CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This announcement, for which the directors of Convenience Retail Asia Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to Convenience Retail Asia Limited. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) 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.

CONVENIENCE RETAIL ASIA LIMITED

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

HALF YEAR RESULTS

FOR THE PERIOD ENDED 30 JUNE 2003

Three Months Ended 30 June		**2003**	**2002**
• Group Turnover	+10%	HK$377,603,000	HK$343,435,000
• Group Profit	+2%	HK$16,589,000	HK$16,312,000 *
• Earnings Per Share (Basic)	-	2.5 cents	2.5 cents *
• Interim Dividend Per Share	N/A	1 cent	-
Six Months Ended 30 June		**2003**	**2002**
• Group Turnover	+9%	HK$727,203,000	HK$666,020,000
• Group Profit	-9%	HK$23,845,000	HK$26,200,000 *
• Earnings Per Share (Basic)	-10%	3.6 cents	4.0 cents *
• Interim Dividend Per Share	N/A	1 cent	-

HIGHLIGHTS

- Satisfactory growth in turnover and slight increase in profitability despite challenging market conditions caused by the SARS outbreak.
- Number of stores in Hong Kong increased by four to 172 during the quarter and seven more stores are scheduled to open in the third quarter.
- Four stores are operating in Guangzhou and four more stores are scheduled to open soon.
- Retail market in Hong Kong has been recovering since May, but overall retail sales in the second half of 2003 are expected to remain in negative territory when compared to the same period in 2002.
- Strong cash position with HK$433.7 million and no bank borrowings as at 30 June 2003.

* *Restated for income tax effect per Statement of Standard Accounting Practice No.12 (revised) "Income Taxes" issued by the Hong Kong Society of Accountants.*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

It gives me great pleasure to report the unaudited half year results of Convenience Retail Asia Limited (the "Company") and its subsidiaries (the "Group") for the period ended 30 June 2003.

During the three months ended 30 June 2003, the Group's turnover increased by 10% to HK$377.6 million when compared to the same period last year. This was achieved despite a very severe operating environment in Hong Kong which was dually affected by the weak economy and the SARS outbreak. The increase in turnover in the past three months came primarily from sales at non-comparable stores. Comparable store turnover (stores in existence throughout the first and second quarters of 2002 and 2003) showed a decline in turnover of 1%.

The Group faced a lot of pressure on gross margin because of a change in sales mix which resulted in an increase in lower margin cigarette sales and decrease in higher margin beverage and food services sales. The shift in sales mix was caused by stricter control over contraband cigarette sales, decrease in cross border shopping between Hong Kong and Shenzhen and change in shopping habits after the SARS outbreak. Gross margin and other income (excluding interest income) decreased by 1% to 32.2% of sales during the quarter.

During the quarter, the store operating expenses as a percentage of sales decreased by 0.5% to 22.1%. The decrease was achieved through cost reduction in rental, staff costs and advertising and promotion but was partly offset by the increase in store operating expenses in the Chinese Mainland.

Distribution costs increased by 0.3% to 1.6% of sales due to the increase in chilled delivery expenses as we started centralised distribution of chilled products during the quarter.

Administration expenses increased by 0.2% to 3.8% of sales during the quarter which was mainly caused by the increase in administration expenses for our operations in the Chinese Mainland.

For the second quarter of 2003, net profit attributable to shareholders increased by 2% to HK$16.6 million. The savings in store operating expenses had more than offset the unfavourable variance in gross margin and increase in other expenses.

The Group's financial position continues to be strong with a total cash balance of HK$433.7 million and no borrowings. The Group had a limited foreign exchange exposure in RMB. The paid-in capital of the joint venture was injected in Hong Kong dollar. Conversion into RMB was kept to a minimal level by only converting the amount needed for working capital. In addition, any future borrowing of the joint venture will be denominated in RMB.

In the six months ended 30 June 2003, the Group recorded turnover of HK$727.2 million and net profit of HK$23.8 million, which represent an increase of 9% and a decrease of 9% respectively when compared to the results for the six months ended 30 June 2002.

