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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**

- (1) RESULTS OF COURT MEETING AND SPECIAL GENERAL MEETING;
(2) RESUMPTION OF TRADING; AND
(3) CLOSURE OF REGISTERS OF MEMBERS OF
SAINT HONORE HOLDINGS LIMITED**

**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

Results of Court Meeting and Special General Meeting

The Scheme and the corresponding allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore were approved by the Saint Honore Shareholders at the Court Meeting and the Special General Meeting, respectively.

Current status of conditions of the Proposal

CRA Shareholders and Saint Honore Shareholders and/or potential investors of CRA and Saint Honore should be aware that the implementation of the Proposal is subject to conditions (e) to (n) (as detailed on pages 61 to 63 of the Scheme Document) being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. Subject to such conditions being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 February 2007. 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).

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

Closure of registers of members

For the purpose of determining those Saint Honore Shareholders who are qualified for entitlements under the Scheme, the register of members and the branch register of members of Saint Honore in Bermuda and in Hong Kong respectively will be closed after 4:00 p.m. (Hong Kong time) on Thursday, 15 February 2007 until Friday, 16 February 2007 (both days inclusive). During such period no transfer of Saint Honore Shares will be effected.

Suspension and resumption of trading in Saint Honore Shares

At the request of Saint Honore, trading in the Saint Honore Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 25 January 2007, pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Saint Honore Shares with effect from 9:30 a.m. on Friday, 26 January 2007.

Expected timetable

The last day for dealings in Saint Honore Shares on the Stock Exchange is changed from Tuesday, 13 February 2007 to Monday, 12 February 2007 to allow sufficient time for settlement of transfer of Saint Honore Shares before the latest time for lodging forms of transfer of Saint Honore Shares to qualify for entitlements under the Scheme at 4:00 p.m. on Thursday, 15 February 2007.

INTRODUCTION

Reference is made to the scheme document jointly issued by CRA and Saint Honore to the Saint Honore Shareholders on 2 January 2007 in relation to the Proposal (the “**Scheme Document**”). Terms defined in the Scheme Document shall have the same meanings when used herein, unless the context otherwise requires.

RESULTS OF THE COURT MEETING AND THE SPECIAL GENERAL MEETING

The total number of Saint Honore Shares entitling the Saint Honore Shareholders to attend and vote at the Court Meeting and the Special General Meeting was both 214,157,000 Saint Honore Shares, representing 100% of the total number of Saint Honore Shares in issue. The results of the Court Meeting and the Special General Meeting both held on Thursday, 25 January 2007 are as follows:

(i) Court Meeting

Approval under Rule 2.10 of the Takeovers Code and Section 99 of the Companies Act:

	Total number of Saint Honore Shares voted by the Saint Honore either in person or by proxy	Number of Saint Honore Shares voted by the Saint Honore Shareholders either in person or by proxy in favour of the Scheme	Number of Saint Honore Shares voted by the Saint Honore Shareholders either in person or by proxy against the Scheme
Number of Saint Honore Shares represented	183,917,250	168,333,250 <i>(Note 1)</i>	15,584,000 <i>(Notes 2 and 3)</i>
Number of Saint Honore Shareholders	38	37	1

Notes:

1. Such number represents approximately 91.53% of the number of Saint Honore Shares held by the Saint Honore Shareholders present and voting either in person or by proxy at the Court Meeting.
2. Such number represents approximately 8.47% of the number of Saint Honore Shares held by the Saint Honore Shareholders present and voting either in person or by proxy at the Court Meeting.
3. Such number represents approximately 7.28% of the number of Saint Honore Shares held by the Saint Honore Shareholders.

A total of 183,917,250 Saint Honore Shares (representing approximately 85.88% of the Saint Honore Shares held by the Saint Honore Shareholders) were voted either in person or by proxy at the Court Meeting. Of these, 37 Saint Honore Shareholders, representing 168,333,250 Saint Honore Shares voted in favour of the Scheme (amounting to approximately 91.53% of the Saint Honore Shares voted and approximately 78.60% of the Saint Honore Shares held by the Saint Honore Shareholders) and one Saint Honore Shareholder, representing 15,584,000 Saint Honore Shares voted against the Scheme (amounting to approximately 8.47% of the Saint Honore Shares voted and approximately 7.28% of the Saint Honore Shares held by the Saint Honore Shareholders).

The Scheme was approved (by way of poll) by a majority in number of Saint Honore Shareholders present and voting either in person or by proxy at the Court Meeting holding not less than three-fourths in nominal value of those Saint Honore Shares that were voted either in person or by proxy by the Saint Honore Shareholders at the Court Meeting, and the Scheme was not disapproved at the Court Meeting by the Saint Honore Shareholders holding more than 10% in value of all the Saint Honore Shares held by the Saint Honore Shareholders.

