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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. 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.

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

CONVENIENCE RETAIL ASIA LIMITED
利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 08052)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2010

Three months ended 31 December	Change	2010 HK$'000	2009 HK$'000
• Revenue	+11.3%	929,942	835,807
• Financial gain on disposal of property, net of tax	N/A	Nil	14,398
• Profit attributable to shareholders of the Company	+25.3%	32,844	26,209
• Basic earnings per share (HK cents)	+25.1%	4.49	3.59

Twelve months ended 31 December	Change	2010 HK$'000	2009 HK$'000
• Revenue	+6.7%	3,575,238	3,349,326
• Financial gain on disposal of property, net of tax	+14.5%	16,486	14,398
• Profit attributable to shareholders of the Company	+50.8%	136,359	90,449
• Basic earnings per share (HK cents)	+50.7%	18.67	12.39
• Interim dividend per share (HK cents)	+11.8%	1.90	1.70
• Special dividend per share (HK cents)	N/A	2.40	Nil
• Final dividend per share (HK cents)	+41.7%	8.50	6.00

Operation Highlights

- Robust sales and profit growth
- Significant improvement in Circle K Guangzhou business performance
- Increased pressure on margin due to price inflation of raw materials
- Application submitted to transfer listing from GEM to Main Board of the Stock Exchange of Hong Kong
- Strong cash position of HK$622 million without any bank borrowings

NUMBER OF STORES AS OF 31 DECEMBER 2010

Circle K Stores	
Hong Kong	318
Guangzhou	56
Shenzhen	1
Subtotal	375
Franchised Circle K Stores	
Guangzhou	6
Macau	21
Zhuhai	12
Subtotal	39
Total number of Circle K Stores	**414**
Saint Honore Cake Shops	
Hong Kong	89
Macau	7
Guangzhou	16
Total number of Saint Honore Cake Shops	**112**
Total number of Stores under Convenience Retail Asia	**526**

CHAIRMAN'S STATEMENT

Financial Overview

I am pleased to report that Convenience Retail Asia Limited, together with its subsidiaries (the "Group"), achieved robust sales growth and a net profit increase of 6.7% and 30.3% respectively for 2010 as compared to 2009, excluding the non-recurring items which were the one-off gain on the disposal of two real estate properties in 2010 and 2009 as well as non-recurring expenses from the closures of stores and factory in 2009. Including the non-recurring items, the Group recorded a net profit attributable to shareholders of HK$136.4 million during the year, representing an increase of 50.8% over 2009.

For 2010, before the non-recurring items, basic earnings per share increased by 30.2% from 12.60 HK cents to 16.41 HK cents. Including the non-recurring items, basic earnings per share increased by 50.7% from 12.39 HK cents to 18.67 HK cents.

The financial position of the Group remains strong with cash and bank deposits of HK$622 million without any bank borrowings.

Review of the Hong Kong Retail Market

Despite a fragile global economic environment, 2010 for Hong Kong ended with a stable upward economic trend, underpinned by increasing visitor arrivals, steady job creation, recovery of the equity markets, and a buoyant consumer sentiment.

During the first 11 months of 2010, total retail sales in Hong Kong increased by 18.2%[1] in value and 15.5%[1] in volume. The retail sales growth was driven by a range of categories such as miscellaneous durable goods, electrical goods and photographic equipment, jewellery, watches and valuable gifts. The diversity of growth categories indicated that the overall sales growth was due to a well-balanced mix of domestic consumption as well as tourist spending.

The positive market environment provided a good backdrop for the Group's operations and strategic initiatives in Hong Kong. As a result, the Group was able to report record turnover sales and satisfactory margin performances for the year, while boosting its market competitiveness and service culture.

Company Initiatives in the Hong Kong Operations

In a continual effort to build customer service as part of the Group's competitive edge, the service culture of Circle K Hong Kong was taken to a new level of excellence, built around the cornerstones of "speed, tidiness and friendliness".

The Group's sustained investment in staff training and the nurturing of a service culture was recognised by the industry when Circle K Hong Kong was elected 2010 Service Category Leader of the Year for the Convenience Stores Category in the Mystery Shoppers Programme organised by the Hong Kong Retail Management Association. In addition, Circle K frontline staff won a Junior Level Service & Courtesy Award, also from the Hong Kong Retail Management Association, in the Convenience Store Category.

Expanding on Circle K's brand positioning of "Always Something New", the Group launched several innovative marketing and promotional initiatives during the year that generated incremental sales by stimulating repeat purchases and fostering customer loyalty. These also drove some record daily store sales during the promotion period.

Circle K Hong Kong was also the proud winner of the Best Licensed Premium Promotion of the 7th Premier Asian Licensing Awards, co-organised by the Hong Kong Trade Development Council and the International Licensing Industry Merchandisers Association. The award was in recognition of the "Toy Story 3" OK Fun premium promotion launched during the summer of 2010, one of the most successful premium promotions to date.

Recognising the potential of e-tailing, the Group established a partnership to sell value-adding e-vouchers to e-shoppers at Taobao.com in all the Circle K stores in Hong Kong and to provide e-fulfillment services in 100 selected stores. These are just two examples of the initiatives the Group has undertaken to enhance the brand's overall convenience service offering.

2010 was a milestone year for Circle K as it marked the 25th anniversary of operations in Hong Kong. The Group launched a series of celebration programmes to commemorate the occasion, reaching out to Circle K employees, business partners and customers in Hong Kong. As store managers, senior management, and representatives from Circle K International celebrated the growth of one of Hong Kong's preferred retailing brands, the Group also looked ahead to identify and set the basis for the next stage of growth.

Review of the Retail Market on the Chinese Mainland

A combination of favourable market factors — including a strong economic recovery, policies to stimulate domestic consumption, rising wages — drove retail sales growth on the Chinese Mainland of 18.4%[2] during the first 11 months of 2010, compared to the same period in the previous year.

