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**CONVENIENCE RETAIL
ASIA LIMITED**
利亞零售有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8052)



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

(Incorporated in Bermuda with limited liability)
(Stock Code: 192)

**JOINT ANNOUNCEMENT
PROPOSED TAKEOVER BY
CONVENIENCE RETAIL ASIA LIMITED
OF
SAINT HONORE HOLDINGS LIMITED**

**BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 99 OF THE COMPANIES ACT)
WITH CANCELLATION CONSIDERATION OF
CASH OF HK\$2.95 FOR EVERY SCHEME SHARE
OR**

**ONE CRA SHARE PLUS CASH OF HK\$2.95
FOR EVERY TWO SCHEME SHARES**

**MAJOR TRANSACTION FOR CONVENIENCE RETAIL ASIA LIMITED
DESPATCH OF THE SCHEME DOCUMENT AND THE CIRCULAR**

**Financial adviser to
Convenience Retail Asia Limited**



**Financial adviser to
Saint Honore Holdings Limited**



AMS Corporate Finance Limited

**Independent financial adviser to the independent board committee of
Saint Honore Holdings Limited**



SOMERLEY LIMITED

The Scheme Document and the Circular have been despatched to the Saint Honore Shareholders and the CRA Shareholders respectively on Tuesday, 2 January 2007.

The respective notices of the Court Meeting and the Special General Meeting to be held on Thursday, 25 January 2007 are set out in the Scheme Document.

The Saint Honore Shareholders should consider carefully the recommendation of the Saint Honore Independent Board Committee and the factors, reasons and the recommendation in relation to the Proposal as set out in the letter from Somerley, the independent financial adviser to the Saint Honore Independent Board Committee, before taking any action in respect of the Proposal. CRA Shareholders, Saint Honore Shareholders and/or potential investors of CRA or Saint Honore (as the case may be) should be aware that the Proposal is subject to the satisfaction or waiver of the conditions set out in the Scheme Document and therefore may or may not become effective. Subject to all the conditions being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 February 2007. Details of the conditions are set out in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31 May 2007 or such later date as CRA and Saint Honore may agree or, to the extent applicable, as the Court may allow and the Scheme Shareholders will be notified accordingly by press announcement(s).

Saint Honore Shareholders and/or potential investors of Saint Honore are advised to exercise extreme caution when dealing in the Saint Honore Shares.

INTRODUCTION

Reference is made to the joint announcements dated 17 November 2006 and 8 December 2006 made by CRA and Saint Honore. Terms defined in the document regarding the Proposal issued by Saint Honore to the Saint Honore Shareholders (the “**Scheme Document**”) and in the major transaction circular of CRA (the “**Circular**”) both dated 2 January 2007 shall have the same meanings when used herein unless the context requires otherwise.

DESPATCH OF THE SCHEME DOCUMENT AND THE CIRCULAR

The Scheme Document and the Circular have been despatched to the Saint Honore Shareholders and the CRA Shareholders respectively on Tuesday, 2 January 2007.

The Scheme Document contains, *inter alia*, further details of the Proposal and the Scheme, the expected timetable, the Explanatory Statement as required under the Companies Act, information regarding the Saint Honore Group and the CRA Group, valuation report on Saint Honore’s properties, the letter from the Saint Honore Independent Board Committee, the letter from Somerley to the Saint Honore Independent Board Committee and notices of the Court Meeting and the Special General Meeting.

The Circular contains, *inter alia*, further details of the Proposal and the Scheme, information regarding the Saint Honore Group and the CRA Group and the valuation report on Saint Honore’s properties.

RECOMMENDATION OF THE SAINT HONORE INDEPENDENT BOARD COMMITTEE

The Saint Honore Independent Board Committee, comprising Dr. Cheung Wai Lam, William, Dr. Ho Sai Wah, David and Mr. Bingley Wong, all of them being independent non-executive Saint Honore Directors appointed by the Saint Honore Board, has been established to make a recommendation to the Saint Honore Shareholders in respect of the Proposal.

