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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 all your shares in Saint Honore Holdings Limited, you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND AMENDMENTS TO THE BYE-LAWS**

The notice of annual general meeting ("AGM") of Saint Honore Holdings Limited (the "Company") to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 26 August 2004 at 3:30 p.m. is set out on pages 61 to 66 of the 2004 Annual Report sent together with this circular. Whether or not you are able to attend the AGM, please complete and return the enclosed form of proxy to the Company at its principal office at 5th Floor, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The lodging of the form of proxy will not preclude you from attending the AGM and voting in person should you so wish.

21 July 2004

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at World Trade Centre Club Hong Kong, 38th Floor, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on 26 August 2004 at 3:30 p.m., notice of which is set out on pages 61 to 66 of the 2004 Annual Report sent together with this circular or any adjournment thereof
“associate”	shall have the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company in its present form
“Companies Act”	the Companies Act 1981 of Bermuda
“Company”	Saint Honore Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Directors”	the directors of the Company
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKCM”	Hong Kong Catering Management Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	13 July 2004, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

DEFINITIONS

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Takeover Code”

The Hong Kong Code on Takeovers and Mergers

LETTER FROM THE BOARD



SAINT HONORE HOLDINGS LIMITED

聖安娜控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 192)

Executive Directors:

Mr. Chan Wai Cheung, Glenn (*Chairman*)
Mr. Shum Wing Hon (*Deputy Chairman*)
Mrs. Chan Wong Man Li, Carrina (*Managing Director*)
Mr. Chan Ka Shun, Raymond
Mr. Wong Chung Piu, Billy

Non-executive Directors:

Mr. Chan Ka Lai, Joseph
Mrs. Chan King Catherine

Independent Non-executive Directors:

Dr. Cheung Wai Lam, William
Dr. Ho Sai Wah, David
Mr. Bingley Wong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office:

5th Floor
Express Industrial Building
43 Heung Yip Road
Wong Chuk Hang
Hong Kong

21 July 2004

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND AMENDMENTS TO THE BYE-LAWS**

I. INTRODUCTION

The purpose of this circular is to give you information regarding the Directors offering for re-election, general mandates to Directors to issue and repurchase Shares and amendments to the Bye-laws and to seek your approval for the resolutions in relation to these matters at the AGM to be held on 26 August 2004 at 3:30 p.m.

LETTER FROM THE BOARD

II. RE-ELECTION OF DIRECTORS

Pursuant to Bye-law 87(1) of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year. Bye-law 87(2) also provides that the retiring Directors shall be eligible for re-election. It further provides that the Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot.

Mrs. Chan King Catherine and Dr. Cheung Wai Lam, William shall retire as Directors by rotation at the AGM and, being eligible, offer themselves for re-election.

Details of the Directors proposed for re-election as required to be disclosed under the Listing Rules are set out in Appendix I to this circular.

III. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the annual general meeting of the Company held on 28 August 2003, an ordinary resolution was passed to grant general mandate to the Directors to issue Shares. Such general mandate will lapse at the conclusion of the AGM. Ordinary resolutions will be proposed at the AGM to grant to the Directors the following general mandates:

- (i) to allot, issue and deal with Shares not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution (the "Issue Mandate");
- (ii) to repurchase on the Stock Exchange Shares of an aggregate nominal amount not exceeding 5% of the aggregate nominal amount of the share capital of the Company in issue on the date of passing such resolution (the "Repurchase Mandate"); and
- (iii) to extend the general mandate to allot, issue and deal with Shares as mentioned in paragraph (i) above by an amount representing the aggregate nominal amount of the Shares repurchased by the Company as mentioned in paragraph (ii) above.

The Issue Mandate and the Repurchase Mandate will continue in force from the date of the said resolutions until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

LETTER FROM THE BOARD

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the laws of Bermuda or the Bye-laws to be held; and
- (iii) the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors by such resolution.

With reference to these resolutions, the Board wishes to state that it has no immediate plans to repurchase any Shares or to issue any new Shares, whether for cash or otherwise, pursuant to the Repurchase Mandate and the Issue Mandates. An explanatory statement, as required by the Listing Rules to be given to Shareholders in connection with the Repurchase Mandate, is set out in Appendix II of this circular. It contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate at the AGM.

IV. AMENDMENTS TO THE BYE-LAWS

The latest amendments to the Listing Rules relating to corporate governance issues came into effect on 31 March 2004 subject to certain transitional arrangements. These amendments include, amongst others, the amendments to Appendix 3 of the Listing Rules governing the constitutional documents of a listed issuer. In this regard, a special resolution is proposed to make amendments to the Bye-Laws in order to comply with the requirements of, amongst others, the amended Listing Rules.

