



2nd Quarter 2006 Results Presentation



Member of the Li & Fung Group

2 August 2006

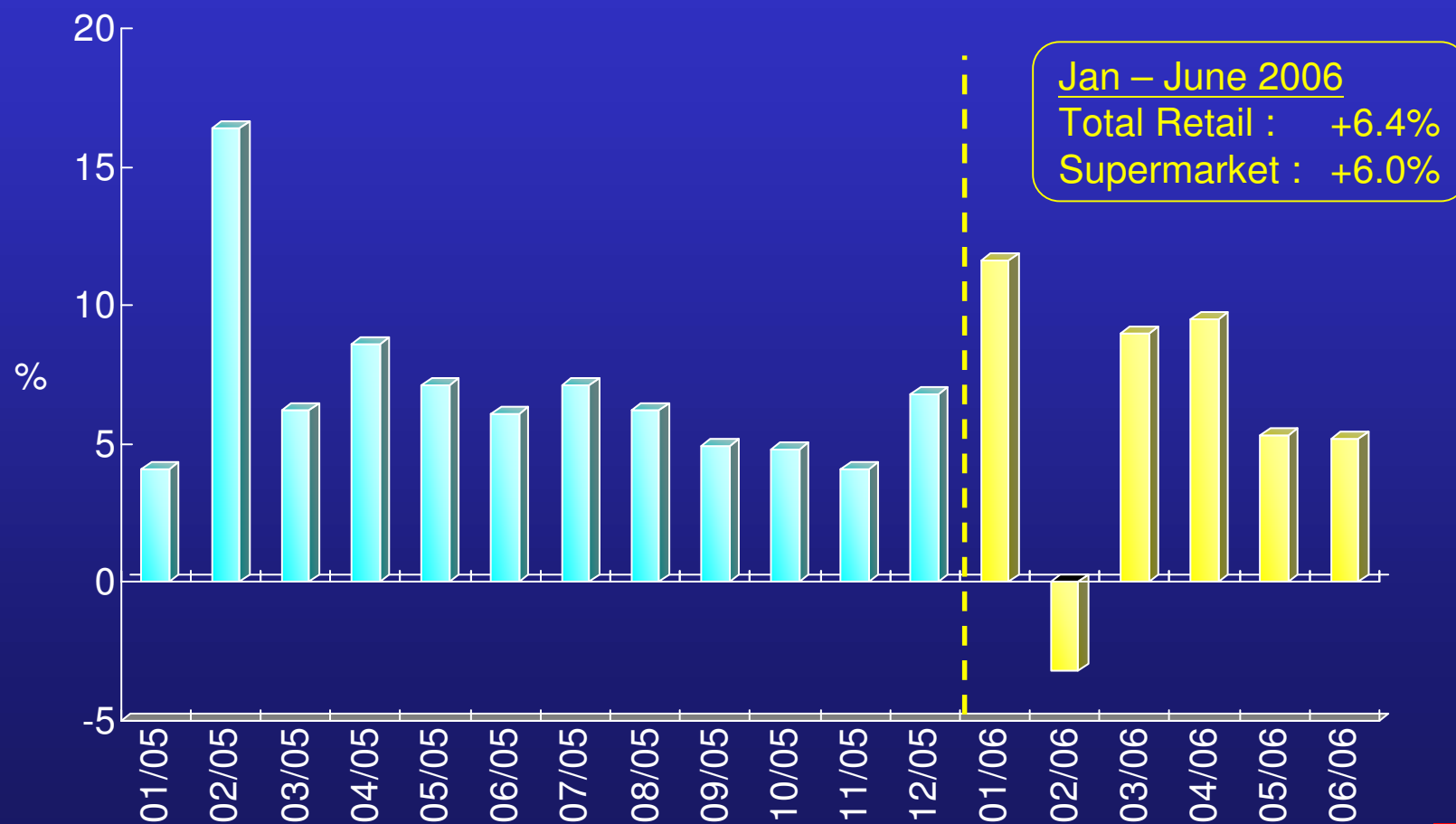


2nd Quarter 2006 Results Presentation Agenda

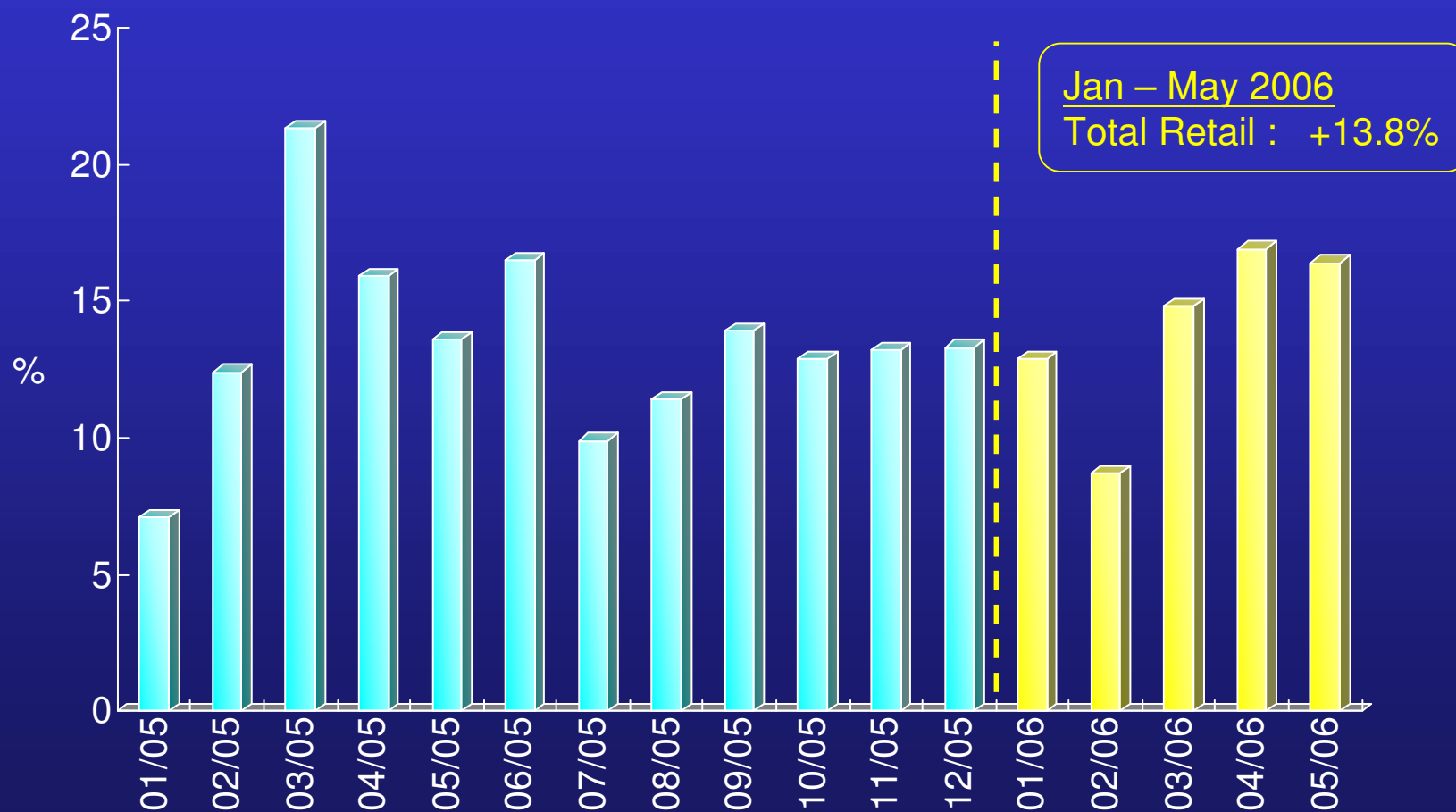
- 2nd Quarter 2006 Financial Results Highlights
- 2006 Outlook & Update
- Questions & Answers