Somerley has been appointed by the Saint Honore Board and approved by the Saint Honore Independent Board Committee as the independent financial adviser to advise the Saint Honore Independent Board Committee in connection with the Proposal. The letter from Somerley giving its advice and recommendation to the Saint Honore Independent Board Committee and the recommendation of the Saint Honore Independent Board Committee to the Saint Honore Shareholders on the Proposal are contained in the Scheme Document. The Saint Honore Shareholders should read carefully these two letters before taking any action in respect of the Proposal. Actions to be taken by the Saint Honore Shareholders are set out in the Scheme Document.

COURT MEETING AND SPECIAL GENERAL MEETING

The Court Meeting and the Special General Meeting will be held at 3:30 p.m. and 4:00 p.m. respectively on Thursday, 25 January 2007 at 38/F, World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong. Notices of the Court Meeting and the Special General Meeting are set out in the Scheme Document.

In accordance with the direction of the Court, the Court Meeting is convened for the purpose of considering and, if thought fit, passing a resolution to approve the Scheme (with or without modifications). The Scheme will be subject to the approval of the Saint Honore Shareholders at the Court Meeting in the manner referred to in the paragraph headed “Conditions of the Proposal” in the Explanatory Statement. The resolution will be passed provided that it is approved by a majority in number of not less than three-

fourths of the votes cast by the Saint Honore Shareholders who, being entitled so to do, are present and vote, in person or by proxy, at the Court Meeting. In addition, such resolution will only be considered to have been passed under Rule 2.10 of the Takeovers Code if the Scheme is approved by the Saint Honore Shareholders representing not less than three-fourths in nominal value of the disinterested Saint Honore Shares held by the Saint Honore Shareholders present and voting at the Court Meeting either in person or by proxy provided that the number of votes cast against the resolution to approve the Scheme at the Court Meeting is (by way of poll) not more than 10% of the votes attaching to all disinterested Saint Honore Shares held by the Saint Honore Shareholders.

As at the Latest Practicable Date, the Saint Honore Shareholders held in aggregate 214,157,000 Saint Honore Shares and 10% of the votes attached to all disinterested Saint Honore Shares was 21,415,700 Saint Honore Shares.

The Special General Meeting will be held immediately after the Court Meeting for the purpose of considering and, if thought fit, passing a special resolution to approve the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of share capital of Saint Honore resulting from the cancellation of the Scheme Shares. All Saint Honore Shareholders will be entitled to attend and vote on such special resolution at the Special General Meeting. The special resolution will be passed provided that it is approved by a majority of not less than three-fourths of the votes cast by the Saint Honore Shareholders who, being entitled so to do, are present and vote, in person or by proxy, at the Special General Meeting.

CLOSURE OF REGISTER OF MEMBERS

It is proposed that the register of members of Saint Honore will be closed after 4:00 p.m. on 23 January 2007 (or such other date as may be notified to the Saint Honore Shareholders by way of press announcement(s)) and until Thursday, 25 January 2007 in order to establish entitlements of the Saint Honore Shareholders to attend and vote at the Court Meeting and the Special General Meeting. In order to qualify to attend and vote at the Court Meeting and the Special General Meeting, Saint Honore Shareholders should ensure that the relevant transfer documentation for their Saint Honore Shares is lodged with the Saint Honore Registrar before 4:00 p.m. on Tuesday, 23 January 2007. The Saint Honore Registrar 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.

In the event the Scheme is approved at the Court Meeting and the Special General Meeting and is sanctioned by the Court and the other conditions are fulfilled or waived, it is proposed that the latest time for dealings in the Saint Honore Shares on the Stock Exchange will be 4:00 p.m. on Tuesday, 13 February 2007 and that the register of members of Saint Honore will be closed after 4:00 p.m. on Thursday, 15 February 2007 (or such other date as may be notified to the Saint Honore Shareholders by way of press announcement(s)) and until Friday, 16 February 2007 in order to establish entitlements under the Scheme. In order to qualify for entitlement under the Scheme, Saint Honore Shareholders should ensure that the relevant transfer documentation for their Saint Honore Shares are lodged for registration before the register of members of Saint Honore is closed.

