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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Saint Honore Holdings Limited**, you should at once hand this circular 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
ACQUISITION OF PROPERTY**

23 October 2003

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DEFINITIONS

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

“Acquisition”	acquisition of the Property by KWL from JBL pursuant to the S&P Agreement
“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
“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
“JBL”	Jumbo Business Limited, a company incorporated in Hong Kong with limited liability. Each of JBL 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
“KWL”	Kingdom Wise Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly owned subsidiary of the Company
“Latest Practicable Date”	20 October 2003
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Lot No.3653 in D.D. 120 (No.112 Castle Peak Road, Yuen Long, New Territories, 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 3 October 2003 entered into between JBL and KWL in relation to the Acquisition

DEFINITIONS

“Share(s)”	ordinary 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
“Well”	Well-Positioned Corporation, a company incorporated in British Virgin Islands with limited liability and beneficially owned by a trust established for the benefit of the family members of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine



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

(Incorporated in Bermuda with limited liability)

DISCLOSEABLE TRANSACTION
ACQUISITION 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 Director*

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

23 October 2003

To the Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION

INTRODUCTION

The Board announced on 7 October 2003 that KWL, an indirectly wholly owned subsidiary of the Company, entered into the S&P Agreement with JBL for the Acquisition at a cash consideration of HK\$18,000,000.

The Acquisition 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: 3 October 2003

Parties:

Vendor: JBL, a company incorporated in Hong Kong with limited liability. Each of JBL 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

Purchaser: KWL, an indirectly wholly owned subsidiary of the Company

Property:

The Property is all that piece or parcel of ground registered in the Yuen Long New Territories Land Registry as Lot No.3653 in D.D.120 Together with the messuages, erections and buildings thereon.

The Property comprises a 3-storey tenement building and a cockloft with a site area of approximately 1,400 square feet and a total saleable area of approximately 3,700 square feet. The Property is non-residential property within the meanings of Section 29A(1) of the Stamp Duty Ordinance.

Part of the Property is sold subject to the existing tenancy agreement. Vacant possession of the Property not subject to the aforesaid tenancy agreement shall be delivered to KWL on completion. The Property is sold free from mortgages and encumbrances.

Consideration:

The consideration of HK\$18,000,000 is to be paid in cash by KWL to JBL and was agreed after arm's length negotiations between JBL and KWL. The Property was valued HK\$18,200,000 as at 2 October 2003 pursuant to a valuation conducted by an independent property valuer, BMI Appraisals Limited. The consideration was determined after taking into account the Directors' estimation of the market value of the Property with reference to the said independent valuation and the prevailing market conditions.

Payment terms:

Upon signing of the S&P Agreement, KWL has paid in cash deposit of HK\$1,800,000, representing 10% of the consideration of the Acquisition. KWL will pay in cash the balance of the consideration of the Acquisition, being HK\$16,200,000, to JBL on completion of the Acquisition.

Completion date:

Completion of the S&P Agreement shall take place on or before 3 November 2003.

LETTER FROM THE BOARD

REASONS FOR THE ACQUISITION OF THE PROPERTY

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 consider that the Property is a high quality asset for own use and investment purposes. It is intended that part of the Property which is subject to the existing tenancy agreement will be used for rental income purpose while the remaining part of the Property will be used for commercial use. The Directors believe that the Acquisition can enhance the property portfolio and future earnings of the Group.

SOURCES OF THE CONSIDERATION

It is intended that the consideration of the Acquisition will be funded entirely by internal resources of the Group.

DISCLOSEABLE TRANSACTION

As the consideration of the Acquisition exceeds 15% of the Company's consolidated net tangible asset value as set out in its annual report for the year ended 31 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 Acquisition.

FINANCIAL EFFECT OF THE ACQUISITION

Upon the completion of the Acquisition, the earnings of the Group will be increased by HK\$110,000 per month, representing the rental income from the existing tenancy of the Property. Fixed assets will increase by approximately HK\$18,675,000, representing the book value and stamp duty of the Property, and cash and bank balances will decrease in aggregate by approximately HK\$19,000,000, representing the consideration, stamp duty and the relevant expenses of the Acquisition. Save as disclosed herewith, there is no other effects of the Acquisition on earnings or assets and liabilities of the Company upon the completion of the Acquisition.

GENERAL

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 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 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. 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 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 25 October 2000 to subscribe for the Shares 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	15 Jan 2001	1 May 2001	31 May 2010	0.50	1,000,000
	15 Jan 2001	1 May 2002	31 May 2010	0.50	1,000,000
	31 Aug 2001	1 Mar 2002	30 Sept 2011	0.55	300,000
	31 Aug 2001	1 Sept 2002	30 Sept 2011	0.55	300,000
				Total	<u>2,600,000</u>
Shum Wing Hon	15 Jan 2001	1 May 2001	31 May 2010	0.50	1,000,000
	15 Jan 2001	1 May 2002	31 May 2010	0.50	1,000,000
	31 Aug 2001	1 Mar 2002	30 Sept 2011	0.55	300,000
	31 Aug 2001	1 Sept 2002	30 Sept 2011	0.55	300,000
				Total	<u>2,600,000</u>
Wong Man Li, Carrina	15 Jan 2001	1 May 2001	31 May 2010	0.50	1,000,000
	15 Jan 2001	1 May 2002	31 May 2010	0.50	1,000,000
	31 Aug 2001	1 Mar 2002	30 Sept 2011	0.55	300,000
	31 Aug 2001	1 Sept 2002	30 Sept 2011	0.55	300,000
				Total	<u>2,600,000</u>
Wong Chung Piu, Billy	15 Jan 2001	1 May 2001	31 May 2010	0.50	750,000
	31 Aug 2001	1 Mar 2002	30 Sept 2011	0.55	375,000
	31 Aug 2001	1 Sept 2002	30 Sept 2011	0.55	375,000
				Total	<u>1,500,000</u>

In addition, one Director 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	30 Aug 2001	1 Oct 2001	30 Sept 2011	0.48	1,000,000
	30 Aug 2001	1 Mar 2002	30 Sept 2011	0.48	1,000,000
	30 Aug 2001	1 Sept 2002	30 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 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 Shares	Percentage holding
HKCM (<i>note a</i>)	118,028,098	59.76%
Well (<i>note b</i>)	28,435,652	14.40%

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:

	<i>HK\$</i>
<i>Authorised:</i>	
400,000,000 Shares	<u>40,000,000</u>
<i>Issued and fully paid:</i>	
197,517,000 Shares	<u>19,751,700</u>

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.