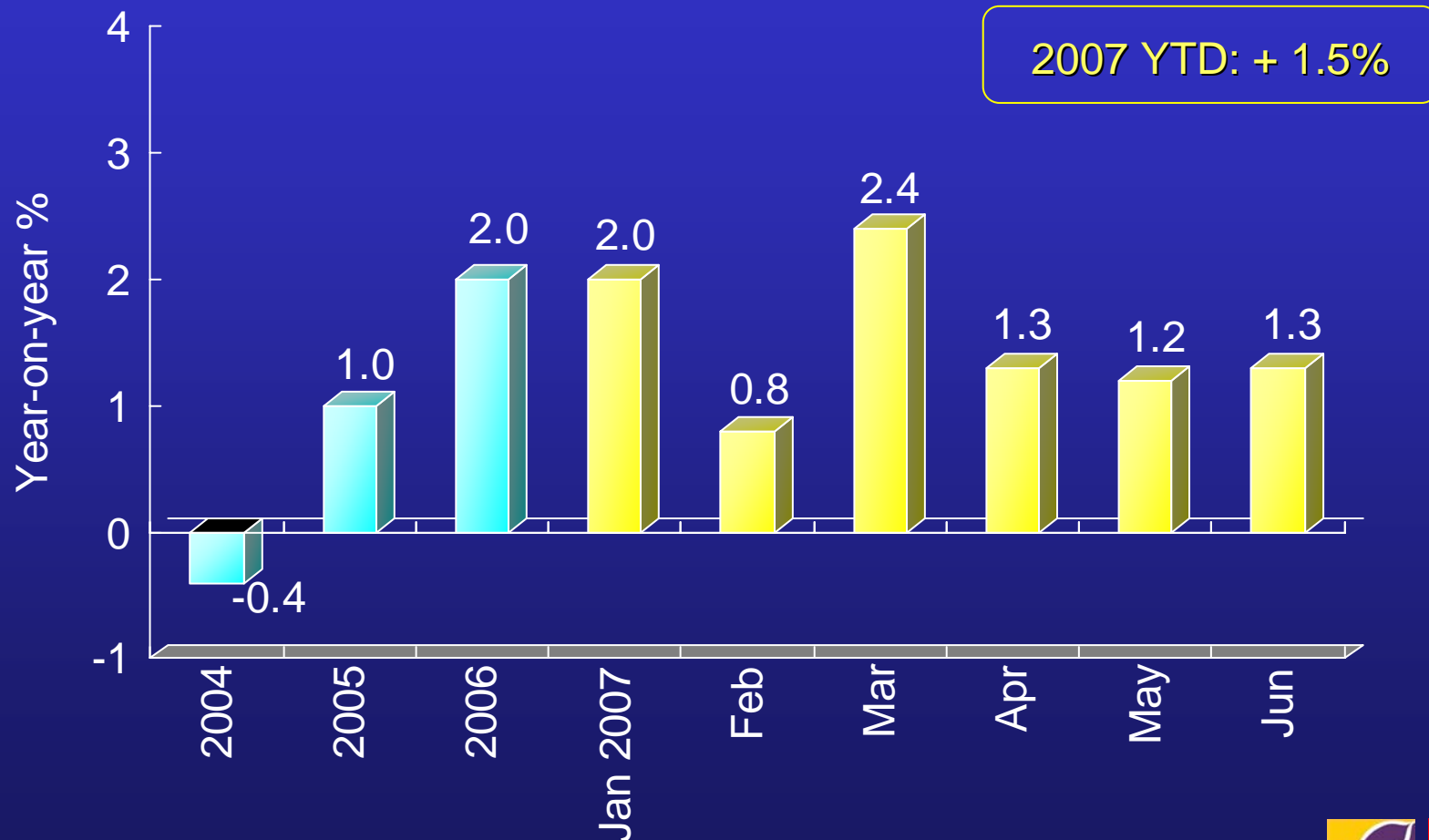
- Overall Hong Kong and Guangzhou Retail Markets Update
- 2nd Quarter 2007 Financial Results Highlights
- 2007 Update and Outlook
- Questions and Answers



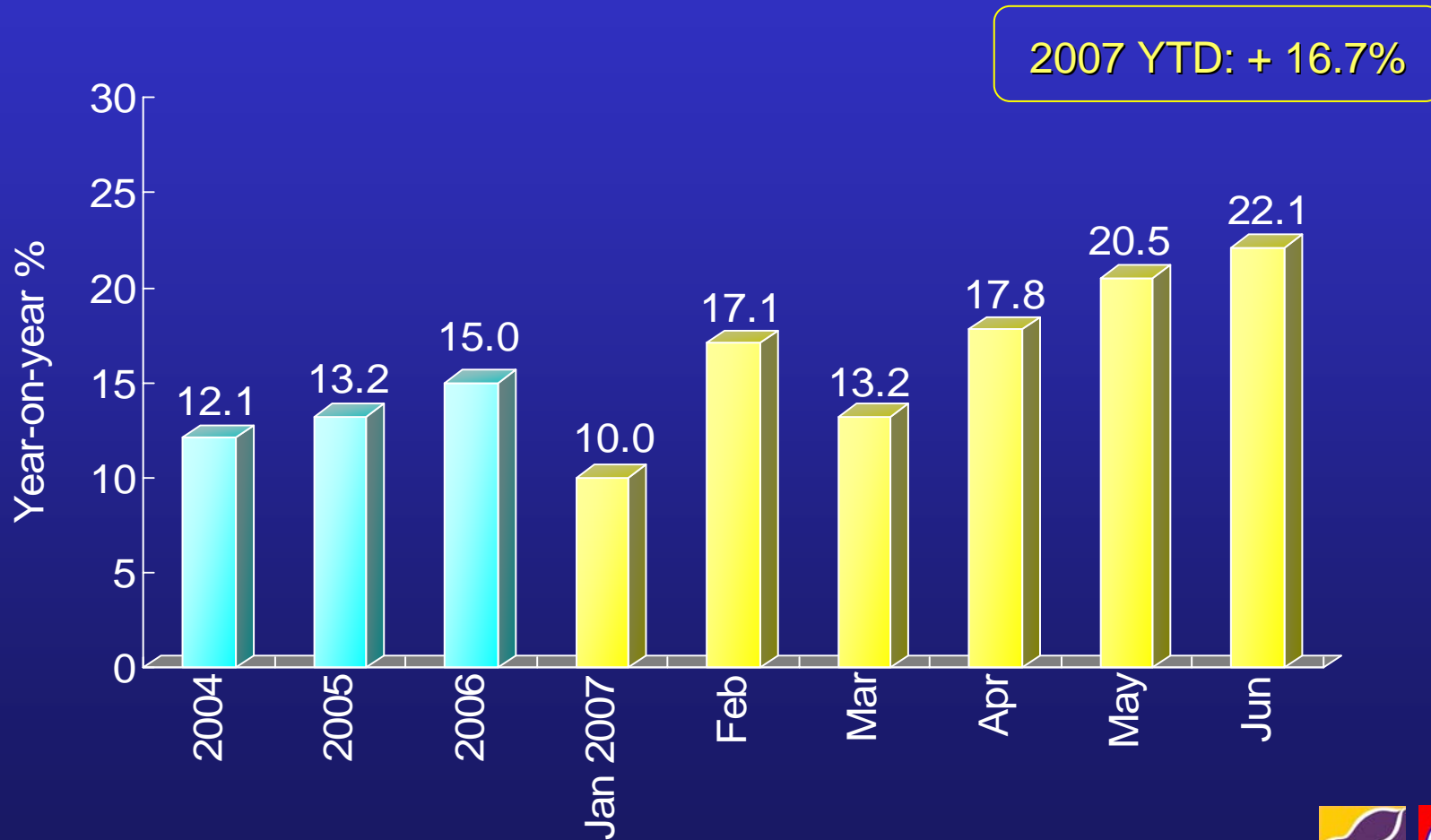
2007 Hong Kong Retail Sales Value Year-on-year % Change