CONDITIONS OF THE PROPOSAL

CRA Shareholders, Saint Honore Shareholders and/or potential investors of CRA or Saint Honore (as the case may be) should be aware that the Proposal is subject to the satisfaction or waiver of the conditions set out in the Scheme Document and therefore may or may not become effective. Subject to all the conditions being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 February 2007. Details of the conditions are set out in the Scheme Document. The Scheme will lapse if it does not become effective on or before 31 May 2007 or such later date as CRA and Saint Honore may agree or, to the extent applicable, as the Court may allow and the Scheme Shareholders will be notified accordingly by press announcement(s).

The Saint Honore Directors intend that the listing of the Saint Honore Shares on the Stock Exchange will be withdrawn if the Scheme is completed and be maintained in the event that the Scheme is not approved or is withdrawn or lapses.

Saint Honore Shareholders and/or potential investors of Saint Honore are advised to exercise extreme caution when dealing in the Saint Honore Shares.

EXPECTED TIMETABLE

The following timetable takes into account the Court procedures for the Scheme. The expected timetable is indicative only and is subject to change. Further announcement(s) will be published in Hong Kong Economic Times and China Daily (Hong Kong edition) if there is any change to the following expected timetable.

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Pink form of proxy for the Court Meeting to be lodged no later than (<i>note 1</i>)	3:30 p.m. on Tuesday, 23 January
White form of proxy for the Special General Meeting to be lodged no later than (<i>note 1</i>)	4:00 p.m. on Tuesday, 23 January
Latest time for lodging forms of transfer of Saint Honore Shares to qualify for attending and voting at the Court Meeting and the Special General Meeting	4:00 p.m. on Tuesday, 23 January
Register of members of Saint Honore closed	after 4:00 p.m. on Tuesday, 23 January to Thursday, 25 January
Suspension of trading in Saint Honore Shares	9:30 a.m. on Thursday, 25 January
Court Meeting	3:30 p.m. on Thursday, 25 January
Special General Meeting	4:00 p.m. (or as such later time thereafter as the Court Meeting shall have been concluded or adjourned) on Thursday, 25 January
Publication of announcement of the results of the Court Meeting and the Special General Meeting	Friday, 26 January
Resumption of trading in Saint Honore Shares	9:30 a.m. on Friday, 26 January
Court hearing of the petition to sanction the Scheme	Friday, 9 February
Announcement of the result of the hearing of the petition to sanction the Scheme, the Effective Date and the date of withdrawal of listing of Saint Honore Shares on the Stock Exchange	Monday, 12 February
Last day for dealings in Saint Honore Shares on the Stock Exchange	Tuesday, 13 February
Latest time for lodging forms of transfer of Saint Honore Shares to qualify for entitlements under the Scheme	4:00 p.m. on Thursday, 15 February
Register of members of Saint Honore closed	after 4:00 p.m. on Thursday, 15 February to Friday, 16 February
Record Date	Friday, 16 February
Chinese New Year holidays	Saturday, 17 February to Tuesday, 20 February
Latest time for lodging the Election Form (<i>note 2</i>)	4:00 p.m. on Thursday, 22 February
Registration of the order of the Court to sanction the Scheme at the Bermuda Registrar of Companies	Thursday, 22 February
Effective Date	Thursday, 22 February
Withdrawal of the listing of the Saint Honore Shares on the Stock Exchange becomes effective	9:30 a.m. on Friday, 23 February
Cheques for cash entitlements under the Scheme (if applicable) to be despatched on or before	Monday, 5 March
Allotment and issue of CRA Shares pursuant to the Share & Cash Alternative and the CRA Shares Substitution Election (if applicable) and despatch of share certificates of CRA Shares to those Scheme Shareholders entitled thereto on or before	Monday, 5 March
Matching service for odd lots trading of CRA Shares commences	Monday, 5 March
Last day of the matching services for odd lots trading of CRA Shares	Monday, 26 March

Notes:

