

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

## **WELL-POSITIONED CORPORATION**

*(Incorporated in the British Virgin Islands with limited liability)*



**HONG KONG CATERING MANAGEMENT LIMITED**

**香港飲食管理有限公司**

*(Incorporated in Hong Kong with limited liability)*



**SAINT HONORE HOLDINGS LIMITED**

**聖安娜控股有限公司**

*(Incorporated in Bermuda with limited liability)*

## **ANNOUNCEMENT**

**Voluntary conditional cash offers by**



**on behalf of**

**Well-Positioned Corporation**

**to acquire all of the issued shares in the capital of,  
and for cancellation of all outstanding options of,  
each of Hong Kong Catering Management Limited and  
Saint Honore Holdings Limited**

**(other than those already owned by Well-Positioned Corporation  
or parties acting in concert with it, but including those owned by the Non-Relative Directors)**

**Financial adviser to Well-Positioned Corporation**



**AMS Corporate Finance Limited**

On 29 December 2003, each of the boards of directors of HKCM and SHHL received a notification from the Offeror setting out the terms of a voluntary conditional cash offer to acquire, respectively, all the issued shares in the share capital of HKCM and SHHL (other than those already owned by the Offeror or parties acting in concert with it, but including those owned by the Non-Relative Directors) and a voluntary conditional cash offer for cancellation of, respectively, all the outstanding HKCM Options and SHHL Options (other than those already owned by the Offeror or parties acting in concert with it, but including those owned by the Non-Relative Directors).

The Offers will be conditional (see “Conditions of the HKCM Offers” and “Conditions of the SHHL Offers” below). In particular, the HKCM Share Offer will be subject to and conditional, among other things, upon valid acceptances having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date in respect of HKCM Shares which, together with the HKCM Shares held by the Offeror or parties acting in concert with it, constitute more than 50% of the entire issued share capital of HKCM as at the First Closing Date, such HKCM Shares carrying more than 50% of the voting rights normally exercisable at general meetings of HKCM. The HKCM Option Offer and the SHHL Offers will be subject to and conditional upon the HKCM Share Offer becoming unconditional in all respects.

As at the date of this announcement, the Offeror and the parties acting in concert with it excluding the Non-Relative Directors, are the beneficial owners of 116,934,609 HKCM Shares, representing approximately 36.47% of the total issued share capital of HKCM.

As at the date of this announcement, HKCM, through its subsidiary, is the controlling shareholder (as defined in the Listing Rules) of SHHL holding approximately 57.29% of the existing issued share capital of SHHL. The Offeror and the parties acting in concert with it excluding the Non-Relative Directors are also directly interested in 29,115,652 SHHL Shares, representing approximately 14.13% of the existing issued share capital of SHHL.

The HKCM Share Offer Price shall be HK\$0.77 in cash for each HKCM Share, representing a discount of approximately 11.49% to the closing price of HK\$0.87 per HKCM Share as quoted on the Stock Exchange on the Last Trading Day and a premium of approximately 0.52% over the average closing price of approximately HK\$0.766 per HKCM Share for the last 30 trading days up to and including the Last Trading Day. The HKCM Share Offer Price also represents a discount of approximately 22.92% to the audited consolidated net asset value per HKCM Share of approximately HK\$0.999 as at 31 March 2003. As at the date of this announcement, HKCM has 14,230,000 outstanding HKCM Options granted under its employee share option scheme which are exercisable at HK\$0.48 per HKCM Share. The exercise in full of the outstanding HKCM Options would result in the issue of an additional 14,230,000 HKCM Shares. The HKCM Option Offer Price shall be HK\$0.29 in cash for cancellation of each HKCM Option.

The SHHL Share Offer Price shall be HK\$1.09 in cash for each SHHL Share, representing a discount of approximately 17.42% to the closing price of HK\$1.32 per SHHL Share as quoted on the Stock Exchange on the Last Trading Day and a premium of approximately 0.46% over the average closing price of approximately HK\$1.085 per SHHL Share for the last 30 trading days up to and including the Last Trading Day. The SHHL Share Offer Price also represents a premium of approximately 43.99% over the audited consolidated net asset value per SHHL Share of approximately HK\$0.757 as at 31 March 2003. As at the date of this announcement, SHHL has 8,400,000 outstanding SHHL Options granted under its employee share option scheme, of which 4,210,000 SHHL Options are exercisable at

HK\$0.50 each and 4,190,000 SHHL Options are exercisable at HK\$0.55 each. The exercise in full of the outstanding SHHL Options would result in the issue of an additional 8,400,000 SHHL Shares. The SHHL Option Offer Price shall be HK\$0.59 in cash for cancellation of each SHHL Option which is exercisable at HK\$0.50 per SHHL Share and shall be HK\$0.54 in cash for cancellation of each SHHL Option which is exercisable at HK\$0.55 per SHHL Share.

In compliance with Rule 8.2 of the Takeovers Code, the Offeror will despatch an offer document for each of the HKCM Offers and the SHHL Offers setting out the respective terms and other details of each of the HKCM Offers and the SHHL Offers, together with acceptance and transfer/cancellation forms, to the HKCM Shareholders, HKCM Optionholders, SHHL Shareholders and SHHL Optionholders respectively within 21 days of the date of this announcement.

Trading in the HKCM Shares and the SHHL Shares on the Stock Exchange was suspended at the request of HKCM and SHHL respectively with effect from 9:30 a.m. on 30 December 2003 pending the issue of this announcement. Application has been made by the respective boards of directors of HKCM and SHHL to the Stock Exchange for the resumption of trading in the HKCM Shares and the SHHL Shares with effect from 9:30 a.m. on 5 January 2004.