Details of the proposed amendments to the Bye-laws are set out in the notice of the AGM. The following is a summary of the major proposed amendments to the Bye-laws:

- (a) new definition of "associate" under the Listing Rules is introduced in Bye-law 1;
- (b) a new Bye-law 77A will be added regarding where any member is, under the Listing Rules, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted;
- (c) Bye-law 88 shall be amended to the effect that the period for lodgment by shareholders of the notice to nominate a director shall commence no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting; and
- (d) Bye-law 103 shall be amended to the effect that Directors shall abstain from voting on any board resolution approving any matter in which they or any of their associates have a material interest and are not to be counted towards the quorum of the relevant board meeting except otherwise provided in the Bye-laws and the Listing Rules.

LETTER FROM THE BOARD

V. AGM

A notice convening the AGM to be held on Thursday, 26 August 2004 is set out in the 2004 Annual Report. At the AGM, ordinary and special resolutions will be proposed to approve, inter alia, the re-election of Directors, the granting of the Issue Mandate and Repurchase Mandate, and the amendments to the Bye-laws.

A resolution put to the vote of a meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded (a) by the chairman of such meeting; or (b) by at least three Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or (c) by a Shareholder or Shareholders present in person (or in the case of a Shareholder being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or (d) by a Shareholder or Shareholders present in person (or in the case of a Member being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right. A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

A form of proxy for use at the AGM is enclosed with the 2004 Annual Report. Whether or not you are able to attend the AGM, please complete and return the form of proxy to the principal office of the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

VI. RECOMMENDATION

The Directors are of the opinion that the proposals referred to in this circular are in the best interests of the Company and the Shareholders and therefore recommend the Shareholders to vote in favour of the resolutions to be proposed at the AGM.

On Behalf of the Board
Chan Wai Cheung, Glenn
Chairman

The details of the Directors proposed for re-election at the AGM are set out below:

Mrs. Chan King Catherine, aged 70, is the co-founder and an executive director of HKCM. She now assists the overall management and control of HKCM. She is the spouse of Mr. Chan Wai Cheung, Glenn and the mother of Mr. Chan Ka Shun, Raymond and Mr. Chan Ka Lai, Joseph. As at the Latest Practicable Date, Mrs. Chan is deemed to be interested in 146,485,250 Shares within the meaning of Part XV of the Securities and Futures Ordinance. A service contract was entered into between Mrs. Chan and the Company on 29 May 2003 the term of which is deemed to have commenced on 29 September 2002 and would continue thereafter unless terminated by either party with one month prior written notice. Mrs. Chan is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Mrs. Chan is entitled to a fixed remuneration of HK\$50,000 per year which is based on the current market rate of Mrs. Chan's position and the estimated time to be spent by her.

Dr. Cheung Wai Lam, William, aged 45, is a medical professional and has worked in the public hospital for 7 years before he started his own practice specialising in surgery. He has also been actively involved in applying information technology to improve the quality of medical practice and is currently the CEO of Fosson Limited. As at the Latest Practicable Date, Dr. Cheung does not have any interests in the securities of the Company within the meaning of Part XV of the Securities and Futures Ordinance. A service contract was entered into between Dr. Cheung and the Company on 29 May 2003 the term of which is deemed to have commenced on 29 September 2002 and would continue thereafter unless terminated by either party with one month prior written notice. Dr. Cheung is also subject to retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws. Dr. Cheung is entitled to a fixed remuneration of HK\$50,000 per year which is based on the current market rate of Dr. Cheung's position and the estimated time to be spent by him.

This appendix serves as an explanatory statement to the Shareholders as required under the Listing Rules in connection with the proposed Repurchase Mandate.

REASONS FOR REPURCHASE MANDATE

Whilst the Directors do not presently intend to repurchase any Shares, they believe that the flexibility afforded by the Repurchase Mandate granted to them if the ordinary resolution no. 5(2) set out in the notice of AGM is passed would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when Shares are being traded at a discount to their underlying value, the ability of the Company to repurchase Shares can be beneficial to those Shareholders who retain their investment in the Company since this may, depending on the circumstances, result in increases to the fully diluted net assets and/or earnings per Share and will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

SHARE CAPITAL

As at 13 July 2004, being the Latest Practicable Date, the total issued share capital of the Company is HK\$21,145,700 divided into 211,457,000 fully paid-up ordinary shares of HK\$0.10 each.

