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**CASH**  
CELESTIAL ASIA SECURITIES HOLDINGS  
LIMITED ("CASH") *(Incorporated in Bermuda with  
limited liability)*

  
PRICERITE GROUP LIMITED  
("Pricerite") *(Incorporated in Bermuda with limited  
liability)*

**JOINT ANNOUNCEMENT**  
**Connected and share transactions of CASH**  
**and**  
**possible unconditional general Offers**  
**by Celestial Capital Limited**  
**on behalf of CASH**  
**for all the issued shares in and outstanding options of Pricerite**  
**(other than those already owned or agreed to be**  
**acquired by CASH or parties acting in concert with it)**

**SUMMARY**

The respective boards of directors of CASH and Pricerite announce that on 9 February 2001 CASH entered into the Miliway Agreement and the Joyplace Agreement pursuant to which CASH has agreed to purchase or procure the purchase of 320,000,000 Pricerite Shares and 115,132,000 Pricerite Shares (altogether the Sale Shares) respectively from Miliway and Joyplace. The consideration for the Sale Shares will be settled by the issue and allotment of a total of 507,654,000 new CASH Shares at the Issue Price, credited as fully paid.

The Agreements constitute connected transactions of CASH as (i) in case of the Miliway Agreement under Rule 14.23(1)(a) of the Listing Rules Miliway is an associate of Mr Kwan and Mr Kwan is a director of CASH; and (ii) in case of the Joyplace Agreement under Rule 14.23(1)(b) of the Listing Rules Miliway is a substantial shareholder of Pricerite holding about 50.90% of the issued share capital of Pricerite and an associate of Mr Kwan, being a director of CASH. The Agreements also constitute share transactions of CASH under the Listing Rules. The Agreements are subject to, among other things, the approval by the CASH Independent Shareholders at a special general meeting pursuant to the Listing Rules. A circular containing, among other things, further details of the Agreements, together with a notice convening the special general meeting of CASH, will be despatched to the shareholders and, for information only, the warrant holders of CASH as soon as practicable.

The Agreements are conditional upon fulfilment of the respective Conditions, in particular, the Joyplace Agreement is conditional upon the conditions of the Miliway Agreement being fulfilled. Completion is expected to take place on or before 30 April 2001. Upon completion of the Miliway Agreement, CASH will hold about 50.90% of the issued share capital of Pricerite. Should the Joyplace Agreement be completed at the same time, CASH will hold a total of about 69.21% of the

issued share capital of Pricerite. Under the Code, Mr Kwan and Mr Lin together with their respective associates are deemed to be parties acting in concert with CASH. Therefore CASH and parties acting in concert with it will upon Completion be interested in about 70.40% of the issued share capital of Pricerite. In compliance with Rules 13 and 26 of the Code, upon completion of the Miliway Agreement, CASH is required to make general offers for all the then issued Pricerite Shares and the outstanding Options, other than those already owned or agreed to be acquired by CASH or parties acting in concert with it, and CASH has appointed Celestial Capital to make the Offers on its behalf accordingly.

**Warning: The Offers are a possibility only. The Offers will only be made if completion of the Miliway Agreement takes place, and the Miliway Agreement is conditional (please see the paragraph headed "Conditions of the Agreements" under the section headed "The Agreements" below). If completion of the Miliway Agreement does not take place, the Offers will not be made. Shareholders of and investors in CASH and Pricerite should exercise caution when dealing in the respective securities of CASH and Pricerite.**

Trading in the securities of CASH and Pricerite on the Stock Exchange were suspended with effect from 10:00 am on Friday, 9 February 2001 pending the issue of this announcement at the request of CASH and Pricerite, respectively. Respective applications have been made to the Stock Exchange for the resumption of trading in the securities of CASH and Pricerite on the Stock Exchange with effect from 10:00 am on Wednesday, 14 February 2001.