However, towards the end of the fourth quarter in 2010, price inflation, especially for food items, became significant. The overall consumer price index was 105.1[2] in November 2010 (assuming the same month in the previous year to be 100), while the price index for the food category was 111.7[2]. This trend became a dampening factor on consumer sentiment, thus stalling the growth momentum of retail sales for the rest of 2010.

Review of the Guangzhou Operations

In Guangzhou, the Group conducted an extensive store model and pricing strategy review, implemented cost-saving measures and store expense controls, and undertook infrastructure enhancements. These and other initiatives produced steady increases in the number of profit-contributing stores and improvement in gross profit. As a result, Circle K Guangzhou recorded a significant improvement in the bottom-line. The Group is now driving steadily towards breakeven for its operations in Guangzhou.

Review of the Saint Honore Cake Shop Operations

Saint Honore Cake Shop reported a year of robust growth in sales volume as well as net profit. The introduction of premium quality new products, enhancement in category management, successful marketing promotions and healthy sales performances for festive products all contributed to satisfactory growth in comparable store sales.

Despite escalating food and raw material costs, Saint Honore was able to maintain a healthy gross margin through constant reviews of its product mix and price structure as well as vigilant management of its price promotions. With the combined effect of increased sales volume and higher gross profit margin, profit contribution saw an impressive increase compared to the previous year.

Saint Honore was the proud winner of the Hong Kong Retail Management Association's 2010 Service & Courtesy Award for the Supervisory Level, a recognition of the customer service offered by frontline staff.

Corporate Governance and Sustainability

The Group is committed to upholding high standards of corporate governance and ethics, and embedding principles of transparency, accountability and responsibility in its operations.

As part of this, the Group recognises the risks posed by global climate change and thus seeks to operate in an environmentally responsible manner. Specifically, in 2010, the Group established a cross-functional Sustainability Task Force to develop and implement the Group's sustainability strategy. In 2010 the Task Force launched initiatives to measure, manage and reduce the Group's greenhouse gas emissions, energy consumption and waste generation in its offices, stores, and facilities, and where possible, in its supply chain. Some of the quick-to-execute energy-saving measures include in-store temperature adjustments, utilising energy-saving equipment, de-lamping for backrooms, and switching timers and light sensors for signage.

In addition, the Group actively outreached to customers to increase their awareness of environmental protection and to participate in various environmental initiatives. Going forward in the next three years, the Task Force will work to identify diverse ways to upgrade the sustainability of the Group's operations, and implement these in a measurable and dedicated fashion.

Outlook for 2011

In response to demand by investors and in view of the growing scale of the Group's businesses, in 2011 the Group has applied to transfer its listing from the Growth Enterprise Market ("GEM") to the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). It is anticipated that the approval process for the transfer will probably take a couple of months to complete.

The Group anticipates that after the official listing on the Main Board, the liquidity of Convenience Retail Asia shares will improve, which in turn will create a higher profile for the Group and its activities.

Looking ahead in 2011, the year has started with some encouraging domestic market factors in Hong Kong and on the Chinese Mainland. There is strong consumer demand which is supporting economic growth. However, concerns about inflation on the Chinese Mainland, and the uncertain recoveries in the US and the Eurozone may exert some pressure on retail market sentiment.

In particular, price inflation may persist for some time in 2011, driven by rising labour costs, escalating retail rentals for store premises and rising costs of food and raw materials. In Hong Kong, a higher minimum wage is scheduled to be introduced in May 2011. The Group is prepared to comply with the new legislation and to mitigate the rise in labour cost with initiatives to upgrade productivity and increase operational efficiency.

Maintaining profit margins will require vigilance and diligence from the management team throughout the operations. The Group will implement specific initiatives in response to these market challenges, such as maximising of store and operational productivity, reviewing margin and pricing structure, enhancing category management, increasing customer transaction and building customer loyalty with aggressive marketing programmes.

In addition to the continual expansion of its existing core businesses, the Group will also dedicate considerable resources to exploring and introducing new business formats so as to pave the way for the nurturing and development of a third core competence for future business growth.

In conclusion, I would like to take this opportunity to express my sincere appreciation to the Board of Directors, who have contributed to the Group's business performance in the past year with their valuable strategic guidance and professional counsel. I would also like to thank the management team and all the members of the Group for their consistent and dedicated effort, which have enabled the Group to deliver robust business results in a year of challenges.

Victor FUNG Kwok King
Chairman

Hong Kong, 9 March 2011

Notes:

1. *Published by the Census and Statistics Department, the Government of the Hong Kong Special Administrative Region on 30 December 2010.*

2. *Published by the National Bureau of Statistics of China on 27 December 2010.*

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

The Board is pleased to report the financial results of the Group for the year ended 31 December 2010. The Group's turnover for the year and the fourth quarter increased to HK$3,575.2 million and HK$929.9 million respectively, representing growth of 6.7% and 11.3% when compared to the corresponding period in 2009.

In 2010, the turnover of the convenience store business increased by 6.6% to HK$2,882 million compared to 2009. This was mainly attributable to the opening of new stores and an increase in comparable convenience store sales (stores in existence throughout 2009 and 2010). Comparable convenience store sales in Hong Kong and Southern China increased by 5.2% and 1.4% (after adjusting for a difference in tax treatments on certain sales category in Southern China) respectively against 2009. Meanwhile, turnover for the Saint Honore Cake Shop business increased by 7.8% to HK$756.2 million year-on-year. This was mainly due to single-digit comparable store sales growth and an increase in the number of stores in 2010.

Gross margin and other income decreased from 36.9% to 36.5% of turnover for the year and from 37.2% to 36.1% of turnover for the fourth quarter against 2009. This was mainly due to an increase in cigarette sales, which has a relatively lower margin compared to other categories of the sales mix.