The resolution proposed at the Court Meeting to approve the Scheme was accordingly duly passed by the Saint Honore Shareholders and Rule 2.10 of the Takeovers Code and Section 99 of the Companies Act in respect of the requirements of the approval of the Scheme by the Saint Honore Shareholders have been complied with.

There were no Saint Honore Shares in respect of which their holders were entitled to attend and vote only against the Scheme at the Court Meeting.

The Saint Honore Registrar was appointed to act as the scrutineer and to take charge of the vote-taking procedures at the Court Meeting.

(ii) Special General Meeting

	Total number of Saint Honore Shares voted by the Saint Honore Shareholders either in person or by proxy	Number of Saint Honore Shares voted by the Saint Honore Shareholders either in person or by proxy in favour of the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore	Number of Saint Honore Shares voted by the Saint Honore Shareholders either in person or by proxy against the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore
Number of Saint Honore Shares represented	170,763,250	168,590,250 <i>(Note 1)</i>	2,173,000

Note:

- Such number represents approximately 98.73% of the number of Saint Honore Shares held by the Saint Honore Shareholders present and voting either in person or by proxy at the Special General Meeting.

A total of 170,763,250 Saint Honore Shares (representing approximately 79.74% of the Saint Honore Shares held by the Saint Honore Shareholders) were voted either in person or by proxy at the Special General Meeting. Of these, 168,590,250 Saint Honore Shares voted in favour of the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore (amounting to approximately 98.73% of the Saint Honore Shares voted) and 2,173,000 Saint Honore Shares voted against the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore (amounting to approximately 1.27% of the Saint Honore Shares voted).

Accordingly, the special resolution to approve the Scheme, the allotment and issue of new Saint Honore Shares to CRA and the reduction of capital of Saint Honore was duly passed by a majority of not less than seventy-five percent of the votes cast by Saint Honore Shareholders present and voting in person or by proxy at the Special General meeting.

There were no Saint Honore Shares in respect of which their holders were entitled to attend and vote only against the special resolution at the Special General Meeting.

Voting at the Special General Meeting on the special resolution was conducted by way of a poll, and the Saint Honore Registrar was appointed to act as the scrutineer and to take charge of the vote-taking procedures.

CURRENT STATUS OF CONDITIONS OF THE PROPOSAL

CRA Shareholders and Saint Honore Shareholders and/or potential investors of CRA and Saint Honore should be aware that conditions (a) to (d) as detailed on pages 60 and 61 of the Scheme Document have been fulfilled and the implementation of the Proposal is still subject to the following conditions (being conditions (e) to (n) as detailed on pages 61 to 63 of the Scheme Document) being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective:

- the sanction of the Scheme (with or without modifications) by the Court and delivery to the Registrar of Companies in Bermuda of a copy of the order of the Court for registration;

- (f) the necessary compliance with the procedural requirements of Section 46(2) of the Companies Act in relation to the reduction of the share capital of Saint Honore;
- (g) the granting by the Stock Exchange of the listing of, and permission to deal in, the CRA Shares which fall to be issued pursuant to the Proposal on GEM;
- (h) the Authorisations having been obtained or made from, with or by (as the case may be) the Relevant Authorities, in Bermuda, Hong Kong and/or any other relevant jurisdictions;
- (i) the Authorisations remaining in full force and effect without variation, and all necessary statutory or regulatory obligations in all relevant jurisdictions having been complied with and no requirement having been imposed by any Relevant Authorities which is not expressly provided for, or is in addition to requirements expressly provided for, in relevant laws, rules, regulations or codes in connection with the Proposal or any matters, documents (including circulars) or things relating thereto, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (j) if required, the obtaining by CRA of such other necessary consent, approval, authorisation, permission, waiver or exemption which may be required from any Relevant Authorities or other third parties which are necessary or desirable for the performance of the Scheme under applicable laws and regulations;
- (k) other than tenancy agreements, leases, licences and other similar arrangements in relation to properties occupied by any member of the Saint Honore Group, there being no provision of any arrangement, agreement, licence or other instrument to which any member of the Saint Honore Group is a party or by or to which any of them is or are or may be bound, entitled or subject which as a consequence of the implementation of the Proposal or because of a change in control or management of Saint Honore could or might reasonably result in, to an extent which is material in the context of the Saint Honore Group taken as a whole:
 - (i) any monies borrowed by or other indebtedness (actual or contingent) of any member of the Saint Honore Group being repayable or being capable of being declared payable prior to their stated maturity;
 - (ii) the creation of any mortgage, charge or other security interest over the whole or any material part of the business, property or assets of any member of the Saint Honore Group or any such security (whether arising or having arisen) becoming enforceable;
 - (iii) any such arrangement, agreement, licence, permit, franchise or other instrument being terminated or adversely modified or any material action being taken or any material obligation arising thereunder;
- (l) save as publicly announced prior to the Announcement Date, no member of the Saint Honore Group having since 31 March 2006 (being the date to which the latest published audited accounts of Saint Honore were made up):
 - (i) issued, agreed or authorised or proposed the issue of additional shares of any class, or securities convertible into, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities (save as between Saint Honore and its wholly-owned subsidiaries) and including, for the avoidance of doubt, any scrip dividend;
 - (ii) recommended, declared, paid or made any bonus, dividend or other distribution other than between members of the Saint Honore Group (other than the declaration and payment of an interim dividend by Saint Honore in the ordinary course for the six months ended 30 September 2006, if not disallowed by the Executive);
 - (iii) to an extent which is material in the context of the Saint Honore Group as a whole, merged with any body corporate or acquired or disposed of any assets or authorised, proposed or announced any intention to propose any merger, demerger, acquisition or disposal;
 - (iv) issued, authorised or proposed the issue of any debentures or, save in the ordinary course of business, incurred or increased any indebtedness or contingent liability in each case to an extent which is material in the context of the Saint Honore Group taken as a whole;
 - (v) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or redeemed or reduced or made any other change to any part of its share capital to an extent which is material in the context of the Saint Honore Group taken as a whole;
 - (vi) entered into any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long-term, onerous or unusual nature or magnitude, and which involves or is likely to involve an obligation of a nature or magnitude which, in any case, is material in the context of the Saint Honore Group taken as a whole; or
 - (vii) made or authorised or proposed or announced an intention to propose any change in its loan capital to an extent which is material in the context of the Saint Honore Group taken as a whole;