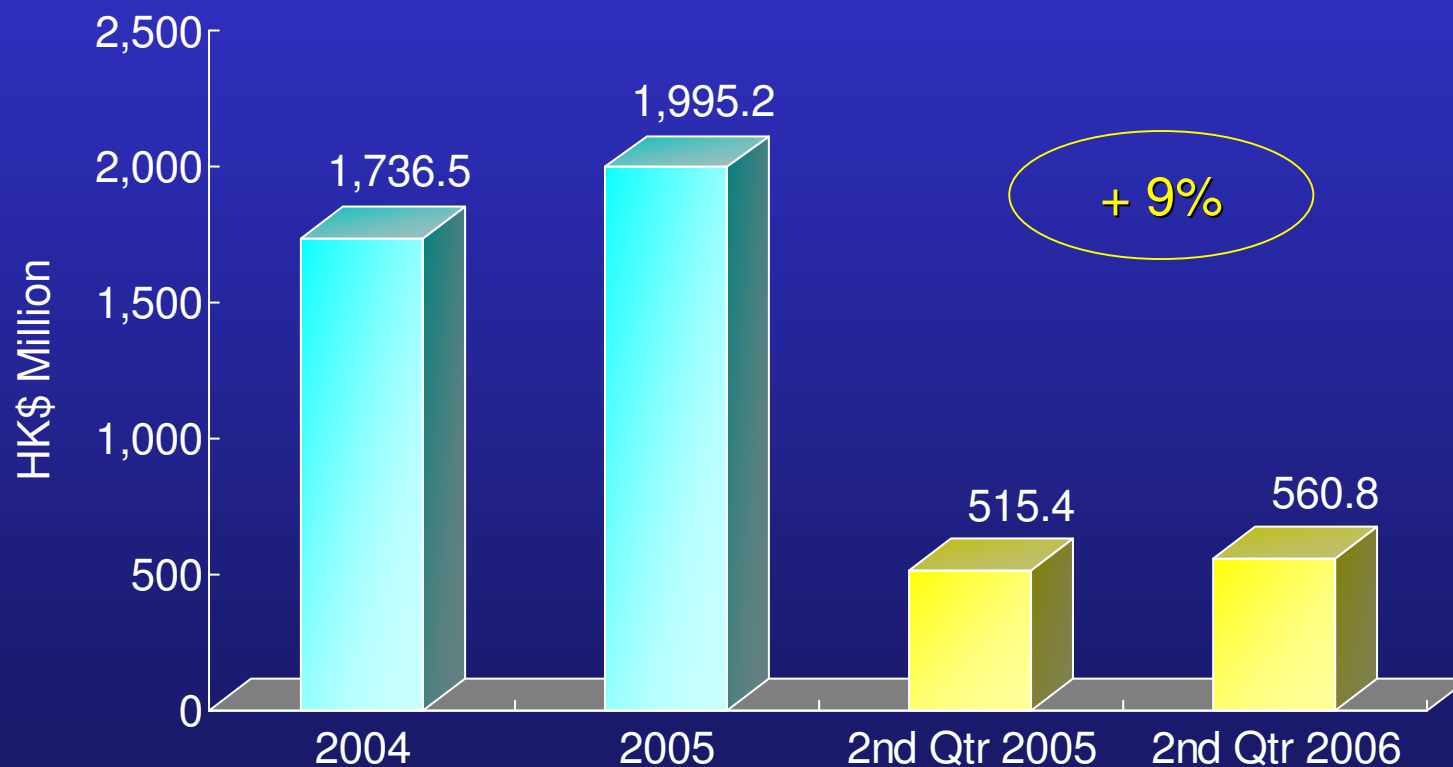
Hong Kong Retail Sales Value Year-on-year % Change



