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## 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 to be taken, you should consult a 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 to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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### CONVENIENCE RETAIL ASIA LIMITED

利 亞 零 售 有 限 公 司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8052)**

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES RE-ELECTION OF DIRECTORS AMENDMENTS TO ARTICLES OF ASSOCIATION AND NOTICE OF ANNUAL GENERAL MEETING

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A notice convening the Annual General Meeting of the Company to be held at the Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Wednesday, 7 May 2008 at 4:00 p.m. is set out on pages 12 to 21 of this circular. Whether or not you are able to attend the Annual General Meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company, Tricor Abacus Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong, as soon as possible and in any event, not less than 48 hours before the time appointed for holding the Annual General Meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting should you so wish.

This circular, for which the directors (“Directors”) 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 Stock 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](http://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](http://www.cr-asia.com).

28 March 2008

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company for the year ended 31 December 2007 to be held at the Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Wednesday, 7 May 2008 at 4:00 p.m.
“Board”	the board of directors of the Company or a duly authorised committee thereof
“Company”	Convenience Retail Asia Limited
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	20 March 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Share(s)”	share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited



**CONVENIENCE RETAIL ASIA LIMITED**

**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8052)**

*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  
Godfrey Ernest Scotchbrook  
Jeremy Paul Egerton Hobbins  
Wong Yuk Nor, Louisa

*Independent Non-Executive Directors:*

Dr. Ch'ien Kuo Fung, Raymond  
Au Man Chung, Malcolm  
Lo Kai Yiu, Anthony

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman  
KY1-1111  
Cayman Islands

*Principal Place of Business:*

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

28 March 2008

*To Shareholders of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
AMENDMENTS TO ARTICLES OF ASSOCIATION  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**THE GENERAL MANDATES**

At the annual general meeting of the Company held on 2 May 2007, general and unconditional mandates were given to the Directors of the Company to:

- (a) allot, issue and deal with Shares of the Company not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue as at 2 May 2007;

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## LETTER FROM THE CHAIRMAN

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- (b) repurchase Shares not exceeding 10% of the aggregate nominal value of the Shares of the Company in issue as at 2 May 2007; and
- (c) add to the general mandate to the Directors to allot, issue and deal with additional Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the repurchase mandate set out in (b) above.

These general mandates will expire at the conclusion of the AGM to be held on 7 May 2008.

Approval is being sought from the Shareholders to grant a general mandate (the “General Mandate”) to the Directors to exercise the powers of the Company to allot, issue, and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of the relevant resolution to be proposed at the AGM and adding to the General Mandate the number of Shares repurchased by the Company pursuant to the Repurchase Mandate (as defined below).

In addition, an ordinary resolution will be proposed at the AGM to approve the grant of a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution (the “Repurchase Mandate”).

### EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the Repurchase Mandate and pursuant to the GEM Listing Rules, in particular Rule 13.08, is set out in the Schedule to this letter. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution relating to the Repurchase Mandate.

### RE-ELECTION OF DIRECTORS

Resolution 3 as contained in the notice convening the AGM relates to re-election of Directors. Dr. Fung Kwok King, Victor, Mr. Yeung Lap Bun, Richard, Mr. Li Kwok Ho, Bruno and Ms. Wong Yuk Nor, Louisa will retire at the AGM pursuant to the Company’s Articles of Association and the Code on Corporate Governance Practices, and being eligible, will offer themselves for re-election. The re-election of Directors will individually be voted on by Shareholders.

Dr. Fung Kwok King, Victor and Ms. Wong Yuk Nor, Louisa have not entered into any service contract with the Company or any of its subsidiaries. Each Director is entitled to a director’s fee in such an amount as determined by the Board from time to time with reference to the range of remuneration of other companies listed on GEM with similar market capitalisation, pro rata to the period during which he/she has held office. For the year ended 31 December 2007, each Director was paid a director’s fee of HK\$50,000 and an additional fee of HK\$20,000 for serving as a member of each of the committees. Chairman of each of the committees was also paid an additional fee of HK\$20,000.