Operating expenses as a percentage of turnover decreased from 33.6% to 32.4% for the year and from 34.4% to 32% for the fourth quarter year-on-year. The decrease was mainly due to tight and careful control on operating expenses during the year.

Compared to 2009, net profit attributable to shareholders, before the non-recurring items which were the one-off gain on the disposal of two real estate properties in 2010 and 2009 as well as non-recurring expenses from the closure of store and factory in 2009, increased by 30.3% and 49.5% to HK$119.9 million and HK$32.8 million for the year and fourth quarter of 2010 respectively. Including the non-recurring items, the Group recorded a net profit attributable to shareholders of HK$136.4 million during the year, representing an increase of 50.8% over last year.

For 2010, basic earnings per share increased by 30.2% from 12.60 HK cents to 16.41 HK cents before the non-recurring items. Including the non-recurring items, basic earnings per share increased by 50.7% from 12.39 HK cents to 18.67 HK cents.

Most of the Group's cash and bank deposits were in HK dollars as well as Renminbi and deposited with major banks in Hong Kong. The majority of the Group's assets, liabilities, revenues and payments were held in either HK dollars or Renminbi. The Group had limited foreign exchange exposure in Renminbi as a result of its business operations on the Chinese Mainland. The Group is subject to interest rate risks on the interest income earned from bank deposits. The Group will continue its policy of placing surplus cash in HK dollar or Renminbi bank deposits, with appropriate maturity periods to meet the funding requirements of any acquisition projects in the future.

Operations Review – Hong Kong

As of December 2010, the Group operated a total of 407 company-owned-and-managed stores in Hong Kong under two brands, Circle K Convenience Store and Saint Honore Cake Shop, compared to a total of 381 stores in the previous year. The critical mass of the combined store network and total sales turnover positioned the Group as one of the leading retailing operators in Hong Kong.

Under the Circle K brand, there were 318 company-owned-and-managed convenience stores in Hong Kong at the end of 2010, compared to 299 stores at the end of 2009. During the past year 26 new stores were opened and seven stores were closed for a net increase of 19 new stores.

Under the Saint Honore Cake Shop brand, the Group operated a total of 89 company-owned-and-operated shops in Hong Kong at the end of 2010, compared to 82 in 2009. During the past year 10 new cake shops were opened and three cake shops were closed for a net increase of seven cake shops.

Most of the store closure decisions were made due to unacceptable rental increases demanded by landlords during lease renewals, even after extended negotiations. In such cases, agreeing with the proposed rental increases would have meant immediate as well as long-term negative impact on the stores' profitability.

In response to the overheated retail rental market, the Group preferred to adopt a pragmatic approach by giving priority to profitability considerations, for lease renewals as well as for the acquisition of new store premises.

Employees

As of 31 December 2010, the Group had a total of 5,708 employees, with 3,915 or 68.6% based in Hong Kong and 1,793 or 31.4% based in Guangzhou, Shenzhen and Macau. Part-time staff accounted for about 35% of total headcount. In 2010 the Group's total staff cost was HK$595.5 million, compared to HK$554.8 million in 2009.

The Group offers remunerative schemes that are competitive in the market. Salary packages were supplemented by discretionary bonuses and share options for eligible employees based on individual and company performance. Additional incentives were also provided in the form of career advancement opportunities, comprehensive training and quality customer service training for the frontline operation team.

Notable new components were added to the year-round service training and human resource development programme. These included the Second Tier Staff Development Programme, designed to groom and prepare store assistants and supervisors to become future store managers, and the Retail Operation Management Programme.

An innovative "OK Learning Fun" incentive programme was introduced to the Group's service training, providing extra motivation to participate in the learning process by awarding credit points for each training course attended. By accumulating credit points, participants in multiple courses would eventually be able to redeem attractive prizes such as the "one-day local tour" or "all you can grab in 10 seconds" in a Circle K store.

Marketing and Promotion

During the last quarter of 2010, the Group celebrated the 25th anniversary of Circle K Hong Kong with its loyal customers by launching a premium promotion: giving away free mini magnets in the form of iconic products retailed by the Circle K stores over the years for every purchase over HK$20. This was just a part of a multi-channel celebration programme that was created to involve various stakeholder groups; including business associates, management, frontline operations and customers.

At the end of November another major promotion was launched, the "Toy Story 3 Aliens & Friends" OK Fun promotion, which continued to the end of the year with encouraging sales results.

Due to a year of almost continuous promotional activities, the Group was able to generate a very healthy increase of 5.2% for the year in terms of comparable store sales growth.

A series of television commercials were launched during the fourth quarter to enhance brand awareness of Circle K and to build on the brand positioning of "Always Something New" by introducing a range of innovative, convenient services and consumer propositions.

The Group also deployed social media to promote the Circle K brand by creating affinity groups on Facebook and upgrading the Circle K website to provide more dynamic customer interface; features included improved navigation and real-time information on products, services and internet promotions.

Category Management

The Group achieved a breakthrough in its category management programme in 2010 with the introduction of the Taodot value-adding e-voucher to all Circle K stores in Hong Kong in the last quarter of 2010. This convenient new service enables Taobao.com shoppers in Hong Kong to buy e-vouchers 24 hours a day at Circle K and use them to make purchases on Taobao.com.

In December 2010, the Group also introduced e-fulfillment service for Taobao.com at 100 Circle K stores in Hong Kong to provide Taobao.com shoppers with the convenient option of picking up their purchases at selected Circle K stores at a very reasonable delivery cost. Market response and customer feedback subsequent to the launch of the new services have been most encouraging.

With the e-commerce boom just picking up in Hong Kong, the Group has every reason to believe that introducing the e-voucher retailing service and e-fulfillment service are two timely and effective strategic moves to leverage this growing trend and build loyalty among a new generation of convenience store customers who are also frequent internet shoppers.