## THE AGREEMENTS

### Miliway Agreement

#### *Date of the agreement*

9 February 2001

#### Parties

Vendor: Miliway

Purchaser: CASH

Miliway is ultimately wholly owned by a unit trust, units of which are held by a discretionary trust established for the family members of Mr Kwan. At present, Miliway holds the Miliway Sale Shares, representing about 50.90% of the issued share capital of Pricerite and being the entire shareholding interest of Miliway in Pricerite. Upon completion of the Miliway Agreement, Miliway will no longer be interested in any Pricerite Shares.

#### *The transaction*

CASH has agreed to purchase or procure the purchase of the Miliway Sale Shares from Miliway at the Sale Consideration (i.e. HK\$0.35 per Pricerite Share). The Miliway Agreement constitutes a connected transaction of CASH under Rule 14.23(1)(a) of the Listing Rules as Miliway is an

associate of Mr Kwan and Mr Kwan is a director of CASH. The Miliway Agreement also constitutes a share transaction of CASH under the Listing Rules.

As at the date of this announcement, Miliway did not hold any CASH Shares, options or other securities which are convertible into CASH Shares.

### *Consideration*

The total consideration is HK\$112,000,000 which shall be settled by the issue and allotment by CASH to Miliway or its nominee of 7 new CASH Shares for every 6 Pricerite Shares currently held by Miliway at the Issue Price (i.e. HK\$0.30 per CASH Share), credited as fully paid. Accordingly, a total of 373,333,333 new CASH Shares, representing about 6.31% and 5.81% of the issued share capital of CASH immediately before and after Completion respectively, will be issued to Miliway or its nominee pursuant to the Miliway Agreement.

### **Joyplace Agreement**

#### *Date of the agreement*

9 February 2001

#### Parties

Vendor: Joyplace

Purchaser: CASH

Joyplace holds the Joyplace Sale Shares in the capacity as the trustee of a discretionary unit trust owned as to 1 unit by Mr Lin and as to 18,861,680 units by Canadian Imperial Bank of Commerce Trust Company (Bahamas) Limited, the trustee of another discretionary trust of which the spouse and issue of Mr Lin, but not Mr Lin himself, are the eligible objects. Mr Lin and his associates are deemed to be concert parties to CASH under the Code. At present, Mr Lin and his associates hold the Joyplace Sale Shares and the Lin's Shares, representing about 18.31% and 1.19% of the issued share capital of Pricerite respectively and being the entire shareholding interest of Mr Lin and his associates in Pricerite. Upon completion of the Joyplace Agreement, Mr Lin and his associates will only be interested in the Lin's Shares.

#### The transaction

CASH has agreed to purchase or procure the purchase of the Joyplace Sale Shares from Joyplace at the Sale Consideration (i.e. HK\$0.35 per Pricerite Share). The Joyplace Agreement constitutes a connected transaction of CASH under Rule 14.23(1)(b) of the Listing Rules as Miliway is a substantial shareholder of Pricerite and an associate of Mr Kwan, being a director of CASH. The Joyplace Agreement also constitutes a share transaction of CASH under the Listing Rules.

As at the date of this announcement, Mr Lin and his associates did not hold any CASH Shares, options or other securities which are convertible into CASH Shares.

### *Consideration*

The total consideration is HK\$40,296,200 which shall be settled by the issue and allotment by CASH to Joyplace or its nominee of 7 new CASH Shares for every 6 Pricerite Shares currently held by Joyplace at the Issue Price (i.e. HK\$0.30 per CASH Share), credited as fully paid. Accordingly, a total of 134,320,667 new CASH Shares, representing about 2.27% and 2.09% of the issued share capital of CASH immediately before and after Completion respectively, will be issued to Joyplace or its nominee pursuant to the Joyplace Agreement.