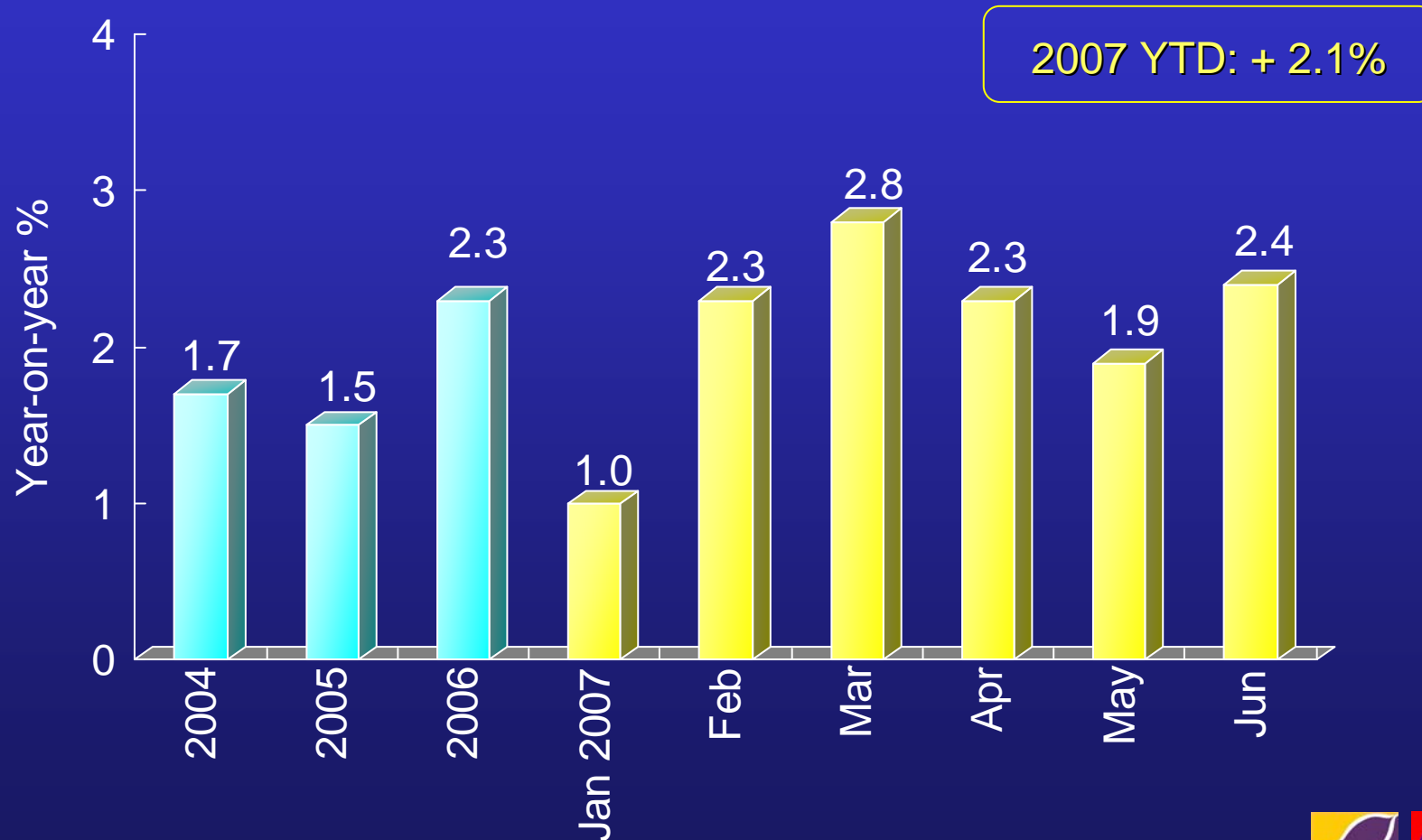
2007 Hong Kong Consumer Price Index Year-on-year % Change