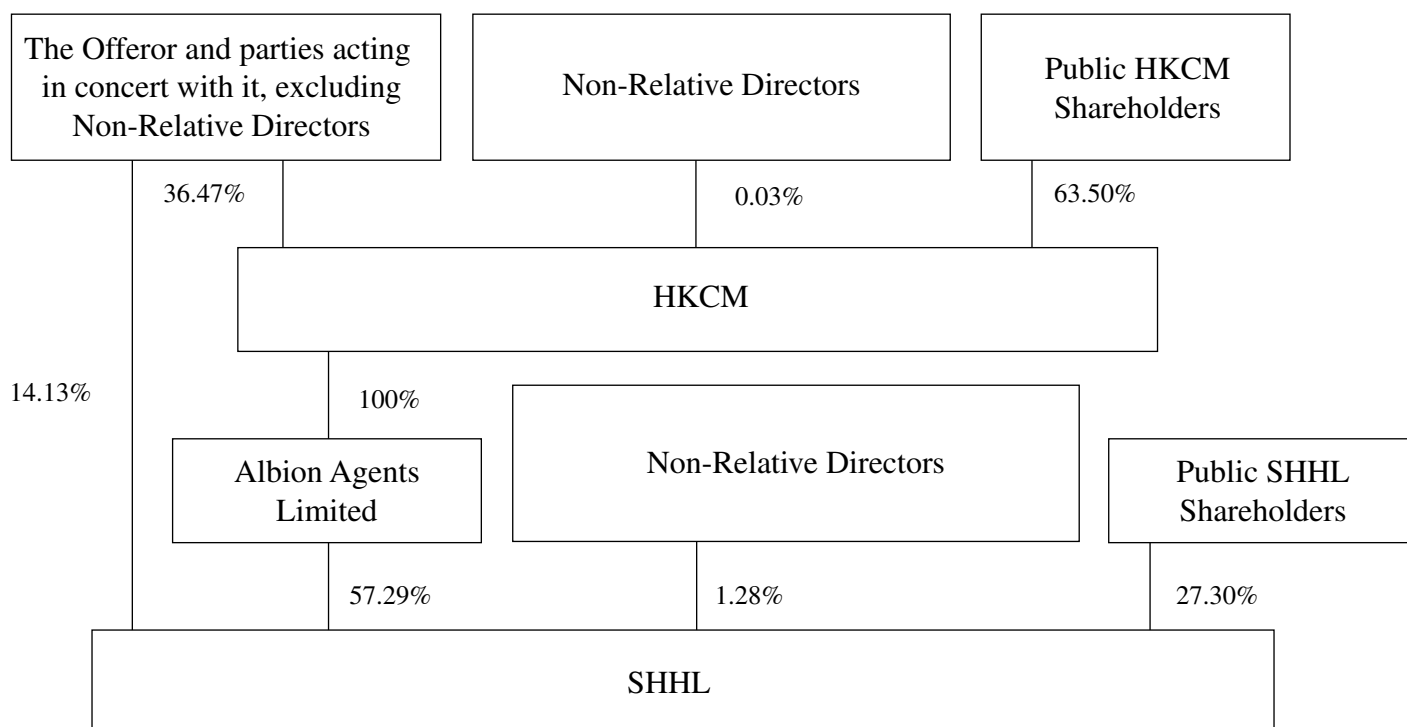
**The Offers are subject to conditions and accordingly they may lapse if they do not become unconditional. Shareholders and investors of HKCM and SHHL should exercise caution when dealing in the HKCM Shares and the SHHL Shares.**

## INTRODUCTION

On 29 December 2003, each of the boards of directors of HKCM and SHHL received a notification from the Offeror setting out the terms of a voluntary conditional cash offer to acquire, respectively, all the HKCM Shares and SHHL Shares in issue (other than those already owned by the Offeror or parties acting in concert with it, but including those owned by the Non-Relative Directors) and a voluntary conditional cash offer for cancellation of, respectively, all the outstanding HKCM Options and SHHL Options (other than those already owned by the Offeror or parties acting in concert with it, but including those owned by the Non-Relative Directors).

As at the date of this announcement, the Offeror and the parties acting in concert with it excluding the Non-Relative Directors, are the beneficial owners of 116,934,609 HKCM Shares, representing approximately 36.47% of the total issued share capital of HKCM. HKCM, through its subsidiary, is the controlling shareholder (as defined in the Listing Rules) of SHHL holding approximately 57.29% of the existing issued share capital of SHHL. The Offeror and the parties acting in concert with it excluding the Non-Relative Directors are also directly interested in 29,115,652 SHHL Shares, representing approximately 14.13% of the total issued share capital of SHHL.

## Shareholding structure of HKCM and SHHL



### Notes:

- As at the date of this announcement, the Offeror is the registered holder of 113,742,609 HKCM Shares, representing approximately 35.48% of the total issued share capital of HKCM, and a company beneficially owned by a trust established for the benefit of the family members of Mr. & Mrs. Chan, both of whom are directors of the Offeror, HKCM and SHHL. Mr. Chan Ka Lai, Joseph, a director of both HKCM and SHHL and a son of Mr. & Mrs. Chan, is interested in 1,200,000 HKCM Shares (representing approximately 0.37% of the issued share capital of HKCM) and holds 3,000,000 HKCM Options. Mr. Chan Ka Shun, Raymond, a director of SHHL and a son of Mr. & Mrs. Chan, is interested in 650,000 HKCM Shares (representing approximately 0.20% of the issued share capital of HKCM). Both Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond are eligible beneficiaries under the trust. In addition, other family members of Mr. & Mrs. Chan who are not directors of HKCM or SHHL are interested in an aggregate of 1,342,000 HKCM Shares (representing approximately 0.42% of the issued share capital of HKCM).
- As at the date of this announcement, HKCM is interested in 118,028,098 SHHL Shares, representing approximately 57.29% of the total issued share capital of SHHL. The Offeror is interested in 28,435,652 SHHL Shares (representing approximately 13.80% of the issued share capital of SHHL). Mr. Chan Ka Lai, Joseph, a director of both HKCM and SHHL and a son of Mr. & Mrs. Chan, is interested in 182,000 SHHL Shares (representing approximately 0.09% of the issued share capital of SHHL). Mr. Chan Ka Shun, Raymond, a director of SHHL and a son of Mr. & Mrs. Chan, is interested in 162,500 SHHL Shares (representing approximately 0.08% of the issued share capital of SHHL) and holds 2,600,000 SHHL Options. In addition, other family members of Mr. & Mrs. Chan who are not directors of HKCM or SHHL are interested in an aggregate of 335,500 SHHL Shares (representing approximately 0.16% of the issued share capital of SHHL).
- As at the date of this announcement, Mr. Chiu Wai, a director of HKCM, is beneficially interested in an aggregate of 112,000 HKCM Shares, representing approximately 0.03% of the issued share capital of HKCM. Mr. Ng Sai Hung, Mr. Chiu Wai and Ms. Wong Tsui Yue, Lucy, directors of HKCM, also hold an aggregate of 2,780,000 HKCM Options.