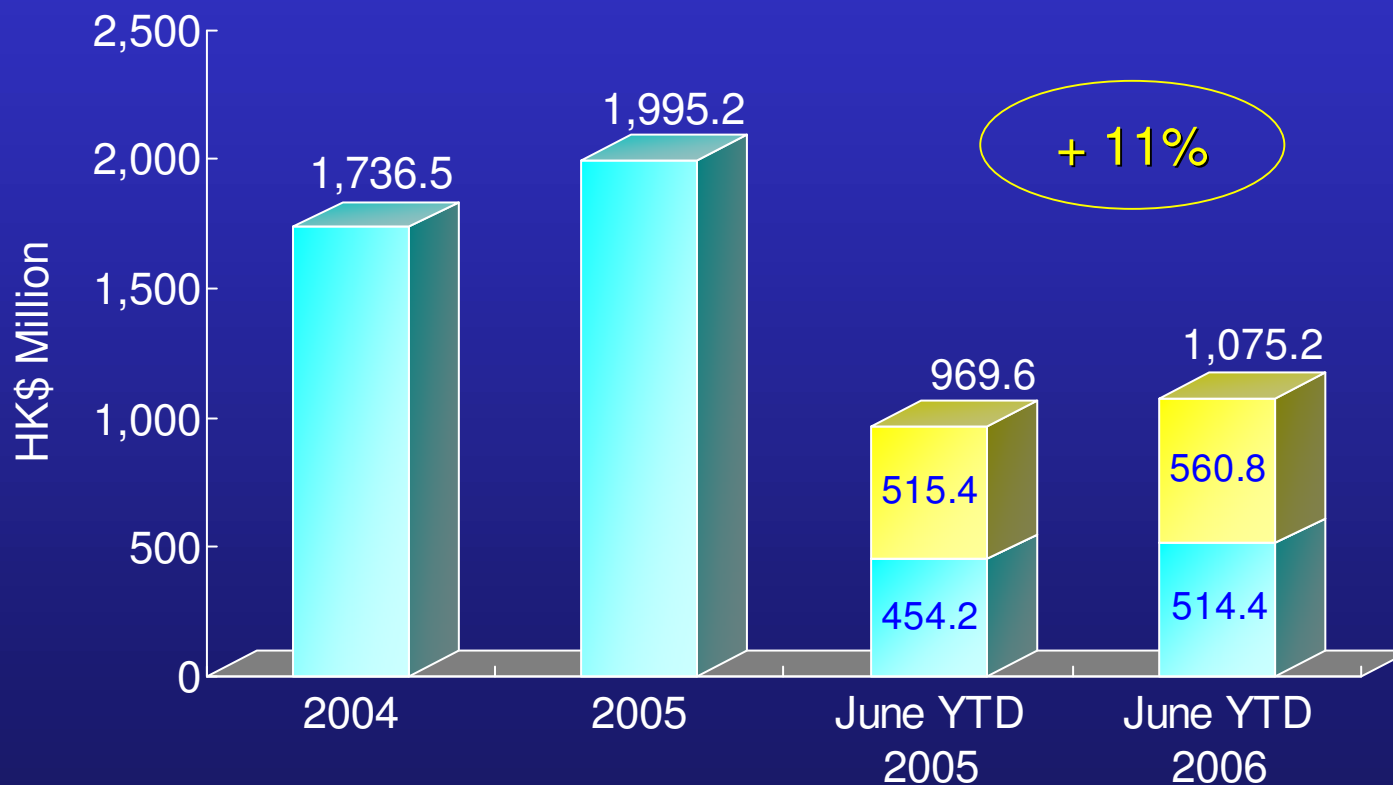
Guangzhou Retail Sales Value Year-on-year % Change



2006 Financial Results Highlights Group Turnover – 2nd Quarter



2006 Financial Results Highlights Group Turnover – June YTD



2nd Quarter 2006 Financial Results Highlights

Number of Circle K Stores

	2 nd Qtr 2005	End of 2005	1 st Qtr 2006	2 nd Qtr 2006
Hong Kong	218	230	235	238
Guangzhou	29	40	41	43
Dongguan	-	5	6	7
Shenzhen	-	-	-	1
Sub Total	247	275	282	289
Macau	5	11	13	15
Zhuhai	1	4	5	5
Total	253	290	300	309



Marketing and Promotions Hong Kong



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特色饭系列**



每客: ¥7

星期一 梅菜扣肉饭

星期二 罗宋猪骨饭

星期三 家乡回锅肉饭

星期四 鱼香茄子饭

星期五 天妇罗肉粒饭

逢周六、日继续提供以上特色选择
供应时段:
上午11:30 - 中午2:00
下午5:30 - 晚上8:00
售完即止

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新 雀巢巧克力 2指棒片17.5g **¥4.5**

雀巢能置E (西柚味/草莓味) 600ml **¥4.3/二瓶**

果汁先生 (橙/葡萄) 250ml **¥7/二瓶**

统一冰露 (冰露/柠檬味) / 冰露柠檬味480ml **¥6/二瓶**

统一来一桶牛肉面 (红椒/红椒) 110g

蓝带啤酒335ml **¥6.8/二罐**

45g新碧抗菌乳洁5Pf130/ 100ml冰薄粉霜 **买任一款 送**

最秀需款水份面膜 (三色) 25g

本活动有效期由2006年6月1日至6月21日止
数量有限 售完即止

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OK便利店 美食巡礼123

买 港式冻奶茶 (12安士) **+ ¥1 换购** 或 任一款

+ ¥2 换购 任一款

港式冻奶茶 (12安士)

买 糖鱼腐 (4粒) **+ ¥2 换购** 任一款

雀巢冰露茶 (冰露/柠檬味) / 冰露柠檬味480ml

糖鱼腐 (4粒)

买「好知味」现烤面包1个
(香蕉、金桔饼、菠萝角、干点酥、菠萝角、芝麻团、柑桔酥等除外)

+ ¥2 换购 任一款

以果糖馅料中奶 (青瓜奇种) 125g

买 鲜露豆浆 (热/凉饮) **+ ¥1 换购** 任一款

鲜露豆浆 (热/凉饮)

+ ¥3 换购 任一款

雀巢冰露茶 (冰露/柠檬味) / 冰露柠檬味480ml

鲜露豆浆 (热/凉饮)

