CONVENIENCE RETAIL ASIA LIMITED

利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00831)

RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

Financial Highlights

	Change	**2017** **HK$'000**	2016 HK$'000
• Revenue	+4.6%	**5,094,032**	4,871,437
• Core operating profit	+7.4%	**182,594**	169,953
• Profit attributable to shareholders of the Company	+7.7%	**150,311**	139,627
• Basic earnings per share (HK cents)	+6.8%	**19.75**	18.50
• Dividend per share (HK cents)			
Final	+7.7%	**14.00**	13.00
Full year			
Basic	+9.1%	**18.00**	16.50
Special	N/A	**Nil**	27.00

Operation Highlights

- Convenience store and bakery businesses achieved satisfactory comparable store sales growth in Hong Kong, despite challenging business environment
- Core operating profit and net profit increased by 7.4% and 7.7% respectively, which was mainly attributable to an effective CRM programme and strong marketing campaigns by Circle K together with improved performance from Saint Honore
- Growth driven by the Group's digital initiatives, led by highly successful O2O CRM programmes with membership for "OK Stamp It" and "Cake Easy" exceeding 1,000,000 and 300,000 respectively
- The Group obtained the franchise for Japan's leading fast-fashion eyewear chain Zoff, which holds strong appeal for the internet+ generation, and opened the brand's first store in Hong Kong
- With signs of recovery in the retail market, the Group will continue its marketing and store network expansion programmes while exercising caution towards macroeconomic uncertainties and emphasising operating cost control
- The Board of Directors has resolved to declare a final dividend of 14 HK cents per share
- The Group maintains a strong financial position with net cash of HK$452 million and no bank borrowings

Number of Stores as of 31 December 2017

Circle K Stores	
Hong Kong	**332**
Franchised Circle K Stores	
Guangzhou	64
Macau	29
Zhuhai	16
Subtotal	**109**
Total number of Circle K Stores	**441**
Saint Honore Cake Shops	
Hong Kong	93
Macau	9
Guangzhou	39
Shenzhen	2
Total number of Saint Honore Cake Shops	**143**
Zoff Eyewear Store	
Hong Kong	**1**
Total number of Stores under Convenience Retail Asia	**585**

Chairman's Statement

The past few years have been challenging for Hong Kong retail. Macroeconomic uncertainties, weakened consumer confidence, falling visitor numbers and high operating costs have had significant impacts on sales and profit. At the same time, new technologies and consumer preferences have disrupted retail like never before, sending many operators in search of innovative business strategies designed not just to survive the modern age, but thrive.

Convenience Retail Asia responded by reinventing itself for a fast-paced, internet-savvy future built on a combination of instant digital promotion and quality in-store transactional experience – an online-to-offline, or "O2O", business platform. The Group also worked hard to streamline its business and weather the difficulties of the retail environment in anticipation of a time when the Hong Kong market returned to an upward trend. The past year's results have been very encouraging. Not only is local retail recovering, but the Group's new O2O strategy has been an unqualified success. Today, I am happy to report that the Group is moving cautiously but confidently into a future built on a strong, highly sustainable business platform.

Hong Kong retail turns the corner

The local retail market indeed appears to have begun its long-awaited recovery. In 2017, the value of total retail sales in Hong Kong increased by 2.2% over 2016[1], notably gaining momentum in the second half of the year. The underlying inflation rate held steady at a moderate 1.7%[2]. Meanwhile, consumer sentiment is on the rise, while sales in the supermarket category (including convenience stores) have remained stable. These are all welcome developments for the Group, which leveraged the extensive transformational work it carried out in leaner times to post satisfactory results during the year under review.

Building for the future

Central to the Group's success has been its "OK Stamp It" customer relationship management (CRM) programme. Much more than a series of mobile app-based promotions, "OK Stamp It" is a full-fledged, holistic O2O business strategy that capitalises on the shifting retail paradigm to drive in-store traffic and sales. It has proven to be an extremely effective platform for building brand preference among a strong and growing base of loyal customers, as evidenced by the more than 1 million members who joined the programme between its launch in the third quarter of 2016 and the date of this report. We are also extending the learnings from managing "OK Stamp It" to Saint Honore's e-CRM platform, "Cake Easy". Together, these CRM programmes form the foundation of the Group's long-term growth and the new core of the Group's retail operations, setting the agenda for its marketing and category management initiatives.

Outlook

Though retail volume remains stagnant, the Hong Kong retail market is generally trending back to normal. However, we firmly believe that the Group's true path to prosperity resides in continuing to diversify away from a traditional bricks-and-mortar business and toward a "bricks-and-mortar+" O2O model. In today's digital age, the internet and smartphones are the most important channels for connecting with customers because of their capability to deliver information and offers instantly, which in turn enables quicker purchase decisions and provides extra convenience for on-the-go consumers. Recognising this, the Group has placed its app-powered "OK Stamp It" and "Cake Easy" e-CRM platforms at the heart of its overall business strategy. O2O is the future of the industry and the key to the Group's long-term success. We are leading the retail sector in Hong Kong and are committed to staying at the forefront of this exciting new era.

In the coming year, we will continue to grow our e-CRM platforms, using offline operations as the primary base while expanding the programmes to other businesses and creating synergies. We will continue to focus on the Hong Kong market, as well as internet+ customers who are increasingly finding information about products, services and promotions online and via mobile apps. We will maintain and enhance our industry-leading customer service standards to drive brand preference and loyalty. Importantly, we will also keep emphasising our HEARTS (Happy, Energised, Achievements, Respect, Training, Success) employee engagement programme to ensure that the Group remains an employer of choice for talented, committed personnel in this time of intense labour competition.

Certainly, our success would not be possible without our people. I would like to thank our board, executive team, management and staff for giving their best every day. I look forward to celebrating even more successes with them in the coming months and years as we continue to redefine the convenience retail industry.

