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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)*

#### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND PROPOSED AMENDMENTS TO THE 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 5 May 2004 at 4:00 p.m. is set out on pages 9 to 14 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, Abacus Share Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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 Announcement” 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).

22 March 2004

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## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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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 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.

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## DEFINITIONS

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*In the 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 2003 to be held at the Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street, Siu Lek Yuen, Shatin, New Territories, Hong Kong on 5 May 2004 at 4:00 p.m.
“Amendments”	“Amendments to the Listing Rules Relating to Corporate Governance issues and Consultation conclusions on Proposed Amendments to the Listing Rules Relating to Initial Listing Criteria and Continuing Listing Obligations” published by the Stock Exchange on 30 January 2004, which will take effect on 31 March 2004
“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”	17 March 2004, 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, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited

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## LETTER FROM THE CHAIRMAN

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### 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

*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  
Godfrey Ernest Scotchbrook

*Registered Office:*

Century Yard  
Cricket Square  
Hutchins Drive  
P.O. Box 2681GT  
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

22 March 2004

*To Shareholders of the Company*

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES TO ISSUE  
AND  
REPURCHASE SHARES  
AND  
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**THE GENERAL MANDATES**

At the annual general meeting of the Company held on 28 April 2003 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 28 April 2003;

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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 28 April 2003; 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 5 May 2004.

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 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 (as amended in accordance with the Amendments), 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.

### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In order to comply with the new requirements under the GEM Listing Rules (as amended in accordance with the Amendments) in relation to the articles of association of a GEM listed company, amendments to the Articles of Association of the Company are proposed to be adopted by way of a special resolution at the AGM.

### THE ANNUAL GENERAL MEETING

The following are the details of the AGM:

Date : 5 May 2004

Time : 4:00 p.m.

Venue : Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street,  
Siu Lek Yuen, Shatin, N.T.

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## LETTER FROM THE CHAIRMAN

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The notice convening the AGM is set out on pages 9 to 14 of this circular. Resolutions 5 to 7 relate to the General Mandate and the Repurchase Mandate and will be proposed as ordinary resolutions at the AGM for your consideration and approval. Resolution 8 relates to the amendment to the Articles of Association of the Company and will be proposed as a special resolution at the AGM for your consideration and approval.

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, Abacus Share Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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

#### General Mandate and Repurchase Mandate

The Directors are of the opinion that the General Mandate and the Repurchase Mandate referred to in this circular are in the best interests of the Company and the Shareholders and recommend you to vote in favour of the resolutions relating to the General Mandate and the Repurchase Mandate to be proposed at the AGM.

#### Proposed Amendments to the Articles of Association

The Directors are of the opinion that the proposed amendments to the 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 the special resolution 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 authorizing 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 (as amended in accordance with the Amendments) 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 authorized to repurchase on the GEM or on any other stock exchange recognized 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 law, 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 authorized 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 (as amended in accordance with the Amendments).

### **(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 (as amended in accordance with the Amendments), a company shall not knowingly purchase shares from a connected person (as defined under the GEM Listing Rules (as amended in accordance with the Amendments)) and a connected person shall not knowingly sell his shares to the company. 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 (as amended in accordance with the Amendments)) 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.

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

Exercise in full of the Repurchase Mandate, on the basis of 669,830,000 Shares in issue as at the Latest Practicable Date, could result in up to 66,983,000 Shares being repurchased by the Company during the period from the passing of Resolution No. 6 as set out in the notice of the AGM 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 2003 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 and an initial management shareholder of the Company, and the other initial management shareholders of the Company together held approximately 59.42% 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 and the initial management shareholders of the Company in the Shares would be increased to approximately 66.02% 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.

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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 28 April 2003, whether on the Stock Exchange or otherwise.

### 9. CONNECTED PERSON

No connected person (as defined in the GEM Listing Rules (as amended in accordance with the Amendments)) 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 HK\$	Lowest HK\$
<b>2003</b>		
March	2.025	1.760
April	1.800	1.600
May	1.950	1.560
June	1.880	1.750
July	2.025	1.750
August	2.075	1.800
September	2.425	2.025
October	2.575	2.225
November	2.325	2.000
December	2.425	2.025
<b>2004</b>		
January	2.875	2.200
February	2.700	2.400

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## NOTICE OF ANNUAL GENERAL MEETING

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### 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** 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, N.T. on Wednesday, 5 May 2004 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 auditors of the Company and its subsidiaries for the year ended 31 December 2003;
2. to declare a final dividend in respect of the year ended 31 December 2003;
3. to re-elect Directors;
4. to re-appoint auditors and authorise the Directors 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;
- (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 options granted under the pre-IPO share option plan adopted by the Company on 27 December 2000 or the grant or exercise of any option under the share option scheme adopted by the Company on 6 January 2001 or any other option scheme or similar arrangement for the time being