2007 Guangzhou Retail Sales Value Year-on-year % Change



2007 Guangzhou City Consumer Price Index Year-on-year % Change

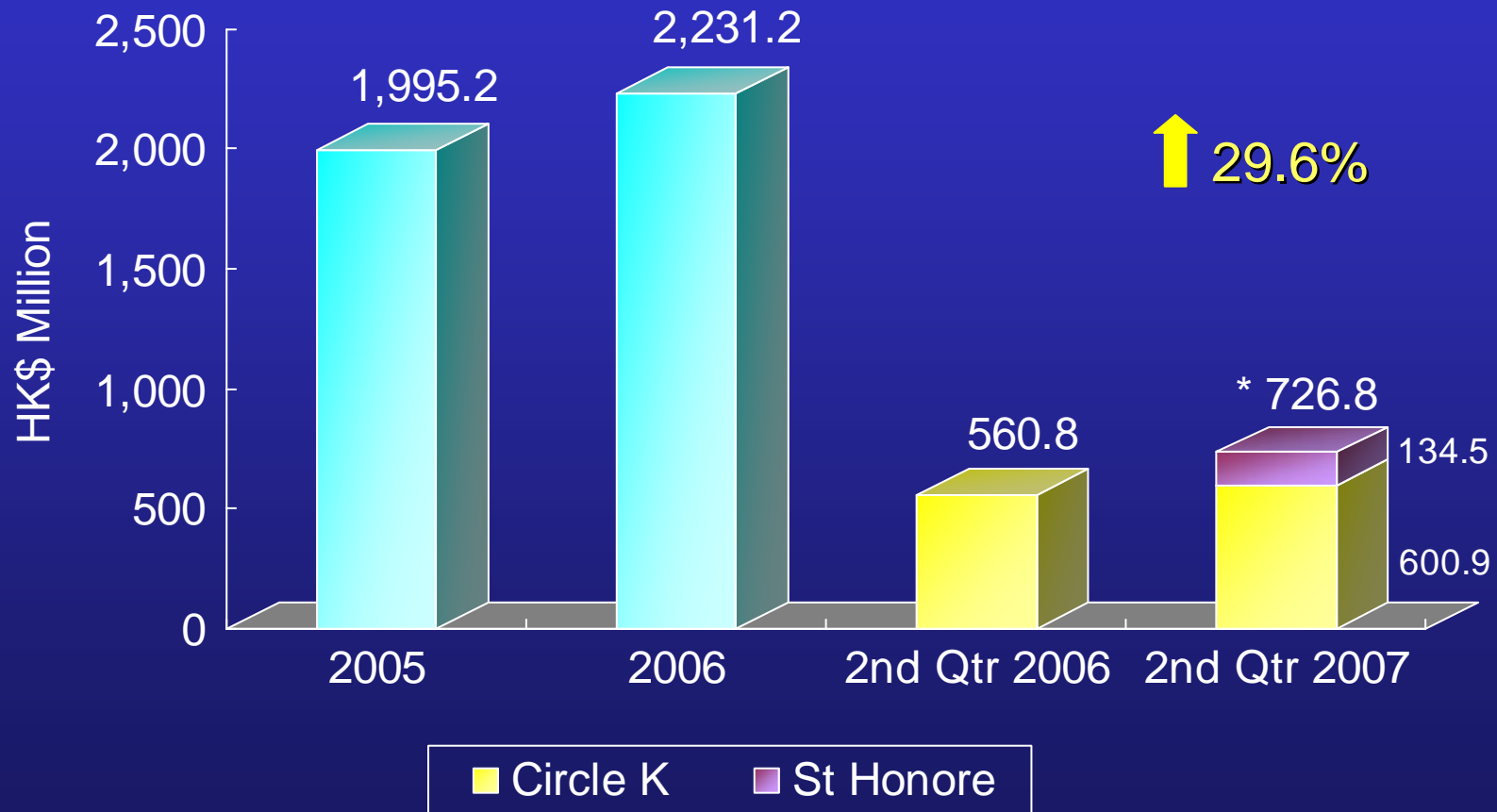




2nd Quarter 2007 Financial Results Highlights



2007 Financial Results Highlights Group Turnover – 2nd Quarter

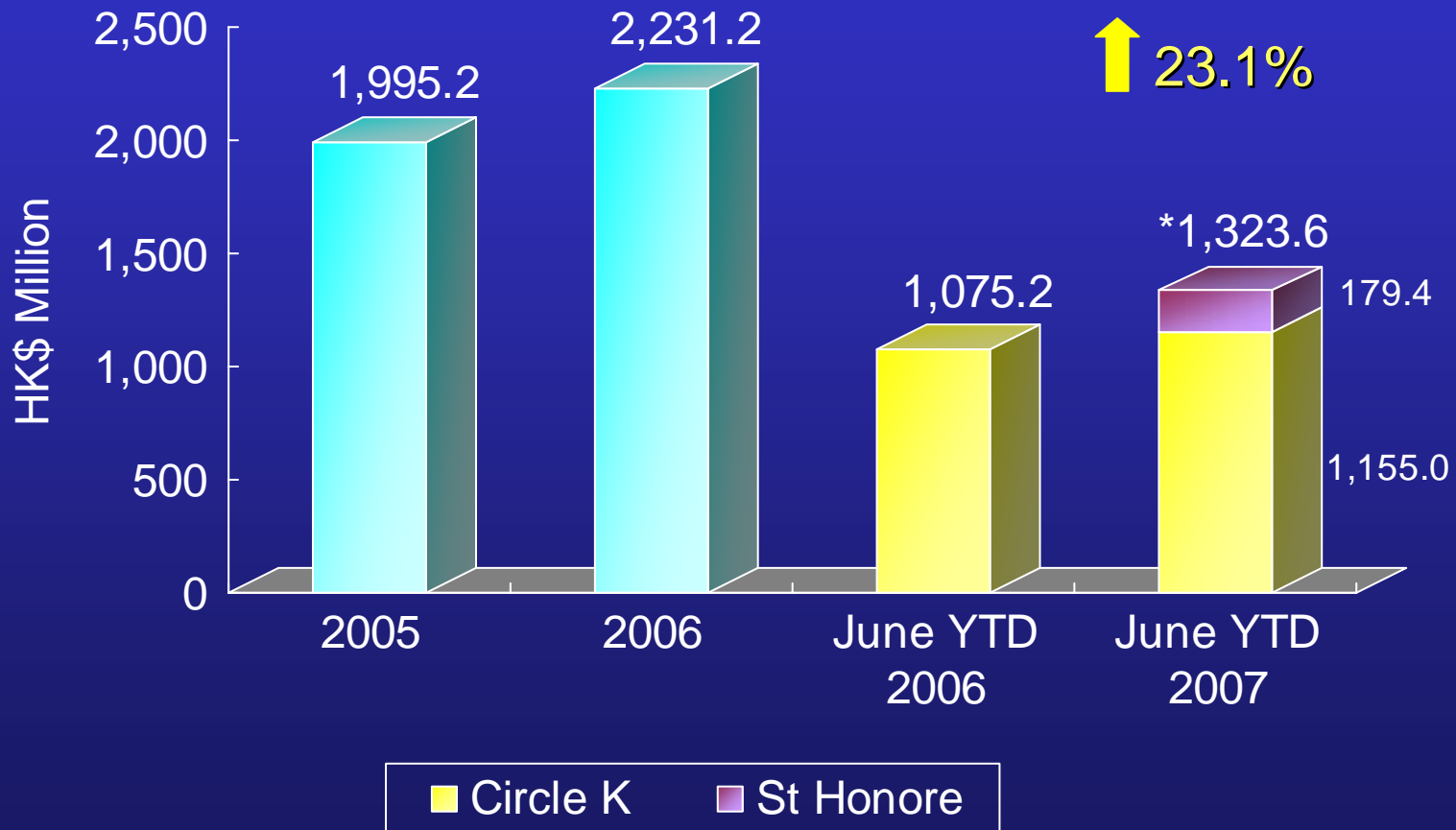


* After consolidation adjustment



2007 Financial Results Highlights

Group Turnover – June YTD



* After consolidation adjustment



2007 Financial Results Highlights

Number of Stores – Circle K Group

	<u>2nd Qtr 2006</u>	<u>2nd Qtr 2007</u>
▪ Circle K Hong Kong	238	262
▪ Circle K Guangzhou	43	56
▪ Circle K Dongguan	7	8
▪ Circle K Shenzhen	1	3
CRA Operated Circle K Stores	289	329
▪ Zhuhai J.V.	5	7
▪ Macau J.V.	15	16
Total Circle K Stores	309	352