Victor FUNG Kwok King
Chairman

Hong Kong, 7 March 2018

Notes:

[1] *Published by the Census and Statistics Department, the Government of the Hong Kong Special Administrative Region, December 2017*

[2] *Published by the Census and Statistics Department, the Government of the Hong Kong Special Administrative Region, 23 January 2018*

CEO’s Statement

The Group’s shift toward an O2O-centric business strategy has proven to be the correct course in the modern age of internet- and mobile-driven commerce. Since the launch of “OK Stamp It” and “Cake Easy”, we have successfully repositioned Circle K and Saint Honore as nimble businesses with strong digital components that appeal to a large and growing segment of our customer base. Staying relevant with today’s internet+ customers and continuing to execute successful marketing and category management campaigns helped the Group deliver solid results in 2017 and build momentum for future growth.

Operations Review – Circle K

As at 31 December 2017, the total number of Circle K stores was 332. The Group opened ten new Circle K stores in Hong Kong and closed nine during the year.

The “OK Stamp It” customer relationship management (CRM) programme drives in-store traffic and transactions by inviting users to download a special app, which provides the latest news about Circle K promotions and encourages members to visit stores to redeem e-stamp offers. Member promotions are synchronised in-store with Circle K’s latest, most popular products, services and premiums. Among the many customer engagement tools in the “OK Stamp It” toolkit, members can take advantage of special value offers, fun games, lucky draws, gift coupons, premium redemption programmes and more, and they can share all of their activities with friends and family via social sharing platforms.

A year and a half after its launch, “OK Stamp It” has attracted more than 1 million members as at the report date and is now firmly established as the cornerstone of the Group’s business moving forward. Circle K will continue to serve as the programme’s core operational base, with further expansion to other Group businesses and cross-brand synergies planned for the future. “OK Stamp It” has already won numerous industry awards for excellence, including two 2017 Golden Globe Tiger Awards for “Best Technology Initiative/Implementation” and “Customer Loyalty Programme” in the “Excellence in Retail & Store Management” category, and five prizes at the inaugural eCommAs Awards organised by Marketing Magazine, including “Best of Show” in the Brand Category.

Throughout the year, the Group continued to emphasise appealing marketing campaigns, seasonal promotions and effective category management to drive sales and brand preference. Circle K is well known for its popular premiums, and the “Gudetama” premium e-stamp promotion, themed on the animated Japanese character, proved to be yet another successful initiative. The Group also introduced a well-received game, “Shake Shake Lucky Star”, where customers could win one of 400,000 attractive prizes – including 100 iPhone Xs – by entering a lucky draw code into the “OK Stamp It” app.

In November, just before the start of the holiday travel season, Circle K positioned itself as an indispensable stop for travel necessities by launching a campaign highlighting the convenience of shopping for data SIM cards, Union Pay and MasterCard stored value cards, travel packs, chargers, charger cables and more in one handy location. Popular promotions included the super-sized Sumo Sandwich, chilled Korean coffee, and on-trend items such as limited edition cup noodles and candies from Japan. Customers also responded enthusiastically to an attractive summertime offer of HK$15 off every purchase of HK$30 made on an HSBC credit card through Apple Pay or Android Pay.

Customer service remained a key area of focus. Circle K won the "Service and Courtesy Award 2017" from the Hong Kong Retail Management Association as well as two individual awards, demonstrating the Group's efforts to provide quality customer service and develop frontline talent.

Operations Review – Saint Honore Cake Shop

As at 31 December 2017, the total number of Saint Honore stores in Hong Kong and Macau was 102, with the Group opening 13 new stores and closing nine during the year. As at the end of 2017, Saint Honore's total store network in Guangzhou and Shenzhen amounted to 41 locations.

Saint Honore Hong Kong recorded healthy comparable store sales growth in 2017, largely because of strong double-digit growth in the birthday cake category and the success of new product launches in the bread category. Quality products have long been Saint Honore's hallmark; successful launches this year included the Emoji Cake, the Mother's Day Cake Series, Egg Custard Mooncakes and Hi-Maize® bread with added dietary fibre.

In 2017, the Group continued to put innovation and technology at the centre of Saint Honore's operations. One of these initiatives was the official launch of a digital CRM programme, "Cake Easy", which already boasted more than 300,000 members as at the report date. "Cake Easy" enables the Group to adapt quickly to changing customers' shopping preferences, and it helps drive sales through special member promotions and digital payment options. The Group also enhanced its 4G store model to new and renovated locations in order to make the customer purchasing journey more user-friendly.

In Guangzhou, the Group re-launched its member card as a digital "smART Card". This new card features a fashionable design appealing to a younger demographic, as well as digital functions that allow members to enjoy O2O promotions. The Group also continued to renovate its stores in Guangzhou based on the signature new Saint Honore design, resulting in satisfactory growth for upgraded locations.

Across Saint Honore, the Group continued to see improved productivity and efficiency from its switch to frozen dough as well as enhanced product quality. The Group was also able to improve gross profit margin due to product category rationalisation, process streamlining, equipment upgrades and effective procurement.

Saint Honore received a number of accolades from the local retail industry in 2017 for operational and brand excellence. These included the “My Favourite Cake Shop” award at U Magazine’s “U Favourite Food Awards 2017”; the “Best Endorser” award at the Metro Daily Metro Creative Awards 2017; “Manpower Developer 1st” status from the Hong Kong Employees Retraining Board; and the Platinum Award for the Charter on External Lighting Award from the HKSAR Government Environment Bureau.

Review of Developing Operations

FingerShopping.com

In 2017, the Group’s O2O digital retailing platform, FingerShopping.com, recorded moderate growth in gross merchandising volume (GMV) and satisfactory membership growth over 2016. It also achieved very high pick-up and payment rates at Circle K stores in Hong Kong and Macau, demonstrating a successful O2O business model. Beauty and Personal Care continued to be the anchor category, representing approximately 70% of total GMV and total quantity sold.

