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CONVENIENCE RETAIL ASIA LIMITED

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

CLARIFICATION ANNOUNCEMENT

The announcement is to clarify statements made in certain press articles appearing in the newspapers on 20th January, 2003. The Company would like to clarify that statements relating to Expected Profits and Potential Dividend Distribution in 2003 do not constitute a profit forecast of the Company. The Expected Profits and Potential Dividend Distribution are merely management targets to be achieved by the Company.

This announcement is made at the request of the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The directors (the “Directors”) of Convenience Retail Asia Limited (the “Company”) noted that certain press articles appearing in the newspapers on 20th January, 2003 stated that the management of the Company expected its profit to grow double and reach HK\$96 million (“Expected Profits”) and a dividend would be distributed (“Potential Dividend Distribution”) in 2003.

The Directors would like to clarify that the Expected Profits and the Potential Dividend Distribution are merely management targets to be achieved by the Company and have not been reviewed by the financial advisor and/or the auditors of the Company.

The Company emphasized that there is no guarantee that the Expected Profits would be achieved nor the Potential Dividend Distribution would be made this year.

Shareholders of the Company and investors are advised to exercise caution when dealing in the Company's shares.

On behalf of the Board
Yeung Lap Bun, Richard
Director

Hong Kong, 20th January, 2003

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the GEM website on the "Latest Company Announcements" page for 7 days from the day of its posting and will also be available from the Company's website at www.cr-asia.com.