Operation Review – Hong Kong

Store Operations

The retailing market in Hong Kong went through an extremely challenging phase during the second quarter of 2003, facing the full impact of the SARS outbreak.

Four new stores were opened during the last quarter as a result of a deliberate slowdown in the store expansion process. Only stores previously committed were scheduled for opening. With the conservation of budget and resources, the Group would be in a better position to select more suitable sites with more reasonable rental when the market adjustment takes place. It is anticipated that with such a wait-and-see tactic, the original store expansion target of 200 stores by end of 2003 will need to be revised downwards to 190.

Employees

As at 30 June 2003, the Group had a total of 1,753 employees of whom 1,585 were based in Hong Kong with the remaining 168 based in the Chinese Mainland.

Regular part-time staff accounted for about 50% of the total man-hours in May 2003, a further improvement from the 45% in December 2002. The increase in the ratio of the part-time staff allows for more flexibility in human resources allocation and better control in labour cost.

The Group continued to invest in human resources development through in-house training programmes assisted by consultants and provide financial subsides for staff enrolled in external courses.

The Group's remuneration packages include a performance-related bonus scheme and share options. During last year, a Chairman's Award Programme was introduced to provide recognition and reward to staff with excellent performance and outstanding commitment. A total of 62 employees were nominated and awarded 10,000 Convenience Retail Asia share options each.

Marketing and Promotion

During the SARS outbreak, all advertising and promotion activities were scaled back since it would be almost impossible to induce any traffic or spending during those very difficult times. The loss of traffic and sales during the evening hours reflected the general anxiety to return home after work / school and stay home in safety.

The only marketing program was devoted to the promotion of protective products against SARS, such as the face mask, antiseptic hand sanitizer and wet tissue wipes, etc. The Circle K campaign to promote these "popular" products assumed an ethical stance by educating the consumers on the quality standard to ensure efficacy. The success of such a strategy not only generated substantial incremental sales but also enhanced the brand image of Circle K as a responsible corporate citizen.

As a contribution to the community, antiseptic product donations were promptly made to the government hospitals where Circle K stores were located in their hours of need i.e. at the height of the outbreak.

Category Excellence

The timely launch of the protective product category against SARS was a good demonstration of category excellence. The challenge faced by the category management team was to ensure product availability under the pressure of great demand from the market.

Another successful new product launch was the private label meal box. The product concept was a chilled meal box of exceptional quality and taste that could be easily reheated in the microwave oven. With a shelf life of about a week, it can be heated up and consumed in store or kept in the refrigerator at home or in the office, and served as a quality hot meal any time of the day.

During the first two days of the launch over 20,000 lunch boxes were sold as the result of a joint coupon promotion with one of the leading daily newspapers.

Service Excellence

The winning of the Silver Prize of the Hong Kong Management Association's "Award For Excellence in Training 2003" was a due recognition of the quality and standard of the Group's customer service training. The winning program was the Phone-card Product Training with "Better Knowledge, Better Service" as the theme. The excellent collaboration of the human resource team and the operation team was well appreciated by the Group.

During the past six months further efforts and resources have been put behind the enhanced training program for "Speed, Tidiness and Friendliness". "Adding Value to Customers" as the training theme was introduced in April, with the objective to create higher motivation for suggestive selling at the frontline. Over 1,280 frontline staff participated in the training program and a total of 26 classes were conducted.

Supply Chain Management and Logistics

The introduction of the centralised distribution services for chilled food and its successful implementation was the key achievement of the Supply Chain Management and Logistics team in the past six months.

In order to meet the growing demand of food services, an infrastructure was set up to centralise all the logistics activities of chilled food products including fast food and meal boxes. With the new system in place, the daily ordering, product receiving and invoicing procedures at the store level were simplified and streamlined considerably. Store managers are now able to make use of the "smart store-order-monitoring system" to facilitate daily ordering processes, while an alert will be sent directly to the store as a reminder if no ordering information is received at the headquarter.

