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If you have sold or transferred all your shares in **Saint Honore Holdings Limited**, you should at once hand this document to the purchaser or other transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

**DISCLOSEABLE TRANSACTION
SALE OF PROPERTY**

8th October, 2003

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Saint Honore Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Disposal”	disposal of the Property by Uni-Leptics to Moon Lee Finance Company Limited pursuant to the S&P Agreement
“Group”	the Company and its subsidiaries
“HKCM”	Hong Kong Catering Management Limited, a company incorporated in Hong Kong and listed on the main board of the Stock Exchange
“Latest Practicable Date”	3rd October, 2003
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop No. 10 on G/F, Empire Court, Nos. 2&4 Hysan Avenue, Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“S&P Agreement”	the Sale and Purchase agreement dated 19th September, 2003 entered into between Uni-Leptics and Moon Lee Finance Company Limited in relation to the Disposal
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Uni-Leptics”	Uni-Leptics Limited, a company incorporated in Hong Kong and an indirectly wholly owned subsidiary of the Company

LETTER FROM THE BOARD



SAINT HONORE HOLDINGS LIMITED
聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION
SALE OF PROPERTY

Directors:

Mr. Chan Wai Cheung, Glenn, *Chairman*
Mr. Shum Wing Hon, *Deputy-chairman*
Ms. Wong Man Li, Carrina, *Managing Director*
Mr. Chan Ka Lai, Joseph
Mr. Chan Ka Shun, Raymond
Mr. Wong Chung Piu, Billy
Mrs. Chan King Catherine
Dr. Cheung Wai Lam, William*
Dr. Ho Sai Wah, David*
Mr. Bingley Wong*

* *Independent Non-executive Directors*

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place

of business in Hong Kong:
5th Floor
Express Industrial Building
43 Heung Yip Road
Wong Chuk Hang
Hong Kong

8th October, 2003

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

The Board announced on 19th September, 2003 that Uni-Leptics, an indirectly wholly owned subsidiary of the Company, entered into the S&P Agreement with Moon Lee Finance Company Limited for the Disposal at a cash consideration of HK\$17,800,000.

The Disposal constitutes a discloseable transaction under the Listing Rules. The purpose of this circular is to provide you with further details of the S&P Agreement and other information as required by the Listing Rules.

LETTER FROM THE BOARD

S&P AGREEMENT

Date: 19th September, 2003

Parties:

Vendor: Uni-Leptics, an indirectly wholly owned subsidiary of the Company

Purchaser: Moon Lee Finance Company Limited, a company incorporated in Hong Kong. Each of Moon Lee Finance Company Limited and its beneficial owner(s) is an independent third party not connected with any of the directors, chief executives or substantial shareholders of the Company or any of its subsidiaries or the associates (as defined in the Listing Rules) of any of them.

Property:

The Property is all that piece or parcel of ground registered in the Land Registry as Section U of Inland Lot No.29 And of and in the messuages, erections and building thereon now known as "EMPIRE COURT" Nos.2 and 4 Hysan Avenue, Hong Kong. The gross floor area of the Property is about 900 square feet and the Property is non-residential property within the meanings of Section 29A(1) of the Stamp Duty Ordinance (Cap.117).

The Property is sold free from mortgages and encumbrances but subject to the existing tenancy agreement. The aggregate net annual rental income arisen from the Property were approximately HK\$936,000 and HK\$936,000 respectively for each of the two years ended 31st March, 2003.

Consideration:

The consideration of HK\$17,800,000 is to be paid by cash and was agreed after arm's length negotiations between the parties to the S&P Agreement. The Property was revalued on 31st March, 2003 at HK\$10,500,000 pursuant to a valuation conducted by an independent property valuer, BMI Appraisals Limited. The book value of the Property was recorded as HK\$10,500,000 in the annual report of the Company for the year ended 31st March, 2003. The consideration was determined based on the best offer price of the Property received in the current market situation. In view of the present market sentiment and by reference to the aforesaid valuation report, the Directors consider that the consideration in respect of the Disposal is fair and reasonable.