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## LETTER FROM THE CHAIRMAN

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We set out below the biographical details of the retiring Directors:

### **Dr. Fung Kwok King, Victor**

Dr. Fung, aged 62, brother of Dr. Fung Kwok Lun, William, is the Group Chairman of the Li & Fung Group of companies including publicly listed Li & Fung Limited, Integrated Distribution Services Group Limited and the Company. He is also a director of King Lun Holdings Limited, Li & Fung (1937) Limited and Li & Fung (Retailing) Limited (substantial Shareholders of the Company). Dr. Fung holds Bachelor and Master degrees in Electrical Engineering from the Massachusetts Institute of Technology, and a Doctorate in Business Economics from Harvard University. Dr. Fung holds directorships in a number of listed public companies, namely as independent non-executive director of Bank of China (Hong Kong) Limited and Orient Overseas (International) Limited in Hong Kong, CapitaLand Limited in Singapore and Baosteel Group Corporation in the People's Republic of China. He was independent non-executive director of PCCW Limited between October 2000 and May 2007 and Sun Hung Kai Properties Limited between May 1999 and December 2007. In public service, Dr. Fung is Vice-Chairman of the International Chamber of Commerce as from January 2007. He is also Chairman of the Hong Kong Airport Authority, the Hong Kong University Council, the Greater Pearl River Delta Business Council and the Hong Kong – Japan Business Co-operation Committee. Dr. Fung is a member of Chinese People's Political Consultative Conference. He is also a member of the Executive Committee of the Commission on Strategic Development of the Hong Kong Government. From 1991 to 2000, Dr. Fung was Chairman of the Hong Kong Trade Development Council, and from 1996 to 2003, he was the Hong Kong representative on the APEC Business Advisory Council. In 2003, the Hong Kong Government awarded Dr. Fung the Gold Bauhinia Star for distinguished service to the community.

Save as disclosed above, Dr. Fung has no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

### **Wong Yuk Nor, Louisa**

Ms. Wong, aged 58, joined Li & Fung (Retailing) Limited (a substantial Shareholder of the Company) in April 1998 as a director responsible for strategic planning, marketing and communication for the Li & Fung Retailing Group. Ms. Wong graduated from the University of Hong Kong with a Bachelor of Arts degree and has more than 20 years of professional experience in marketing and advertising. Prior to joining Li & Fung (Retailing) Limited, Ms. Wong was the Managing Director of a leading 4A advertising agency Foote, Cone and Belding Limited for many years.

Save as serving as director of certain subsidiaries of Li & Fung Retailing Group, Ms. Wong does not hold any directorships in any other listed public companies in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

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## LETTER FROM THE CHAIRMAN

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### **Yeung Lap Bun, Richard**

Mr. Yeung, aged 51, has over 20 years of experience in general management, food distribution and supply chain management. He is responsible for overseeing the Group's operations, marketing, logistics and supply chain management and he is actively involved in new business development in the Chinese Mainland. Prior to joining the Group in October 1998, he spent about 10 years in senior positions at HAVI Food Services Group, managing the supply chain of McDonald's Restaurants in various countries in Asia. Mr. Yeung graduated from the University of Hawaii with a Bachelor of Business Administration degree. Mr. Yeung also holds a Master degree in Business Administration from the California State University of Los Angeles and is a Certified Public Accountant. Mr. Yeung is an Executive Committee member of the Hong Kong Retail Management Association. He is also a director of Li & Fung (Retailing) Limited (a substantial Shareholder of the Company).

Save as serving as director of certain subsidiaries of Li & Fung Retailing Group, Mr. Yeung does not hold any directorships in any other listed public companies in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

Mr. Yeung has entered into a service contract with the Company, pursuant to which he is entitled to a basic salary and other benefits in kinds in the total sum of about HK\$2.85 million for the year ended 2007. He will also be paid an incentive bonus, the computation of which is based on the Company's consolidated profit before tax and may, at the discretion of the Board, be also granted share options pursuant to the share option scheme of the Company, as part of the remuneration package. The remuneration of Mr. Yeung is determined on the basis of his relevant experience, responsibility and contribution to the business development of the Group.

### **Li Kwok Ho, Bruno**

Mr. Li, aged 58, joined Li & Fung Group in January 1991 as the Chief Financial Officer. In February 1993, he was appointed as the Retail Services Director of Li & Fung Retailing Group and took charge of all the centralised supporting services which comprised the areas of Finance and Accounting, Human Resource and Administration, Business Systems Development and Real Estate. He is also the Compliance Officer of the Company under Rule 5.19 of the GEM Listing Rules. Mr. Li graduated from the Chinese University of Hong Kong with a Bachelor of Science degree and obtained a postgraduate diploma in Accountancy from the University of Strathclyde in Scotland. He is a member of the Institute of Chartered Accountants of Scotland with more than 26 years of professional experience in finance and accounting. He is also a director of Li & Fung (Retailing) Limited (a substantial Shareholder of the Company).