4. As at the date of this announcement, Ms. Wong Man Li, Carrina and Mr. Wong Chung Piu, Billy, directors of SHHL, are beneficially interested in an aggregate of 2,630,000 SHHL Shares, representing approximately 1.28% of the issued share capital of SHHL. These two directors together with Mr. Shum Wing Hon, who is also a director of SHHL, hold an aggregate of 3,950,000 SHHL Options. Mr. Shum Wing Hon is also a director of HKCM. Mr. Chiu Wai, a director of HKCM, is beneficially interested in 28,000 SHHL Shares, representing approximately 0.01% of the issued share capital of SHHL.

## THE HKCM OFFERS

The HKCM Offers, comprising the HKCM Share Offer and the HKCM Option Offer, will be made by Access Capital on behalf of the Offeror on the following basis:

**For each HKCM Share .....HK\$0.77 in cash.**  
**For cancellation of each HKCM Option .....HK\$0.29 in cash.**

### Comparisons of value

#### *The HKCM Share Offer*

The HKCM Share Offer Price of HK\$0.77 per HKCM Share has been determined by the Offeror by reference to, and is the approximate average of, the closing prices of the HKCM Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day.

The highest and lowest prices at which the HKCM Shares were traded on the Stock Exchange in the six month period immediately prior to 29 December 2003, being the Last Trading Day, were HK\$0.90 on 22 December 2003 and HK\$0.435 on 11 July 2003, respectively.

The HKCM Share Offer Price represents:

- (a) a discount of approximately 11.49% to the closing price of HK\$0.87 per HKCM Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 8.11% to the average closing price of approximately HK\$0.838 per HKCM Share for the last 10 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 0.52% over the average closing price of approximately HK\$0.766 per HKCM Share for the last 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 2.67% over the average closing price of approximately HK\$0.750 per HKCM Share for the three months up to and including the Last Trading Day;
- (e) a premium of approximately 15.10% over the average closing price of approximately HK\$0.669 per HKCM Share for the six months up to and including the Last Trading Day;
- (f) a discount of approximately 22.92% to the audited consolidated net asset value per HKCM Share of approximately HK\$0.999 as at 31 March 2003 (based on the audited consolidated net assets of approximately HK\$312.6 million and 313,028,609 HKCM Shares in issue as at 31 March 2003); and

- (g) a discount of approximately 23.46% to the unaudited consolidated net asset value per HKCM Share of approximately HK\$1.006 as at 30 September 2003 (based on the unaudited consolidated net assets of approximately HK\$314.9 million and 313,028,609 HKCM Shares in issue as at 30 September 2003).

### *The HKCM Option Offer*

The HKCM Option Offer Price represents the difference in value between the HKCM Share Offer Price and the exercise price of HK\$0.48 (subject to adjustment) of the outstanding HKCM Options.

Pursuant to the employee share option scheme of HKCM adopted on 13 March 2000, which is effective for ten years expiring on 20 November 2010, an aggregate of 14,230,000 HKCM Options were granted and remained unexercised as at the date of this announcement. The exercise price of each HKCM Option is HK\$0.48 (subject to adjustment). The exercise in full of the HKCM Options would result in the issue of an additional 14,230,000 HKCM Shares. As at the date hereof, HKCM does not have any other share option scheme.

Save for the HKCM Options, HKCM does not have other convertible securities, options or warrants in issue as at the date of this announcement.

### **Total consideration for the HKCM Offers**

As at the date hereof, HKCM has a total of 320,558,609 HKCM Shares in issue. On the basis of the HKCM Share Offer Price of HK\$0.77 per HKCM Share, the entire issued share capital of HKCM is valued at approximately HK\$246.8 million. On the basis of the HKCM Option Offer Price of HK\$0.29 for cancellation of each HKCM Option, the outstanding 14,230,000 HKCM Options will be valued at approximately HK\$4.1 million.

Based on a total of 203,624,000 HKCM Shares and 11,230,000 HKCM Options held by parties other than the Offeror or parties acting in concert with it but including those held by the Non-Relative Directors as at the date hereof, the consideration payable by the Offeror pursuant to the HKCM Share Offer and the HKCM Option Offer, if both the HKCM Share Offer and the HKCM Option Offer are accepted in full, is approximately HK\$156.8 million and HK\$3.3 million, respectively.

AMS and Access Capital are satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the HKCM Offers.

### **Terms of the HKCM Offers**

Under the terms of the HKCM Share Offer, the HKCM Shares will be acquired with all rights, other than the HKCM Interim Dividend, attached thereto as at the date on which the HKCM Share Offer is made, i.e. the date of posting of the HKCM Offer Document, or subsequently becoming attached thereto and free of all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the HKCM Option Offer, the HKCM Options together with all rights attaching thereto will be entirely cancelled and renounced when validly accepted.

