

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Convenience Retail Asia Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.



Convenience Retail Asia Limited

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION TO ALLOW FOR DISSEMINATION OF CORPORATE COMMUNICATIONS AND RECEIPT OF APPOINTMENTS OF PROXIES USING ELECTRONIC MEANS

This circular, for which the directors (“Director”) of Convenience Retail Asia Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange 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 circular is accurate and complete in all material aspects and not misleading; (ii) there are no other matters the omission of which would make any statement herein misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This circular will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company at www.cr-asia.com.

6th April, 2001

CHARACTERISTICS OF GEM OF THE 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 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 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 at www.hkgem.com in order to obtain up-to-date information on GEM-listed issuers.

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Articles”	articles of association of the Company
“Company”	Convenience Retail Asia Limited
“Corporate Communications”	listing documents, annual reports and accounts, half-year and quarterly reports, circulars, proxy forms and the notices of the meetings of the Company and other documents required to be sent to holders of securities of the Company under the GEM Listing Rules
“Directors”	directors for the time being of the Company
“EGM”	extraordinary general meeting of the Company to be held at the Auditorium, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, on Thursday on 26th April, 2001 at 3:30 p.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 3:00 p.m. shall have been concluded or adjourned)
“Exchange”	The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	Rules Governing the Listing of Securities on the Growth Enterprise Market of the Exchange



Convenience Retail Asia Limited

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

Executive Directors:

Yeung Lap Bun, Richard

(Chief Executive Officer)

Li Kwok Ho, Bruno *(Chief Financial Officer)*

Non-Executive Directors:

Dr. Fung Kwok King, Victor *(Chairman)*

Dr. Fung Kwok Lun, William

Lau Butt Farn

Wong Yuk Nor, Louisa

Independent Non-Executive Directors:

Dr. Ch'ien Kuo Fung, Raymond

Au Man Chung, Malcolm

Registered Office:

Zephyr House

3rd Floor, Mary Street

George Town

Grand Cayman

British West Indies

Principal Place of Business:

12th Floor

LiFung Centre

2 On Ping Street

Siu Lek Yuen

Shatin

New Territories

Hong Kong

6th April, 2001

To Shareholders of the Company

Dear Sir or Madam,

**PROPOSED CHANGES TO THE ARTICLES OF ASSOCIATION
TO ALLOW FOR DISSEMINATION OF CORPORATE COMMUNICATIONS AND
RECEIPT OF APPOINTMENTS OF PROXIES
USING ELECTRONIC MEANS**

INTRODUCTION

References were made to the announcement and the notice of the EGM issued on 3rd April, 2001. The purpose of this circular is to provide you with further details relating to the proposed amendments of the Articles.

On 27th March, 2001, the Exchange issued an announcement that the Exchange will consider granting, upon application by a listed issuer, on a case by case basis, a waiver from the requirements that Corporate Communications be published and, where applicable, to send them to holders of securities of the listed issuer if this is allowed under the applicable laws and regulations and the constitutional documents of the listed issuer. Pursuant to the said announcement, the Company must first have received from the relevant holder a definite confirmation that the holder wants to receive and have made available to the holder the Corporate Communications using the method the Company has suggested.

LETTER FROM THE BOARD

The Company wishes to benefit from the possible waiver from the Exchange indicated in the said announcement. In addition, the Directors also consider it desirable for the Company to prepare itself for receiving appointments of proxies using electronic means to benefit from greater administrative flexibility as and when the Company considers it appropriate to do so.

PROPOSED CHANGES OF THE ARTICLES

The Directors announced that the Company proposed to amend its Articles to expressly allow the Company to disseminate Corporate Communications using electronic means. In addition, the Company also proposed to amend its Articles to expressly allow the Company to receive appointments of proxies using electronic means.

The proposed amendments are subject to the approval of the shareholders of the Company by way of a special resolution in an extraordinary general meeting.

EXTRAORDINARY GENERAL MEETING

The notice convening the EGM is set out on pages 5 to 9 of this circular. A special resolution will be proposed at the EGM to approve the proposed amendments to the Articles. A form of proxy for the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Abacus Share Registrars Limited, at 2401 Prince's Building, Central, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the meeting. The completion of a form of proxy will not preclude you from attending and voting at the meeting in person.

INFORMATION TO SHAREHOLDERS

The Company has applied to the Exchange for a waiver from the requirements of the GEM Listing Rules to publish Corporate Communications and, where applicable, to send them to holders of its securities, in printed form. Approval has not been granted by the Exchange as at the date of this circular.