2007 Financial Results Highlights

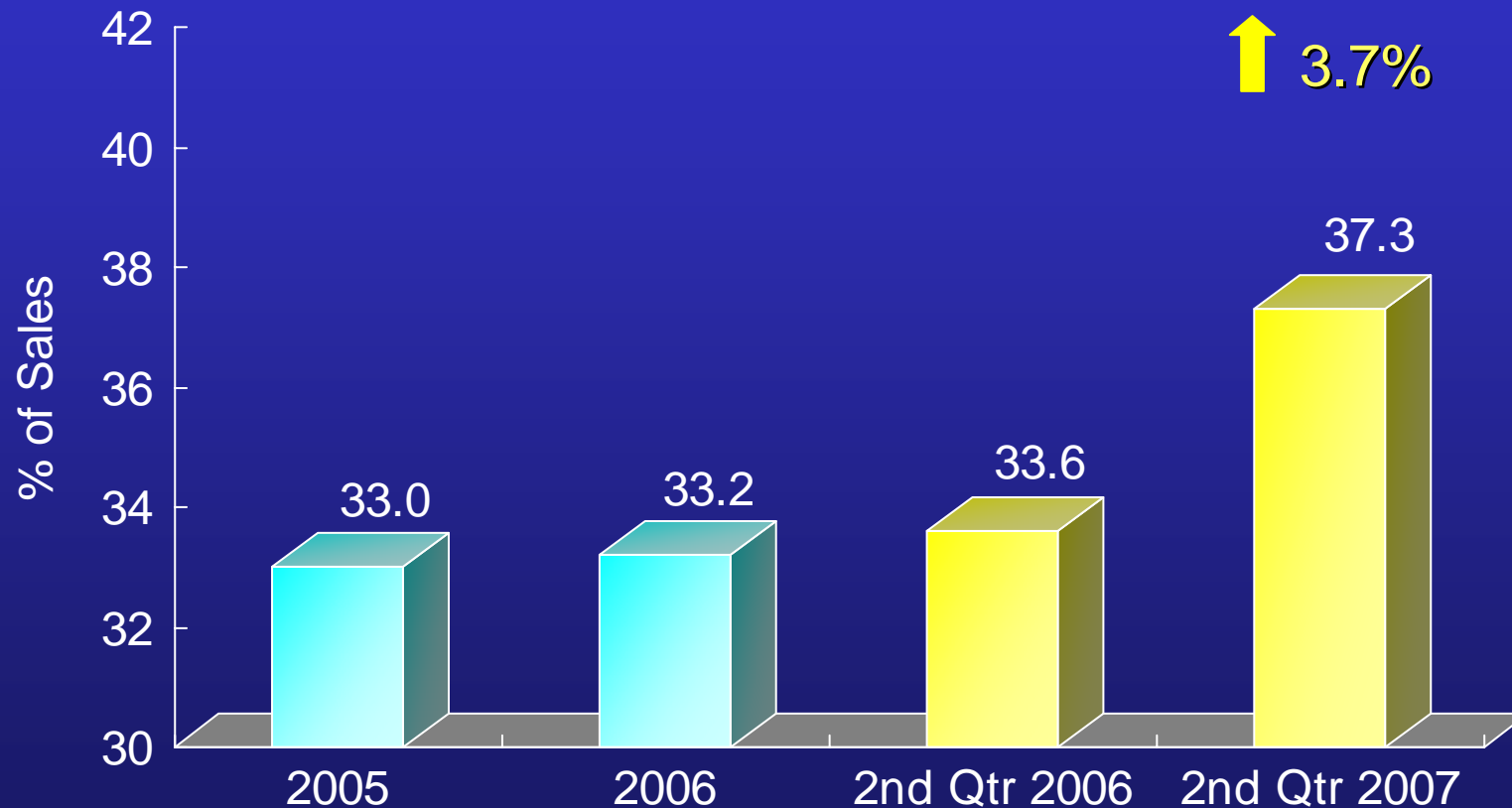
Number of Stores – Saint Honore Group

	<u>2nd Qtr 2007</u>
<ul style="list-style-type: none"> ▪ Saint Honore Hong Kong <ul style="list-style-type: none"> • <i>Cake Shop</i> • <i>Bread Boutique</i> 	74
<ul style="list-style-type: none"> • <i>Cake Shop</i> • <i>Bread Boutique</i> 	60
<ul style="list-style-type: none"> • <i>Bread Boutique</i> 	14
<ul style="list-style-type: none"> ▪ Saint Honore Macau 	7
<ul style="list-style-type: none"> ▪ Saint Honore Guangzhou 	7
Total Saint Honore Stores	88

2007 Financial Results Highlights Number of Stores – CRA Group

	<u>2nd Qtr 2006</u>	<u>2nd Qtr 2007</u>
▪ Circle K Group	309	352
▪ Saint Honore Group	-	88
Total Number of Stores	309	440