Save as serving as director of certain subsidiaries of Li & Fung Retailing Group, Mr. Li does not hold any directorships in any other listed public companies in the last three years and has no other relationship with any Directors, senior management or substantial or controlling Shareholders of the Company.

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## LETTER FROM THE CHAIRMAN

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Mr. Li has entered into a service contract with the Company, pursuant to which he is entitled to a basic salary and other benefits in kinds in the total sum of HK\$752,000 for the year ended 2007. At the discretion of the Board, he may also be granted share options pursuant to the share option scheme of the Company as part of the remuneration package. The remuneration of Mr. Li is determined on the basis of his relevant experience, responsibility and contribution to the business development of the Group.

The interests in Shares of the Company of the retiring Directors are provided in the 2007 Annual Report of the Company sent to the Shareholders together with this circular in the sections – “Directors’ Report – Interests and short positions of Directors in the shares, underlying shares and debentures of the Company and certain major associated corporations”.

Save as disclosed above, there is no other information which needs to be disclosed pursuant to Rule 17.50(2) subparagraphs (h) to (v) of GEM Listing Rules nor is there any other matters which needs to be brought to the attention of the Shareholders in relation to the re-election of each of the retiring Directors.

### AMENDMENTS TO ARTICLES OF ASSOCIATION

There have been a number of amendments to GEM Listing Rules (including the Code on Corporate Governance Practices (the “CG Code”)) subsequent to 5 May 2004, the date on which the existing Articles of Association of the Company was adopted. Following a review of the Company’s Articles of Association with reference to the amended GEM Listing Rules and the CG Code, the Directors proposed amendments to the Articles of Association so as to bring the Articles of Association in line with the requirements of the amended GEM Listing Rules. The proposed amendments include, but not limited to, the provisions that (i) any Director who individually or collectively holds proxies in respect of Shares representing 5% or more of the total voting rights may demand a poll in a general meeting; (ii) every Director to be subject to retirement by rotation at least once every three years; and (iii) a Director may be removed by an ordinary resolution (instead of a special resolution) in general meeting. As such, a special resolution to approve the amendments to the Company’s Articles of Association will be proposed at the AGM.

The proposed amendments to the Articles of Association of the Company are set out in Resolution 8 in the notice convening the AGM on pages 12 to 21 of this circular.

### RIGHT TO DEMAND A POLL

Pursuant to Article 66 of the Company’s existing Articles of Association, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of such meeting; or
- (b) at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

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## LETTER FROM THE CHAIRMAN

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- (c) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

In order to enhance Shareholder's rights, the Chairman will demand a poll, pursuant to Article 66, on each of the questions submitted for determination at the AGM. The results of the poll will be published on the Company's and the Stock Exchange's websites on the business day following the AGM.

### THE ANNUAL GENERAL MEETING

The following are the details of the AGM:

Date : 7 May 2008

Time : 4:00 p.m.

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

The notice convening the AGM is set out on pages 12 to 21 of this circular.

A form of proxy for the AGM is enclosed with this circular. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the branch share registrar of the Company, Tricor Abacus Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the AGM. The completion of a form of proxy will not preclude you from attending and voting at the AGM in person.

### RECOMMENDATION

The Directors are of the opinion that the grant of the General Mandate and the Repurchase Mandate, the re-election of retiring Directors and the amendments to the Company's Articles of Association referred to in this circular are in the best interests of the Company and the Shareholders and recommend you to vote in favour of all the resolutions to be proposed at the AGM.

On behalf of the Board  
**Fung Kwok King, Victor**  
*Chairman*



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## SCHEDULE TO LETTER FROM CHAIRMAN

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This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM authorising the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules which is set out as follows:

### **1. REGULATIONS OF THE GEM LISTING RULES**

#### **(a) Shareholders' approval**

All repurchase of securities on the GEM by a company with its primary listing on the GEM must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

#### **(b) Source of funds**

Any repurchase must be financed out of funds legally available for the purpose in accordance with the company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established.