During the year, FingerShopping.com was named one of 2017’s “Top 10 eCommerce Websites” by GS1 Hong Kong and Retail Asia Expo for maintaining exemplary standards in user experience and digital retail sales. It was also recognised as a “Quality e-Shop” by the Hong Kong Retail Management Association.

Zoff

In 2017, the Group obtained the franchise of Japan’s leading fast-fashion eyewear chain Zoff for Hong Kong, Macau and southern China. Zoff stores carry more than 1,000 frames – all designed according to the latest Japanese fashion trends – and are replenished with new items every two weeks. Its glasses are high-quality, modern and competitively priced, reflecting the brand’s belief that eyewear should frame personalities as much as correct vision. The chain boasts over 200 locations across Japan, Singapore and the Chinese Mainland.

The grand opening of Zoff Hong Kong's flagship store at Cityplaza in Taikoo Shing was held on 25 November. Mr Teruhiro Ueno, president of Zoff Co. Ltd, and Dr Victor Fung, Chairman of the Group, both attended the ribbon-cutting ceremony as officiating guests. The Group believes that Zoff's brand proposition and fast-fashion sensibility hold strong appeal for the internet+ generation, offering strong growth prospects as well as the potential for synergy with other Group businesses.

Future Prospects

With the rise of e-commerce and the increasing influence of smartphones, bricks-and-mortar operators who incorporate digital elements into their businesses are the retailers most likely to succeed. To this end, we will continue to refine our "OK Stamp It" and "Cake Easy" CRM programmes in the coming year, ensuring that they are holistic, "EFS" – easy, fast and simple – and measurable in terms of driving brand awareness, brand preference, traffic and transactions. We will also continue to execute what we refer to as our three "Plus" strategies: focusing on internet-savvy customers (internet+); emphasising products, promotion, place and pricing plus great customer experience (4P's+); and expanding our O2O (bricks-and-mortar+) retail model.

As always, the Group will rely on its comprehensive HEARTS employee engagement programme to hire and retain quality staff, perform to its high customer service standards and mitigate the impact of labour shortages. High rentals persist, but we will nevertheless seek to expand and optimise our store network wherever possible, particularly in locations where there have been corrections in the commercial retail market. The Group will also keep practising prudent cost management, enhancing and streamlining operations to maximise margin and profit for shareholders.

Richard YEUNG Lap Bun
Chief Executive Officer

Hong Kong, 7 March 2018

Management Discussion and Analysis

Financial Review

In 2017, the Group's turnover increased 4.6% to HK$5,094 million. Turnover for the convenience store business increased 5.4% to HK$4,059 million, with comparable store sales growing 4.2% compared to the same period last year. Turnover for the bakery business increased 1.9% to HK$1,092 million, with comparable store sales in Hong Kong growing 5.2%.

Gross margin and other income as a percentage of turnover increased 0.3% to 36.9% despite keen competition in the retail market and high manufacturing costs. Efficiency and productivity improvements in the Saint Honore factory operations were key contributors to margin growth. Operating expenses increased from 33.1% of turnover to 33.3% compared to 2016, which was primarily due to high rental and labour costs as well as marketing costs spent on recruiting new "OK Stamp It" members. The Group's core operating profit increased 7.4% to HK$183 million.

Net profit increased 7.7% to HK$150 million for the year ended 31 December 2017. Basic earnings per share increased 6.8% to 19.75 HK cents.

As at 31 December 2017, the Group had a net cash balance of HK$452 million, which was mainly generated from daily business operations. The Group had no bank borrowings. Most of the Group's cash and bank deposits were in its operating currencies and deposited with major banks in Hong Kong and on the Chinese Mainland. The majority of the Group's assets, liabilities, revenues and payments were held either in Hong Kong 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 bank deposits denominated in its operating currencies, with appropriate maturity periods to meet the funding requirements of any acquisition projects in the future.

The Board of Directors has resolved to declare a final dividend of 14 HK cents per share.

Business Model and Corporate Strategy

The Group is a member of the Fung Retailing Group and has the exclusive right to use the Circle K brand name, one of the fastest-growing convenience store brands worldwide, for convenience store retailing in Hong Kong, Macau and on the Chinese Mainland. The Group also owns a bakery chain, Saint Honore Cake Shop, a household name for bakery products in Hong Kong, Macau and the Pearl River Delta. The Group operates approximately 600 stores across both the Circle K and Saint Honore brands in Hong Kong, Macau, Guangzhou, Shenzhen and Zhuhai.

The Group owns two developing operations, namely FingerShopping.com and Zoff. FingerShopping.com is a distinctive O2O (online-to-offline) shopping platform featuring genuine, quality merchandise that is available via secure, convenient payment channels. It is backed by an extensive retail network of more than 300 Circle K convenience stores, customers place orders online and pick up and pay for purchases in a Circle K store of their choice. In 2017, the Group also obtained the franchise for Japan's leading fast-fashion eyewear chain Zoff, which holds strong appeal for the internet+ generation, and opened the brand's first store in Hong Kong.

The Group's vision is to be the most innovative and customer-preferred retail chain operator in the markets where it operates. It employs a multi-pronged strategy to accomplish this market positioning:

- Innovative product offerings through its O2O operational and marketing platforms
- Customer-centric business focus
- Excellence in customer service
- Convenient store locations
- Highly motivated and engaged employees
- Maximised efficiency through the adoption of the latest information technology
- Synchronised supply chain management infrastructure and processes
- Continuous investment in brand-building, store network, people development, e-CRM (customer relationship management) platforms and supply chain infrastructure

The Group strives to achieve sustainable, long-term value for its shareholders through a total commitment to its customers, employees and business. The Group's keys to success are excellent customer focus, innovation, execution, ethics and strong partnerships with quality suppliers, as well as prudent and professional management of its growth and profitability.