1. Forms of proxy should be lodged with the principal office of Saint Honore in Hong Kong at 5th Floor, Express Industrial Building, 43 Heung Yip Road, Wong Chuk Hang, Hong Kong, as soon as possible but in any event not later than the respective times and dates stated above or, in the case of the pink forms of proxy for use at the Court Meeting, they may be handed to the Chairman of the Court Meeting. Completion and return of the relevant form of proxy for the Court Meeting or the Special General Meeting will not preclude a Saint Honore Shareholder from attending the relevant meeting and voting in person. In such event, his relevant form of proxy will be deemed to have been revoked.
2. Election Forms, correctly completed in accordance with the instructions thereon, must be lodged with the Saint Honore Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-6, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than the time and date stated above (or such later time and/or date as shall have been fixed by CRA and Saint Honore and announced in the newspapers), failing which an Election Form shall not be treated as valid and the Saint Honore Shareholders purporting to make the election shall not, for any purpose, be entitled to receive the Share & Cash Alternative but shall instead receive the Cash Alternative.

GENERAL

CRA Shareholders and Saint Honore Shareholders and/or potential investors of CRA and Saint Honore should note other information relating to the Proposal, the CRA Group and the Saint Honore Group, and other details as contained in the Scheme Document and the CRA Circular, and be aware that the implementation of the Proposal is subject to the conditions set out in the Scheme Document being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. They are accordingly advised to exercise caution when dealing in the CRA Shares and Saint Honore Shares.

By order of the board of
CONVENIENCE RETAIL ASIA LIMITED
Yeung Lap Bun, Richard
Director and Chief Executive Officer

By order of the board of
SAINT HONORE HOLDINGS LIMITED
Chan Wai Cheung, Glenn
Chairman

Hong Kong, 2 January 2007

As at the date of this announcement, the executive CRA Directors are Mr. Yeung Lap Bun, Richard (Chief Executive Officer) and Mr. Li Kwok Ho, Bruno (Chief Financial Officer), the non-executive CRA Directors are Dr. Fung Kwok King, Victor (Chairman), Dr. Fung Kwok Lun, William, Mr. Godfrey Ernest Scotchbrook, Mr. Jeremy Paul Egerton Hobbins and Ms. Wong Yuk Nor, Louisa; and the independent non-executive CRA Directors are Dr. Ch'ien Kuo Fung, Raymond, Mr. Au Man Chung, Malcolm and Mr. Lo Kai Yiu, Anthony.

As at the date of this announcement, the executive Saint Honore Directors are Mr. Chan Wai Cheung, Glenn (Chairman), Mr. Shum Wing Hon (Deputy Chairman) and Mrs. Chan Wong Man Li, Carrina (Managing Director), Mr. Chan Ka Shun, Raymond and Mr. Wong Chung Piu, Billy; the non-executive Saint Honore Directors are Mrs. Chan King Catherine and Mr. Chan Ka Lai, Joseph; and the independent non-executive Saint Honore Directors are Dr. Cheung Wai Lam, William, Dr. Ho Sai Wah, David and Mr. Bingley Wong.

The Saint Honore Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement relating to the Saint Honore Group and/or its shareholders and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement relating to the Saint Honore Group and/or its shareholders have been arrived at after due and careful consideration and there are no other facts not contained in this announcement relating to the Saint Honore Group and/or its shareholders, the omission of which would make any statement in the announcement relating to the Saint Honore Group and/or its shareholders misleading.

The CRA Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above), the omission of which would make any statement in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) misleading.

This announcement, for which the CRA Directors collectively and individually accept full responsibility in respect of information (other than that for which the Saint Honore Directors have taken the responsibilities as described above), includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the CRA Group. The CRA Directors having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:–

- 1. the information contained in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) is accurate and complete in all material respects and not misleading;*
- 2. there are no other matters the omission of which would make any statement in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) misleading; and*
- 3. all opinions expressed in this announcement (other than that for which the Saint Honore Directors have taken the responsibilities as described above) have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

So far as CRA is concerned, this announcement will remain on the GEM website on the “Latest Company Announcements” page for a minimum period of 7 days from the date of publication.

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