Subject to obtaining such approval from the Exchange, the Company intends to make arrangements with shareholders for dissemination of its Corporate Communications using electronic means in the manner to be agreed between the Company and the Exchange. Further announcement will be made after the waiver application has been approved by the Exchange.

The Company has no immediate intention to arrange for receiving appointment of proxy using electronic means but will consider making appropriate arrangements once it considers appropriate to do so.

The Directors have been advised by the Cayman Islands lawyers that, subject to making the proposed amendments to the Articles set out in the notice of the EGM, the Company is allowed to disseminate Corporate Communications and receive appointments of proxies using electronic means under the Cayman Islands laws and regulations.

LETTER FROM THE BOARD

COMPANY TO BE RESPONSIBLE

The Company will be solely responsible for making sure that any proposed arrangement is allowed under applicable laws and regulations and its own constitutional documents. Also, the Company must comply with these laws, regulations and documents.

RECOMMENDATION

Your Directors are of the opinion that the proposed amendments to the Articles are in the best interests of the Company and its shareholders and recommend you to vote in favour of the special resolution to be proposed at the EGM.

On behalf of the Board
Fung Kwok King, Victor
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



Convenience Retail Asia Limited

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of Convenience Retail Asia Limited (the "Company") will be held at the Auditorium, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, on Thursday, 26th April, 2001 at 3:30 p.m. (or so soon thereafter as the annual general meeting of the Company convened at the same place and date at 3:00 p.m. shall have been concluded or adjourned) for the purpose of considering and, if thought fit, passing the following resolution as a special resolution:

SPECIAL RESOLUTION

"THAT the Articles of Association be and are hereby amended as follows:–

- (a) by inserting before the expression "Auditor" in Article 2(1) the following new expression:

"address shall have the ordinary meaning given to it and shall include any number or address used for the purposes of such communication";

- (b) by inserting after the expression "dollars" and "\$" in Article 2(1) the following new expression:

"electronic has the meaning given to it in The Electronic Transmission Law, 2000 (LAW 7 of 2000) of the Cayman Islands as may be amended from time to time";

- (c) by adding at the end of the meaning of the expression "writing" in Article 2(2)(e) the following words "and, if the Board shall in its absolute discretion determine for any purpose or purposes under these Articles, subject to such terms and conditions as the Board may determine, electronic communications.";

- (d) by deleting Article 60 and substituting therefor the following:

"The accidental omission to give Notice of a meeting or (in cases where appointments of proxy are sent out with the Notice) to send such appointment of proxy to, or the non-receipt of such Notice or such appointment of proxy by, any person entitled to receive such Notice shall not invalidate any resolution passed or the proceedings at that meeting.";

- (e) by adding in the ninth line of Article 75(1) the words "(and in the case of voting by proxy, such appointment of proxy being received)" after the word "deposited";

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (f) by deleting Article 79 and substituting therefor the following:

“The appointment of a proxy shall be in writing and, if the Board in its absolute discretion determines, may be contained in an electronic communication, and: (i) if in writing but not contained in an electronic communication, under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same; or (ii) in the case of an appointment contained in an electronic communication, submitted by or on behalf of the appointor, subject to such terms and conditions and authenticated in such manner as the Board may in its absolute discretion determine. In the case of an appointment of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign or effect such appointment of proxy on behalf of the corporation without further evidence of the facts.”;

- (g) by deleting Article 80 and substituting therefor the following:

“The appointment of a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall:

- (a) in the case of an instrument in writing (including, whether or not the appointment of proxy is contained in an electronic communication, any such power of attorney or other authority), be delivered to such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified at the Registration Office or the Office, as may be appropriate) not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote; or
- (b) in the case of an appointment contained in an electronic communications, where an address has been specified for the purpose of receiving communication, (i) in the notice convening the meeting; or (ii) in any instrument of proxy sent out by the Company in relation to the meeting; or (iii) in any invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting, be received at such address not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote;

or in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, not less than twenty-four (24) hours before the time appointed for the taking of the poll and in default the appointment of proxy shall not be treated as valid. No appointment of a proxy shall be valid after the expiration of twelve (12) months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at a meeting or an adjourned meeting in cases where the meeting was originally held within twelve (12) months from such date. The appointment of proxy shall not preclude a Member from attending and voting in person at the meeting convened and in such event, the appointment of a proxy shall be deemed to be revoked.”;