- (m) save as publicly announced prior to the Announcement Date, since 31 March 2006 (being the date to which the latest published audited accounts of Saint Honore were made up):
 - (i) there having been no material adverse change in the business, financial or trading position or prospects of any member of the Saint Honore Group to an extent which is material in the context of the Saint Honore Group taken as a whole; and
 - (ii) there not having been instituted or remaining outstanding any material litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Saint Honore Group is a party (whether as plaintiff or defendant or otherwise) and no such proceedings having been threatened in writing against any such member and no investigation by any government or quasi-governmental, supranational, regulatory or investigative body or court against or in respect of any such member or the business carried on by any such member having been threatened in writing, announced, instituted or remaining outstanding by, against or in respect of any such member in each case which is material and adverse in the context of the Saint Honore Group taken as a whole; and
- (n) each member of the Saint Honore Group remaining solvent and not being subject to any insolvency or bankruptcy proceedings or likewise and no liquidator, receiver or other person carrying out any similar function having been appointed anywhere in the world in respect of the whole or any substantial part of the assets and undertakings of any member of the Saint Honore Group from the Announcement Date up to the date when all the conditions are satisfied or waived, as applicable.

Subject to the above conditions being fulfilled or waived, as applicable, the Scheme is expected to become effective on Thursday, 22 February 2007. 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).

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

CLOSURE OF REGISTERS OF MEMBERS

For the purpose of determining those Saint Honore Shareholders who are qualified for entitlements under the Scheme, the register of members and the branch register of members of Saint Honore in Bermuda and in Hong Kong respectively will be closed after 4:00 p.m. (Hong Kong time) on Thursday, 15 February 2007 until Friday, 16 February 2007 (both days inclusive). During such period no transfer of Saint Honore Shares will be effected.

SUSPENSION AND RESUMPTION OF TRADING IN SAINT HONORE SHARES

At the request of Saint Honore, trading in the Saint Honore Shares on the Stock Exchange was suspended with effect from 9:30 a.m. on Thursday, 25 January 2007, pending the release of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Saint Honore Shares with effect from 9:30 a.m. on Friday, 26 January 2007.

EXPECTED TIMETABLE

The expected timetable for completing the remaining steps of the Proposal, including the withdrawal of the listing of Saint Honore Shares is as follows:

- 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 Monday, 12 February***

* The last day for dealings in Saint Honore Shares on the Stock Exchange is changed from Tuesday, 13 February 2007 to Monday, 12 February 2007 to allow sufficient time for settlement of transfer of Saint Honore Shares before the latest time for lodging forms of transfer of Saint Honore Shares to qualify for entitlements under the Scheme at 4:00 p.m. on Thursday, 15 February 2007.

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
Registers 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 1</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

Note:

1. 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.

It should be noted that the expected timetable may be subject to change. Further announcement(s) will be made in the event that there is any change.

GENERAL

In accordance with the expected timetable set out above, withdrawal of listing of the Saint Honore Shares on the Stock Exchange is expected to be effective from 9:30 a.m. on Friday, 23 February 2007.

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, 25 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), 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.”