Payment terms:

Upon signing of the S&P Agreement, Uni-Leptics has received in cash deposit of HK\$1,780,000, representing 10% of the consideration of the Disposal. Moon Lee Finance Company Limited will pay in cash the balance of the consideration of the Disposal, being HK\$16,020,000, to Uni-Leptics on completion of the Disposal.

LETTER FROM THE BOARD

Completion date:

Completion of the S&P Agreement shall take place on or before 5th November, 2003.

DISCLOSEABLE TRANSACTION

As the consideration of the Disposal exceeds 15% of the Company's consolidated net tangible asset value as set out in its annual report for the year ended 31st March, 2003, the transaction contemplated by the S&P Agreement constitutes a discloseable transaction for the Company under the Listing Rules and the Company is required to disclose the Disposal.

USE OF SALES PROCEEDS

The net sales proceeds of the Property, estimated at approximately HK\$17,600,000, will be used for working capital purposes of the Group.

REASONS FOR THE DISPOSAL

The Property was acquired by the Group in 1992. The Property was used by the Group for commercial purpose up to the year 2000, and thereafter, the Property was used for rental income purposes. The Directors consider that, taken into account the current market situation, the Disposal is a good opportunity for the Company to realise the Property and to consolidate its assets for other investment opportunities. The Directors confirm that the Company currently has no plan of applying the net proceeds to any specific and concrete investment opportunity.

FINANCIAL EFFECT OF THE DISPOSAL

The net book value of the Property was HK\$10,500,000 as at 31st March, 2003. It is estimated that, upon completion of the Disposal, the Group will record an excess of the consideration over the book value of approximately HK\$7,100,000, subject to audit.

GENERAL

The Company is an investment holding company incorporated in Bermuda with limited liability. The Group is principally engaged in bakery and eatery business and property investment in Hong Kong. The Directors believe that the terms of the S&P Agreement are fair and reasonable and are in the best interests of the Company so far as the Shareholders taken as a whole are concerned.

By Order of the Board
SAINT HONORE HOLDINGS LIMITED
Lucy Wong
Company Secretary

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular. They confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the Directors and chief executives of the Company and their respective associates had the following interests and short positions in the equity and debt securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executives of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Name of Company	Name of director	Note	Number of ordinary shares held		
			Personal interest	Other interest	
The Company	Chan Wai Cheung, Glenn	(a)	–	28,435,652	
		(b)	–	118,028,098	
	Chan King Catherine	(a)	–	28,435,652	
		(b)	–	118,028,098	
	Chan Ka Lai, Joseph	(a)	182,000	–	
		(b)	–	28,435,652	
	Chan Ka Shun, Raymond	(a)	162,500	–	
		(b)	–	28,435,652	
	HKCM	Chan Wai Cheung, Glenn	(a)	–	113,742,609
			(b)	–	113,742,609
		Chan King Catherine	(a)	–	113,742,609
			(b)	–	113,742,609
Chan Ka Lai, Joseph		(a)	1,200,000	–	
		(b)	–	113,742,609	
Chan Ka Shun, Raymond	(a)	650,000	–		
	(b)	–	113,742,609		

Notes:

- (a) These shares are directly held by Well-Positioned Corporation (“Well”), a company beneficially owned by a trust established for the benefit of the family members of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine. Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond, being the eligible beneficiaries under the trust, are also considered interested in these shares.
- (b) Well also holds indirect interests in the Company as 118,028,098 shares of the Company are held by HKCM through its wholly owned subsidiary, Albion Agents Limited.