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## NOTICE OF ANNUAL GENERAL MEETING

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adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of 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 the aggregate of:

- (aa) 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
- (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% 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 law 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 recognized 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 recognized 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 law 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 of the Company by this Resolution”;

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

**“THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of Resolution no.5 set out in the notice convening this meeting in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such Resolution”;

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## NOTICE OF ANNUAL GENERAL MEETING

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

### SPECIAL RESOLUTION

**THAT** the Articles of Association of the Company be altered by:–

- (A) amending Article 2 as follows:–

- (1) adding a definition of “associate”:–

“associate” in relation to any Director, shall have the meaning ascribed to it under the rules and regulations of the Designated Stock Exchange from time to time in force;

- (2) by deleting the words “within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong” in the definition of “clearing house”, and substituting therefor the words “within the meaning of the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong”;

- (B) adding in the eighth line of Article 66 before the sentence “Notwithstanding anything contained in these Articles”:–

“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.”;

- (C) deleting Article 88 and substituting the following:–

“No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a Notice signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a Notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Office or at the head office in the period commencing no earlier than the day after the despatch of the notice of the meeting appointed for such election and ending no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.”;

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## NOTICE OF ANNUAL GENERAL MEETING

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(D) deleting the existing paragraph (1) of Article 103 and substituting the following new paragraph (1):-

“(1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board in respect of any contract or arrangement or any other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of them or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and any of his associates are in aggregate beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of his associates is derived); or
- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to directors, his associates

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## NOTICE OF ANNUAL GENERAL MEETING

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and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director or his associate(s) as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.”

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

Hong Kong, 22 March 2004

*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, Abacus Share Registrars Limited at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, 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.





## CONVENIENCE RETAIL ASIA LIMITED

### 利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

#### PROXY FORM

**Form of proxy for use at the Annual General Meeting to be held at the Auditorium, 12th Floor, LiFung Centre, 2 On Ping Street, Shatin, N.T. on 5 May 2004 at 4:00 p.m.**

I/We,<sup>1</sup> \_\_\_\_\_  
of \_\_\_\_\_  
being the registered holder(s) of<sup>2</sup> \_\_\_\_\_ shares of HK\$0.10 each  
in the capital of the above-named Company (the "Company"), hereby appoint<sup>3</sup> \_\_\_\_\_  
of \_\_\_\_\_ or failing him,  
the Chairman of the Meeting as my/our proxy to attend and vote for me/us and on my/our behalf at 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, N.T. on 5 May 2004 at  
4:00 p.m. and at any adjournment thereof on the undermentioned resolutions as indicated:

RESOLUTION	FOR <sup>4</sup>	AGAINST <sup>4</sup>
1. To receive and consider the audited financial statements of the Company for the year ended 31 December 2003		
2. To declare a final dividend		
3. (i) To re-elect Dr. Raymond Ch'ien Kuo Fung as director		
(ii) To re-elect Mr. Malcolm Au Man Chung as director		
4. To re-appoint auditors and authorise the Directors to fix their remuneration		
5. To grant a general mandate to the directors to issue new shares		
6. To grant a general mandate to the directors to repurchase shares		
7. To extend the general mandate to issue new shares by adding the number of shares repurchased		
8. To approve the amendment of the Company's Articles of Association		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2004

Signature<sup>5</sup> \_\_\_\_\_

#### Notes:

- (1) Full name(s) and address(es) to be inserted in BLOCK CAPITALS.
- (2) Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the Company registered in your name(s).
- (3) Please insert the name of the proxy desired. If no name is inserted, the Chairman of the Meeting will act as your proxy. Any alteration made to this form of proxy must be initialled by the person(s) who signs it.
- (4) Please indicate with an "X" in the appropriate space beside each of the resolutions how you wish the proxy to vote on your behalf on a poll. If this form is returned duly signed, but without any indication, the proxy will vote for or against the resolution or will abstain, at his discretion.
- (5) This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be either under its common seal or under the hand of an officer or attorney duly authorised.
- (6) In the case of joint holders, the vote of the senior who tenders a vote whether in person or by proxy will be accepted to the exclusion of the votes of the other joint holders. For this purpose seniority is determined by the order in which the names stand in the Register of Members in respect of the joint holding.
- (7) To be valid this form of proxy together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited with the Company's Hong Kong branch share registrar, Abacus Share Registrars Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjourned Meeting. This form of proxy must not be deposited using electronic means.
- (8) A proxy need not be a member of the Company but must attend the Meeting in person to represent you.