Customer Service Excellence

The Group's consistent effort to maintain a high standard of customer service was duly recognised by the retail industry when the Group was awarded the 2010 Service Category Leader for Convenience Stores category as well as a Service Award for the Junior Frontline Level in the Hong Kong Retail Management Association's Mystery Shoppers Programme.

Several innovative initiatives were launched in the last quarter of 2010 to further upgrade overall customer service standards. The "Kare" programme was designed to promote relevant and "caring" products to customers at the right time under the right circumstances, e.g. suggestive selling of nourishing drinks, throat lozenges, moisturising lip balms and hand creams during autumn and winter.

An important and recurrent theme in the customer service training programme was service customisation, which was introduced earlier as part of the Group's service culture to ensure that customer interface — such as greetings and goodbyes — would not become mechanical, repetitive and routine, but rather be tailored to the age, gender, time of day and state of mind of target customers.

The Group firmly believes that with these consistent efforts, customer service excellence could become a key competitive edge for Circle K over the years and further widen the gap between it and the competition.

Supply Chain Management and Logistics

The Group has been making preparations for the launch of a new call centre system in the first quarter of 2011 in order to further improve the internal communication process and data accuracy for the call centre team.

The Group was able to introduce the e-fulfillment service for Taobao.com due to the strong support of supply chain management. Online shopping orders are consolidated at the Taodot Logistics Centre in Dongguan, packed into standard-size boxes and then delivered to 100 select Circle K stores in Hong Kong by the Circle K logistics support team.

Operation Review – Guangzhou

In an effort to improve operational efficiency and align with the Hong Kong operations, Circle K Guangzhou implemented an upgrade of the Electronic Point of Sale (EPOS) system in 2010, with very visible and positive results at the frontline.

By working closely with the Saint Honore factory in Shenzhen, Circle K Guangzhou was able to integrate its food production with the Saint Honore operations, achieving economy of scale and resulting in lower production costs and instant product quality improvement.

The Group stepped up intensive training of local human resources and initiated knowledge-sharing sessions with the involvement of the Hong Kong management team. In December 2010, Total Service Management culture was relaunched in the Guangzhou operations with coaching and support provided by the senior management team from Hong Kong.

An important marketing initiative to build customer loyalty was launched for the Hot & In food services and implemented in the form of a VIP Club. More than 3,000 VIP members were recruited, and value rewards were given for repeat purchases.

The Saint Honore Operations

Saint Honore Cake Shop reported a year of robust sales growth across all markets as a result of a net increase of 11 stores during the year and satisfactory performance in comparable store sales growth in the last quarter.

The buoyant consumer sentiment in the second half of the year provided a favourable market environment for festive product sales, notably the mooncake category in the second half of the year. Sales of pound cakes, which are normally purchased for birthday celebrations and other special occasions, also benefited from consumers’ high propensity to spend.

New product introductions in the cake and bread categories throughout the year helped stimulate consumption and increase transaction value due to premium pricing, which was well justified by the upgraded product quality and innovative product concepts. As a result, margin improved despite price hikes in food and raw material costs, which started to exert pressure in the last quarter of 2010.

The Group conducted regular pricing reviews and product category enhancements for its range of products across all markets in an effort to prevent potential margin erosion that could result from volatile food prices.

Corporate Social Responsibility

As a responsible corporate citizen, the Group regularly participated in a number of charity projects during the year. Circle K Hong Kong partnered with Heifer International Hong Kong and donated HK$250,000 to the organisation on the occasion of its 25th anniversary, which was matched dollar-to-dollar by the Li & Fung (1906) Foundation, the charitable foundation formed to support the staff of the Li & Fung Group around the world to engage in and contribute to the communities in which they live and work.

Circle K Hong Kong took part in Earth Hour 2010, organised by World Wide Fund for Nature (WWF), and switched off signage and non-essential lights at Circle K stores on 27 March 2010 from 8:30pm to 9:30pm.

In 2010 the Group formed a sustainability task force comprising representatives from all business units to take charge of a range of green initiatives touching every aspect of the Group's operations.

Education seminars for department managers, carbon footprint workshops for technical teams, bulk purchase of LED lighting and the conversion of T8 fluorescent light tubes to T5 are just a few examples of the total effort to move towards more sustainable business operations.

Future Prospects

The year 2011 has started with as many uncertainties across the global economic horizon as in 2010, despite the remarkable recovery achieved on the Chinese Mainland and in Hong Kong during the year.

Imminent threats to the operating environment include the projected short supply of agricultural products due to climate change, the resulting price inflation of food and raw materials, the inevitable increases in minimum wages and the continual escalation of retail rental. These external as well as domestic market factors add up to a market scenario that is full of challenges for any retail operator.

Even though the Group was encouraged by a year of record growth in 2010, strategic planning for 2011 and beyond reflects more cautious optimism.

On the conservative side, the Group will dedicate substantial management efforts to protecting its margin performance in order to mitigate increases in food and raw material costs, wages and retail rental. It is most likely that the solution will not be found in one or two management initiatives, but a comprehensive review of the business model to achieve the following objectives: continuous improvement in overall productivity; regular enhancement of the sourcing process, the product mix and the pricing structure; and significant growth in comparable store sales and store network to increase critical mass. Given its track record over the past year, the Group has every confidence to believe that there will be room for further manoeuvring.

In a more optimistic and aggressive move, the Group is committed to embarking on an exploration of new business formats to ride on the latest consumer trends. The Group believes that the great period of growth for consumer products in the Chinese Mainland markets is yet to come, since the Central Government has now geared up to shift the economic model from being export-driven to consumer-driven instead. With its experience in retailing operations and supply chain management, the Group would like to take advantage of this market opportunity and be well prepared for further business growth with new ventures in new market sectors.