## **Conditions of the HKCM Offers**

The HKCM Share Offer is conditional upon the following:

- (a) the HKCM Shares remaining listed and traded on the Main Board of the Stock Exchange from the date of this announcement to the date on which condition (c) below has been fulfilled save for any temporary suspension of trading of the HKCM Shares as a result of the HKCM Offers and no indication being received on or before the date on which condition (c) below has been fulfilled from the SFC and/or the Stock Exchange to the effect that the listing of the HKCM Shares on the Main Board of the Stock Exchange is or is likely to be withdrawn; and
- (b) no event having occurred on or before the date on which condition (c) below has been fulfilled which would make the HKCM Offers or the acquisition of any of the HKCM Shares by the Offeror and/or cancellation of the HKCM Options void, unenforceable, illegal or unable to be proceeded or would impose any additional material conditions or obligations with respect to the HKCM Offers or any part thereof or the acquisition of any of the HKCM Shares and/or cancellation of any HKCM Options; and
- (c) valid acceptances of the HKCM Share Offer having been received (and not, where permitted, withdrawn) by 4:00 p.m. on the First Closing Date (or such later time(s) and/or date(s) as the Offeror may decide and the Executive may approve) in respect of the HKCM Shares, which together with the HKCM Shares held by the Offeror and parties acting in concert with it constitute more than 50% of the entire issued share capital of HKCM as at the First Closing Date, such HKCM Shares carrying more than 50% of the voting rights normally exercisable at general meetings of HKCM and for the purposes of this condition, “voting rights normally exercisable at general meetings of HKCM” means the voting rights attributable to the HKCM Shares in issue on the Unconditional Date and to be issued pursuant to the HKCM Options which have been validly exercised by holders thereof prior to the First Closing Date. In accordance with the articles of association of HKCM, all HKCM Shares carry the same voting rights.

The HKCM Option Offer will be subject to and conditional upon the HKCM Share Offer becoming unconditional in all respects.

## **Waiver of the Conditions of the HKCM Offers**

Pursuant to the Takeovers Code, condition (c) above of the HKCM Offers cannot be waived. As regards conditions (a) and (b) which can be waived, the Offeror does not intend to waive either of them in whole or in part on or before the First Closing Date, but reserves its right to do so.

## **INFORMATION ON THE HKCM GROUP**

HKCM was incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange. HKCM is principally an investment holding and management company while its subsidiaries are principally engaged in the operation and management of restaurants and bakeries.

## Key financial information of the HKCM Group

Based on the latest audited annual report and unaudited interim report of HKCM, the audited consolidated results of the HKCM Group for each of the two years ended 31 March 2003 and the unaudited consolidated results of the HKCM Group for the six months ended 30 September 2003 were as follows:

	Year ended 31 March		Six months ended
	2002	2003	30 September
	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Unaudited)
Turnover	1,039,919	953,739	467,013
Profit/(loss) before taxation	37,336	(41,977)	19,900
Taxation	(7,868)	(7,320)	(3,570)
Profit/(loss) after taxation	29,468	(49,297)	16,330
Minority interests	(9,648)	(8,924)	(8,263)
Profit/(loss) attributable to HKCM Shareholders	19,820	(58,221)	8,067

The audited net asset positions of the HKCM Group as at 31 March 2002 and 31 March 2003 and the unaudited net asset position of the HKCM Group as at 30 September 2003 were as follows:

	As at 31 March		As at
	2002	2003	30 September
	HK\$'000	HK\$'000	2003
	(Audited)	(Audited)	HK\$'000
			(Unaudited)
Total assets	701,487	628,384	658,571
Total liabilities	267,690	250,557	273,302
Minority interests	62,257	65,231	70,382
Net asset value	371,540	312,596	314,887

## THE SHHL OFFERS

The SHHL Offers, comprising the SHHL Share Offer and the SHHL Option Offer, will be made by Access Capital on behalf of the Offeror on the following basis:

**For each SHHL Share .....HK\$1.09 in cash.**  
**For cancellation of each SHHL Option (which is exercisable at HK\$0.50) .....HK\$0.59 in cash.**  
**For cancellation of each SHHL Option (which is exercisable at HK\$0.55) .....HK\$0.54 in cash.**

## Comparisons of value

### *The SHHL Share Offer*

The SHHL Share Offer Price of HK\$1.09 per SHHL Share has been determined by the Offeror by reference to, and is the approximate average of, the closing prices of the SHHL Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day.



The highest and lowest prices at which the SHHL Shares were traded on the Stock Exchange in the six month period immediately prior to 29 December 2003, being the Last Trading Day, were HK\$1.55 on 18 December 2003 and HK\$0.69 on 14 July 2003, respectively.

The SHHL Share Offer Price represents:

- (a) a discount of approximately 17.42% to the closing price of HK\$1.32 per SHHL Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 12.80% to the average closing price of approximately HK\$1.250 per SHHL Share for the last 10 trading days up to and including the Last Trading Day;
- (c) a premium of approximately 0.46% over the average closing price of approximately HK\$1.085 per SHHL Share for the last 30 trading days up to and including the Last Trading Day;
- (d) a premium of approximately 5.93% over the average closing price of approximately HK\$1.029 per SHHL Share for the three months up to and including the Last Trading Day;
- (e) a premium of approximately 16.70% over the average closing price of approximately HK\$0.934 per SHHL Share for the six months up to and including the Last Trading Day;
- (f) a premium of approximately 43.99% over the audited consolidated net asset value per SHHL Share of approximately HK\$0.757 as at 31 March 2003 (based on the audited consolidated net assets of approximately HK\$148.5 million and 196,229,000 SHHL Shares in issue as at 31 March 2003); and
- (g) a premium of approximately 33.58% over the unaudited consolidated net asset value per SHHL Share of approximately HK\$0.816 as at 30 September 2003 (based on the unaudited consolidated net assets of approximately HK\$160.8 million and 197,017,000 SHHL Shares in issue as at 30 September 2003).

#### *The SHHL Option Offer*

The SHHL Option Offer Price represents the difference in value between the SHHL Share Offer Price and the exercise price of the respective SHHL Options.