The Board and management play proactive roles in the development of the Group's business model and pursue new ventures to maintain competitiveness and drive sustainable long-term growth.

Employees

As at 31 December 2017, the Group had a total of 6,500 employees, with 4,900, or 75%, based in Hong Kong and 1,600, or 25%, based in Guangzhou, Shenzhen and Macau. Part-time staff accounted for 41% of total headcount. Total staff cost for the year was HK$844 million compared to HK$814 million in 2016.

The Group offers remuneration schemes that are competitive in the market. For eligible employees, salary packages are supplemented by discretionary bonuses and share options based on individual and company performance. Additional incentives are provided in the form of career advancement opportunities, comprehensive job-related skill training and quality customer service training for the frontline operations team.

To further strengthen the HEARTS (Happy, Energised, Achievements, Respect, Training, Success) employee engagement programme, the Activity Organising Board (AOB) continued to arrange a number of activities focused on creating a happy working environment, caring for employees' families and ensuring work-life balance. The AOB organised "The Little Circle K" at Circle K's first theme store in Causeway Bay, which let colleagues' children experience a day in the life of a frontline staff member. It also held a "Wellness Month" in March featuring activities for staff including "Green Challenge", "Healthy Fruit", "Green Workshop" and "Green Marketplace". Other initiatives included participating in the Standard Chartered Hong Kong Marathon, visiting the Dream Come True Education Park, and hand-weaving scarves and hats as Christmas gifts for the elderly.

Health and Safety

The health of the Group's customers is our top priority. Over the years we have built a strong reputation for food and product safety assurance by focusing on enhancing the quality of our operations and acting in compliance with local laws and regulations at all times. At Saint Honore, for example, high safety and hygiene standards serve to minimise food-related risks throughout the entire supply chain, from material assurance, storage, manufacturing and distribution to sales. Both of Saint Honore's factories in Shenzhen and Hong Kong are ISO 9001-accredited. The Shenzhen factory also carries Hazard Analysis and Critical Control Points (HACCP) food safety accreditation and has an in-house microbiological laboratory certified by the China National Accreditation Services for Conformity Assessment (CNAS).

The Group carries out company-wide training that covers food safety and hygiene regulations as well as best practices for factory and store operators. In addition to regular inspections at Saint Honore's factories, there are also periodic on-site checks at stores to monitor and enhance food safety and hygiene levels at Circle K and Saint Honore stores.

We also strive to ensure employee safety by providing guidelines on basic work safety and hygiene, issuing protective clothing and equipment where necessary. Other key areas of focus are workplace organisation and culture. Managers and employees at the Group's distribution centre are trained on the "5S" principles of "sort, straighten, shine, standardise and sustain".

Sustainability and Corporate Social Responsibility

As part of the Fung Group, Convenience Retail Asia follows the United Nations Global Compact's principles on human rights, labour, anti-corruption efforts, environmental protection and sustainability. The Group also adheres to a voluntary framework for proactive sustainability, community outreach and employment strategies. This applies to areas including carbon reduction; promoting environmental awareness in the community; expanding the Group's programme of social and community projects; and ensuring a safe, healthy, balanced and empowering workplace. The Group also continues to partner only with suppliers who comply with its Supplier Code of Conduct, which sets out principles and practices relating to labour, ethical conduct, work safety and environmental protection.

In 2017, the Group once again participated in a number of activities to help protect the environment and conserve resources. Circle K Hong Kong supported CLP's "Power Your Love" programme by offering e-coupons for its popular Super Soft Sandwiches to participants who pledged to help save energy. Saint Honore Hong Kong introduced an environmentally friendly cake box that can be dissembled into plates and spoons, replacing disposable or traditional tableware. Also during the year, Circle K Hong Kong and Saint Honore Hong Kong both received the "Joint Energy Saving Award" at the CLP GreenPlus Recognition Awards, which recognised the companies' efforts to improve efficiency and save energy.

The Group also continued to engage the community and help people in need. In August, 250 volunteers from the Hong Kong operations participated in the Tung Wah Group of Hospitals' territory-wide Flag Day to help raise funds for the TWGH's social and welfare services. For the 11th consecutive year, volunteers from Circle K participated in Heifer International's "Race to Feed", once again winning the "Top Fundraising Team" and "Top Fundraiser" awards as they worked to support poverty alleviation projects on the Chinese Mainland.

The Group was proud to receive a number of recognitions for its community and staff initiatives in 2017. Circle K and Saint Honore were awarded the "10 Years Plus Caring Company" and "5 Years Plus Caring Company" logos, respectively, from the Hong Kong Council of Social Service, recognising the companies' efforts to promote corporate social responsibility. Saint Honore Macau received awards in the "Family-Friendly Employer", "Implementing Paid Paternity Leave Employer" and "The Best Support Breast-Feeding Mom's Employer" categories of the 2017 Family-Friendly Employers Award Scheme organised by the Women's General Association of Macau. Saint Honore Hong Kong also received recognition as a "Social Cooperative Partner" from the Evangelical Lutheran Church of Hong Kong Login Club for New Arrivals for its support of the elderly, low-income families, those with intellectual disabilities, and children with special education needs.

Further environmental, social and governance information will be provided in a separate report on the Company's website.

Results

The Board of Directors (the "Board") is pleased to announce the audited results of Convenience Retail Asia Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 December 2017, together with the audited comparative figures for the corresponding year ended 31 December 2016. The annual results have been reviewed by the Company's Audit Committee and agreed by the Company's auditor.