The Group is in a strong financial position to invest time and human resources into an innovative business format that will make good use of its cash reserves in order to maximise future growth potential. Criteria for embarking on such business ventures are high profit margin, relevance to the current operational model and broad-based mass market growth potential.

RESULTS

The Board of Directors (the "Board") is pleased to announce the audited results of Convenience Retail Asia Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2010, together with the audited comparative figures for the corresponding year ended 31 December 2009 as follows:

	Note	**2010** **HK$'000**	2009 HK$'000
Revenue	*2*	3,575,238	3,349,326
Cost of sales	*3*	(2,346,370)	(2,181,565)
Gross profit		1,228,868	1,167,761
Other income	*2*	76,948	67,052
Other gain/(loss), net	*4*	15,261	(2,177)
Store expenses	*3*	(925,242)	(899,814)
Distribution costs	*3*	(85,622)	(83,062)
Administrative expenses	*3*	(151,075)	(143,571)
Operating profit		159,138	106,189
Interest income	*5*	5,970	3,354
Profit before income tax		165,108	109,543
Income tax expenses	*6*	(28,749)	(19,094)
Profit attributable to shareholders of the Company		136,359	90,449
Earnings per share			
Basic (HK cents)	*7*	18.67	12.39
Diluted (HK cents)	*7*	18.67	12.39
Dividends	*8*	93,583	56,204

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2010

	2010 **HK$'000**	2009 HK$'000
Profit attributable to shareholders of the Company	136,359	90,449
Other comprehensive income/(loss) for the year, net of tax		
Exchange differences	403	(16)
Total comprehensive income attributable to shareholders of the Company	136,762	90,433

Consolidated Balance Sheet
As at 31 December 2010

	Note	**31 December 2010 HK$'000**	31 December 2009 HK$'000 (Restated)	1 January 2009 HK$'000 (Restated)
Non-current assets				
Fixed assets		309,196	300,717	389,935
Lease premium for land		33,098	32,517	33,571
Intangible assets		357,465	357,465	357,465
Available-for-sale financial asset		1,895	1,895	1,895
Rental and other long-term deposits		47,878	43,597	59,584
Bank deposits		97,729	149,400	-
Deferred tax assets		9,449	9,754	8,280
		856,710	895,345	850,730
Current assets				
Inventories		147,281	127,920	118,255
Rental deposits		34,654	28,178	21,068
Trade receivables	*9*	34,170	29,531	35,066
Other receivables, deposits and prepayments		62,050	56,153	74,650
Taxation recoverable		-	1,039	82
Asset held for sale		-	20,537	-
Bank deposit		70,000	-	-
Cash and cash equivalents		454,227	365,888	418,490
		802,382	629,246	667,611
Current liabilities				
Trade payables	*10*	468,255	432,696	438,442
Other payables and accruals		177,438	143,194	143,400
Taxation payable		8,612	9,585	12,848
Cake coupons		123,810	124,228	125,398
		778,115	709,703	720,088
Net current assets/(liabilities)		24,267	(80,457)	(52,477)
Total assets less current liabilities		880,977	814,888	798,253
Financed by:				
Share capital		73,157	72,992	72,992
Reserves		714,275	665,219	653,197
Proposed dividend		62,197	43,795	40,145
Shareholders' funds		849,629	782,006	766,334
Non-controlling interests		-	-	(8,256)
		849,629	782,006	758,078
Non-current liabilities				
Long service payment liabilities		20,397	20,993	22,533
Deferred tax liabilities		10,951	11,889	17,642
		880,977	814,888	798,253

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Employee share-based compensation reserve HK$'000	Exchange reserve HK$'000	Retained earnings HK$'000	HK$'000	HK$'000
At 1 January 2009	72,992	281,614	177,087	13,433	11,729	8,678	200,801	(8,256)	758,078
Profit attributable to shareholders of the Company	-	-	-	-	-	-	90,449	-	90,449
Exchange differences	-	-	-	-	-	(16)	-	-	(16)
Total comprehensive income for the year	-	-	-	-	-	(16)	90,449	-	90,433
Employee share option benefit	-	-	-	-	2,032	-	1,004	-	3,036
Dividends	-	-	-	-	-	-	(52,554)	-	(52,554)
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(25,243)	8,256	(16,987)
	-	-	-	-	2,032	-	(76,793)	8,256	(66,505)
At 31 December 2009	72,992	281,614	177,087	13,433	13,761	8,662	214,457	-	782,006

Consolidated Statement of Changes in Equity
For the year ended 31 December 2010

	Attributable to shareholders of the Company							Non-controlling interests	Total equity
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserve HK$'000	Employee share-based compensation reserve HK$'000	Exchange reserve HK$'000	Retained earnings HK$'000	HK$'000	HK$'000
At 1 January 2010	72,992	281,614	177,087	13,433	13,761	8,662	214,457	-	782,006
Profit attributable to shareholders of the Company	-	-	-	-	-	-	136,359	-	136,359
Exchange differences	-	-	-	-	-	403	-	-	403
Total comprehensive income for the year	-	-	-	-	-	403	136,359	-	136,762
Issue of new shares	165	4,025	-	-	-	-	-	-	4,190
Employee share option benefit	-	1,301	-	-	(867)	-	1,418	-	1,852
Dividends	-	-	-	-	-	-	(75,181)	-	(75,181)
	165	5,326	-	-	(867)	-	(73,763)	-	(69,139)
At 31 December 2010	73,157	286,940	177,087	13,433	12,894	9,065	277,053	-	849,629

Notes:

1. Basis of preparation and accounting policies

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") and under historical cost convention as modified by the revaluation of available-for-sale financial assets and financial assets at fair value through profit or loss which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The Group has adopted the following new and amended standards and interpretation of HKFRS which are mandatory for accounting periods beginning on or after 1 January 2010 and relevant to its operations:

HKFRS 3 (Revised)	Business Combinations
HKAS 27 (Revised)	Consolidated and Separate Financial Statements
Annual Improvements Project	Improvements to HKFRSs 2009
HK-Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of such new and amended standards and interpretation does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group's accounting policies except HKAS 17 Amendment, "Leases", which is included in the Annual Improvements Project.