Operations Review - Guangzhou

During the second quarter, the Circle K operation in Guangzhou went through a period of intensive product development, experimentation and launch activities. The successful introduction of Baked Chicken with Rice in April and the Japanese Soup Noodle in June as meal solutions were results of these focused efforts. By enriching the range of our product offerings, incremental sales were achieved for each store day.

Products from the Hot & In food services have continued to be the main contributors to sales accounting for more than 36% of total sales and even higher contribution to margin dollars.

The consumer acceptance of the new food concepts under the Hot & In brand supports our belief that the market is ready for an upgrade in the overall shopping experience; be it a more refined quality product, better tasting meal or efficient and hygienic services. Novelty and premium quality have proven to be a very sellable consumer proposition which can also command a premium pricing.

Since all Hot & In products are exclusive to Circle K, the dual strategic objectives of building customer loyalty with destination shopping and providing a better margin opportunity are duly achieved.

The market success of the Hot & In products is the most encouraging evidence that we have managed to create a competitive edge with our unconventional business model. It is also a unique positioning that we can build on when moving forward.

With the coming of the hot season, sales of packaged drinks and ice cream are picking up nicely, with individual stores registering record sales on daily basis. Given the current sales growth momentum, our operation in Guangzhou should be able to generate significant volume increase during the first summer peak season.

Prospect

In order to cope with the volatile market conditions and to be prepared for any further sales decrease, a cost saving initiative was implemented at the beginning of the second quarter with very encouraging results in Hong Kong. Full effect of the cost saving initiatives will become more evident by the end of 2003.

The Group was able to enjoy a one-off 30% rental concession of the Government Housing Estate stores as compensation for the sales loss during the SARS outbreak for three months (from 1 April to 30 June 2003). Negotiations for permanent rental reduction are still being considered on a case by case basis upon lease renewal.

With the successful implementation of cost control measures, the Group is in a healthy position to maximise profit opportunities in the coming six months. Even though there are signs of a gradual recovery in the retailing market with the return of the Chinese Mainland visitors and the prevailing back-to-normal consumer sentiments, the Group remains cautiously optimistic about business performances for the rest of 2003. However, the continued deflation together with the record high unemployment remain factors for concern and are likely to deter the consumers' spending mood. The overall retail market in Hong Kong will continue to be tough and retail sales in the coming six months, although gradually recovering, will remain in negative territory when compared to the same period in 2002.

The Guangzhou operation is in a totally different position from Hong Kong. Overall market is still reflecting strong growth with an increased disposable income and propensity to spend. A scheduled pricing strategy review will further enhance the margin improvement opportunity. The Group is also adding resources to expedite the store expansion process so as to open more stores in the second half of the year.

CEPA is the most exciting news for the Guangzhou operation. It is the Group's intention to follow up closely on further announcements on the details of implementation so that an overall review of the Group's entry strategy in China can be conducted in due course.

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2003

		(Unaudited)		(Unaudited)	
		Three months ended 30 June		**Six months ended 30 June**	
		2003	2002	**2003**	2002
	Note	HK$'000	HK$'000	HK$'000	HK$'000
			(Restated)		(Restated)
Turnover	2	377,603	343,435	727,203	666,020
Cost of sales		(284,946)	(256,032)	(549,218)	(499,646)
Gross profit		92,657	87,403	177,985	166,374
Other revenues	2	30,483	28,237	55,402	50,820
Store expenses		(83,422)	(77,694)	(167,981)	(151,086)
Distribution costs		(5,956)	(4,628)	(11,402)	(9,024)
Administrative expenses		(14,507)	(12,404)	(27,277)	(23,143)
Start-up costs for China operations		-	(1,246)	-	(2,322)
Profit before taxation	3	19,255	19,668	26,727	31,619
Taxation	4	(3,798)	(3,440)	(5,271)	(5,571)
Profit after taxation		15,457	16,228	21,456	26,048
Minority interest		1,132	84	2,389	152
Profit attributable to shareholders		16,589	16,312*	23,845	26,200*
Dividend	5	6,685	-	6,685	-
Basic earnings per share	6	2.5 cents	2.5 cents*	3.6 cents	4.0 cents*
Diluted earnings per share	6	2.5 cents	2.4 cents*	3.6 cents	3.9 cents*

