



For Immediate Release

**Convenience Retail Asia proposes to acquire 100% shareholding in
Saint Honore Holdings Limited**

**Strong brand equity and bakery expertise of Saint Honore Holdings Limited will
enhance the Group's business proposition and underpin its China strategy**

Hong Kong, 20 November 2006 – Convenience Retail Asia Limited ("CRA" or "the Group"; SEHK stock code: 8052), operator of the Circle K convenience stores in Hong Kong and on the Chinese Mainland, announced that it proposes to acquire 100% shareholding in Saint Honore Holdings Limited ("Saint Honore"; SEHK stock code: 192) which is engaged in the manufacture of bakery products and the operation of a retail chain of bakeries in Hong Kong, Macau and China under the brand names of Saint Honore and Bread Boutique with a retail network of 85 outlets*.

Under CRA's proposal, Saint Honore will be taken over by way of a scheme of arrangement. The listing of the Saint Honore shares on the Main Board of the Stock Exchange of Hong Kong will be withdrawn and Saint Honore will become a wholly-owned subsidiary of CRA.

Saint Honore shareholders may elect either:

- (a) the **Cash Alternative**: cash of HK\$2.95 for every Saint Honore share; or
- (b) the **Share & Cash Alternative**: one CRA share plus cash of HK\$2.95 for every two Saint Honore shares. Where an odd number of Saint Honore shares is held the remaining one Saint Honore share will be satisfied by cash of HK\$2.95. In addition, Saint Honore shareholders choosing this alternative may, subject to availability, apply for the untaken CRA shares that would otherwise have been taken up by Saint Honore shareholders electing the Cash Alternative, using the cash portion of the Share & Cash Alternative, at HK\$2.95 per CRA share.

A consideration of HK\$2.95 for each Saint Honore share represents a premium of approximately 43.9% over the closing price of HK\$2.05 per Saint Honore share on 13 November 2006.

The consideration for each Saint Honore share will not be increased.

Following the implementation of the proposal, CRA intends that the Saint Honore Group will carry on with its current business.

Dr. Victor Fung, Chairman of CRA, said, "We believe that the proposed takeover of Saint Honore will be beneficial to both shareholders of CRA and to Saint Honore. We always want to broaden our expertise in food services which is a core product category of our Circle K convenience stores in Hong Kong and China. Saint Honore's strong brand value and expertise in the baking business will enhance the business proposition for CRA Group's convenience stores as well as underpinning its China strategy."

Mr. Richard Yeung, Chief Executive Officer of CRA, said, " Saint Honore is an existing dough and baked products supplier to CRA and implementation of the proposal will further facilitate business integration between Saint Honore and CRA and capture revenue synergies and greater operational efficiency." **

The Board of Directors of CRA believes that the proposal represents a good opportunity for Saint Honore shareholders to realise their investments at a price significantly above the prevailing market price of Saint Honore shares.

The proposal is conditional on, among other things, requisite approvals of Saint Honore shareholders for the proposal. The proposal will lapse if all of the conditions are not fulfilled or waived on or before 31 May 2007 (or such later time as CRA and Saint Honore may agree in writing).

** In accordance with Rule 10.10 of the Takeovers Code, CRA shareholders and prospective investors should note that this statement should not be interpreted to mean that CRA's earnings per share will necessarily be greater than those for the financial year ended 31 December 2005 of CRA.

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About CRA

Convenience Retail Asia Limited (CRA, SEHK stock code: 8052), a member of Li & Fung Retailing, is engaged in the operation of one of the leading convenience store chains in Hong Kong under the brand name of Circle K. The Circle K store chain in Hong Kong comprises 249 company-owned-and-managed stores as of 30 September 2006.

In October 2002, CRA established Convenience Retail Southern China Limited in joint venture with Guangzhou Grain Group Limited and Shanghai Shenhong Corporation to develop the South China market. As at the end of September 2006, 47 Circle K stores were in operation in Guangzhou and seven stores in Dongguan and two stores in Shenzhen.

In Macau and Zhuhai, sublicensed Circle K stores are in operation and as of 30 September 2006, there were a total of 21 stores. (CRA website: www.cr-asia.com)

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