#### **(c) Trading restrictions**

The shares to be repurchased by a company must be fully paid up. A company is authorised to repurchase on the GEM or on any other stock exchange recognised for this purpose by the Securities and Futures Commission in Hong Kong and the Stock Exchange the total number of shares which represents up to a maximum of 10% of the existing issued share capital of that company and warrants to subscribe for or purchase shares in the company representing up to 10% of the amount of warrants outstanding at the date of the passing of the relevant resolution granting the repurchase mandate. A company may not issue or announce a proposed issue of new securities of the type that has been repurchased for a period of 30 days immediately following a repurchase of securities whether on the GEM or otherwise (except pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. A company is also prohibited from making securities repurchases on the GEM if the result of the repurchase would be that the number of that company's listed securities which are in the hands of the public would fall below the relevant prescribed minimum percentage for that company as determined by the Stock Exchange. A company shall not purchase its shares on the GEM if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which its shares were traded on the GEM.

#### **(d) Status of repurchased securities**

The listing of all repurchased securities (whether on the GEM or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under Cayman Islands laws, a company's repurchased shares shall be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate nominal value of the repurchased shares accordingly although the authorised share capital of the company will not be reduced.

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## SCHEDULE TO LETTER FROM CHAIRMAN

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### **(e) Suspension of repurchase**

A company shall not purchase its own securities after a price-sensitive development has occurred or has been the subject of a decision until the price-sensitive information is made publicly available. In particular, during the period of one month immediately preceding either the preliminary announcement of a company's annual results or the publication of the company's half-yearly report or quarterly report, the company may not purchase its securities on the GEM unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit repurchases of securities on the GEM if a company has breached the GEM Listing Rules.

### **(f) Reporting requirements**

Repurchases of securities on the GEM or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which a company makes a repurchase of shares. In addition, a company's annual report and accounts are required to include a monthly breakdown of securities repurchases made during the financial year under review, showing the number of securities repurchased each month (whether on the GEM or otherwise), the purchase price per share or the highest and lowest prices paid for all such repurchases and the total price paid. The directors' report is also required to contain reference to the purchases made during the year and the directors' reasons for making such purchases. The company shall make arrangements with its broker who effects any such purchase to provide to the company in a timely fashion the necessary information in relation to the purchase made on behalf of the company to enable the company to report to the Stock Exchange. A company shall procure that any broker appointed by it to effect the purchase of securities shall disclose to the Stock Exchange such information with respect to purchases made on behalf of the company as the Stock Exchange may request.

### **(g) Connected persons**

Under the GEM Listing Rules, a company shall not knowingly purchase shares from a connected person (as defined under the GEM Listing Rules) and a connected person shall not knowingly sell his shares to the company.

## **2. EXERCISE OF THE REPURCHASE MANDATE**

Exercise in full of the Repurchase Mandate, if approved, on the basis of 729,297,974 Shares in issue as at the Latest Practicable Date and assuming there is no change in the number of Shares in issue before the date of passing Resolution No. 6 as set out in the notice of the AGM, could result in up to 72,929,797 Shares being repurchased by the Company during the period from the passing of Resolution No. 6 up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable laws to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

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## **SCHEDULE TO LETTER FROM CHAIRMAN**

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### **3. REASONS FOR REPURCHASES**

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per share.

### **4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles of Association and the applicable laws of the Cayman Islands. The Company may not purchase its own securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

### **5. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2007 Annual Report of the Company) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

### **6. UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum and Articles of Association of the Company and the applicable laws of the Cayman Islands.

### **7. THE HONG KONG CODE ON TAKEOVERS AND MERGERS**

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a Shareholder, or a group of Shareholders acting in concert (within that term's meaning under the Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code.

As at the Latest Practicable Date, Li & Fung (Retailing) Limited, which is a substantial Shareholder of the Company held approximately 51.24% of the Shares issued by the Company. In the event that the Directors exercised in full the power to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the AGM, the total interests of Li & Fung (Retailing) Limited in the Shares would be increased to approximately 56.93% of the issued Shares and they would not be obliged to make a mandatory offer under Rule 26 of the Takeovers Code in this respect.

Saved as disclosed above, the Directors are not aware of any consequences which will arise under the Takeovers Code as a result of any purchases of Shares.

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## SCHEDULE TO LETTER FROM CHAIRMAN

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### 8. SHARE PURCHASE MADE BY THE COMPANY

No purchases of Shares have been made by the Company since the granting of the repurchase mandate on 2 May 2007, whether on the Stock Exchange or otherwise.

