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HONG KONG CATERING MANAGEMENT LIMITED
香港飲食管理有限公司
(Incorporated in Hong Kong with limited liability)
(Stock Code: 668)



SAINT HONORE HOLDINGS LIMITED
聖安娜控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 192)

JOINT ANNOUNCEMENT SALE OF PROPERTY IN MACAU

The Directors of SHHL announce that on 28 May 2004, Saint Anna Cake Shop (Macau) Ltd., a wholly-owned subsidiary of SHHL has entered into the Agreement with the Purchaser for the disposal of the Property at a consideration of HK\$36,300,000. The net proceeds from the Disposal will be partly used for the expansion of SHHL's business in Macau and partly for general working capital of SHHL. The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser and the Directors of SHHL considers that the terms of the Agreement are fair and reasonable.

The Disposal constitutes a discloseable transaction for SHHL under the Listing Rules. A circular containing further details of the Disposal will be despatched by SHHL to its shareholders in accordance with the requirements under the Listing Rules as soon as practicable.

SHHL is a non wholly owned subsidiary of HKCM, a company listed on the Stock Exchange. The Disposal also constitutes a discloseable transaction for HKCM under the Listing Rules. A circular containing further details of the Disposal will be despatched by HKCM to its shareholders in accordance with the requirements under the Listing Rule as soon as practicable.

PARTICULARS OF THE AGREEMENT

Date of the Agreement: 28 May 2004

Parties:

Vendor: Saint Anna Cake Shop (Macau) Ltd., a wholly owned subsidiary of SHHL. The principal business of SHHL and its subsidiaries is the operation of bakeries, eateries and property investments.

Purchaser: Maxon International Holdings Ltd.. The Purchaser is a company incorporated in Hong Kong and is an investment holding company. Both the Purchaser and its beneficial owners are not connected person(s) (as defined in the Listing Rules) of SHHL or HKCM.

Assets agreed to be disposed of:

Shop A on Basement, Ground Floor and Cockloft, Hang Yau Building, Nos. 16A-16C Rua de S. Domingos, Macau. The Property is sold free from mortgages and encumbrances. The Property is currently used by the Vendor for its bakery business.

Consideration

The consideration for the Disposal is HK\$36,300,000 and will be payable in cash in the following manners:

1. an initial deposit of HK\$6,000,000 has been paid by the Purchaser to the Vendor upon the signing of the Agreement;
2. a further deposit in the sum of HK\$1,260,000 will be paid upon signing of the formal agreement for sale and purchase which is proposed to take place on or before 16 June 2004; and
3. the balance of the cash consideration in the sum of HK\$29,040,000 will be paid upon Completion of the Disposal.

The Consideration was arrived at by the parties through arm's length negotiation between the Vendor and the Purchaser with reference to the current market price of the properties in the same area of the Property in the last two weeks prior to the date of the Agreement. The Directors of SHHL and HKCM consider the Consideration to be fair and reasonable and in the best interests of the shareholders of SHHL and HKCM. Even though the Directors did not get any advice relating to the current market price, the Directors were informed by the property agent through whom the transaction was introduced that the Consideration represents the current market price in the area where the Property is located. The Directors believe that the Consideration is comparable to the current market price in the area.

The net book value of the Property is HK\$10,001,208 as at 31 May 2004. No independent valuation of the Property has been made by SHHL. The profit before tax arises from the Disposal is approximately HK\$25,000,000. The Property was acquired by SHHL back in 1990 at a price of HK\$12,500,000.

After the Disposal, SHHL intends to buy a bakery factory in Macau and expand its retail network in Macau. The net sales proceeds from the Disposal of approximately HK\$35,000,000 will be used as to approximately HK\$15,000,000 for the expansion of SHHL's bakery business in Macau while the remaining will be used as general working capital of SHHL.

Completion

Completion shall take place on or before 16 August 2004 whereby the Property will be assigned from the Vendor to the Purchaser.

License Agreement

To ensure smooth transition of the Vendor's existing bakery business in the Property to other locations in Macau, the Purchaser will enter into a License Agreement with the Vendor on Completion whereby the Purchaser as licensor will grant the right to use the Property to the Vendor as licensee for a three months' period commencing from 16 August 2004 to 15 November 2004 at a license fee of HK\$200,000 per

month. Upon the expiry of the three months period, the Vendor has the option to renew the license for a further three months commencing from 16 November 2004 to 15 February 2005 at the same license fee. The Directors were informed by the property agent through whom the transaction was introduced that the license fee represents the current market price in the area. The Directors believe that the license fee payable by the Vendor is fair and reasonable and represents the market price in the same location as the Property in the last two weeks prior to the date of Agreement.