买 牛肉丸 (4粒) **+ ¥1.5 换购** 任一款

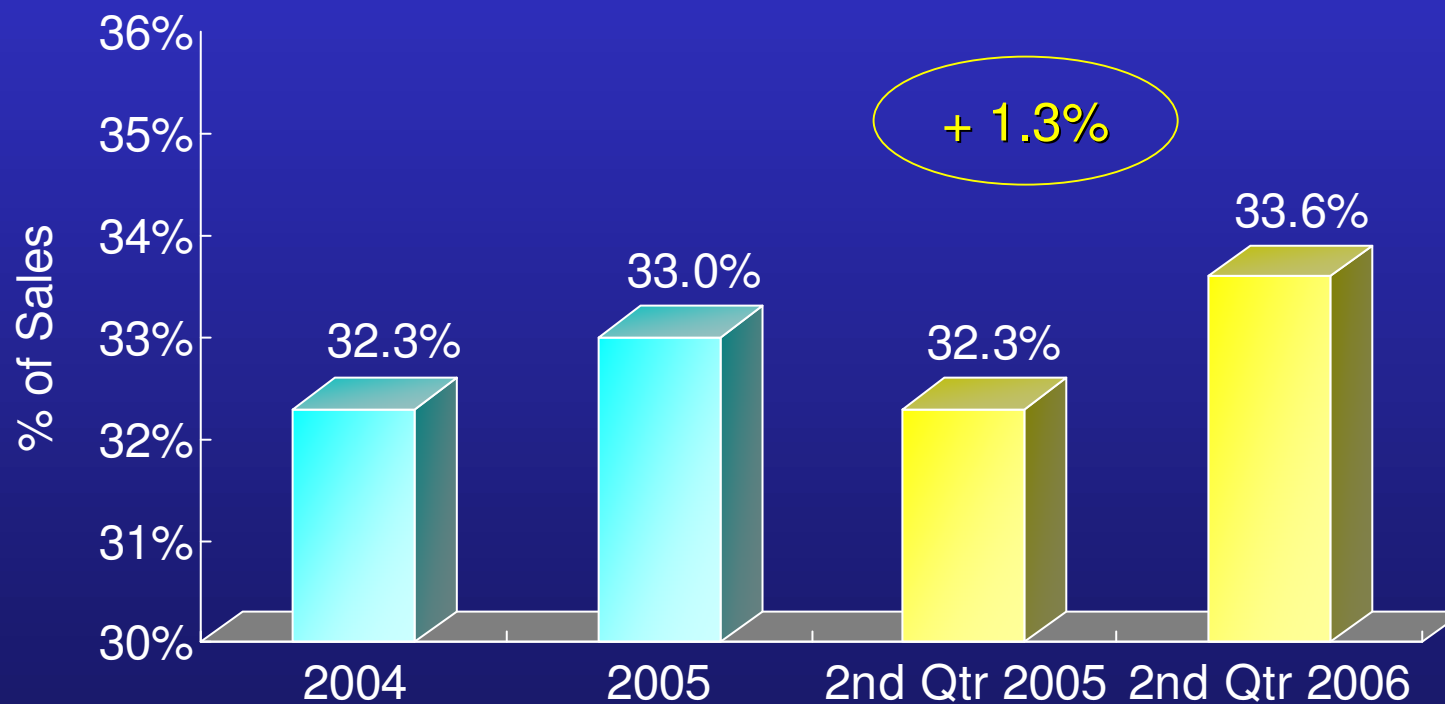
牛肉丸 (4粒)