* *Restated for income tax effect per Statement of Standard Accounting Practice No. 12 (revised) "Income Taxes" issued by the Hong Kong Society of Accountants.*

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2003

(Unaudited)

	Share capital HK$'000	**Share premium** HK$'000	**Merger reserve** HK$'000	**Capital reserve** HK$'000	**Exchange reserve** HK$'000	**Retained earnings/ (accumulated losses)** HK$'000	**Total shareholders' equity** HK$'000
At 1 January 2002, as previously reported	65,560	103,915	177,087	13,433	-	(92,390)	267,605
Effect of changes in accounting policy (note 1(a))	-	-	-	-	-	13,798	13,798
At 1 January 2002, as restated	65,560	103,915	177,087	13,433	-	(78,592)	281,403
Issue of shares	969	7,946	-	-	-	-	8,915
Profit for the period attributable to shareholders	-	-	-	-	-	26,200	26,200
At 30 June 2002	66,529	111,861	177,087	13,433	-	(52,392)	316,518
At 1 July 2002	66,529	111,861	177,087	13,433	-	(52,392)	316,518
Issue of shares	193	1,583	-	-	-	-	1,776
Profit for the period attributable to shareholders	-	-	-	-	-	34,258	34,258
At 31 December 2002	66,722	113,444	177,087	13,433	-	(18,134)	352,552
At 1 January 2003, as previously reported	66,722	113,444	177,087	13,433	-	(20,273)	350,413
Effect of changes in accounting policy (note 1(a))	-	-	-	-	-	2,139	2,139
At 1 January 2003, as restated	66,722	113,444	177,087	13,433	-	(18,134)	352,552
Issue of shares	123	1,008	-	-	-	-	1,131
Exchange differences	-	-	-	-	176	-	176
Profit for the period attributable to shareholders	-	-	-	-	-	23,845	23,845
At 30 June 2003	66,845	114,452	177,087	13,433	176	5,711	377,704

Notes:

1. Basis of preparation and accounting policies

The unaudited consolidated condensed interim accounts are prepared in accordance with Hong Kong Statement of Standard Accounting Practice ("SSAP") 25, Interim Financial Reporting, issued by the Hong Kong Society of Accountants and the disclosure requirements set out in Chapter 18 of GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the condensed interim accounts are consistent with those used in the annual accounts for the year ended 31 December 2002 except that the Group has changed its accounting policy following its adoption of the following SSAP issued by the Hong Kong Society of Accountants which is effective for accounting periods commencing on or after 1 January 2003:

SSAP 12 (revised) : Income Taxes

The changes to the Group's accounting policy and the effect of adopting this revised policy is set out below:

(a) Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. The principal temporary differences arise from depreciation on fixed assets and tax losses carried forward. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in the condensed consolidated statement of changes in equity, opening accumulated losses at 1 January 2002 and 2003 have been reduced by HK$13,798,000 and HK$2,139,000 respectively which represent the unprovided net deferred tax assets. The profit attributable to shareholders for the period ended 30 June 2002 has been reduced by HK$5,576,000.

(b) Segment reporting

The Group has also adopted SSAP 26 "Segment Reporting" to report segment information.

In accordance with the Group's internal financial reporting, the Group has determined that geographical segments be presented as the primary reporting format.

Segment assets consist primarily of intangible assets, fixed assets, inventories, receivables and operating cash. Segment liabilities comprise operating liabilities and exclude item such as taxation. Capital expenditure comprises additions to fixed assets.

In respect of geographical segment reporting, sales are based on the areas in which the assets are located. Total assets and capital expenditure are where the assets are located.