HKAS 17 Amendment, "Leases", requires leasehold land to be classified as a finance lease and stated at cost less accumulated depreciation if substantially all risks and rewards of the leasehold land have been transferred to the Group. As the present value of the minimum lease payments (i.e. the transaction price) of certain land held by the Group amounted to substantially all of the fair value of the land as if it was freehold, it has been classified as a finance lease. The amendment has been applied retrospectively to unexpired leases at the date of adoption of the amendment on the basis of information existing at the inception of the leases.

Effect of adopting HKAS 17 Amendment on the consolidated balance sheet and consolidated profit and loss account are as follows:

	31 December 2010 HK$'000	31 December 2009 HK$'000	1 January 2009 HK$'000
Increase/(decrease) in assets			
Fixed assets	83,784	86,754	141,303
Lease premium for land	(83,784)	(86,754)	(141,303)

	31 December 2010 HK$'000	31 December 2009 HK$'000	31 December 2008 HK$'000
Increase/(decrease) in expenses			
Depreciation	2,252	3,055	3,150
Amortisation	(2,252)	(3,055)	(3,150)

The following new and amended standards and interpretations of HKFRS are mandatory for accounting periods beginning on or after 1 January 2010 but they are not relevant to the Group's operations:

HKFRS 1 (Revised)	First-time Adoption of HKFRSs
HKFRS 1 Amendment	Additional Exemptions for First-time Adopters
HKFRS 2 Amendment	Group Cash-settled Share-based Payment Transactions
HKAS 39 Amendment	Eligible Hedged Items
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Embedded Derivatives
HK(IFRIC)-Int 17	Distributions of Non-cash Assets to Owners
HK(IFRIC)-Int 18	Transfer of Assets from Customers

The Group has not early adopted the following new and amended standards and interpretations of HKFRS that have been issued and are mandatory for the Group's accounting periods beginning on or after 1 January 2011. The adoption of such new and amended standards and interpretations will have no material impact on the consolidated financial statements and will not result in substantial changes to the Group's accounting policies.

HKFRS 1 Amendment	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 1 Amendment	Severe Hyperinflation and Removal of Fixed Dates for First-time adopters
HKFRS 7 Amendment	Disclosures - Transfers of Financial Assets
HKFRS 9	Financial Instruments
HKAS 12 Amendment	Deferred Tax: Recovery of Underlying Assets
HKAS 24 (Revised)	Related Party Disclosures
HKAS 32 Amendment	Classification of Rights Issues
HK(IFRIC)-Int 14 Amendment	Prepayments of a Minimum Funding Requirement
HK(IFRIC)-Int 19	Extinguishing Financial Liabilities with Equity Instruments
Annual Improvements Project	Improvements to HKFRSs 2010

Certain comparative information in the consolidated financial statement has been reclassified to conform to the current year's presentation.

2. Revenue, other income and segment information

The Group is principally engaged in the operation of chains of convenience stores and bakeries. Revenues recognised during the year are as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
Revenue		
Merchandise sales revenue	2,881,951	2,702,403
Bakery sales revenue	693,287	646,923
	3,575,238	3,349,326
Other income		
Service items and miscellaneous income	76,948	67,052

Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

The management considers the business from both a product and geographic perspective. From a product perspective, management assesses the performance of convenience store and bakery business. For convenience store segment, revenues are mainly derived from a broad range of merchandise sales. For bakery segment, revenues are mainly comprised of bakery and festival products. Geographically, the management considers the performance of retailing business in Hong Kong and others, and the Chinese Mainland.

The segment information provided to the management for the reportable segments for the year ended 31 December 2010 and 2009 are as follows:

	2010				
	Convenience Store		**Bakery**		
	HK & Others HK$'000	**Chinese Mainland HK$'000**	**HK & Others HK$'000**	**Chinese Mainland HK$'000**	**Group HK$'000**
Total segment revenue	2,767,805	114,155	734,763	44,194	3,660,917
Inter-segment revenue	(9)	-	(85,352)	(318)	(85,679)
Revenue from external customers	2,767,796	114,155	649,411	43,876	3,575,238
Total segment other income	74,904	1,228	3,138	62	79,332
Inter-segment other income	-	(132)	(2,252)	-	(2,384)
Other income	74,904	1,096	886	62	76,948
	2,842,700	115,251	650,297	43,938	3,652,186
Profit/(loss) after tax	112,371	(23,650)	46,508	1,130	136,359
Profit/(loss) after tax includes:					
Depreciation	(27,975)	(7,555)	(29,674)	(1,246)	(66,450)
Amortisation	-	(500)	(584)	-	(1,084)
Interest income	5,564	40	249	117	5,970
Income tax expenses	(23,441)	-	(5,104)	(204)	(28,749)

	2009				
	Convenience Store		Bakery		
	HK & Others	Chinese Mainland	HK & Others	Chinese Mainland	Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total segment revenue	2,568,163	134,249	672,614	43,645	3,418,671
Inter-segment revenue	(9)	-	(67,450)	(1,886)	(69,345)
Revenue from external customers	2,568,154	134,249	605,164	41,759	3,349,326
Total segment other income	64,513	2,156	2,950	20	69,639
Inter-segment other income	-	(91)	(2,496)	-	(2,587)
Other income	64,513	2,065	454	20	67,052
	2,632,667	136,314	605,618	41,779	3,416,378
Profit/(loss) after tax	102,948	(41,689)	31,184	(1,994)	90,449
Profit/(loss) after tax includes:					
Depreciation (Restated)	(30,095)	(11,319)	(33,236)	(2,427)	(77,077)
Amortisation (Restated)	-	(447)	(612)	-	(1,059)
Interest income	3,179	26	123	26	3,354
Income tax (expenses)/credit	(21,886)	-	2,131	661	(19,094)

Revenue between segments is carried out at arm's length. The revenue from external parties is derived from numerous external customers and the revenue reported to the management is measured in a manner consistent with that of the consolidated profit and loss account. The management assesses the performance of the operating segments based on a measure of profit after tax.