### 9. CONNECTED PERSON

As at the Latest Practicable Date and to the best of the knowledge of the Directors having made all reasonable enquiries, none of the Directors or their respective associates (as defined in the GEM Listing Rules) has a present intention or has undertaken not, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

As at the Latest Practicable Date, no connected person (as defined in the GEM Listing Rules) has notified the Company that it has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

### 10. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous twelve months preceding the Latest Practicable Date were as follows:

	Shares	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
<b>2007</b>		
March	3.09	2.70
April	3.25	2.86
May	3.89	3.26
June	3.79	3.30
July	3.80	3.51
August	3.70	3.19
September	3.48	3.38
October	3.90	3.34
November	3.60	3.23
December	3.50	3.20
<b>2008</b>		
January	3.40	2.00
February	2.99	2.90
March (up to 20 March)	2.70	2.53



**CONVENIENCE RETAIL ASIA LIMITED**

**利亞零售有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8052)**

**NOTICE IS HEREBY GIVEN THAT** the Annual General Meeting of Convenience Retail Asia Limited (the "Company") will be held at the Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong on Wednesday, 7 May 2008 at 4:00 p.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the Directors and the Auditors of the Company and its subsidiaries for the year ended 31 December 2007.
2. To declare a final dividend in respect of the year ended 31 December 2007.
3. To re-elect the following Directors:—
  - (a) Dr. Fung Kwok King, Victor;
  - (b) Ms. Wong Yuk Nor, Louisa;
  - (c) Mr. Yeung Lap Bun, Richard; and
  - (d) Mr. Li Kwok Ho, Bruno.
4. To re-appoint auditors and authorise the board to fix their remuneration.
5. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**"THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any option under the share option scheme adopted by the Company on 6 January 2001, as amended on 24 April 2002, or any other option scheme or similar arrangement for the time being adopted by the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the Company which are convertible into shares of the Company, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this Resolution, and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any other applicable laws of the Cayman Islands, to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the Directors to holders of shares in the Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, or any recognised regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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6. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase its shares on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited or any other stock exchange on which the shares of the Company may be listed and which is recognised by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited for such purpose, in accordance with the rules and regulations of the Securities and Futures Commission, The Stock Exchange of Hong Kong Limited and any such other stock exchange from time to time and all applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purpose of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Memorandum and Articles of Association of the Company, or any other applicable laws of Cayman Islands, to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this Resolution.”

7. As special business, to consider and, if thought fit, to pass the following resolution as an ordinary resolution:

**“THAT** conditional upon Resolutions 5 and 6 set out above being duly passed, the general mandate granted to the Directors of the Company to exercise the powers of the Company to allot, issue and deal with shares pursuant to Resolution 5 be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors of the Company pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to Resolution 6, provided that such an amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution.”

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8. As special business, to consider and, if thought fit, to pass the following resolution as a special resolution:

“**THAT** the Articles of Association of the Company be amended in the following manner:

### **Article 2**

To replace the “.” with “;” at the end of Article 2(2)(g) and insert a new Article 2(2)(h) as follows:

“2(2)(h) references to a document being executed include references to it being executed under hand or under seal or by electronic signature or by any other method and references to a notice or document include a notice or document recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not.”

### **Article 3**

To insert the following wordings at the end of Article 3(2):

“The Company is hereby authorised to make payments in respect of the purchase of its shares out of capital or out of any other account or fund which can be authorised for this purpose in accordance with the Law.”

### **Article 44**

To insert the words “or by any electronic means in such manner as may be accepted by the Designated Stock Exchange” immediately following the words “newspapers in accordance with the requirements of any Designated Stock Exchange” appearing in the eighth line of Article 44.

### **Article 51**

To insert the words “or by any other means” immediately following the words “other newspapers” appearing in the third line of Article 51.

### **Article 61**

To replace the “.” with “;” at the end of Article 61(1)(f) and insert a new Article 61(1)(g) as follows:

“61(1)(g) the granting of any mandate or authority to the Directors to repurchase securities of the Company.”



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### Article 66

To delete the existing Article 66 in its entirety and replace the following as the new Article 66:

“66 Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by a duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Where any Member is, under the rules governing the listing of shares on the Designated Stock Exchange, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”

### **Article 68**

To replace the last sentence of Article 68 with the sentence “The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

### **Article 84**

To delete the existing Article 84(2) in its entirety and replace the following as the new Article 84(2):

“84(2) If a clearing house (or its nominee(s)), being a corporation, is a Member, it may authorise such persons as it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of Members provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the clearing house (or its nominee(s)) including the right to vote individually on a show of hands.”