The exercise of the Repurchase Mandate up to 5% limit would enable the Company to repurchase up to a maximum of 10,572,850 Shares.

SOURCE OF FUNDS FOR REPURCHASES

For repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws and the Companies Act, that is, out of the capital paid up on the Shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. The premium, if any, payable on a repurchase must be funded from the funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account before the Shares are repurchased. Whilst the Repurchase Mandate, if exercised in full, may have a material adverse impact on the working capital of the Company, the Directors expect to exercise such mandate if and to such extent only as they are satisfied that the exercise thereof will not have such a material adverse impact.

DISCLOSURE OF INTERESTS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to Repurchase Mandate in accordance with the Listing Rules and the Companies Act. None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates, presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the latter is granted by the Shareholders.

The Company has not been notified by any connected persons of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company, in the event that Repurchase Mandate is granted by the Shareholders.

TAKEOVER CODE

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 26 of the Takeover Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeover Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeover Code.

As at the Latest Practicable Date, the register of the Shareholders maintained by the Company pursuant to Section 336 under Part XV of the Securities and Futures Ordinance (Cap.571 of the laws of Hong Kong) showed that the Company has been notified of the following interests, being 5% or more of the Company's issued share capital:

Name of shareholders	Number of ordinary shares held		Number of underlying ordinary shares held under equity derivatives	Total number of shares interested or deemed to be interested (long position)	Approximate percentage of shareholding %	Approximate percentage of shareholding if the Repurchase Mandate is exercised in full %
	Personal interest (Note a)	Trust interest				
Albion Agents Limited ("Albion")	118,028,098 (Note b)	-	-	118,028,098	55.82	58.75
Well-Positioned Corporation ("Well-Positioned")	146,485,250 (Note c)	-	-	146,485,250	69.27	72.92
Chan Ka Lai, Joseph	182,000	146,485,250 (Note d)	-	146,667,250	69.36	73.01
Chan Ka Shun, Raymond	162,500	146,485,250 (Note d)	2,600,000 (Note e)	149,247,750	70.58	74.30

Notes:

- (a) These Shares are held by the Shareholders as beneficial owners.
- (b) Albion is a wholly owned subsidiary of HKCM.
- (c) Well-Positioned is a wholly owned subsidiary held by a family trust established for the benefit of the family members of Mr. Chan Wai Cheung, Glenn and Mrs. Chan King Catherine, both are Directors. Mr. Chan Wai Cheung, Glenn is deemed to be interested in the Shares held directly or indirectly in the capacity as the founder of the trust. Mrs. Chan King Catherine, being the spouse of Mr. Chan Wai Cheung, Glenn is also deemed to be interested in these Shares. Well-Positioned is deemed to be wholly interested in the issued share capital of HKCM. Well-Positioned is interested directly in 28,457,152 Shares and indirectly interested in 118,028,098 Shares through HKCM's shareholdings in Albion.

- (d) Mr. Chan Ka Lai, Joseph and Mr. Chan Ka Shun, Raymond, being the eligible beneficiaries of the family trust established by Mr. Chan Wai Cheung, Glenn, are also deemed to be interested in the Shares held directly or indirectly by Well-Positioned.
- (e) These are underlying Shares in respect of share options granted under the share option scheme of the Company. The aforesaid interests are held by Mr. Chan Ka Shun, Raymond as beneficial owner.

In the event that the Directors shall exercise in full the Repurchase Mandate, the total interests of the above Shareholders would be increased to approximately the respective percentages shown in the last column above and such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code and reduce the amount of Shares held by the public to be less than 25%.

The Directors have no intention to exercise the Repurchase Mandate to an extent as may result in the amount of Shares held by the public being reduced to less than 25% of the total issued share capital of the Company nor to an extent as would result in an obligation to make a mandatory offer under Rule 26 of the Takeover Code.

MARKET PRICE

The highest and lowest traded market prices for Shares recorded on the Stock Exchange during each of previous twelve months before the printing of this circular were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2003		
July	0.86	0.69
August	0.95	0.84
September	0.95	0.85
October	1.07	0.87
November	1.03	0.93
December	1.55	0.98
2004		
January	1.40	1.24
February	1.50	1.30
March	1.35	1.22
April	1.47	1.26
May	1.45	1.36
June	1.70	1.40
July (up to the Latest Practicable Date)	1.97	1.64

SHARES REPURCHASES MADE BY THE COMPANY

No repurchases of Shares have been made by the Company during the six months preceding the Latest Practicable Date (whether on the Stock Exchange or otherwise).