2007 Financial Results Highlights Gross Margin / Other Income

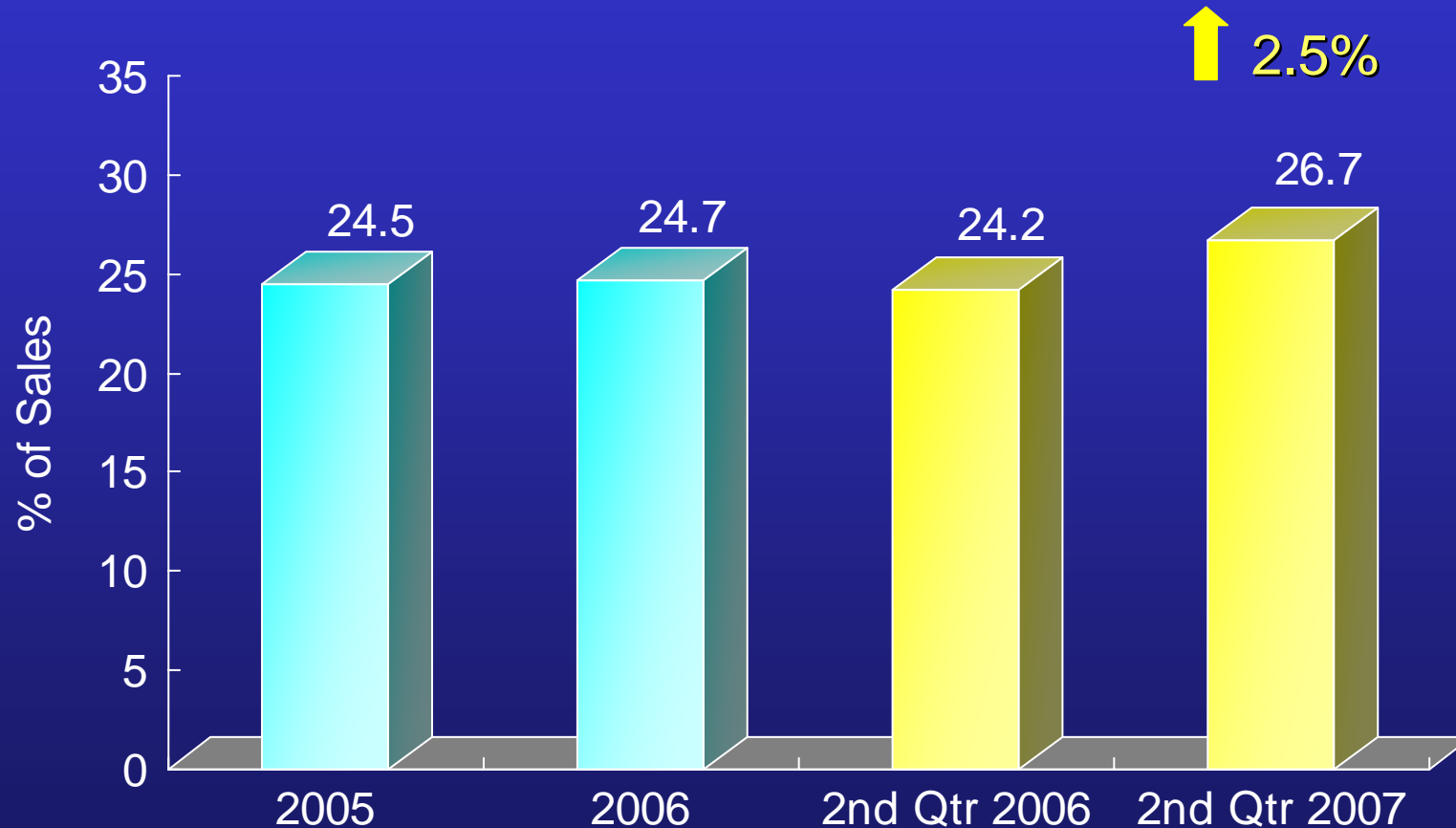


* Excluding interest income



2007 Financial Results Highlights

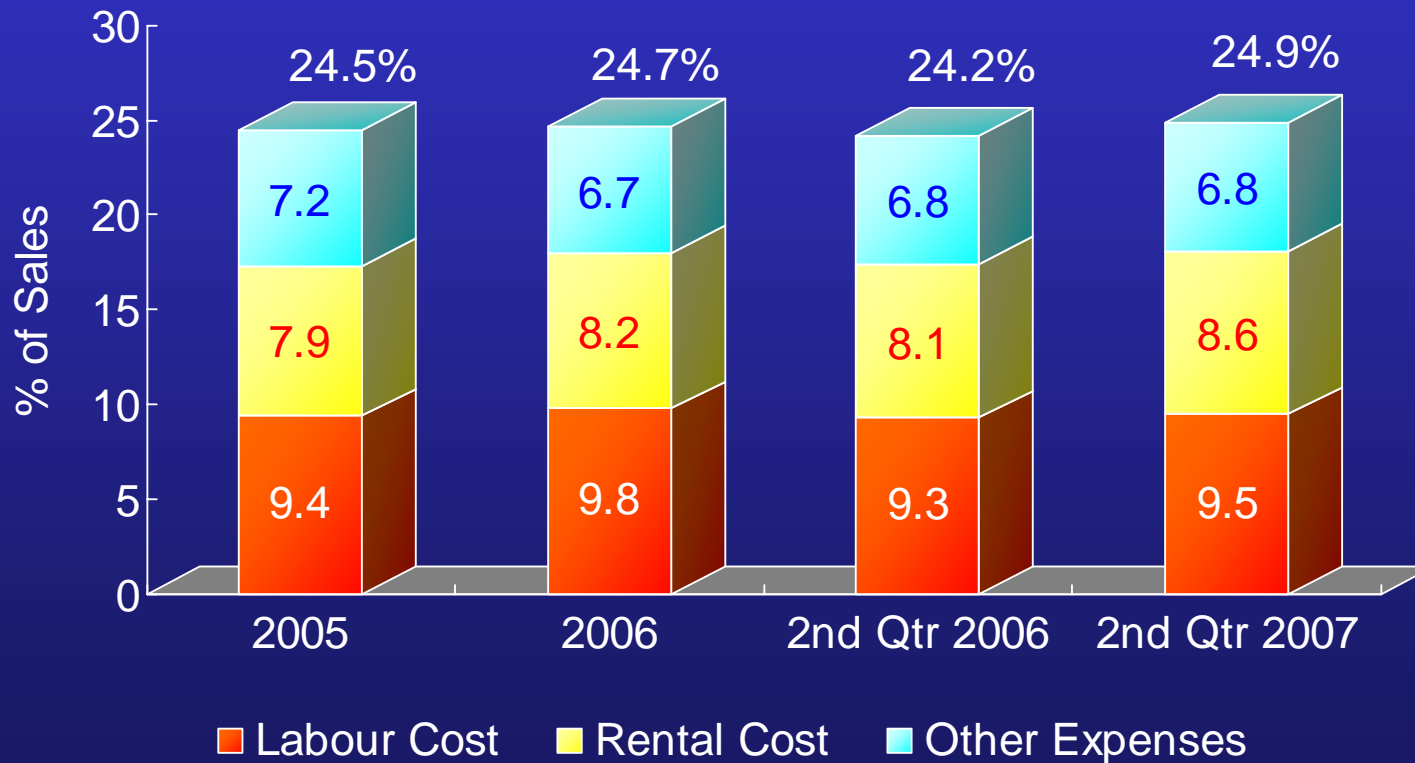
Store Operating Expenses



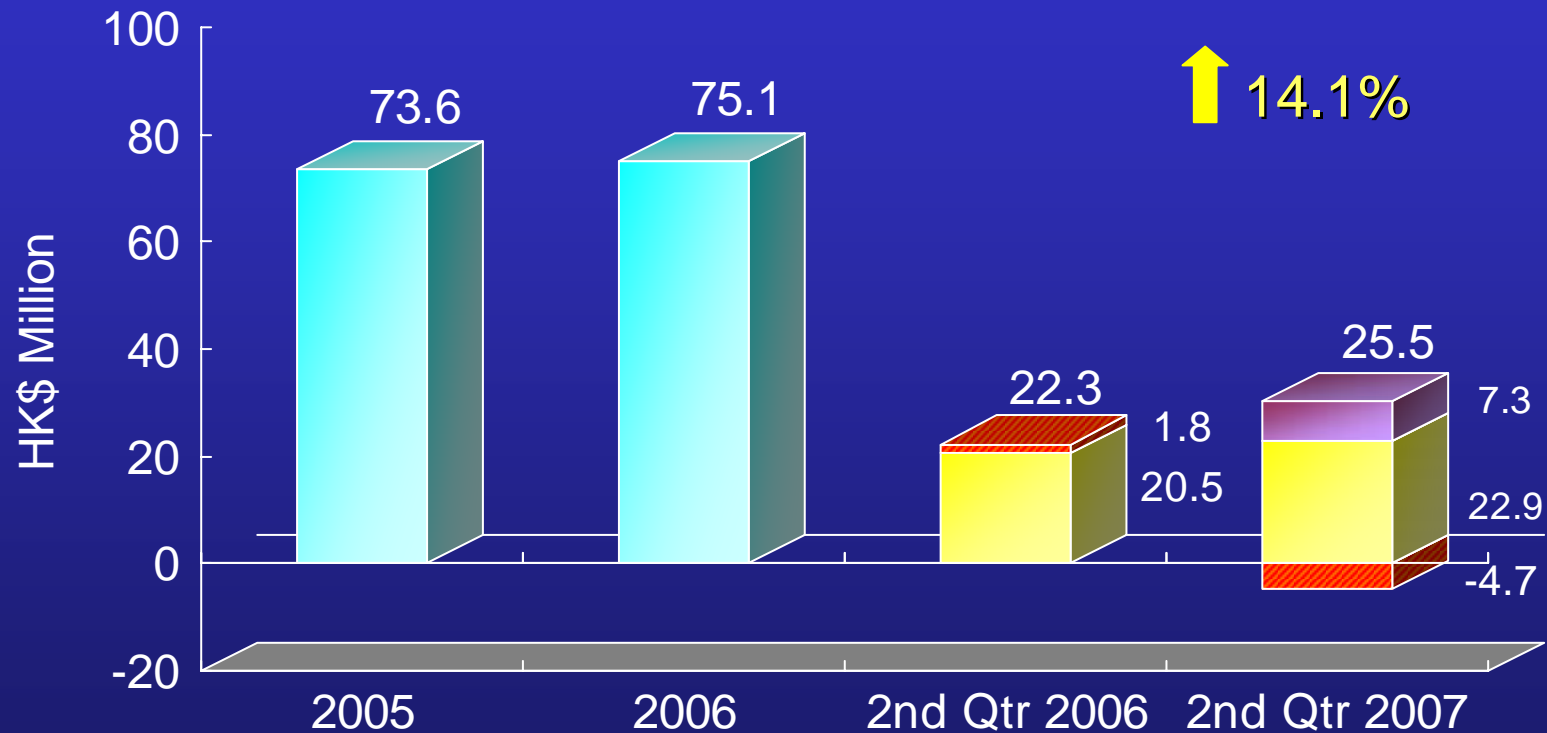
2007 Financial Results Highlights

Store Operating Expenses

Circle K Group Store Operating Expenses



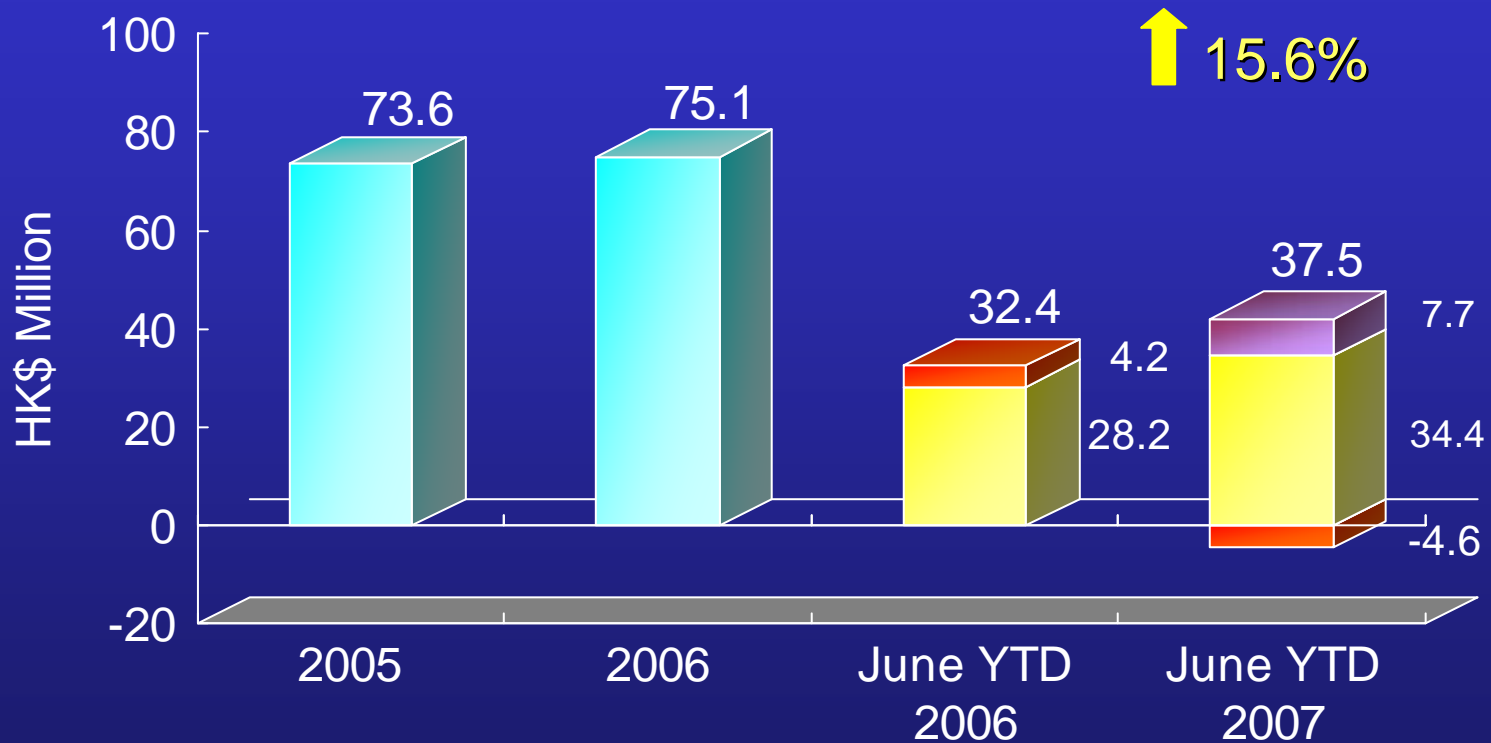