The details of the options issued to the Directors and chief executives of the Company and their respective associates under the share option scheme of the Company adopted on 25th October, 2000 to subscribe for the ordinary shares of the Company are summarised below:

Name of director	Grant date	Exercise period		Exercise price HK\$	Number of share options as at the Latest Practicable Date
		From	To		
Chan Ka Shun, Raymond	15th Jan, 2001	1st May, 2001	31st May, 2010	0.50	1,000,000
	15th Jan, 2001	1st May, 2002	31st May, 2010	0.50	1,000,000
	31st Aug, 2001	1st Mar, 2002	30th Sept, 2011	0.55	300,000
	31st Aug, 2001	1st Sept, 2002	30th Sept, 2011	0.55	300,000
				Total	<u>2,600,000</u>
Shum Wing Hon	15th Jan, 2001	1st May, 2001	31st May, 2010	0.50	1,000,000
	15th Jan, 2001	1st May, 2002	31st May, 2010	0.50	1,000,000
	31st Aug, 2001	1st Mar, 2002	30th Sept, 2011	0.55	300,000
	31st Aug, 2001	1st Sept, 2002	30th Sept, 2011	0.55	300,000
				Total	<u>2,600,000</u>
Wong Man Li, Carrina	15th Jan, 2001	1st May, 2001	31st May, 2010	0.50	1,000,000
	15th Jan, 2001	1st May, 2002	31st May, 2010	0.50	1,000,000
	31st Aug, 2001	1st Mar, 2002	30th Sept, 2011	0.55	300,000
	31st Aug, 2001	1st Sept, 2002	30th Sept, 2011	0.55	300,000
				Total	<u>2,600,000</u>
Wong Chung Piu, Billy	15th Jan, 2001	1st May, 2001	31st May, 2010	0.50	750,000
	31st Aug, 2001	1st Mar, 2002	30th Sept, 2011	0.55	375,000
	31st Aug, 2001	1st Sept, 2002	30th Sept, 2011	0.55	375,000
				Total	<u>1,500,000</u>

In addition, one director of the Company is holding options in HKCM. Details of such options are summarised below:

Name of director	Grant date	Exercise period		Exercise price HK\$	Number of HKCM share options as at the Latest Practicable Date
		From	To		
Chan Ka Lai, Joseph	30th Aug, 2001	1st Oct, 2001	30th Sept, 2011	0.48	1,000,000
	30th Aug, 2001	1st Mar, 2002	30th Sept, 2011	0.48	1,000,000
	30th Aug, 2001	1st Sept, 2002	30th Sept, 2011	0.48	1,000,000
					3,000,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executives of the Company and their respective associates had any interests or short positions in the equity and debt securities of the Company and its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which any such Directors and chief executives of the Company was taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

3. SUBSTANTIAL SHAREHOLDER

As at the Latest Practicable Date, so far as is known to the Directors or chief executives of the Company, the following persons (other than the Directors or the chief executives of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options in respect of such capital:

	Number of ordinary shares held in the Company	Percentage holding
HKCM (<i>note a</i>)	118,028,098	59.91%
Well (<i>note b</i>)	28,435,652	14.43%

Notes:

- (a) These shares are held by HKCM through its wholly owned subsidiary, Albion Agents Limited.
- (b) It is also deemed to be interested in the Company indirectly by virtue of being the controlling shareholder of HKCM.

Save as disclosed above, as at the Latest Practicable Date, there were no other persons (other than the Directors or the chief executives of the Company) who was recorded in the register of the Company as having an interest or short position in the Shares or underlying Shares which

would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or in any options in respect of such capital.

4. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company are as follows:

HK\$

Authorised:

400,000,000 ordinary shares of HK\$0.10 each	40,000,000
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Issued and fully paid:

197,017,000 ordinary shares of HK\$0.10 each	19,701,700
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5. LITIGATION

As at the Latest Practicable Date, none of the members of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

6. DIRECTORS' SERVICE CONTRACTS

No director has a service contract with the Company or any of its subsidiaries which is not determinable by the employing company within one year without payment of compensation (other than statutory compensation).

7. MISCELLANEOUS

- The company secretary of the Company is Ms. Wong Tsui Yue, Lucy, who is a fellow member of The Hong Kong Society of Accountants and an associate member of the Institute of Chartered Accountants in Australia;
- The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda;
- The head office and principal place of business of the Company in Hong Kong is at 5th Floor, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong;
- The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong; and
- In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.