### **Consideration Shares**

The Consideration Shares represent about 8.58% of the existing issued share capital of CASH and about 7.90% of its issued share capital as enlarged by the Consideration Shares. The Issue Price is reached with reference to the closing price per CASH Share as recorded on the Stock Exchange on 8 February 2001, being the trading day immediately prior to the date of the Agreements, of HK\$0.30. The Issue Price also represents a premium of about 1.35% over the average of the closing prices of CASH Shares as quoted on the Stock Exchange for the ten trading days up to and including 8 February 2001 of HK\$0.296 per CASH Share. The terms of the Agreements were negotiated on an arm's length basis between the parties involved and the CASH Board, which includes all independent non-executive directors of CASH, considers that such terms are fair and reasonable.

### **Conditions of the Agreements**

Completion of each of the Agreements is conditional upon fulfilment of the following respective conditions:

1. *For the Miliway Agreement*
  - (a) the obtaining of the approval of (i) the Miliway Agreement; and (ii) the issue and allotment of the 373,333,333 new CASH Shares to Miliway or its nominee, by the CASH Independent Shareholders in a special general meeting of CASH pursuant to the Listing Rules; and
  - (b) the Stock Exchange granting the listing of, and permission to deal in, the 373,333,333 new CASH Shares.
2. *For the Joyplace Agreement*
  - (a) the obtaining of the approval of (i) the Joyplace Agreement; and (ii) the issue and allotment of the 134,320,667 new CASH Shares to Joyplace or its nominee, by the CASH Independent Shareholders in a special general meeting of CASH pursuant to the Listing Rules;
  - (b) the Stock Exchange granting the listing of, and permission to deal in, the 134,320,667 new CASH Shares; and

(c) the conditions of the Miliway Agreement being fulfilled.

For avoidance of doubt, the Miliway Agreement is not conditional upon fulfilment of the conditions of the Joyplace Agreement.

If any of the respective Conditions are not fulfilled on or before 30 April 2001, or any other later date as the parties concerned may mutually agree, the respective Agreements shall terminate and no party thereto shall have any claim against the other.

### **Completion**

Subject to fulfilment of the respective Conditions, respective completion of the Agreements shall take place within three Business Days after the respective Conditions being fulfilled.

### **REASONS OF THE ACQUISITION AND INTENTION OF CASH ON PRICERITE**

CASH has been planning to diversify its investment portfolio into other areas such as technology development projects in addition to its existing financial services and brokerage businesses. CASH has also realized that in view of the cyclical performance and the limited profit margin of the financial services and brokerage businesses, it may not be able to generate sufficient return to its shareholders in strict comparison to the large size of capital employed. CASH has been looking for opportunities for merger and acquisition as well as strategic investment projects to expand and diversify its business and to enlarge the revenue base.

As stated in the section headed "Information on Pricerite" below, Pricerite and its subsidiaries are principally engaged in the operation of a chain of stores in the name of "Pricerite 實惠" specializing in the retailing of furniture and household products. For the six months ended 30 September 2000, the unaudited consolidated net profit attributable to the shareholders of Pricerite was about HK\$6.05 million. The business performance of Pricerite has improved significantly having taken into account its audited consolidated net loss of about HK\$84.44 million for the year ended 31 March 2000. The CASH Board considers that the prospects of retail business in Hong Kong is optimistic as the economy of Hong Kong has been on the recovery track. It is also expected that Pricerite, which will be a non wholly-owned subsidiary of CASH upon Completion, will generate stable and recurring income to CASH and the earning base of CASH will be enhanced. As a whole, the CASH Board, which includes all independent non-executive directors of CASH, is of the view that the acquisition of Pricerite is in the interests of CASH and its shareholders as a whole. At the same time, CASH and its subsidiaries will continue the existing financial services and brokerage businesses.

It is the intention of CASH that Pricerite and its subsidiaries will continue the existing principal business of operating the chain of stores in the name of "Pricerite 實惠". There is no proposal to inject or dispose of any assets of Pricerite upon Completion.