Pursuant to the employee share option scheme of SHHL adopted on 25 October 2000, which is effective for ten years expiring on 24 October 2010, an aggregate of 8,400,000 SHHL Options were granted and remained unexercised as at the date of this announcement. Of the outstanding SHHL Options, 4,210,000 SHHL Options are exercisable at HK\$0.50 (subject to adjustment) per SHHL Share and 4,190,000 SHHL Options are exercisable at HK\$0.55 (subject to adjustment) per SHHL Share. The exercise in full of the SHHL Options would result in the issue of an additional 8,400,000 SHHL Shares. As at the date hereof, SHHL does not have any other share option scheme.

Save for the SHHL Options, SHHL does not have other convertible securities, options or warrants in issue as at the date of this announcement.

## **Total Consideration for the SHHL Offers**

As at the date hereof, SHHL has 206,017,000 SHHL Shares in issue. On the basis of the SHHL Share Offer Price of HK\$1.09 per SHHL Share, the entire issued share capital of SHHL is valued at approximately HK\$224.6 million. On the basis of the SHHL Option Offer Price of HK\$0.59 each for cancellation of 4,210,000 SHHL Options and of HK\$0.54 each for cancellation of 4,190,000 SHHL Options, the outstanding 8,400,000 SHHL Options will be valued at approximately HK\$4.7 million.

Based on a total of 58,873,250 SHHL Shares and 5,800,000 SHHL Options held by parties other than the Offeror or parties acting in concert with it but including those owned by the Non-Relative Directors, the consideration payable by the Offeror pursuant to the SHHL Share Offer and the SHHL Option Offer, if both the SHHL Share Offer and the SHHL Option Offer are accepted in full, is approximately HK\$64.2 million and HK\$3.2 million, respectively.

AMS and Access Capital are satisfied that sufficient financial resources are available to the Offeror to meet full acceptance of the SHHL Offers.

## **Terms of the SHHL Offers**

Under the terms of the SHHL Share Offer, the SHHL Shares will be acquired with all rights, other than the SHHL Interim Dividend, attached thereto as at the date on which the SHHL Share Offer is made, i.e. the date of posting of the SHHL Offer Document, or subsequently becoming attached thereto and free of all rights of pre-emption, options, liens, claims, equities, charges, encumbrances and third party rights.

Under the terms of the SHHL Option Offer, the SHHL Options together with all rights attaching thereto will be entirely cancelled and renounced when validly accepted.

## **Conditions of the SHHL Offers**

The SHHL Offers will be subject to and conditional upon the HKCM Share Offer becoming unconditional in all respects.

## **Waiver of the Conditions of the SHHL Offers**

The Offeror does not intend to waive all or any of the conditions for the SHHL Offers in whole or in part on or before the First Closing Date, but reserves its right to do so. It should be noted that as soon as the HKCM Share Offer becomes unconditional, details of which are described in the paragraph headed "Conditions of the HKCM Offers" above, the SHHL Offers will become unconditional mandatory offers under the Takeovers Code. However, if the HKCM Share Offer does not become unconditional, the SHHL Offers will lapse.

## **INFORMATION ON THE SHHL GROUP**

SHHL was incorporated in Bermuda with limited liability and its shares have become listed by way of an introduction on the Main Board of the Stock Exchange since November 2000. SHHL is an investment holding company and its subsidiaries are principally engaged in the operation of bakery, eatery and property investment.

## Key financial information of the SHHL Group

Based on the latest audited annual report and unaudited interim report of SHHL, the audited consolidated results of the SHHL Group for each of the two years ended 31 March 2003 and the unaudited consolidated results of the SHHL Group for the six months ended 30 September 2003 were as follows:

	Year ended 31 March		Six months ended
	2002	2003	30 September
	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Unaudited)
Turnover	476,189	494,492	279,551
Profit before taxation	24,479	25,426	23,647
Taxation	(4,279)	(6,897)	(3,771)
Profit attributable to SHHL Shareholders	20,200	18,529	19,876

Based on the aforesaid audited annual report and unaudited interim report of SHHL, the audited net asset positions of the SHHL Group as at 31 March 2002 and 31 March 2003 and the unaudited net asset position of the SHHL Group as at 30 September 2003 were as follows:

	As at 31 March		As at
	2002	2003	30 September
	HK\$'000	HK\$'000	HK\$'000
	(Audited)	(Audited)	(Unaudited)
Total assets	337,900	338,705	363,402
Total liabilities	197,127	190,196	202,555
Net asset value	140,773	148,509	160,847

## INFORMATION ON THE OFFEROR

The Offeror is a private company incorporated in the British Virgin Islands on 3 December 1996 with limited liability and is beneficially and wholly owned by a discretionary trust established by Mr. Chan as the founder for the benefit of the family members of Mr. & Mrs. Chan, both directors of the Offeror, HKCM and SHHL. The Offeror has been the controlling shareholder (as defined in the Listing Rules) of HKCM since April 1997. As at the date of this announcement, the Offeror and parties acting in concert with it (but excluding the Non-Relative Directors) are interested in 116,934,609 HKCM Shares, or approximately 36.47% of the issued share capital of HKCM. As at the date of this announcement, HKCM is interested in 118,028,098 SHHL Shares, representing approximately 57.29% of the total issued share capital of SHHL. The Offeror and the parties acting in concert with it (but excluding the Non-Relative Directors) are also interested directly in 29,115,652 SHHL Shares, representing approximately 14.13% of the total issued share capital of SHHL. As at the date hereof, the Offeror does not hold any assets other than its interests in the HKCM Group and the SHHL Group.