2007 Financial Results Highlights Group Net Profit – 2nd Quarter



■ Circle K
 ■ St Honore
 ■ CRA Corp



2007 Financial Results Highlights Group Net Profit – June YTD



■ Circle K ■ St Honore ■ CRA Corp

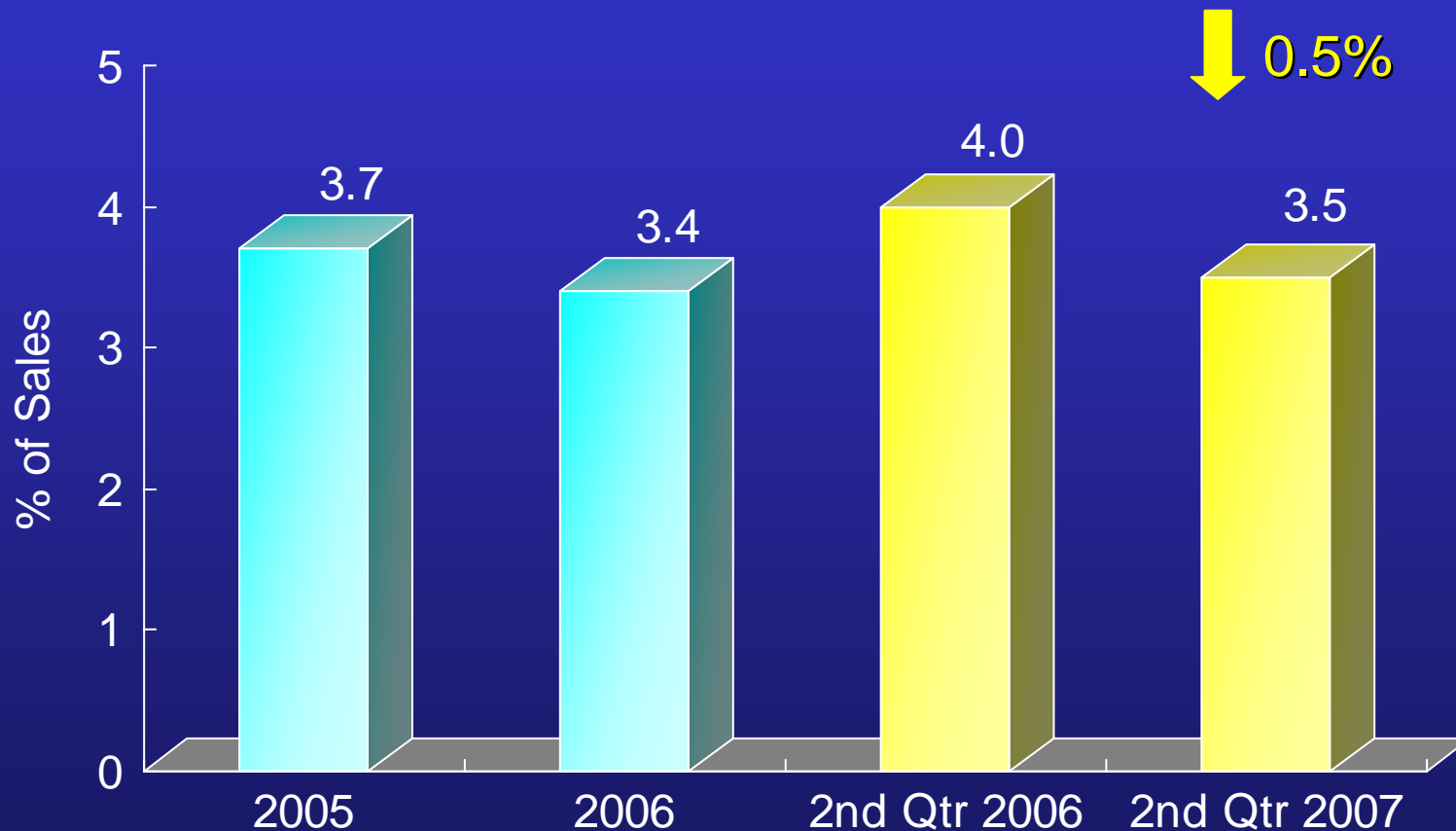


2007 Financial Results Highlights Net Profit By Market

	<u>2nd Qtr 2006</u> (HK\$M)	<u>2nd Qtr 2007</u> (HK\$M)	<u>Change</u> (HK\$M)
Hong Kong Market	27.7	30.0	2.3
China Market	(5.4)	(4.5)	0.9
Total	22.3	25.5	3.2