At present, the Pricerite Board is composed of five executive directors (being Mr Kwan, Mr Lin, Mr Liu Yuen Tai, Mr Leung Siu Pong James and Miss Kwok Oi Kuen Joan Elmond) and two independent non-executive Directors (being Mr Ko Wai Ming Daniel and Mr Lam Pak Gon). It is

the intention of CASH that there will not be change to the composition of the Pricerite Board and all existing directors of Pricerite will continue to hold their offices after Completion and close of the Offers. In addition, it is also the intention of CASH that there will be no material changes to the existing management and employees of the group companies of Pricerite by reason only of the Agreements and the Offers.

## **APPROVAL BY CASH INDEPENDENT SHAREHOLDERS**

A special general meeting of CASH will be convened at which resolutions will be proposed to the CASH Independent Shareholders for approval of, inter alia, the Agreements and the issue and allotment of the new CASH Shares pursuant to the CASH Share Option under the Share Offer. Mr Kwan and his associates will abstain from voting in respect of such resolutions. An independent committee of the CASH Board will be formed to advise the CASH Independent Shareholders with regard to the Agreements. An independent financial advisor will be appointed to advise the independent committee of the CASH Board in this regard.

A circular containing, inter alia, details of the Agreements, the recommendation of the independent committee of the CASH Board and a letter of advice from the independent financial advisor to the independent committee of the CASH Board, together with the notice convening a special general meeting of CASH to consider the resolutions for approving, inter alia, the Agreements and the issue and allotment of the new CASH Shares pursuant to the CASH Share Option, will be despatched by CASH to its shareholders and, for information only, the warrant holders of CASH as soon as practicable.

## **POSSIBLE UNCONDITIONAL OFFERS**

### **The Offers**

As at the date of this announcement, CASH did not hold any Pricerite Shares, Options or other securities which are convertible into Pricerite Shares. Assuming no issue of new Pricerite Shares prior to Completion, CASH will upon completion of the Miliway Agreement be interested in 320,000,000 Pricerite Shares, representing about 50.90% of the issued share capital of Pricerite. Should the Joyplace Agreement be completed at the same time, CASH will be interested in 435,132,000 Pricerite Shares, representing about 69.21% of the issued share capital of Pricerite. Under the Code, Mr Kwan and Mr Lin together with their respective associates are deemed to be parties acting in concert with CASH. As at the date of this announcement, (i) Mr Kwan and his associates held the Miliway Sale Shares and 10,000,000 Options; and (ii) Mr Lin and his associates held the Joyplace Sale Shares, the Lin's Shares (being 7,500,000 Pricerite Shares) and the Lin's Options (being 10,000,000 Options). Therefore CASH and parties acting in concert with it will upon Completion be interested in 442,632,000 Pricerite Shares, representing about 70.40% of the issued share capital of Pricerite, and 20,000,000 Options. In compliance with Rules 13 and 26 of the Code, upon completion of the Miliway Agreement, CASH is required to make general offers for all the then issued Pricerite Shares and the outstanding Options, other than those already owned or agreed to be acquired by CASH or parties acting in concert with it.

**Warning: The Offers are a possibility only.**

The Offers will only be made if completion of the Miliway Agreement takes place, and the Miliway Agreement is conditional. If completion of the Miliway Agreement does not take place, the Offers will not be made.

**Shareholders of and investors in CASH and Pricerite should exercise caution when dealing in the respective securities of CASH and Pricerite.**

**If the Offers are made, they will be on the terms set out below.**

### **The Share Offer**

As at the date of this announcement, Pricerite had a total of 628,669,000 Pricerite Shares in issue of which 193,537,000 Pricerite Shares are held by shareholders of Pricerite other than Mr Kwan and his associates and Joyplace.

Celestial Capital has been appointed by CASH to, upon completion of the Miliway Agreement, make an unconditional general offer on behalf of CASH for all the then issued Pricerite Shares, other than those already owned or agreed to be acquired by CASH or parties acting in concert with it, on the following basis:

**for each Pricerite Share ..... HK\$0.35 in cash;**  
**or**  
**for every 6 Pricerite Shares ..... 7 new CASH Shares to be issued.**

However, the unconditional general offer for Pricerite Shares will be extended to the Lin's Shares.