The following are the biographical details of Mr. & Mrs. Chan:

**Mr. Chan Wai Cheung, Glenn**

Mr. Chan had worked for the Hong Kong Government for more than 10 years during which time he was responsible for food and hygiene technology in the then Urban Service Department. He left the public sector in 1972 and joined a catering group in Hong Kong. Approximately two years later, he co-founded the HKCM Group. Mr. Chan is also the Chairman of SHHL. He is the spouse of Mrs. Chan King Catherine and the father of Mr. Chan Ka Lai, Joseph (an executive director of HKCM and a non-executive director of SHHL) and Mr. Chan Ka Shun, Raymond (an executive director of SHHL).

**Mrs. Chan King Catherine**

Mrs. Chan is the co-founder of the HKCM Group and assists Mr. Chan in the overall management and control of the HKCM Group. She is also a non-executive director of SHHL. Mrs. Chan is the spouse of Mr. Chan and the mother of Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond.

**DEALINGS IN THE HKCM SHARES OR SHHL SHARES BY THE OFFEROR OR PARTIES ACTING IN CONCERT WITH IT**

Mr. Chan Ka Lai, Joseph, a director of both HKCM and SHHL, acquired 14,000 HKCM Shares at HK\$0.66 each on 1 September 2003. Mr. Chan Ka Lai, Joseph is an eligible beneficiary under the trust established for the benefit of the family members of Mr. & Mrs. Chan which trust is the owner of the Offeror.

Save as disclosed above, there have been no other dealings in the HKCM Shares or SHHL Shares by the Offeror or parties acting in concert with it in the six-month period prior to the date of this announcement.

**OFFEROR'S INTENTION IN RELATION TO THE HKCM GROUP AND THE SHHL GROUP**

**Reasons for the HKCM Offers**

The Offeror has been involved in the management of the HKCM Group's business since 1990 and has been the controlling shareholder (as defined under the Listing Rules) of HKCM since 1997. In view of the recent signs of economic recovery in Hong Kong, and particularly in the tourism and retail sectors, the Offeror is confident in the future prospects of the HKCM Group and therefore considers it an appropriate timing to increase its shareholding in HKCM. The Offeror considers that, as the existing controlling shareholder of HKCM, it is a responsible and ethical move to do so by way of the HKCM Offers, which will provide an equal opportunity to the HKCM Independent Shareholders to realize their investments in HKCM at a reasonable price, which is the approximate average of the closing prices of the HKCM Share as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day. The Offeror is of the view that the HKCM Offers are in the interest of HKCM and its shareholders as a whole as they will further strengthen the ownership base of HKCM if the Offeror obtains a majority control over HKCM by way of the HKCM Offers and the HKCM Offers also signal the additional commitment to the HKCM Group of the existing controlling shareholder of HKCM.

## **Reasons for the SHHL Offers**

The making of the HKCM Share Offer may possibly trigger an obligation for the Offeror to make a mandatory offer for the entire issued shares in the share capital of SHHL (other than those owned by the Offeror or parties acting in concert with it) under Note 8 to Rule 26.1 of the Takeovers Code in the event that the Offeror and parties acting in concert with it, together holds 50.0% or more of the entire issued share capital of HKCM as a result of the HKCM Offers. Given such possibility, the making of the HKCM Offers would be of price-sensitive nature with regard to the SHHL Shares. In order to avoid fluctuations of the market price of the SHHL Shares which may arise from market speculation on the possibility of a mandatory offer for the entire issued shares of SHHL, the Offeror considers that it is a more appropriate approach to make the SHHL Offers simultaneously with the making of the HKCM Offers which will be subject to and conditional upon the HKCM Share Offer becoming unconditional in all respects. It should be noted that if the HKCM Share Offer does not become unconditional, the SHHL Offers will lapse.

## **Intention of the Offeror regarding the businesses of HKCM and SHHL**

It is the intention of the Offeror that each of HKCM and SHHL will continue to carry on all of its respective existing business and that listings of shares of HKCM and SHHL on the Main Board of the Stock Exchange will be maintained after the closing of the Offers. The Offeror has undertaken to the Stock Exchange that, following the closing of the Offers, appropriate steps will be taken to ensure that not less than 25% for each of the HKCM Shares and the SHHL Shares will be held by the public. The Offeror does not intend to make any acquisition or disposal of assets or business through the HKCM Group or the SHHL Group by reason only of the Offers, nor does it intend to make any material changes to the management (including the board of directors of each of HKCM and SHHL), the business and assets of both the HKCM Group and the SHHL Group including deployment of the fixed assets of both the HKCM Group and the SHHL Group by reason only of the Offers.

**The Stock Exchange has stated that if, upon the close of the Offers, less than 25% of each of the HKCM Shares and the SHHL Shares are held by the public or if the Stock Exchange believes that:**

- a false market exists or may exist in the trading of the HKCM Shares and/or the SHHL Shares; or**
- there are insufficient HKCM Shares and/or SHHL Shares in public hands to maintain an orderly market,**

**then it will consider exercising its discretion to suspend trading in the HKCM Shares and/or the SHHL Shares until a level of sufficient public float is attained. In this connection, it should be noted that upon completion of the Offers, there may be insufficient public float for the HKCM Shares and/or the SHHL Shares and therefore, trading in the HKCM Shares and/or the SHHL Shares may be suspended until a sufficient level of public float is attained.**

**If HKCM remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of HKCM. Any acquisitions or disposals of assets by HKCM and its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require HKCM to issue an announcement and a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of HKCM. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of HKCM and any**

such transactions may result in HKCM being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the Listing Rules.

If SHHL remains a listed company, the Stock Exchange will also closely monitor all future acquisitions or disposals of assets of SHHL. Any acquisitions or disposals of assets by SHHL and its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require SHHL to issue an announcement and a circular to its shareholders irrespective of the size of any proposed transactions, particularly when such proposed transactions represent a departure from the principal activities of SHHL. The Stock Exchange also has the power to aggregate a series of acquisitions or disposals of SHHL and any such transactions may result in SHHL being treated as if it were a new listing applicant and subject to the requirements for new listing applicants as set out in the Listing Rules.