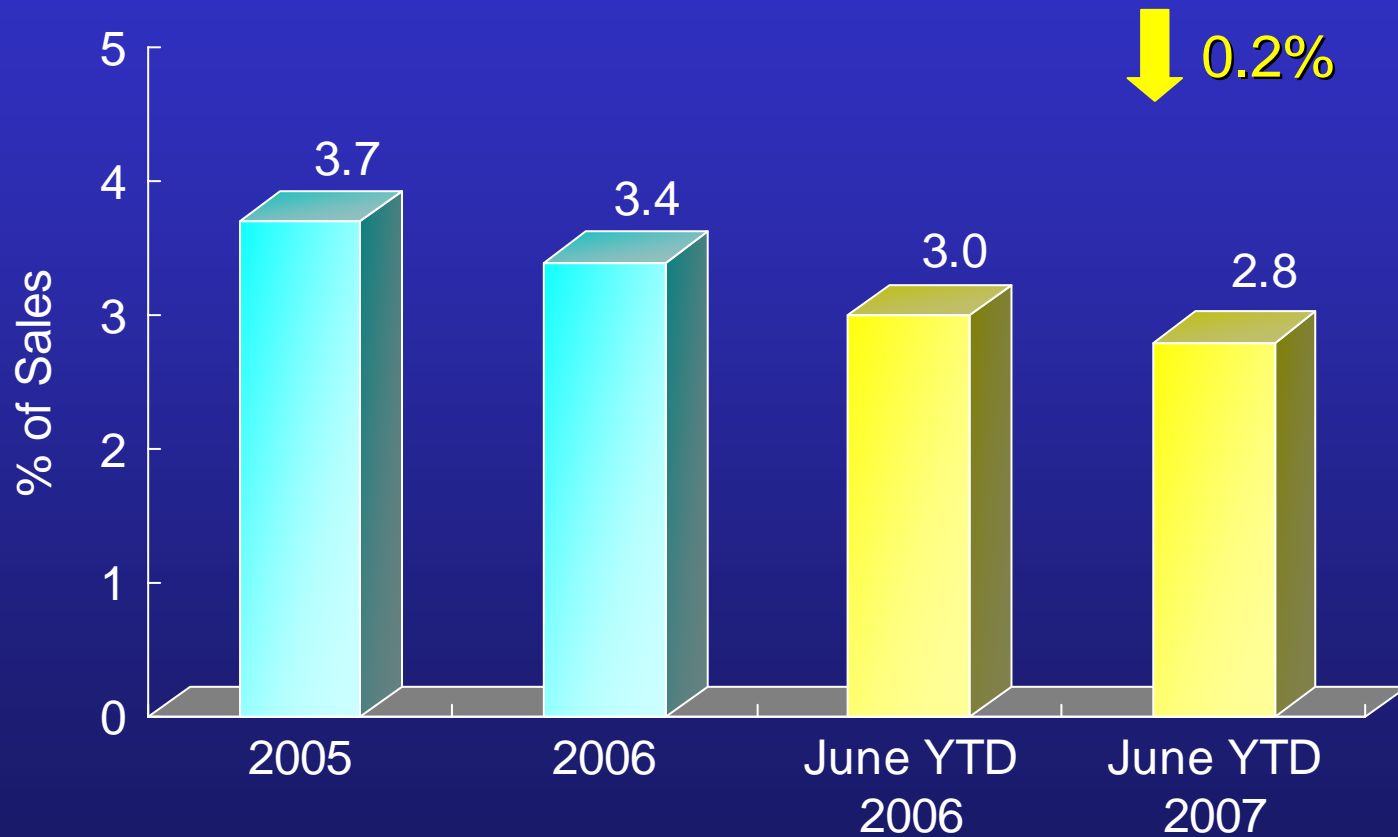
2007 Financial Results Highlights

Net Profit as % of Sales – 2nd Quarter



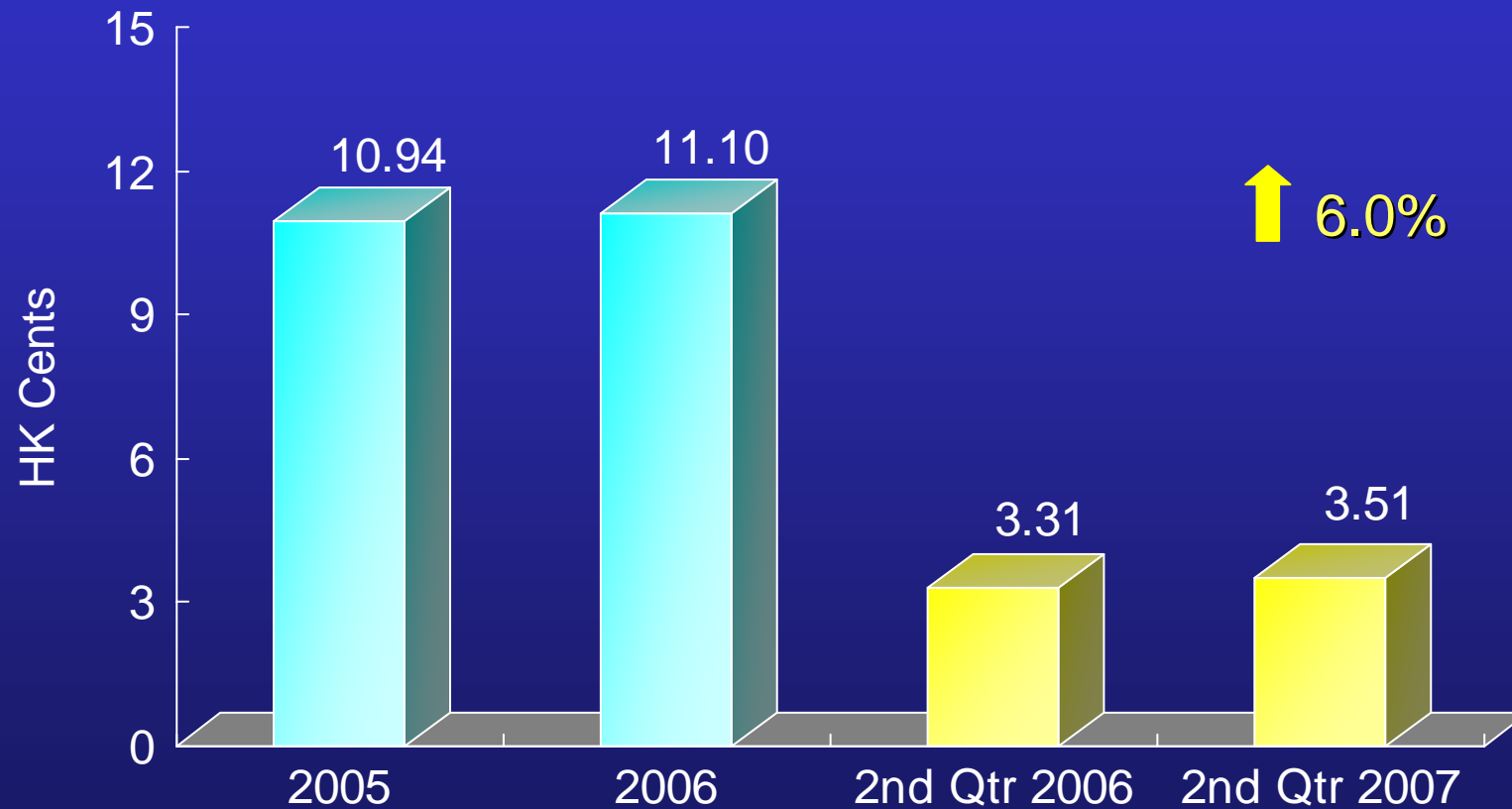
2007 Financial Results Highlights

Net Profit as % of Sales – June YTD



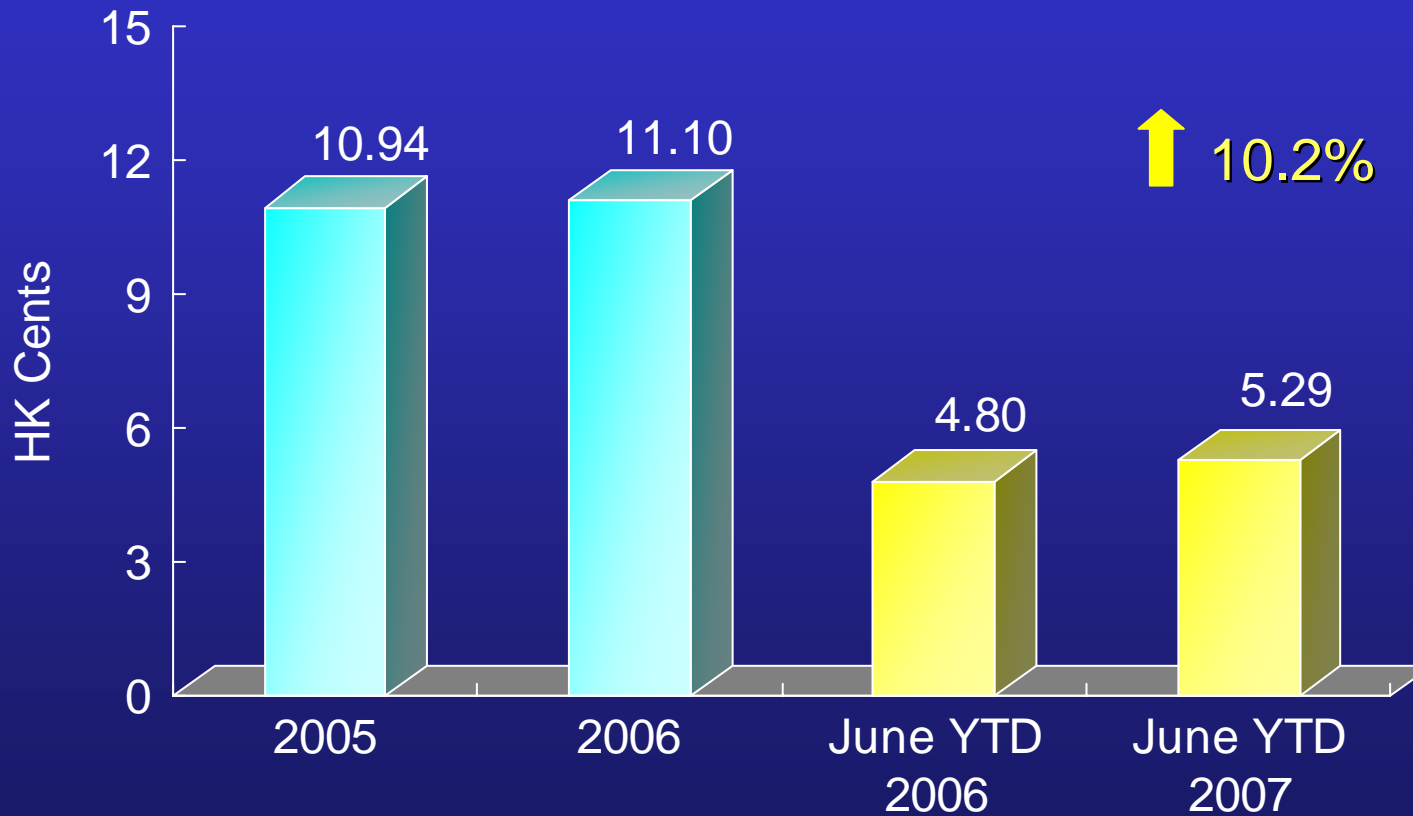
2007 Financial Results Highlights

Basic Earnings Per Share – 2nd Quarter



2007 Financial Results Highlights

Basic Earnings Per Share – June YTD





2007 Financial Results Highlights 2nd Quarter

	2nd Qtr 2006	2nd Qtr 2007	Change
Number of Stores	309	440	+42.4%
Group Turnover (HK\$M)	560.8	726.8	+29.6%
Group Net Profit (HK\$M)	22.3	25.5	+14.1%
Net Profit as % of Turnover	4.0%	3.5%	-0.5%
Basic Earnings Per Share	3.31 Cents	3.51 Cents	+6.0%





2007 Financial Results Highlights June YTD

	June YTD 2006	June YTD 2007	Change
Group Turnover (HK\$M)	1,075.2	1,323.6	+23.1%
Group Net Profit (HK\$M)	32.4	37.5	+15.6%
Net Profit as % of Turnover	3.0%	2.8%	-0.2%
Basic Earnings Per Share	4.80 Cents	5.29 Cents	+10.2%
Interim Dividend	1.5 Cents	1.7 Cents	+13.3%



2007 Update and Outlook

2007 Hong Kong Market Outlook

1. Consumers willing to spend and inflation kicking in
2. Smoking ban
3. Rental increase becoming the major issue
4. Labour market getting tighter
5. Head-to-head competition
6. Integration of Saint Honore on target



2007 Southern China Market Outlook

1. Sales continues to be strong
2. Franchising approved
3. Cigarette licenses for new stores a major issue
4. Slow down new store opening in Dongguan and Shenzhen
5. Will finish 2007 with about 90 Circle K stores



2007 Market Outlook To Summarize

- Favourable consumer sentiments and strong performance
- Rental increase the major concern in Hong Kong
- Cigarette license issue in China
- Contribution from Saint Honore business in 2nd half 2007
- Total Circle K and Saint Honore stores to reach 480 by end of year
- Solid cash-flow, balance sheet and outlook



Thank You!