INFORMATION ABOUT THE VENDOR

Saint Anna Cake Shop (Macau) Ltd. is a bakery operating company incorporated in Macau with limited liability and whose entire issued share capital is beneficially owned by SHHL.

INFORMATION OF THE SHHL GROUP

The Group is principally engaged in the bakery and eatery businesses and property investments.

INFORMATION OF THE HKCM GROUP

The Group is principally engaged in the operation of restaurants and bakeries and property investments.

REASONS FOR THE DISPOSAL

The Board of SHHL considers it is an appropriate time to realize the capital gain accrued on the Property from the recent market boom. The Board of SHHL believes that the Consideration is fair and reasonable and the Disposal of the Property is in the best interests of SHHL and its shareholders as a whole. The Agreement contains normal commercial terms and the Consideration was arrived at on arm's length basis.

As the Consideration exceeds 5% of each of SHHL's total assets as set out in the interim report for the 6 months ended 30 September 2003 (as adjusted by deducting payment of interim dividend for the amount of approximately HK\$8.3 million in January 2004 and adding surplus arising on the revaluation of the SHHL Group's property interest of approximately HK\$5.1 million and profit arising from the disposal of investment property of approximately HK\$7.1 million) and HKCM's total assets as set out in the interim report for the 6 months ended 30 September 2003 (as adjusted by deducting payment of interim dividend for the amount of approximately HK\$3.2 million in January 2004 and adding surplus arising on the revaluation of the HKCM Group's property interest of approximately HK\$6.8 million), the Disposal constitutes a discloseable transaction of each of SHHL and HKCM under the Listing Rules. A circular containing the details of the Agreement will be despatched to the shareholders of SHHL and HKCM in accordance with the requirements under the Listing Rules as soon as practicable.

As at the date of this announcement, the Board of SHHL comprises Mr. Chan Wai Cheung, Glenn, Mr. Shum Wing Hon, Ms. Wong Man Li, Carrina, Mr. Chan Ka Shun, Raymond and Mr. Wong Chung Piu, Billy as executive directors, Mr. Chan Ka Lai, Joseph and Mrs. Chan King Catherine as non-executive directors and Dr. Cheung Wai Lam, William, Dr. Ho Sai Wah, David and Mr. Bingley Wong as independent non-executive directors.

As at the date of this announcement, the Board of HKCM comprises Mr. Chan Wai Cheung, Glenn, Mr. Chan Ka Lai, Joseph, Mrs. Chan King Catherine, Mr. Shum Wing Hon, Ms. Wong Tsui Yue, Lucy and Mr. Chiu Wai as executive directors, and Mr. Cassam Soliman Gooljarry, Mrs. Fung Yeh Yi Hao, Yvette, Dr. Kwok Lok Wai, William and Mr. Chan Ip Sing, Evans (alternate to Mrs. Fung Yeh Yi Hao, Yvette) as independent non-executive directors.

Definitions

“Agreement”	the provisional agreement for sale and purchase dated 28 May 2004 entered into between the Vendor and the Purchaser in respect of the Disposal
“associates”	as defined in the Listing Rules
“Board”	the board of Directors
“Completion”	completion of the Agreement which is expected to take place on or before 16 August 2004
“Consideration”	HK\$36,300,000, being the cash consideration for the sale of the Property under the Agreement
“Director(s)”	director(s) of SHHL or HKCM, as the case may be
“Disposal”	the disposal of the Property by the Vendor to the Purchaser pursuant to the Agreement
“HKCM”	Hong Kong Catering Management Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“HKCM Group”	HKCM and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“License Agreement”	A license agreement to be entered into between the Purchaser and the Vendor upon Completion whereby the Purchaser as licensor will grant the right to use the Property to the Vendor for a three months period commencing on the date of Completion subject to renewal for a further three months
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Property”	Shop A on Basement, Ground Floor and Cockloft, Hang Yau Building, Nos. 16A-16C Rua de S. Domingos, Macau
“Purchaser”	Maxon International Holdings Ltd., a company beneficially owned by independent third party not connected with any of the directors, substantial shareholders or chief executive of the SHHL or HKCM or any of their subsidiaries or any of their respective associates
“SHHL”	Saint Honore Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“SHHL Group”	SHHL and its subsidiaries

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“Vendor” Saint Anna Cake Shop (Macau) Ltd., a wholly owned subsidiary of SHHL

“HK\$” Hong Kong dollar, the lawful currency of Hong Kong

By order of the Board of
Hong Kong Catering Management Limited
Lucy Wong
Company Secretary

By order of the Board of
Saint Honore Holdings Limited
Lucy Wong
Company Secretary

Hong Kong, 1 June 2004

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) 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 statement in this announcement misleading.

The directors of HKCM jointly and severally accept full responsibility for the accuracy of the information in this announcement (other than that relating to SHHL) and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the 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 statement in this announcement misleading.

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