### **Compulsory acquisition**

The Offeror does not intend to apply for any right which may be available to it to acquire or cancel compulsorily any HKCM Shares, HKCM Options, SHHL Shares or SHHL Options outstanding after the close of the Offers.

### **SUSPENSION AND RESUMPTION OF TRADING IN HKCM SHARES AND SHHL SHARES**

Trading in the HKCM Shares and the SHHL Shares on the Stock Exchange was suspended at the respective requests of HKCM and SHHL with effect from 9:30 a.m. on 30 December 2003 pending the release of this announcement. Application has been made by each of HKCM and SHHL to the Stock Exchange for the resumption of trading in the HKCM Shares and the SHHL Shares respectively with effect from 9:30 a.m. on 5 January 2004.

### **GENERAL MATTERS RELATING TO THE OFFERS**

#### **Availability of the Offers**

The HKCM Offer Document will be sent to the holders of HKCM Shares and HKCM Options and the SHHL Offer Document will be sent to the holders of SHHL Shares and SHHL Options respectively, including those with a registered address outside Hong Kong. However, the availability of the Offers to persons not resident in Hong Kong may be affected by the applicable laws of the relevant jurisdictions. Persons who are not resident in Hong Kong should inform themselves about and observe any applicable requirements in their own jurisdictions.

#### **Payment**

Payment in cash in respect of acceptances of the Offers will be made within ten days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid or of the Unconditional Date, whichever is the later.

#### **Stamp Duty**

Sellers' ad valorem stamp duty arising in connection with acceptances of the Offers, amounting to HK\$1.00 for every HK\$1,000 or part thereof of the consideration payable in respect of the relevant acceptance, will be payable by the respective holders of HKCM Shares, HKCM Options, SHHL Shares

and SHHL Options who accept the HKCM Share Offer, the HKCM Option Offer, the SHHL Share Offer and the SHHL Option Offer respectively and will be deducted from the consideration payable on acceptance of the HKCM Share Offer, the HKCM Option Offer, the SHHL Share Offer and the SHHL Option Offer respectively. The Offeror will then pay such stamp duty to the stamp duty office.

### **Financial adviser to the Offeror**

AMS has been appointed as the financial adviser to the Offeror.

### **Agent of the Offeror**

Access Capital has been appointed by the Offeror as its agent to make the Offers.

### **Independent financial advice**

Pursuant to Rule 2.1 of the Takeovers Code, an independent board committee of HKCM will be established to consider the HKCM Offers. Altus Capital has been appointed as the independent financial adviser to advise the independent board committee of HKCM in respect of the HKCM Offers. The advice of Altus Capital to the HKCM Independent Board Committee and the recommendation of the HKCM Independent Board Committee to the HKCM Independent Shareholders and the HKCM Optionholders will be contained in the HKCM Offer Document. In addition, an independent board committee of SHHL will be established to consider the SHHL Offers. Altus Capital has also been appointed as the independent financial adviser to advise the independent board committee of SHHL in respect of the SHHL Offers. The advice of Altus Capital to the SHHL Independent Board Committee and the recommendation of the SHHL Independent Board Committee to the SHHL Independent Shareholders and the SHHL Optionholders will be contained in the SHHL Offer Document.

### **The HKCM Offer Document and the SHHL Offer Document**

According to Rule 8.2 of the Takeovers Code, the HKCM Offer Document will be sent to the holders of HKCM Shares and HKCM Options and the SHHL Offer Document will be sent to the holders of SHHL Shares and SHHL Options, within 21 days from the date of this announcement. The Executive's consent will be required for any extension of such period under the Takeovers Code. The HKCM Offer Document and the SHHL Offer Document will respectively contain, among other things, the terms of the Offers and the independent financial advice as mentioned in the paragraph above.

### **WARNING**

**The Offers are subject to a number of conditions as described above. Shareholders and investors of HKCM and SHHL are advised to exercise caution when dealing in the HKCM Shares and the SHHL Shares as the Offers may or may not become unconditional.**

### **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“acting in concert” has the meanings ascribed to it in the Takeovers Code

“Access Capital”	Access Capital Limited, a corporation deemed licensed to conduct Types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance, and asset management) under the SFO, the agent to make the Offers on behalf of the Offeror
“Altus Capital”	Altus Capital Limited, a corporation deemed licensed to conduct Types 1, 4, 6 and 9 regulated activities (dealing in securities, advising on securities and corporate finance, and asset management) under the SFO, the independent financial adviser to the independent board committee of each of HKCM and SHHL in relation to the HKCM Offers and the SHHL Offers, respectively
“AMS”	AMS Corporate Finance Limited, a corporation deemed licensed to conduct Types 4, 6 and 9 regulated activities (advising on securities and corporate finance, and asset management) under the SFO, the financial adviser to the Offeror in respect of the Offers
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Companies Ordinance”	the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“Conditions”	the conditions of the Offers, as set out under the paragraph headed “Conditions of the Offers” of this announcement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“First Closing Date”	the date being 21 days after the date on which the HKCM Offer Document is posted (or such later date as the Offeror may, subject to the consent of the Executive, decide)
“HKCM”	Hong Kong Catering Management Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“HKCM Group”	HKCM and its subsidiaries
“HKCM Independent Shareholders”	HKCM Shareholders excluding the Offeror and parties acting in concert with it
“HKCM Interim Dividend”	the interim dividend of 1 cent per HKCM Share which was declared by the board of directors of HKCM on 16 December 2003 and is expected to be payable on or about 28 January 2004 to the HKCM Shareholders whose names appear in the register of members of HKCM on 9 January 2004