本活动有效期由2006年7月13日至8月9日止
图片仅供参考, 以实物为准; 数量有限 换完即止

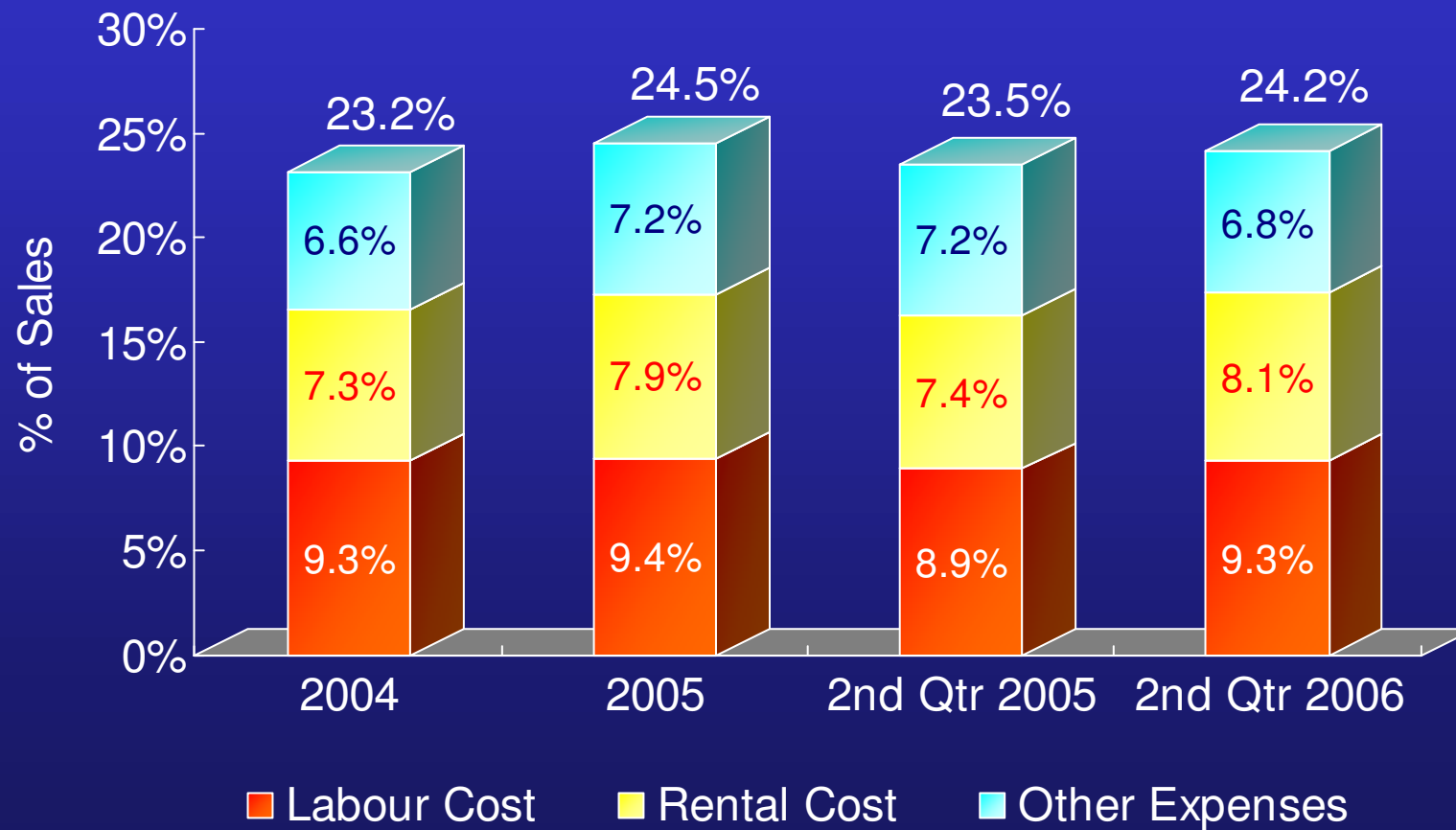
好知味

Gross Margin / Other Income

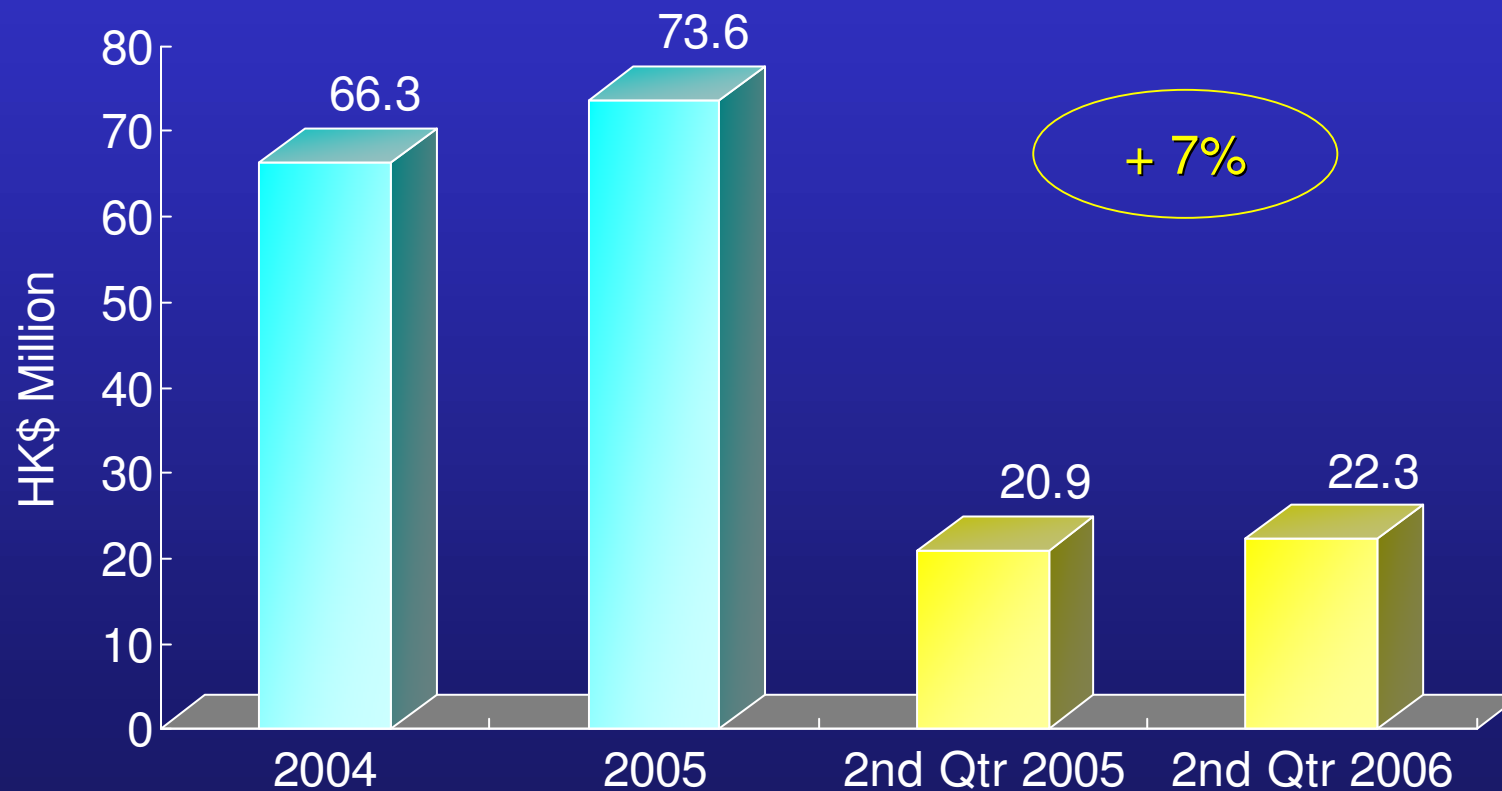
Gross Margin/Other Income as % of Sales
(Excluding Interest Income)



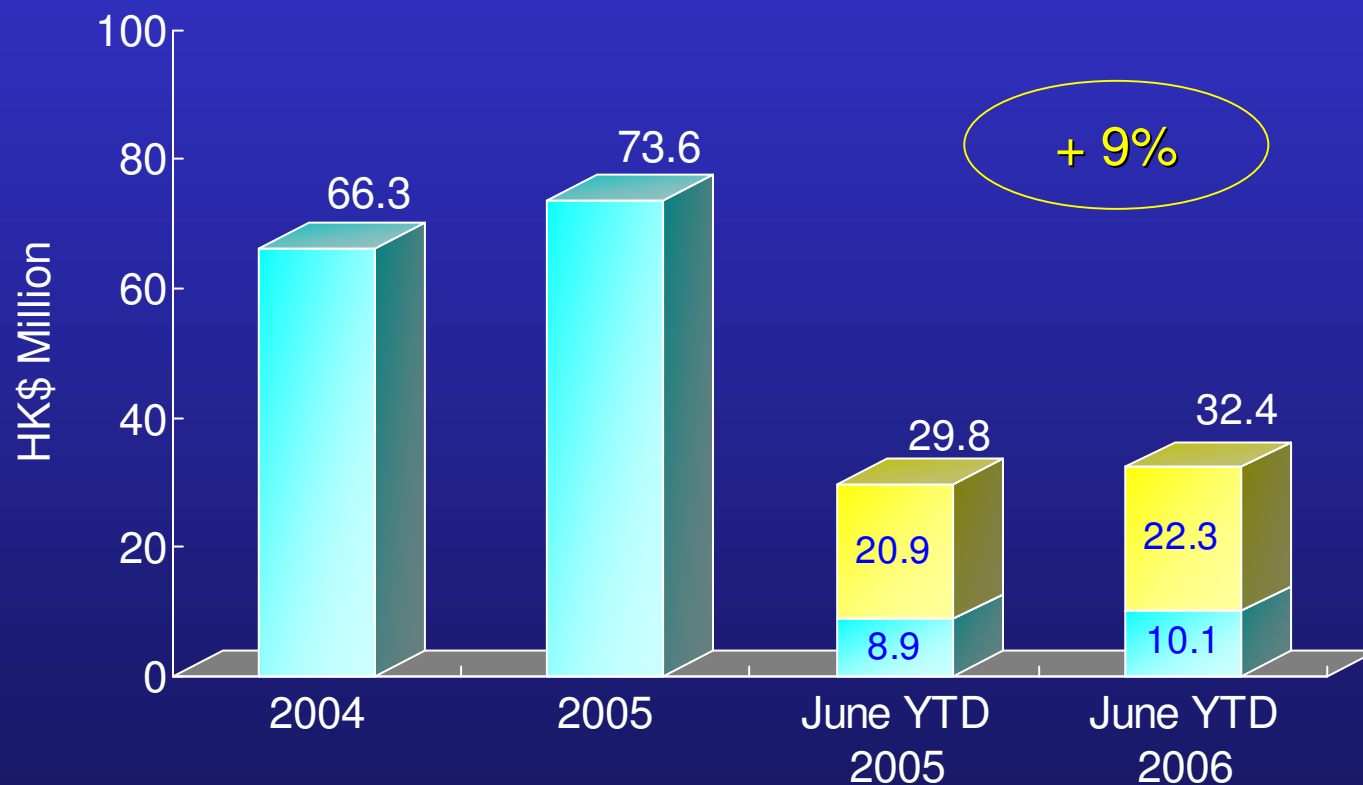
Upward Pressure On Store Operating Expenses