The Cash Option values each Pricerite Share at the Offer Price. On the basis of 7 new CASH Shares to be issued at the issue price of HK\$0.30 per CASH Share for every 6 Pricerite Shares tendered for acceptance under the Share Offer, the CASH Share Option also values each Pricerite Share at the Offer Price. The Offer Price represents (i) a discount of about 22.22% to the closing price of HK\$0.45 per Pricerite Share as quoted on the Stock Exchange on 8 February 2001, being the trading day immediately prior to the date of this announcement; and (ii) a discount of about 29.01% to the average of the closing prices of the Pricerite Shares as quoted on the Stock Exchange for the ten trading days up to and including 8 February 2001 of HK\$0.493 per Pricerite Share. The Offer Price also represents a premium of 75% over the unaudited consolidated net asset value of about HK\$0.20 per Pricerite Share as at 30 September 2000 (based on the unaudited consolidated net asset value of Pricerite of about HK\$125,346,000 as at 30 September 2000 and a total of 628,669,000 Pricerite Shares in issue as at the date of this announcement).

The Offer Price is equal to the Sale Consideration payable by CASH under the Agreements.

Fractions of new CASH Shares will not be issued to accepting Pricerite Shareholders who select the CASH Share Option. Fractional entitlements to new CASH Shares will be aggregated and sold in the market with the proceeds distributed pro rata to those Pricerite Shareholders entitled to them. However, individual entitlements of less than HK\$100 will not be paid to the relevant Pricerite Shareholders but will be retained for the benefit of Pricerite.

## **The Option Offer**

As at the date of this announcement, Pricerite had an aggregate of 28,495,000 outstanding Options with an exercise price of HK\$0.58 per Pricerite Share. Of such 28,495,000 outstanding Options, (i) 10,000,000 were held by Mr Kwan; (ii) 10,000,000 Options were held by Mr Lin (i.e. the Lin's Options); (iii) 4,000,000 Options were held by two other directors of Pricerite; and (iv) the balance of 4,495,000 Options were held by the employees of Pricerite and its subsidiaries.

Subject to the Share Offer being made, Celestial Capital will make the Option Offer on behalf of CASH to holders of 18,495,000 Options (which include the Lin's Options) on the following basis:

**for each Option surrendered ..... HK\$0.0001 in cash.**

The offer price for each Option as stated above is at a nominal value because the exercise price of an Option exceeds the Offer Price.

## **Total consideration**

As at the date of this announcement, there were 628,669,000 Pricerite Shares in issue. At the Offer Price, the Share Offer values the entire existing issued share capital of Pricerite at the date of this announcement at about HK\$220.03 million, representing a premium of about 75.54% over the unaudited consolidated net asset value of Pricerite as at 30 September 2000 of about HK\$125,346,000.

Based on the 28,495,000 outstanding Options and the offer price per Option of HK\$0.0001, the Option Offer values the whole of the currently outstanding Options at about HK\$2,850.

The Offers therefore value the whole of the issued Pricerite Shares and the outstanding Options at about HK\$220.03 million.

Should the Offers be accepted in full and all the Pricerite Shareholders select the Cash Option, the total cash required from CASH for the Offers would be about HK\$67.74 million (at the offer price of HK\$0.35 per Pricerite Share in cash for 193,537,000 Pricerite Shares and at the offer price of HK\$0.0001 for 18,495,000 Options) which shall be financed by the internal resources of CASH. Celestial Capital is satisfied that sufficient financial resources are available to CASH to enable it to satisfy acceptance of the Offers in full.

Should the Offers be accepted in full and all the Pricerite Shareholders select the CASH Share Option, an aggregate of 225,793,166 new CASH Shares (on the basis of 7 new CASH Shares to be issued for every 6 Pricerite Shares), representing about 3.82% of the existing issued share capital of CASH and about 3.40% of its issued share capital as enlarged by the Consideration Shares pursuant to the Agreements and the new CASH Shares under the Share Offer, will be issued and allotted pursuant to the Share Offer.