Consolidated Profit and Loss Account

	Note	**2017 HK$'000**	2016 HK$'000
Revenue	*2*	**5,094,032**	4,871,437
Cost of sales	*3*	**(3,320,189)**	(3,196,622)
Gross profit		**1,773,843**	1,674,815
Other income	*2*	**107,912**	107,605
Store expenses	*3*	**(1,342,132)**	(1,276,294)
Distribution costs	*3*	**(152,250)**	(144,099)
Administrative expenses	*3*	**(204,779)**	(192,074)
Core operating profit		**182,594**	169,953
Non-core operating gain	*3*	**-**	93
Operating profit		**182,594**	170,046
Interest income	*4*	**1,542**	2,154
Profit before income tax		**184,136**	172,200
Income tax expenses	*5*	**(33,825)**	(32,573)
Profit attributable to shareholders of the Company		**150,311**	139,627
Earnings per share (HK cents)			
Basic	*6*	**19.75**	18.50
Diluted	*6*	**19.75**	18.48

Consolidated Statement of Comprehensive Income
For the year ended 31 December 2017

	2017 **HK$'000**	2016 HK$'000
Profit attributable to shareholders of the Company	**150,311**	139,627
Other comprehensive income/(loss):		
Item that will not be reclassified subsequently to profit or loss		
Actuarial losses on post employment benefit obligation, net of tax	**(3,985)**	-
Item that may be reclassified subsequently to profit or loss		
Exchange differences	**3,145**	(5,326)
Total comprehensive income attributable to shareholders of the Company	**149,471**	134,301

Consolidated Balance Sheet
As at 31 December 2017

	Note	2017 HK$'000	2016 HK$'000
Assets			
Non-current assets			
Fixed assets		**357,173**	337,475
Investment properties		**26,561**	27,174
Lease premium for land		**35,180**	35,130
Intangible assets		**357,465**	357,465
Available-for-sale financial asset		**1,895**	1,895
Rental and other long-term deposits		**96,993**	87,120
Deferred tax assets		**16,385**	15,916
		891,652	862,175
Current assets			
Inventories		**192,603**	217,029
Rental deposits		**47,705**	59,114
Trade receivables	*8*	**82,017**	60,883
Other receivables, deposits and prepayments		**91,075**	97,377
Restricted bank deposit		**963**	892
Cash and cash equivalents		**450,776**	541,942
		865,139	977,237
Total assets		**1,756,791**	1,839,412
Equity			
Share capital		**76,246**	75,530
Reserves		**574,429**	734,192
Total equity		**650,675**	809,722
Liabilities			
Non-current liabilities			
Long service payment liabilities		**16,084**	11,182
Deferred tax liabilities		**10,067**	10,033
		26,151	21,215
Current liabilities			
Trade payables	*9*	**669,710**	618,295
Other payables and accruals		**219,927**	205,260
Taxation payable		**10,426**	10,803
Cake coupons		**179,902**	174,117
		1,079,965	1,008,475
Total equity and liabilities		**1,756,791**	1,839,412

Consolidated Statement of Changes in Equity
For the year ended 31 December 2017

	Attributable to shareholders of the Company							
	Share capital HK$'000	Share premium HK$'000	Merger reserve HK$'000	Capital reserves HK$'000	Employee share-based compensation reserve HK$'000	Exchange reserve HK$'000	Retained earnings HK$'000	Total equity HK$'000
At 1 January 2016	75,464	377,246	177,087	18,474	13,201	2,217	174,845	838,534
Profit attributable to shareholders of the Company	-	-	-	-	-	-	139,627	139,627
Exchange differences	-	-	-	-	-	(5,326)	-	(5,326)
Total comprehensive income for the year	-	-	-	-	-	(5,326)	139,627	134,301
Issue of new shares	66	2,059	-	-	-	-	-	2,125
Employee share option benefit	-	392	-	-	3,972	-	193	4,557
Transfer to capital reserves	-	-	-	842	-	-	(842)	-
Dividends paid	-	-	-	-	-	-	(169,795)	(169,795)
	66	2,451	-	842	3,972	-	(170,444)	(163,113)
At 31 December 2016	75,530	379,697	177,087	19,316	17,173	(3,109)	144,028	809,722
At 1 January 2017	**75,530**	**379,697**	**177,087**	**19,316**	**17,173**	**(3,109)**	**144,028**	**809,722**
Profit attributable to shareholders of the Company	**-**	**-**	**-**	**-**	**-**	**-**	**150,311**	**150,311**
Exchange differences	**-**	**-**	**-**	**-**	**-**	**3,145**	**-**	**3,145**
Actuarial losses on post employment benefit obligation								
Gross	**-**	**-**	**-**	**-**	**-**	**-**	**(4,990)**	**(4,990)**
Tax	**-**	**-**	**-**	**-**	**-**	**-**	**1,005**	**1,005**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**3,145**	**146,326**	**149,471**
Issue of new shares	**716**	**22,360**	**-**	**-**	**-**	**-**	**-**	**23,076**
Employee share option benefit	**-**	**4,236**	**-**	**-**	**(1,728)**	**-**	**1,353**	**3,861**
Transfer to capital reserves	**-**	**-**	**-**	**686**	**-**	**-**	**(686)**	**-**
Dividends paid	**-**	**(205,848)**	**-**	**-**	**-**	**-**	**(129,607)**	**(335,455)**
	716	**(179,252)**	**-**	**686**	**(1,728)**	**-**	**(128,940)**	**(308,518)**
At 31 December 2017	**76,246**	**200,445**	**177,087**	**20,002**	**15,445**	**36**	**161,414**	**650,675**

Notes to the Consolidated Financial Statements

1. Basis of preparation and accounting plicies

The consolidated financial statements have been prepared in accordance with all applicable 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.

As at 31 December 2017, the Group had net current liabilities of HK$214,826,000 (2016: HK$31,238,000). In preparing these financial statements, the Group's management has taken into account all information that could reasonably be expected to be available and has ascertained that the Group has obtained adequate financial resources to support the Group to continue in operational existence for the foreseeable future. Based on the Group's history of its operating performance, availability of banking facilities and its expected future working capital requirements, the Group's management is of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next twelve months and therefore have prepared the financial statements on a going concern basis.