2006 Financial Results Highlights Group Net Profit – 2nd Quarter

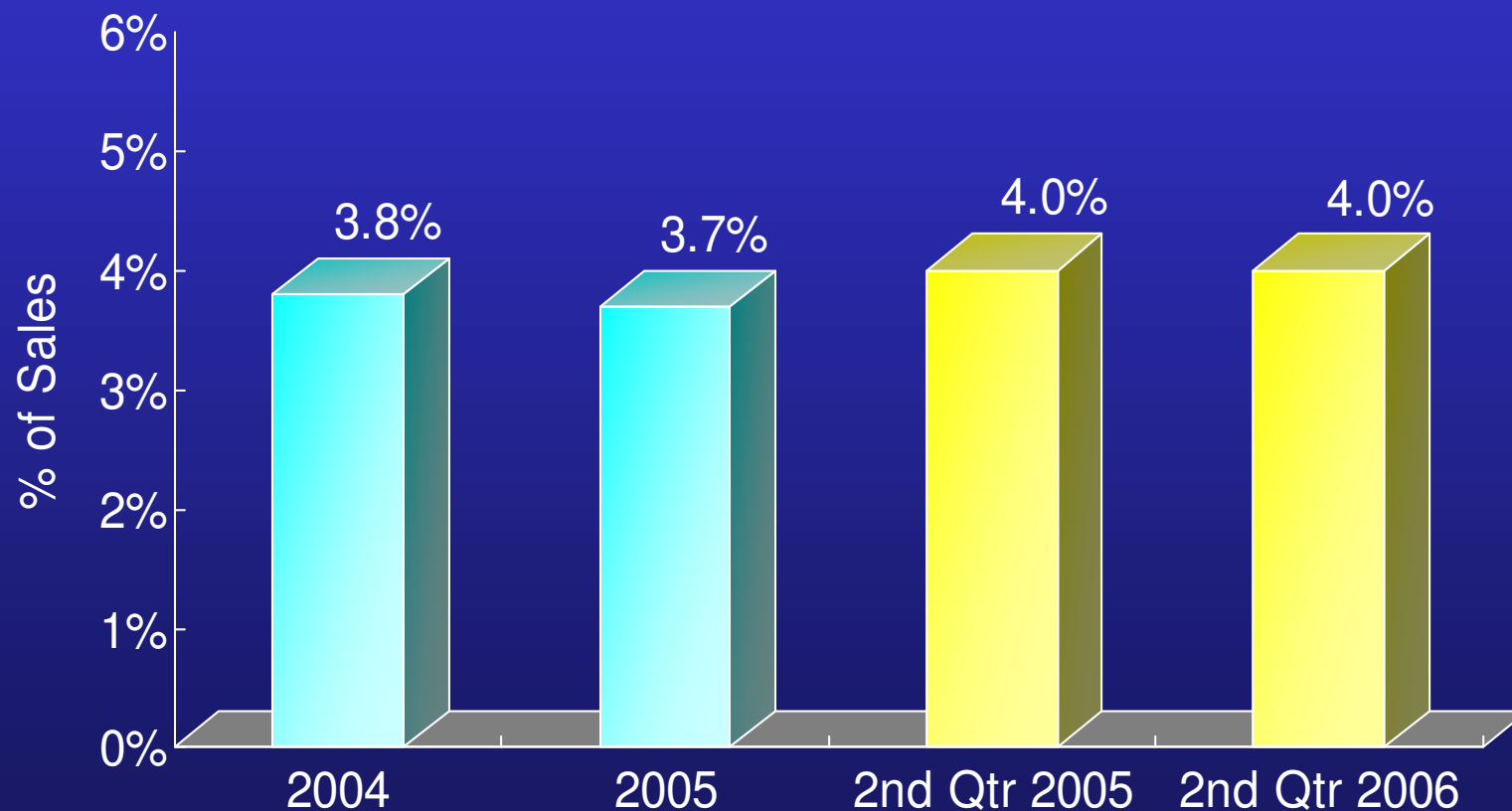


2006 Financial Results Highlights Group Net Profit – June YTD



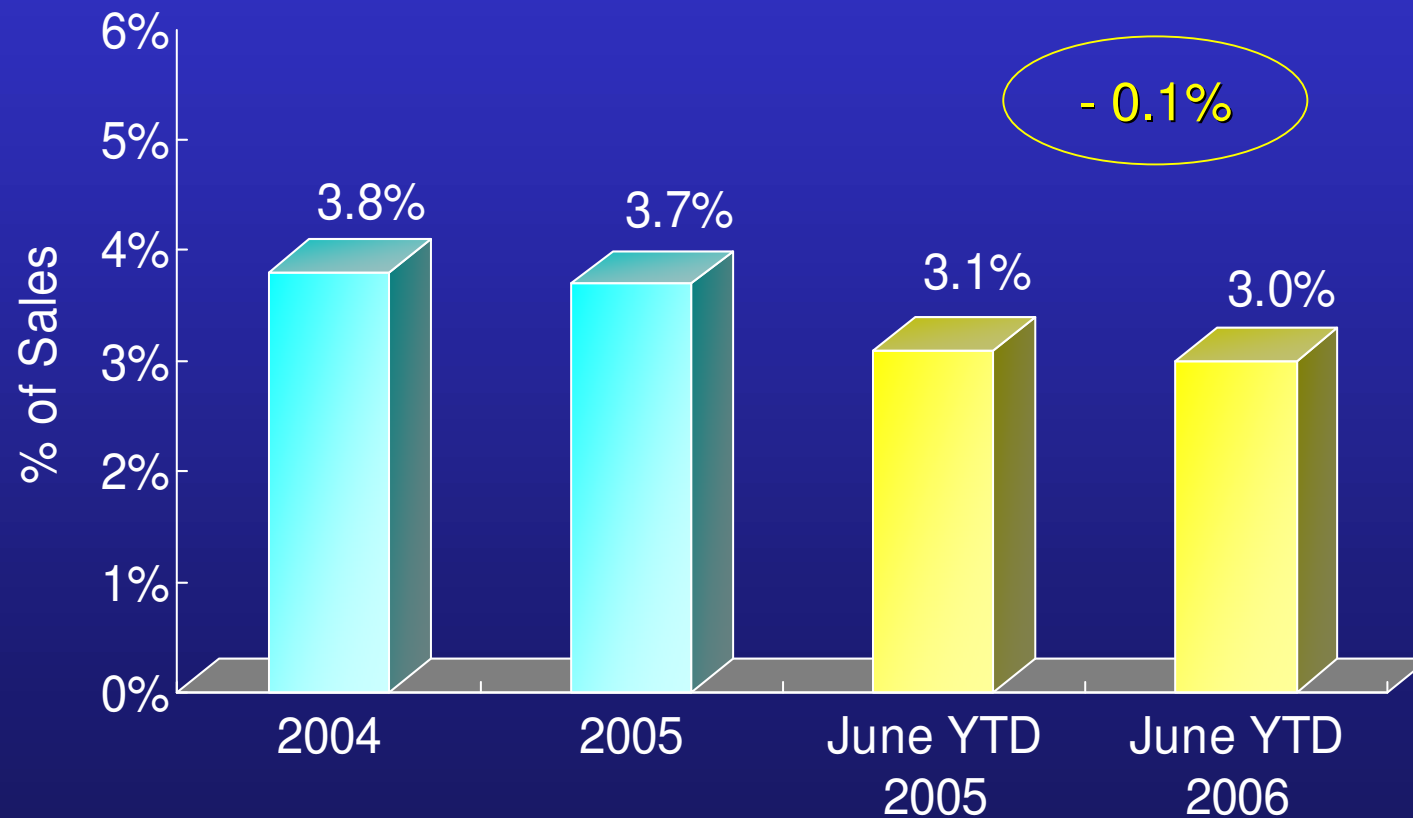
2006 Financial Results Highlights

Net Profit as % of Sales – 2nd Quarter



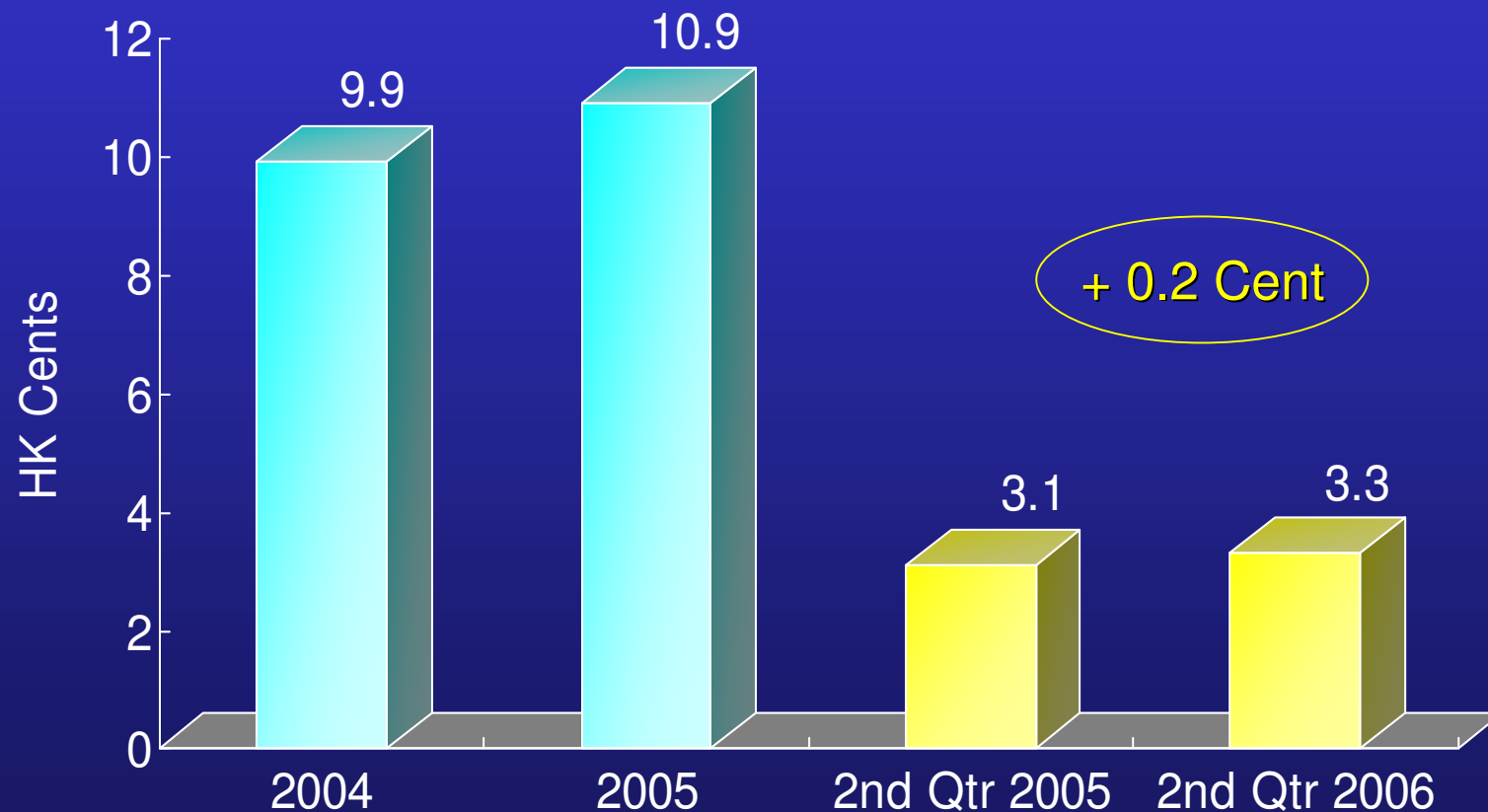
2006 Financial Results Highlights

Net Profit as % of Sales – June YTD



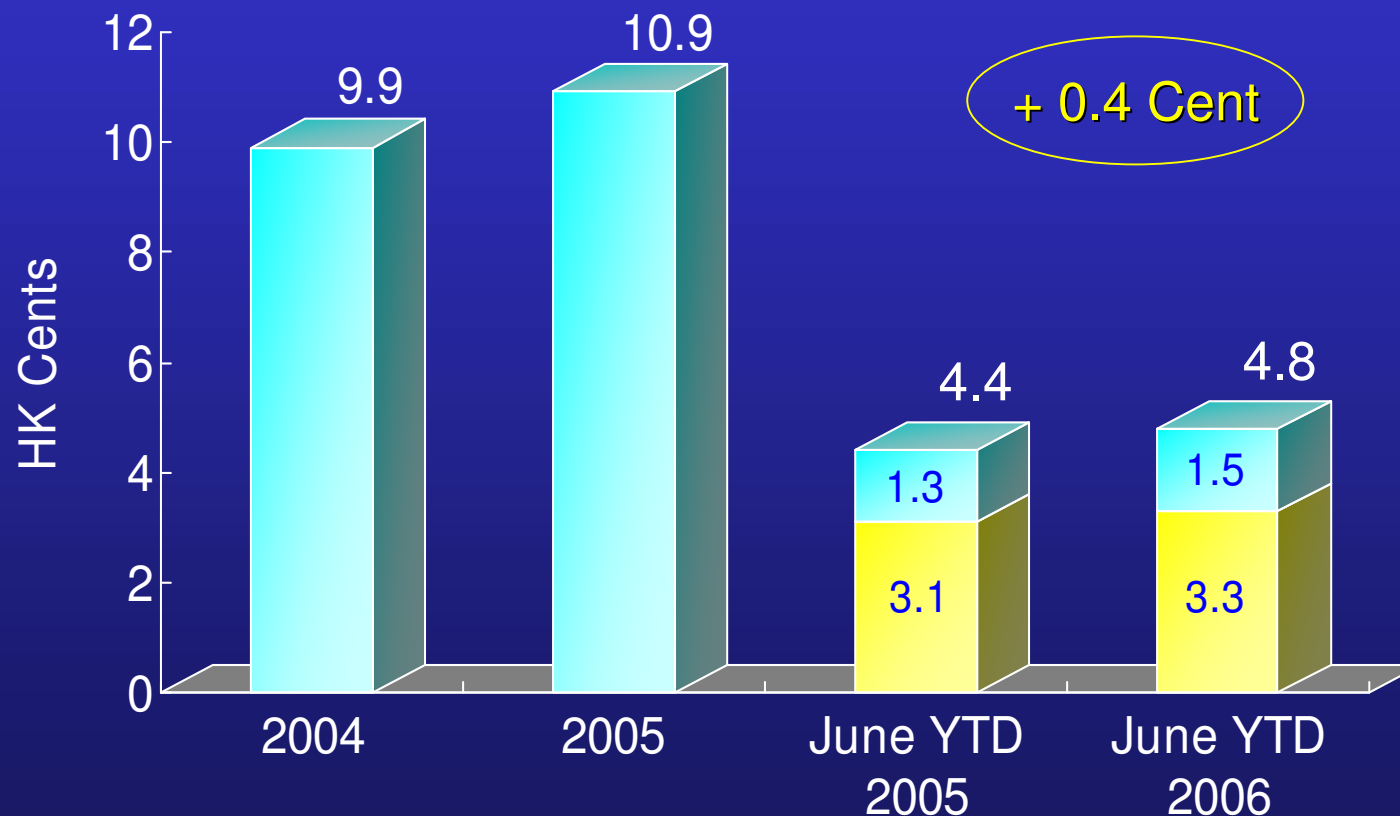
2006 Financial Results Highlights

Basic Earnings Per Share – 2nd Quarter



2006 Financial Results Highlights

Basic Earnings Per Share – June YTD





2nd Quarter 2006 Financial Results Highlights

	<u>2nd Qtr 2005</u>	<u>2nd Qtr 2006</u>	<u>Change</u>
Group Turnover (HK\$ Million)	515.4	560.8	+9%
Group Net Profit (HK\$ Million)	20.9	22.3	+7%
Net Profit as % of Sales	4.0%	4.0%	-
Basic Earnings Per Share	3.1 Cents	3.3 Cents	+0.2 Cent





June YTD 2006 Financial Results Highlights

	<u>June YTD</u> <u>2005</u>	<u>June YTD</u> <u>2006</u>	<u>Change</u>