NOTICE OF EXTRAORDINARY GENERAL MEETING

(h) by altering Article 81 in the following manner:

- (i) deleting the word “Instruments” in the first line and substitute therefor the words “The appointment”;
- (ii) deleting the word “instrument” wherever it appears and substitute therefor the word “appointment” in each case;

(i) by deleting Article 82 and substituting therefor the following:

“A vote given in accordance with the terms of an appointment of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the appointment of proxy or of the authority under which it was executed or given, provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office or the Registration Office (or such other place or address as may be specified for the delivery or receipt of appointments of proxy in the notice convening the meeting or other document sent therewith or in the invitation contained in an electronic communication to appoint a proxy issued by the Company in relation to the meeting) two (2) hours at least before the commencement of the meeting or adjourned meeting, or the taking of the poll, at which the appointment of proxy is used.”;

(j) by altering Article 83 in the following manner:

- (i) deleting the words “instruments appointing” in the third line and substitute therefor the words “appointment of”;
- (ii) deleting the word “instrument” in the fourth line and substitute therefor the word “appointment”;

(k) by adding at the end of Article 159 the following:

“Any Notice or document may also be served or delivered by the Company on or to any Member, if the Board in its absolute discretion considers appropriate for any purpose or purposes under these Articles, using electronic communications to an address for the time being notified for that purpose to the person giving the Notice, but subject always to the provisions of Article 160. In the case of Notices or other documents sent by means of electronic communications the Board may make this subject to such terms and conditions as it shall in its absolute discretion consider appropriate. For the purpose of this Article, Notices and documents may be sent or delivered using electronic communications by the Company to a person where (i) the Company and that person have agreed to his having access to Notices or documents on a website (instead of such Notices or documents being sent to him) (ii) the Notice or document (as the case may be) is a Notice or document to which that agreement applies (iii) the person is notified, in a manner for the time being agreed for that purpose between him and the Company, of (a) the publication of that Notice or document on the website (b) the address of the website and (c) the place on that website where the Notice or document may be accessed or downloaded, and how it may be accessed or downloaded and (iv) such other arrangements as the Designated Stock Exchange may require for this purpose having been made

NOTICE OF EXTRAORDINARY GENERAL MEETING

and in any such case the notification or delivery referred to above shall be treated as the relevant Notice or document for the purposes of these Articles.”;

- (l) by altering Article 160 in the following manner:
- (i) deleting the words “and” at the end of Article 160(a);
 - (ii) adding the words “(other than by means of electronic communications)” in the first line of Article 160(b) after the word “manner”;
 - (iii) adding the word “and” in the seventh line of Article 160(b) after the word “thereof”;
 - (iv) adding the following, subject to such amendments as The Stock Exchange of Hong Kong Limited may request, as the new Article 160(c):

“if sent or delivered using electronic communications by the Company to a person, shall be deemed to have been served or delivered at the expiration of twenty-four (24) hours after the time it was first sent or delivered; in proving such service or delivery it shall be conclusive to prove that the address used for the electronic communication was the address supplied for that purpose and the electronic communication was properly dispatched, unless the Company is aware that there has been a failure of delivery of such Notice or document following at least two (2) attempts in which case such Notice or document shall be sent to the Member by post provided that the date of deemed service or delivery shall be twenty-four (24) hours from the dispatch of the original electronic communication in accordance with this Article.”;

- (m) by adding in the second line of Article 161(1) the words “or sent or delivered using electronic communications” after the words “or left at the registered address of any Member”; and
- (n) by adding in the first line of Article 162 the words “or in the case of receipt of appointment by proxy using electronic communications, electronic transmission” after the words “facsimile transmission”.

On behalf of the Board
Fung Kwok King, Victor
Chairman

Hong Kong, 3rd April, 2001

Principal Place of Business:

12th Floor
LiFung Centre
2 On Ping Street
Siu Lek Yuen
Shatin
New Territories
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes :

1. A shareholder entitled to attend and vote at the meeting is entitled to appoint a person or persons as his proxy or proxies to attend and, on a poll, vote instead of him. A proxy need not be a shareholder of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority, must be deposited with the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited at 2401 Prince's Building, Central, Hong Kong, not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting, and in default thereof the form of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date of its execution.
3. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the meeting, and in such event the instrument appointing a proxy shall be deemed to be revoked.