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 amended standards of HKFRS which are mandatory for accounting periods beginning on or after 1 January 2017 and relevant to its operations:

HKAS 7 Amendment	Disclosure Initiative
HKAS 12 Amendment	Recognition of Deferred Tax Assets for Unrealised Losses
HKFRS 12 Amendment	Disclosure of Interest in Other Entities

The adoption of such amended standards does not have material impact on the consolidated financial statements and does not result in substantial changes to the Group's accounting policies.

The Group has not early adopted the following new and amended standards of HKFRS that have been issued and are mandatory for the Group's accounting periods beginning on or after 1 January 2018.

HKAS 28 Amendment	Investments in Associates and Joint Ventures
HKAS 40 Amendment	Transfers of Investment Property
HKFRS 2 Amendment	Classification and Measurement of Share-based Payment Transactions
HKFRS 4 Amendment	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 9 Amendment	Prepayment Features with Negative Compensation
HKFRS 10 and HKAS 28 Amendments	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
HKFRS 15	Revenue from Contracts with Customers
HKFRS 15 Amendment	Clarifications to HKFRS 15
HKFRS 16	Leases
HKFRS 17	Insurance Contracts
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Annual Improvements Project	Annual Improvements 2014-2016 Cycle

HKFRS 15 replaces HKAS 18 "Revenue" and the related interpretations. HKFRS 15 establishes a comprehensive framework for determining when to recognise revenue and how much revenue to recognise through a 5-step approach. The core principle is that a company should recognise revenue when control of a good or service transfers to a customer. Also, revenue should be recognised in respect of each performance obligation. Impact on the revenue recognition may arise when multiple performance obligations are identified.

Customer options that provide a material right to the customer give rise to a separate performance obligation. A portion of the transaction price need to be allocated to such options, and recognise revenue allocated to the option when the additional goods or services are transferred to the customer, or when the option expires. The timing of the recognition of revenue in respect of material right to customers may be changed. At this stage, the Group estimate the impact of the new standard on the consolidated financial statements is immaterial.

None of the above is expected to have a significant effect on the consolidated financial statements of the Group, except HKFRS 16 “Leases”.

HKFRS 16 will affect primarily the accounting for the Group’s operating leases. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised in the consolidated balance sheet. The Group is in the process of assessing to what extent the operating lease commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group’s profit and classification of cash flows.

2. Revenue, other income and segment information

The Group is principally engaged in the operation of chains of convenience stores, bakeries, e-commerce and eyewear businesses. Revenues recognised during the year are as follows:

	2017	2016
	HK$’000	HK$’000
Revenue		
Merchandise sales revenue	**4,062,782**	3,849,880
Bakery sales revenue	**1,017,343**	1,000,079
e-commerce revenue	**13,907**	21,478
	5,094,032	4,871,437
Other income		
Service items and miscellaneous income	**107,912**	107,605

Segment information

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

The management considers the business from both a product/service and geographic perspective. From a product/service perspective, management assesses the performance of convenience store, bakery, e-commerce and eyewear businesses. For convenience store and others segment, revenues are mainly derived from a broad range of merchandise sales. For bakery segment, revenues are mainly comprised of bakery and festival products. For e-commerce segment, revenues are mainly derived from the provision of online trading platform. Geographically, the management considers the performance of retailing business in Hong Kong and others, and on the Chinese Mainland.

The segment information provided to the management for the reportable segments for the years ended 31 December 2017 and 2016 are as follows:

	2017				
	Convenience Store & Others	**Bakery**		**e-commerce**	
	HK & Others	**HK & Others**	**Chinese Mainland**	**HK**	**Group**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Total segment revenue	**4,062,782**	**1,016,649**	**129,795**	**13,907**	**5,223,133**
Inter-segment revenue	**-**	**(129,101)**	**-**	**-**	**(129,101)**
Revenue from external customers	**4,062,782**	**887,548**	**129,795**	**13,907**	**5,094,032**
Total segment other income	**101,643**	**8,030**	**2,684**	**228**	**112,585**
Inter-segment other income	**(2,470)**	**(2,203)**	**-**	**-**	**(4,673)**
Other income	**99,173**	**5,827**	**2,684**	**228**	**107,912**
	4,161,955	**893,375**	**132,479**	**14,135**	**5,201,944**
Core operating profit/(loss)	**155,327**	**46,181**	**(5,414)**	**(13,500)**	**182,594**
Depreciation and amortisation	**(29,670)**	**(36,544)**	**(7,550)**	**(648)**	**(74,412)**

	2016				
	Convenience Store	Bakery		e-commerce	
	HK & Others	HK & Others	Chinese Mainland	HK	Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total segment revenue	3,849,880	999,287	128,890	21,478	4,999,535
Inter-segment revenue	-	(128,098)	-	-	(128,098)
Revenue from external customers	3,849,880	871,189	128,890	21,478	4,871,437
Total segment other income	100,659	8,644	1,708	90	111,101
Inter-segment other income	(1,284)	(2,212)	-	-	(3,496)
Other income	99,375	6,432	1,708	90	107,605
	3,949,255	877,621	130,598	21,568	4,979,042
Core operating profit/(loss)	157,122	35,541	(2,162)	(20,548)	169,953
Depreciation and amortisation	(26,155)	(33,511)	(6,832)	(1,153)	(67,651)

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 core operating profit.

The reconciliation of the total reportable segments' core operating profit to the profit before income tax can be referred to the consolidated profit and loss account, as the reconciliation items are not included in the measure of the segments' performance by the management.

The inter-segment revenue includes inter-product segment revenue of HK$74,676,000 (2016: HK$71,715,000) and inter-geographic segment revenue of HK$54,425,000 (2016: HK$56,383,000).