Group Turnover (HK\$ Million)	969.6	1,075.2	+11%
Group Net Profit (HK\$ Million)	29.8	32.4	+9%
Net Profit as % of Sales	3.1%	3.0%	-0.1%
Basic Earnings Per Share	4.4 Cents	4.8 Cents	+0.4 Cent
Interim Dividend	1.5 Cents	1.5 Cents	-



2006 Update & Outlook



2006 Hong Kong Market Outlook

- + Local consumer spending continues to increase gradually
- Pressure on store operating expenses – rental, labour, utility
- Cigarette and newspaper price reduction putting pressure on dollar per transaction
- Fierce competition
- + Improvement in gross margin

Actions:

- Strong promotions to drive comparable store sales growth
- Increase gross margin / other income %



2006 Pearl River Delta Market Outlook

- + Consumer spending continues to show strong growth
- + Strong comparable store sales growth and improvement in store contribution
- Stable rental but upward pressure on labour and utility costs
- + Total Circle K stores to reach 70 - 80
- + Integration for Sun-High chain (+200 franchised stores) to commence in September/October



2006 Market Outlook To Summarize

- Strong performance in Hong Kong markets
- Completion of acquisition of Sun-High chain
- First full year of multi-city expedited growth
- Peak investment year for the Pearl River Delta market



“Buy The Way” Korea Deal

- CRA entered into a preliminary agreement with CCMP Capital Asia, a private equity fund, to purchase 2.5% of Buy The Way for a cash consideration not exceeding HK\$30 million
- Buy The Way is one of the 5 leading convenience store chains in Korea with close to 1,000 stores
- 2005 turnover of about KRW421 billion (HK\$3.4 billion)
- CRA will provide consulting advice in return for a nominal fee plus options for purchasing 30.5% at a pre-determined exercise price
- First right to purchase remaining shares



Why CRA Wants to Get Involved

1. Good upside potential for the Korea CVS industry
2. Phase-by-phase approach to enter Korean market
3. Expand source of profit and cash flow generation