“HKCM Offer Document”	the composite document to be issued by or on behalf of the Offeror and HKCM to all HKCM Shareholders and HKCM Optionholders in accordance with the Takeovers Code containing, among other things, details of the HKCM Offers, the acceptance and transfer/cancellation forms, and the terms and conditions of the HKCM Offers
“HKCM Offers”	the HKCM Share Offer and the HKCM Option Offer
“HKCM Option(s)”	the option(s) granted by HKCM under the share option scheme of HKCM adopted on 13 March 2000 each conferring on the grantee thereof the right to subscribe for one new HKCM Share at an exercise price of HK\$0.48
“HKCM Option Offer”	the voluntary conditional cash offer to be made by Access Capital on behalf of the Offeror at the HKCM Option Offer Price for cancellation of all outstanding HKCM Options, other than those already owned by the Offeror or parties acting in concert with it but including those owned by the Non-Relative Directors
“HKCM Option Offer Price”	the amount of HK\$0.29 payable by the Offeror to the HKCM Optionholders for cancellation of each HKCM Option accepted under the HKCM Option Offer
“HKCM Optionholder(s)”	holder(s) of HKCM Options
“HKCM Share Offer”	the voluntary conditional cash offer to be made by Access Capital on behalf of the Offeror to acquire all the issued HKCM Shares, other than those already owned by the Offeror or parties acting in concert with it but including those owned by the Non-Relative Directors, at the HKCM Share Offer Price
“HKCM Share Offer Price”	the amount of HK\$0.77 payable by the Offeror to the HKCM Shareholders for each HKCM Share accepted under the HKCM Share Offer
“HKCM Share(s)”	share(s) of HK\$0.10 each in the share capital HKCM
“HKCM Shareholder(s)”	registered holder(s) of HKCM Shares
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	means 29 December 2003, being the last trading day prior to the suspension of trading in the HKCM Shares and the SHHL Shares on 30 December 2003, pending the issue of this announcement

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Wai Cheung, Glenn, the Chairman and the managing director of HKCM, the Chairman of SHHL and the deemed controlling shareholder of HKCM and SHHL, a director of the Offeror and the spouse of Mrs. Chan
“Mrs. Chan”	Mrs. Chan King Catherine, a director of HKCM, SHHL and the Offeror and the spouse of Mr. Chan
“Mr. & Mrs. Chan”	Mr. Chan and Mrs. Chan
“Non-Relative Directors”	directors of HKCM or SHHL who are presumed to be parties acting in concert with the Offeror under the Takeovers Code, but are not family members of Mr. & Mrs. Chan
“Offers”	the HKCM Offers and the SHHL Offers
“Offeror”	Well-Positioned Corporation, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is owned by a discretionary trust established for the benefit of the family members of Mr. & Mrs. Chan
“Registrar”	Computershare Hong Kong Investor Services Limited, the share registrar of both HKCM and SHHL at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SHHL”	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
“SHHL Group”	SHHL and its subsidiaries
“SHHL Independent Shareholders”	SHHL Shareholders excluding the Offeror and parties acting in concert with it
“SHHL Interim Dividend”	the interim dividend of 4 cents per SHHL Share which was declared by the board of directors of SHHL on 16 December 2003 and is expected to be payable on or about 28 January 2004 to the SHHL Shareholders whose names appear in the register of members of SHHL on 9 January 2004

“SHHL Offer Document”	the composite document to be issued by or on behalf of the Offeror and SHHL to all SHHL Shareholders and SHHL Optionholders in accordance with the Takeovers Code containing, among other things, details of the SHHL Offers, the acceptance and transfer/cancellation forms, and the terms and conditions of the SHHL Offers
“SHHL Offers”	the SHHL Share Offer and the SHHL Option Offer
“SHHL Option Offer”	the voluntary conditional cash offer to be made by Access Capital on behalf of the Offeror at the SHHL Option Offer Price for cancellation of all outstanding SHHL Options, other than those already owned by the Offeror or parties acting in concert with it but including those owned by the Non-Relative Directors
“SHHL Optionholder(s)”	holder(s) of SHHL Options
“SHHL Option Offer Price”	the amount of HK\$0.59 payable by the Offeror to the SHHL Optionholders (for SHHL Options exercisable at HK\$0.50), or the amount of HK\$0.54 payable by the Offeror to the SHHL Optionholders (for SHHL Options exercisable at HK\$0.55), for cancellation of each SHHL Option accepted under the SHHL Option Offer
“SHHL Option(s)”	the option(s) granted by SHHL under the share option scheme of SHHL adopted on 25 October 2000 each conferring on the grantee thereof the right to subscribe for one new SHHL Share at an exercise price of HK\$0.50 or HK\$0.55
“SHHL Share Offer”	the voluntary conditional cash offer to be made by Access Capital on behalf of the Offeror to acquire all the issued SHHL Shares, other than those already owned by the Offeror or parties acting in concert with it but including those owned by the Non-Relative Directors, at the SHHL Share Offer Price
“SHHL Share Offer Price”	the amount of HK\$1.09 payable by the Offeror to the SHHL Shareholders for each SHHL Share accepted under the SHHL Share Offer
“SHHL Share(s)”	shares of HK\$0.10 each in the share capital of SHHL
“SHHL Shareholder(s)”	registered holder(s) of SHHL Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	have the same meaning ascribed to it in Section 2 of the Companies Ordinance
“Takeovers Code”	the Code on Takeovers and Mergers

“Unconditional Date”	the date on which the Offers become or are declared unconditional
“HK\$” and “cent(s)”	Hong Kong dollar(s) and Hong Kong cent(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Well-Positioned Corporation**  
**Chan Wai Cheung, Glenn**  
*Director*

By Order of the Board  
**Hong Kong Catering Management Limited**  
**Wong Tsui Yue, Lucy**  
*Company Secretary*

By Order of the Board  
**Saint Honore Holdings Limited**  
**Wong Tsui Yue, Lucy**  
*Company Secretary*

Hong Kong, 2 January 2004

*The directors of HKCM jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to SHHL or the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to SHHL or the Offeror), the omission of which would make any statements in this announcement misleading.*

*The directors of SHHL jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to HKCM or the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than those relating to HKCM or the Offeror), the omission of which would make any statements in this announcement misleading.*

*The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*

“Please also refer to the published version of this announcement in China Daily”.