The segment assets and liabilities as at 31 December 2017 and 2016 are as follows:

	2017				
	Convenience Store & Others	**Bakery**		**e-commerce**	
	HK & Others	**HK & Others**	**Chinese Mainland**	**HK**	**Group**
	HK$'000	**HK$'000**	**HK$'000**	**HK$'000**	**HK$'000**
Total segment assets	**681,907**	**751,258**	**66,445**	**8,702**	**1,508,312**
Total segment assets include: Additions to segment non-current assets	**36,926**	**51,159**	**7,667**	**148**	**95,900**
Total segment liabilities	**746,496**	**314,873**	**17,099**	**7,155**	**1,085,623**

	2016				
	Convenience Store	Bakery		e-commerce	
	HK & Others	HK & Others	Chinese Mainland	HK	Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Total segment assets	701,993	782,427	54,219	11,247	1,549,886
Total segment assets include: Additions to segment non-current assets	30,238	45,198	6,207	76	81,719
Total segment liabilities	695,912	289,135	17,152	6,655	1,008,854

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:

	2017	2016
	HK$'000	HK$'000
Segment assets for reportable segments	**1,508,312**	1,549,886
Unallocated:		
Deferred tax assets	**16,385**	15,916
Corporate bank deposits	**232,094**	273,610
Total assets per consolidated balance sheet	**1,756,791**	1,839,412

Reportable segment liabilities are reconciled to total liabilities as follows:

	2017	2016
	HK$'000	HK$'000
Segment liabilities for reportable segments	**1,085,623**	1,008,854
Unallocated:		
Deferred tax liabilities	**10,067**	10,033
Taxation payable	**10,426**	10,803
Total liabilities per consolidated balance sheet	**1,106,116**	1,029,690

The Group is domiciled in Hong Kong. The result of its revenue from external customers in Hong Kong is HK$4,814,047,000 (2016: HK$4,591,667,000), and the total of its revenue from other countries is HK$279,985,000 (2016: HK$279,770,000) for the year ended 31 December 2017.

The total of non-current assets other than available-for-sale financial asset and deferred tax assets located in Hong Kong is HK$784,820,000 (2016: HK$757,951,000), and the total of these non-current assets located in other countries is HK$88,552,000 (2016: HK$86,413,000) as at 31 December 2017.

3. Expenses by nature

	2017	2016
	HK$'000	HK$'000
Amortisation of lease premium for land	**1,224**	1,232
Auditor's remuneration		
Audit services	**2,010**	1,926
Non-audit services	**723**	556
Cost of inventories sold	**3,091,353**	2,962,349
Delivery charges	**86,894**	83,543
Depreciation of owned fixed assets	**72,219**	65,446
Depreciation of investment properties	**969**	973
Employee benefit expense	**843,564**	813,538
Losses on disposal of fixed assets	**2,841**	2,390
Operating leases rental for land and buildings		
Minimum lease payment	**520,074**	494,994
Contingent lease payment	**3,791**	5,553
Utilities	**82,537**	84,119
Foreign exchange losses	**799**	1,223
Other expenses	**310,352**	291,154
Total cost of sales, store expenses, distribution costs, administrative expenses and non-core operating gain	**5,019,350**	4,808,996

4. Interest income

	2017	2016
	HK$'000	HK$'000
Interest income on bank deposits	**1,542**	2,154

5. Income tax expenses

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for 2017 and 2016. 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:

	2017	2016
	HK$'000	HK$'000
Current income tax		
Hong Kong profits tax	**26,649**	28,263
Overseas profits tax	**6,120**	6,190
Deferred income tax charge/(credit)	**1,056**	(1,880)
	33,825	32,573

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 Group as follows:

	2017	2016
	HK$'000	HK$'000
Profit before income tax	**184,136**	172,200
Calculated at a taxation rate of 16.5%	**30,382**	28,413
Effect of different taxation rates in other jurisdictions	**(1,624)**	13
Income not subject to taxation	**(1,560)**	(3,220)
Expenses not deductible for tax purposes	**4,325**	2,692
Tax losses not recognised	**3,284**	4,323
Reversal of previously recognised temporary differences	**-**	239
(Over)/under provision in prior year	**(982)**	113
	33,825	32,573

6. 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.

	2017	2016
	HK$'000	HK$'000
Profit attributable to shareholders of the Company	**150,311**	139,627
	Number of shares	Number of shares
Weighted average number of ordinary shares in issue	**760,999,074**	754,785,127
Adjustment for:		
Share options	**53,345**	613,142
Weighted average number of ordinary shares for diluted earnings per share	**761,052,419**	755,398,269

7. Dividends

	2017 HK$'000	2016 HK$'000
Interim dividend, proposed of 4 HK cents (2016: 3.5 HK cents) per share	**30,497**	26,413
Final dividend, proposed of 14 HK cents (2016: 13 HK cents) per share	**106,745**	98,189
Special dividend, proposed of nil HK cents (2016: 27 HK cents) per share	**-**	203,931
	137,242	328,533

At a meeting held on 7 March 2018, the Directors proposed a final dividend of 14 HK cents. This proposed dividend is not reflected as dividend payable in these consolidated financial statements.

8. Trade receivables

Majority of the Group's revenue are retail cash sales. The Group's credit terms on trade receivables on income from suppliers/customers 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 2017, the aging analysis by invoice date of trade receivables is as follows:

	2017 HK$'000	2016 HK$'000
0-30 days	**59,460**	48,035
31-60 days	**7,829**	5,464
61-90 days	**6,972**	3,113
Over 90 days	**7,756**	4,271
	82,017	60,883

9. Trade payable

At 31 December 2017, the aging analysis by invoice date of the trade payables is as follows:

	2017 HK$'000	2016 HK$'000
0-30 days	**424,391**	396,688
31-60 days	**151,636**	135,554
61-90 days	**60,740**	54,987
Over 90 days	**32,943**	31,066
	669,710	618,295

Corporate Governance

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

In order to enhance 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 is responsible for setting the overall strategy of the Group and making decisions on major operational and financial matters as well as investments. The Board has established the following committees with defined terms of reference (available on the Company's corporate website), which are in line with the Corporate Governance Code (the "CG Code") and Corporate Governance Report contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"):

- Audit Committee
- Remuneration Committee
- Nomination Committee

All the committees comprise a majority of Independent Non-executive Directors. Each of the Audit Committee and Remuneration Committee is chaired by an Independent Non-executive Director, and the Nomination Committee is chaired by the Non-executive Chairman.