### **Article 86**

To delete the existing Article 86(3) in its entirety and replace the following as the new Article 86(3):

“86(3) The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office until the first general meeting of Members after his appointment and be subject to re-election at such general meeting.”;

By deleting the words “Subject to any provision to the contrary in these Articles the” and replacing therewith the word “The” at the beginning of Article 86(5);

By deleting the word “special” and replacing therewith the word “ordinary” in the second line of Article 86(5); and

By inserting the words “to the contrary” after the words “notwithstanding anything” in the fourth line of Article 86(5).

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### **Article 87**

To delete the existing Article 87(1) in its entirety and replace the following as the new Article 87(1):

“87(1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.”;

To insert the words “and shall continue to act as a Director throughout the meeting at which he retires” immediately following the words “shall be eligible for re-election” in the first sentence of Article 87(2); and

To replace the last sentence of Article 87(2) with the sentence “Any Director appointed by the Board pursuant to Article 86(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”

### **Article 92**

By deleting the words “if we were a Director” and replacing therewith the words “if he were a Director” in the eighth line of Article 92.

### **Article 135**

By renumbering the existing Article 135 as Article 135(1) and insert the following new article as Article 135(2):

“135(2) Notwithstanding any provision contained in these Articles, the Directors may, if permitted by applicable law, authorise the destruction of documents set out in sub-paragraphs (a) to (e) of paragraph (1) of this Article and any other documents in relation to share registration which have been microfilmed or electronically stored by the Company or by the share registrar on its behalf provided always that this Article shall apply only to the destruction of a document in good faith and without express notice to the Company and its share registrar that the preservation of such document was relevant to a claim.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### Article 152

By renumbering the existing Article 152 as Article 152(1) and insert the following new articles as Articles 152(2) and 152(3):

- “152(2) Subject to due compliance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder, the requirements of Article 152(1) shall be deemed satisfied in relation to any person by sending to the person in any manner not prohibited by the Statutes, summarised financial statements derived from the Company’s annual accounts and the directors’ report which shall be in the form and containing the information required by applicable laws and regulations, provided that any person who is otherwise entitled to the annual financial statements of the Company and the directors’ report thereon may, if he so requires by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company’s annual financial statements and the directors’ report thereon.
- 152(3) The requirement to send to a person referred to in Article 152(1) the documents referred to in that article or a summary financial report in accordance with Article 152(2) shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the rules of the Designated Stock Exchange, the Company publishes copies of the documents referred to in Article 152(1) and, if applicable, a summary financial report complying with Article 153(2), on the Company’s computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company’s obligation to send to him a copy of such documents.”

### Article 156

To delete the existing Article 156 in its entirety and replace the following as the new Article 156:

- “156 If the office of auditor becomes vacant by the resignation or death of the Auditor, or by his becoming incapable of acting by reason of illness or other disability at a time when his services are required, the Directors shall fill the vacancy and fix the remuneration of the Auditor so appointed.”

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## NOTICE OF ANNUAL GENERAL MEETING

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### **Article 159**

To delete the existing Article 159 in its entirety and replace the following as the new Article 159:

“159 Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a Member shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or communication and any such Notice and document may be served or delivered by the Company on or to any Member either personally or by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose or, as the case may be, by transmitting it to any such address or transmitting it to any telex or facsimile transmission number or electronic number or address or website supplied by him to the Company for the giving of Notice to him or which the person transmitting the notice reasonably and bona fide believes at the relevant time will result in the Notice being duly received by the Member or may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company’s website or the website of the Designated Stock Exchange, and giving to the member a notice stating that the notice or other document is available there (a “notice of availability”). The notice of availability may be given to the Member by any of the means set out above. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”

### **Article 160**

To delete the word “and” at the end of Article 160(b);

To replace the “.” at the end of Article 160(c) with the words “; and”; and

To insert the following as the new Article 160(d):

“160(d) may be given to a Member either in the English language or the Chinese language, subject to due compliance with all applicable Statutes, rules and regulations.””

On behalf of the Board  
**Fung Kwok King, Victor**  
*Chairman*

Hong Kong, 28 March 2008

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## NOTICE OF ANNUAL GENERAL MEETING

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*Principal Place of Business:*

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

*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, Tricor Abacus Limited at 26/F., Tesbury Centre, 28 Queen's Road East, 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 deposited using electronic means. 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.