The segment assets and liabilities as at 31 December 2010 and 2009 are as follows:

	As at 31 December 2010				
	Convenience Store		**Bakery**		
	HK & Others HK$'000	**Chinese Mainland HK$'000**	**HK & Others HK$'000**	**Chinese Mainland HK$'000**	**Group HK$'000**
Total segment assets	434,647	60,570	703,897	21,887	1,221,001
Total segment assets include:					
Additions to segment non-current assets	54,731	5,775	21,425	914	82,845
Total segment liabilities	531,748	27,273	225,106	5,773	789,900

	As at 31 December 2009				
	Convenience Store		Bakery		
	HK & Others HK$'000	Chinese Mainland HK$'000	HK & Others HK$'000	Chinese Mainland HK$'000	Group HK$'000
Total segment assets	412,369	64,966	733,650	20,142	1,231,127
Total segment assets include:					
Additions to segment non-current assets	20,455	3,075	35,108	442	59,080
Total segment liabilities	475,036	29,820	210,993	5,262	721,111

The amounts provided to the management with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated balance sheet. These assets and liabilities are allocated based on the operations of the segment.

Reportable segment assets are reconciled to total assets as follows:

	2010	2009
	HK$'000	HK$'000
Segment assets for reportable segments	1,221,001	1,231,127
Unallocated:		
Deferred tax assets	9,449	9,754
Taxation recoverable	-	1,039
Corporate bank deposits	428,642	282,671
Total assets per consolidated balance sheet	1,659,092	1,524,591

Reportable segment liabilities are reconciled to total liabilities as follows:

	2010	2009
	HK$'000	HK$'000
Segment liabilities for reportable segments	789,900	721,111
Unallocated:		
Deferred tax liabilities	10,951	11,889
Taxation payable	8,612	9,585
Total liabilities per consolidated balance sheet	809,463	742,585

The Group is domiciled in Hong Kong. The result of its revenue from external customers in Hong Kong is HK$3,338,918,000 (2009: HK$3,106,979,000), and the total of revenue from external customers from other countries is HK$236,320,000 (2009: HK$242,347,000) for the year ended 31 December 2010.

The total of non-current assets other than financial instruments and deferred tax assets located in Hong Kong is HK$680,660,000 (2009: HK$664,270,000), and the total of these non-current assets located in other countries is HK$66,977,000 (2009: HK$70,026,000) as at 31 December 2010.

3. Expenses by nature

	Group	
	2010	2009
	HK$'000	HK$'000
		(Restated)
Amortisation of lease premium for land	1,084	1,059
Auditor's remuneration		
Charge for the year	1,819	1,749
Over provision in prior year	-	(17)
Changes in inventories	2,191,674	2,082,576
Depreciation of owned fixed assets	66,450	77,077
Employee benefit expense	595,457	554,803
Fair value (gain)/loss on financial assets at fair value through profit or loss	(600)	600
Operating leases rental for land and buildings		
Minimum lease payment	318,590	305,672
Contingent lease payment	8,289	5,369
Other expenses	325,546	279,124
Total cost of sales, store expenses, distribution costs and administrative expenses	3,508,309	3,308,012

4. Other gain/(loss), net

Other gain/(loss), net represents the net gain/loss on disposal of fixed assets. For the year ended 31 December 2010, other gain/(loss), net includes gain on disposal of a real estate property amounting to HK$16,138,000 (2009: HK$8,918,000).

5. Interest income

	Group	
	2010	2009
	HK$'000	HK$'000
Interest income on bank deposits	5,970	3,354

6. Income tax expenses

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for 2010 and 2009. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates prevailing in the countries in which the Group operates.

The amount of income tax expenses charged/(credited) to the consolidated profit and loss account represents:

	Group	
	2010	2009
	HK$'000	HK$'000
Current income tax		
Hong Kong profits tax	25,446	23,113
Overseas profits tax	3,841	3,205
Deferred income tax	(538)	(7,224)
	28,749	19,094

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

	Group	
	2010	2009
	HK$'000	HK$'000
Profit before income tax	165,108	109,543
Calculated at a taxation rate of 16.5%	27,243	18,075
Effect of different taxation rates in other jurisdiction	(2,261)	(3,988)
Income not subject to taxation	(3,787)	(2,180)
Expenses not deductible for tax purposes	2,881	2,405
Tax losses not recognised	5,726	10,382
Effect of previously unrecognised tax losses	(1,106)	(602)
Effect of previously unrecognised temporary differences	11	317
Reversal of previously recognised temporary differences	(534)	(5,382)
Under/(over) provision in prior year	299	(265)
Remeasurement of deferred tax - change in tax rate	277	332
	28,749	19,094

7. Earnings per share

The calculation of the Group's basic and diluted earnings per share is based on the profit attributable to shareholders of the Company for the corresponding year.

The basic earnings per share is based on the weighted average number of ordinary shares in issue during the corresponding year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options as dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2010 **HK$'000**	2009 HK$'000
Profit attributable to shareholders of the Company	136,359	90,449
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	730,421,437	729,915,974
Adjustments for:		
Share options	125,241	-
Weighted average number of ordinary shares for diluted earnings per share	730,546,678	729,915,974

8. Dividends

	2010 **HK$'000**	2009 HK$'000
Interim dividend, paid of 1.9 HK cents (2009: 1.7 HK cents) per share	13,868	12,409
Special dividend, paid of 2.4 HK cents (2009: nil) per share	17,518	-
Dividend, proposed of 8.5 HK cents (2009: 6 HK cents) per share	62,197	43,795
	93,583	56,204

At a meeting held on 9 March 2011, the Directors proposed a dividend of 8.5 HK cents per share. This proposed dividend is not reflected as a dividend payable in these financial statements.