The Group Chief Compliance and Risk Management Officer is invited to attend all Board and committee meetings to advise on corporate governance matters covering risk management, internal controls and compliance issues relating to business operations, mergers and acquisitions, accounting and financial reporting.

Full details of the Company's corporate governance practices are set out in the Company's 2017 Annual Report.

Audit Committee

The Audit Committee met four times in 2017 (with an average attendance rate of 90%) to consider and review with senior management, the Company's internal auditor under the Corporate Governance Division ("CGD") and external auditor various matters as set out in the Audit Committee's terms of reference, which included the following:

- Independence of external auditor, their related terms of engagement and fees;

- The Group's accounting policies and practices, compliance with the Listing Rules and statutory requirements, connected transactions, risk management and internal control systems, policies and practices on corporate governance, treasury and financial reporting matters (including the annual and interim financial statements before recommending to the Board for approval);

- Adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting and internal audit functions; and

- Audit plans, findings and reports of external auditor and CGD, as well as their effectiveness.

The Group's annual results for the year ended 31 December 2017 have been reviewed by the Audit Committee.

Directors' and Relevant Employees' Securities Transactions

The Group has adopted a Code for Securities Transactions (the "Securities Code") governing Directors' securities transactions in compliance with the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. Relevant employees who are likely to be in possession of inside information of the Group are also subject to compliance with the Securities Code.

Specific confirmation of compliance has been obtained from each Director and each relevant employee. No incident of non-compliance by Directors and relevant employees was noted by the Company in 2017.

Risk Management and Internal Control

The Board is responsible for the Group's risk management and internal control systems and for reviewing their effectiveness and adequacy with the assistance of the Audit Committee.

The Board has delegated to management the design, implementation and ongoing monitoring of the risk management and internal control systems. Qualified personnel throughout the Group maintain and monitor these systems on an ongoing basis.

The Audit Committee, with delegated authority from the Board and the assistance of CGD, conducted an annual review of the effectiveness and adequacy of the Group's risk management and internal control systems for the year ended 31 December 2017 which has been confirmed by senior management by the completion of an Internal Control Self-Assessment Checklist in each material business unit across the Group.

Based on the above and the assessment made by CGD, and also taking into account the results of the work conducted by the external auditor for the purpose of their audit, the Audit Committee considered that for the year ended 31 December 2017:

- The risk management and internal control systems, as well as accounting systems of the Group remained in place and were functioning effectively and adequately, 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 for identifying, evaluating and managing the significant risks faced by the Group.

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

Compliance with the Corporate Governance Code

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 CG Code throughout the year ended 31 December 2017.

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.

Final Dividend

The Board of Directors recommended to pay to the shareholders of the Company a final dividend of 14 HK cents (2016: final dividend of 13 HK cents plus a special dividend of 27 HK cents) per share for the year ended 31 December 2017. Together with the interim dividend of 4 HK cents (2016: 3.5 HK cents) per share paid by the Company on 14 September 2017, the proposed final dividend make a total dividend of 18 HK cents (2016: 43.5 HK cents) per share for the year.

Annual General Meeting

The Annual General Meeting of the Company will be held at 4:00 p.m. on Thursday, 10 May 2018 at Ground Floor, Hong Kong Spinners Industrial Building, Phases I & II, 800 Cheung Sha Wan Road, Kowloon, Hong Kong. The Notice of Annual General Meeting will be published on the Company's website at *www.cr-asia.com* and HKExnews website at *www.hkexnews.hk*, and despatched to the shareholders of the Company shortly.

Record Dates and Closure of Register of Members

	Hong Kong Time 2018
For determining shareholder's right to attend and vote at Annual General Meeting:	
Latest time to lodge transfer documents with share registrar *(Note i)*	4:30 p.m., 4 May
Record Date *(Note ii)*	4 May
For determining shareholder's entitlement to the proposed final dividend:	
Latest time to lodge transfer documents with share registrar *(Note i)*	4:30 p.m., 16 May
Closure of Register of Members *(Note iii)*	17 to 18 May (both days inclusive)
Record Date *(Note ii)*	18 May
Expected despatch date of dividend warrants	30 May

Notes:

(i) To be eligible to attend and vote at the Annual General Meeting, and to be entitled to the final dividend, all transfers accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than the respective latest time mentioned above.

(ii) Shareholders who are eligible to attend and vote at the Annual General Meeting are those whose names appear on the Register of Members of the Company as at the close of business on Friday, 4 May 2018. Shareholders who are entitled to the final dividend are those whose names appear on the Register of Members of the Company as at the close of business on Friday, 18 May 2018.

(iii) No transfer of shares will be registered during the closure of Register of Members.

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

Hong Kong, 7 March 2018

As at the date of this announcement, Executive Directors of the Company are Mr Richard Yeung Lap Bun and Mr Pak Chi Kin; Non-executive Directors are Dr Victor Fung Kwok King, Dr William Fung Kwok Lun, Mr Godfrey Ernest Scotchbrook and Mr Benedict Chang Yew Teck; Independent Non-executive Directors are Mr Malcolm Au Man Chung, Mr Anthony Lo Kai Yiu, Mr Zhang Hongyi and Dr Sarah Mary Liao Sau Tung.