2. Turnover, other revenues and segment information

The Group is principally engaged in the operation of a chain of convenience stores. Revenues recognised during the three months and six months ended 30 June 2003 are as follows:

	(Unaudited) **Three months ended 30 June**		(Unaudited) **Six months ended 30 June**	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	HK$'000	HK$'000
Turnover				
Merchandise sales revenue	377,603	343,435	727,203	666,020
Other revenues				
Promotion and support fund	25,969	23,933	45,992	41,517
Interest income	1,656	1,741	3,294	3,280
Service items income	2,858	2,563	6,116	6,023
	30,483	28,237	55,402	50,820
Total revenues	408,086	371,672	782,605	716,840

Revenue from the sale of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when goods are delivered to customers and the title has passed.

Promotion and support fund are recognised in accordance with the terms of agreements with the vendors.

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the interest rates applicable.

Revenue from provisions of services is recognised when the services are rendered.

Primary reporting format – geographical segments

The Group operates in two geographical areas: Hong Kong and Chinese Mainland.

		(Unaudited)	
	Hong Kong	Chinese Mainland	Group
		Six months ended 30 June	
	2003	**2003**	**2003**
	HK$'000	HK$'000	HK$'000
Turnover from external customers	723,888	3,315	727,203
Other revenues from external customers	51,774	334	52,108
	775,662	3,649	779,311
Segment results	30,183	(6,750)	23,433
Interest income			3,294
Profit before taxation			26,727
Taxation			(5,271)
Profit after taxation			21,456
Minority interest	71	2,318	2,389
Profit attributable to shareholders			23,845

	Hong Kong	(Unaudited) Chinese Mainland	Group
	Six months ended 30 June		
	2002	2002	2002
	HK$'000	HK$'000	HK$'000 (Restated)
Turnover from external customers	666,020	-	666,020
Other revenues from external customers	47,540	-	47,540
	713,560	-	713,560
Segment results	30,661	(2,322)	28,339
Interest income			3,280
Profit before taxation			31,619
Taxation			(5,571)
Profit after taxation			26,048
Minority interest	152	-	152
Profit attributable to shareholders			26,200

There are no sales between the geographical segments.

3. Profit before taxation

Profit before taxation is stated after crediting and charging the following:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	HK$'000	HK$'000
Crediting				
Net write-back of provision for inventories	32	-	32	-
Charging				
Amortisation of franchise licence	20	20	39	39
Depreciation of owned fixed assets	8,594	6,764	16,712	12,863
Loss on disposal of fixed assets	67	114	323	106
Provision for doubtful debts	-	199	-	351
Provision for inventories	-	10	-	10

4. Taxation

Hong Kong profits tax has been provided at the rate of 17.5% on the estimated assessable profit for the three months and six months ended 30 June 2003. No Hong Kong profits tax has been provided for the three months and six months ended 30 June 2002 as the Group has been able to utilise available tax losses brought forward from previous years to offset the assessable profit for the periods. No provision for overseas profits tax has been made as the Group has no overseas estimated assessable profit for the three months and six months ended 30 June 2003 and 2002.

The amount of taxation charged to the consolidated profit and loss account represents:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2003 HK$'000	2002 HK$'000 (Restated)	**2003** HK$'000	2002 HK$'000 (Restated)
Current taxation:				
- Hong Kong profits tax	2,930	-	2,930	-
Deferred taxation	868	3,440	2,341	5,571
	3,798	3,440	5,271	5,571

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of the home country of the Company as follows:

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2003 HK$'000	2002 HK$'000 (Restated)	**2003** HK$'000	2002 HK$'000 (Restated)
Profit before taxation	19,255	19,668	26,727	31,619
Calculated at a taxation rate of 17.5% (2002: 16%)	3,369	3,147	4,677	5,059
Effect of different taxation rates in other jurisdiction	(1,026)	-	(1,026)	-
Income not subject to taxation	(277)	(259)	(553)	(505)
Expenses not deductible for taxation purposes	321	656	(1,097)	193
Tax losses not recognised	1,796	390	2,535	774
Utilisation of previously unrecognised tax losses	(1,253)	(3,934)	(1,606)	(5,521)
Effect of change in tax rates	-	-	(200)	-
Utilisation of previously unrecognised temporary differences	700	(23)	2,294	(54)
Recognition of previously unrecognised temporary differences	168	3,463	247	5,625
Taxation charge	3,798	3,440	5,271	5,571