9. Trade receivables

Majority of the Group's revenue are retail cash sales. The Group's credit terms on trade receivables on income from suppliers mainly range from 30 days to 60 days. Trade receivables are non-interest bearing. The carrying amounts of trade receivables approximate their fair values. At 31 December 2010, the aging analysis of trade receivables is as follows:

	Group	
	2010 **HK$'000**	2009 HK$'000
0-30 days	28,265	24,102
31-60 days	2,624	2,676
61-90 days	1,514	1,431
Over 90 days	1,767	1,322
	34,170	29,531

10. Trade payables

At 31 December 2010, the aging analysis of the trade payables is as follows:

	Group	
	2010	2009
	HK$'000	HK$'000
0-30 days	246,858	209,726
31-60 days	127,358	120,347
61-90 days	46,912	58,894
Over 90 days	47,127	43,729
	468,255	432,696

CORPORATE GOVERNANCE

The Board of Directors and management are committed to principles of good corporate governance consistent with prudent enhancement and management of shareholder value. These principles emphasise transparency, accountability and independence.

In order to reinforce independence, accountability and responsibility, the role of the Chairman is separate from that of the Chief Executive Officer. Their respective responsibilities are clearly established and defined by the Board in writing.

The Board has established the Audit Committee and Remuneration Committee (all chaired by non-executive Directors) with defined terms of reference (available to shareholders upon request), which are of no less exacting terms than those set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules. To further reinforce independence, both committees have been structured to include a majority of independent non-executive Directors.

Full details of the Company's corporate governance practices are set out in the Company's 2010 Annual Report.

Audit Committee

The Audit Committee met four times in 2010 (with an average attendance rate of 85%) to consider and review with senior management and the Company's internal (Corporate Governance Division ("CGD")) and external auditors various matters as set out in the Audit Committee's terms of reference, which included the following:

- the audit plans, findings and reports of CGD and external auditor;
- the independence of external auditor, their related terms of engagement and fees;
- the Group's accounting principles and practices, compliance with listing rules and statutory requirements, connected transactions, internal controls, risk management and financial reporting matters (including the annual, half year and quarterly financial statements before recommending to the Board for approval); and
- the adequacy of resources, qualifications and experience of the staff of the Group's accounting and financial reporting function, as well as their training programmes and budget.

The Group's annual results for the year ended 31 December 2010 have been reviewed by the Audit Committee.

Internal Control and Risk Management

The Board is responsible for ensuring that the Group maintains a sound and effective system of internal controls, and for reviewing the adequacy and effectiveness of such system through the Audit Committee.

Based on the assessments made by senior management, CGD (Internal Audit) and the external auditor for the year ended 31 December 2010, the Audit Committee considered that:

- the internal controls and accounting systems of the Group were in place and functioning effectively and were designed to provide reasonable assurance that material assets were protected, business risks attributable to the Group were identified and monitored, material transactions were executed in accordance with management's authorisation and the financial statements were reliable for publication.

- there was an ongoing process in place for identifying, evaluating and managing the significant risks faced by the Group.

- the resources, qualifications, experience, training programmes and budget of the staff of the Group's accounting and financial reporting function were adequate.

Directors' Securities Transactions

The Group has adopted procedures governing Directors' securities transactions in compliance with Rules 5.48 to 5.67 of the GEM Listing Rules. Specific confirmation of compliance has been obtained from all Directors. Relevant employees who are likely to be in possession of unpublished price-sensitive information of the Group are also subject to compliance with guidelines which are of no less exacting terms than those set out in the GEM Listing Rules. No incident of non-compliance was noted by the Company in 2010.

Compliance with Code on Corporate Governance Practices of GEM Listing Rules

The Board has reviewed the Company's corporate governance practices and is satisfied that the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules throughout the year ended 31 December 2010.

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

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

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company will be held at 4:00 p.m. on Thursday, 5 May 2011 at the Auditorium, 1st Floor, LiFung Tower, 888 Cheung Sha Wan Road, Kowloon, Hong Kong. Notice of the Annual General Meeting will be sent to the shareholders of the Company shortly.

FINAL DIVIDEND

The Board of Directors recommended paying the shareholders a final dividend of 8.5 HK cents (2009: 6 HK cents) per share for the year ended 31 December 2010. Together with the interim dividend of 1.9 HK cents (2009: 1.7 HK cents) per share and the special dividend of 2.4 HK cents (2009: nil) per share paid by the Company on 31 August 2010, the proposed final dividend makes a total dividend of 12.8 HK cents (2009: 7.7 HK cents) per share for the year.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from 1 May 2011 to 5 May 2011, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch registrar, Tricor Abacus Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong not later than 4:30 p.m. on 29 April 2011. Dividend warrants will be despatched on 6 May 2011, subject to shareholders' approval of payment of the final dividend at the Annual General Meeting on 5 May 2011.

On behalf of the Board
Convenience Retail Asia Limited
Victor FUNG Kwok King
Chairman

Hong Kong, 9 March 2011

As at the date of this Announcement, executive Director of the Company is Mr. Richard Yeung Lap Bun; non-executive Directors are Dr. Victor Fung Kwok King, Dr. William Fung Kwok Lun, Mr. Jeremy Paul Egerton Hobbins, Ms. Louisa Wong Yuk Nor and Mr. Godfrey Ernest Scotchbrook; independent non-executive Directors are Dr. Raymond Ch'ien Kuo Fung, Mr. Malcolm Au Man Chung and Mr. Anthony Lo Kai Yiu.

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