5. Dividend

	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
	2003	2002	**2003**	2002
	HK$'000	HK$'000	HK$'000	HK$'000
Interim dividend – proposed after balance sheet date of 1HK cent (2002: Nil) per share	6,685	-	6,685	-
	======	======	======	======

This proposed dividend is not reflected as a dividend payable in the condensed accounts, but will be reflected in the accounts for the year ending 31 December 2003.

6. Earnings per share

The calculation of the Group's basic and diluted earnings per share for the three months and six months ended 30 June 2003 is based on the respective unaudited consolidated profit attributable to shareholders of HK$16,589,000 (2002: HK$16,312,000 (restated)) and HK$23,845,000 (2002: HK$26,200,000 (restated)).

The basic earnings per share is based on the weighted average of 668,253,297 (2002: 664,622,198) and 667,948,011 (2002: 662,273,591) shares in issue during the three months and six months ended 30 June 2003 respectively.

The diluted earnings per share is based on the weighted average number of 668,253,297 (2002: 664,622,198) and 667,948,011 (2002: 662,273,591) shares in issue during the three months and six months ended 30 June 2003 plus the respective weighted average of 3,069,716 (2002: 6,756,577) and 3,396,066 (2002: 8,361,553) shares deemed to be issued at no consideration if all outstanding options had been exercised.

COMPETING INTERESTS

During the period under review, none of the directors or the management shareholders (as defined in the GEM Listing Rules) of the Company had an interest in a business which competed or might compete with the business of the Group.

SPONSOR'S INTERESTS

None of the Company's sponsor, BNP Paribas Peregrine Capital Limited (the "Sponsor"), its directors, employees or associates (as referred to in Note 3 to Rule 6.35 of the GEM Listing Rules) had any interests in the securities of the Company or any member of the Group or any rights to subscribe for or to nominate persons to subscribe for the securities of the Company or any member of the Group as at 30 June 2003.

Pursuant to the agreement dated 9 January 2001 entered into between the Company and the Sponsor, the Sponsor will receive usual sponsorship fees for acting as the Company's retained sponsor for the period from 18 January 2001 to 31 December 2003.

BOARD PRACTICES AND PROCEDURES

The Company was in compliance with Board Practices and Procedures as set out in Rules 5.28 to 5.39 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company established an audit committee on 6 January 2001 with written terms of reference in compliance with Rules 5.23 to 5.25 of the GEM Listing Rules. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control system of the Group. The audit committee comprises four members, namely Dr. Ch'ien Kuo Fung, Raymond, Mr. Au Man Chung, Malcolm, Mr. Godfrey Ernest Scotchbrook (being the independent non-executive Directors) and Mr. Lau Butt Farn (being a non-executive Director). The chairman of the audit committee is Dr. Ch'ien Kuo Fung, Raymond.

The audit committee has reviewed with management the unaudited half year report for the period ended 30 June 2003.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period.

INTERIM DIVIDEND

At a meeting held on 28 July 2003, the Board of Directors has resolved to declare an interim dividend of 1HK cent (2002 : Nil) per share for the six months ended 30 June 2003 absorbing a total of HK$6,684,500 on 668,450,000 shares issued as at 28 July 2003 (2002 : Nil).

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 13 August 2003 to 18 August 2003, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrars, Abacus Share Registrars Limited at G/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not later than 4:00 p.m. on 12 August 2003. Dividend warrants will be despatched on 20 August 2003.

On behalf of the Board
Fung Kwok King, Victor
Chairman

Hong Kong, 28 July 2003

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