## **Dealings in and holdings of Pricerite Shares and Options**



CASH and parties acting in concert with it confirm that save for (i) the proposed acquisitions of the Pricerite Shares by CASH pursuant to the Agreements; (ii) the interest of Mr Kwan and his associates in the Miliway Sale Shares and 10,000,000 Options; (iii) the proposed disposal of the Pricerite Shares by Mr Kwan and his associates pursuant to the Miliway Agreement; (iv) the interest of Mr Lin and his associates in the Joyplace Sale Shares the Lin's Shares and the Lin's Options; and (v) the proposed disposal of the Pricerite Shares by Mr Lin and his associates pursuant to the Joyplace Agreement, they do not hold any Pricerite Shares, Options or other securities which are convertible into Pricerite Shares as at the date of the Agreements and had not dealt in the Pricerite Shares, Options or other securities which are convertible into Pricerite Shares in the six months prior to the date of the Agreements.

### **Effect of accepting the Offers**

By accepting the Share Offer, Pricerite Shareholders will sell their Pricerite Shares and all rights attached to them on or after the Completion Date, including without limitation the right to receive all dividends and distributions declared, paid or made on or after the Completion Date.

By accepting the Option Offer, holders of outstanding Options will surrender to Pricerite their Options and all rights attaching thereto, including without limitation the right to subscribe for Pricerite Shares upon exercise of the Options. All outstanding Options surrendered under the Option Offer will then be cancelled by Pricerite.

### **Stamp duty**

Stamp duty at a rate of HK\$1.125 for every HK\$1,000 or part thereof on the amount of Pricerite Shares tendered for acceptance valued at the Offer Price shall be payable by the Pricerite Shareholders who accept the Share Offer. In respect of the acceptance under the Cash Option, the stamp duty will be deducted from the amount payable to the accepting Pricerite Shareholders. In respect of the acceptance under the CASH Share Option, the stamp duty shall be paid by the Pricerite Shareholders by cheque in favour of CASH at the time of accepting the Share Offer.

### **INFORMATION ON CASH**

The principal activity of CASH is investment holding. The principal activities of CASH's subsidiaries consist of (a) investment holding, (b) financial services including brokerage and trading of securities, futures, commodities, options, margin financing and corporate finance, and (c) technology development projects.

At present, there are 5,916,116,067 CASH Shares in issue. Cash Guardian and its concert parties, which include Mr Kwan and his associates including Miliway, all directors of CASH and Mr Lin and his associates including Joyplace ("Cash Guardian and its concert parties") in aggregate hold 3,122,033,704 CASH Shares, representing about 52.77% of the existing issued share capital of CASH. Cash Guardian and its concert parties have confirmed their respective shareholding interests in CASH in the table below, in particular Mr Lin has confirmed that he and his associates did not hold any interest in CASH Shares, options or other securities which are convertible into CASH Shares as at the date of this announcement.

Set out below is a table showing the existing shareholding structure of CASH, its shareholding structure immediately following Completion and its shareholding structure immediately following close of the Offers, assuming all the Pricerite Shareholders select the CASH Share Option:

	Existing shareholding structure		Shareholding structure immediately following Completion		Shareholding structure immediately following close of the Offers, assuming all the Pricerite Shareholders select the CASH Share Option	
	Number of CASH Shares	Share-holding (%)	Number of CASH Shares	Share-holding (%)	Number of CASH Shares	Share-holding (%)
<i>Cash Guardian</i>	2,692,019,826	45.50	2,692,019,826	41.91	2,692,019,826	40.48
<i>Miliway</i>	-	-	373,333,333	5.81	373,333,333	5.62
<i>Joyplace</i>	-	-	134,320,667	2.09	134,320,667	2.02
<i>Mr Lin and his family</i>	-	-	-	-	8,750,000	0.13
<i>Directors of CASH:</i>						
<i>Mr Kwan</i>	309,226,550	5.23	309,226,550	4.81	309,226,550	4.65
<i>Mr Khoo Ken Wee</i>	30,000,000	0.51	30,000,000	0.47	30,000,000	0.45
<i>Mr Li Yuen Cheuk</i>	30,037,500	0.51	30,037,500	0.47	30,037,500	0.45
<i>Mr Law Ping Wah</i>	54,249,828	0.92	54,249,828	0.84	54,249,828	0.82
<i>Mr Law Ka Kin</i>	2,500,000	0.04	2,500,000	0.04	2,500,000	0.04
<i>Miss Kwok Oi Kuen Joan Elmond</i>	4,000,000	0.07	4,000,000	0.06	4,000,000	0.06
Cash Guardian and its concert parties	3,122,033,704	52.77	3,629,687,704	56.50	3,638,437,704	54.72
Public	2,794,082,363	47.23	2,794,082,363	43.50	3,011,125,529	45.28
<b>Total</b>	<b>5,916,116,067</b>	<b>100.00</b>	<b>6,423,770,067</b>	<b>100.00</b>	<b>6,649,563,233</b>	<b>100.00</b>

## INFORMATION ON PRICERITE

### Business

Pricerite is an investment holding company. The subsidiaries of Pricerite are principally engaged in the operation of a chain of stores in the name of "Pricerite 實惠" specialising in the retailing of furniture and household products.

### Financial information

The audited consolidated net losses of Pricerite were about HK\$16,162,000 and HK\$84,437,000 for the years ended 31 March 1999 and 31 March 2000 respectively. The audited consolidated net asset value of Pricerite as at 31 March 2000 was about HK\$27,450,000.

The unaudited consolidated results of Pricerite for the six months ended 30 September 2000 were as follows:

	<i>HK\$'000</i>
Turnover	<u>419,637</u>
Profit before tax	6,165
Tax	(114)
	<hr/>
Net profit attributable to shareholders	<u>6,051</u>

The unaudited consolidated net asset value of Pricerite as at 30 September 2000 was about HK\$125,346,000.

### Shareholding structure

At present, there are 628,669,000 Pricerite Shares in issue. Miliway holds 320,000,000 Pricerite Shares, Joyplace holds 115,132,000 Pricerite Shares and Mr. Lin together with his family hold 7,500,000 Pricerite Shares, representing about 50.90%, 18.31% and 1.19% shareholding interest in Pricerite respectively. Save as disclosed in the paragraph headed "Dealings in and holdings of Pricerite Shares and Options" under the section headed "Possible Unconditional Offers" of this announcement, CASH has confirmed that it and parties acting in concert with it did not hold any interest in Pricerite Shares or any Options as at the date of this announcement.

At present, there are 28,495,000 Options outstanding which entitle the holders thereof to subscribe for a total of 28,495,000 Pricerite Shares. Please refer to the paragraph headed "The Option Offer" under the section headed "Possible Unconditional Offers" for more details on the Options.

Other than the 28,495,000 outstanding Options, there were no securities in issue which are convertible into Pricerite Shares as at the date of this announcement.

Set out below is a table showing the existing shareholding structure of Pricerite and Pricerite's shareholding structure immediately following Completion.

	Existing shareholding structure		Shareholding structure immediately following Completion, assuming no issue of new Pricerite Shares		Outstanding Options	Shareholding structure immediately following Completion, assuming no issue of new Pricerite Shares other than those issued upon exercise of all outstanding Options	
	Number of Pricerite Shares	Shareholding (%)	Number of Pricerite Shares	Shareholding (%)		Number of Pricerite Shares	Shareholding (%)
CASH	-	-	435,132,000	69.21	-	435,132,000	66.21
Miliway *	320,000,000	50.90	-	-	-	-	-
Joyplace *	115,132,000	18.31	-	-	-	-	-
Directors of Pricerite							
Mr Kwan*	-	-	-	-	10,000,000	10,000,000	1.52

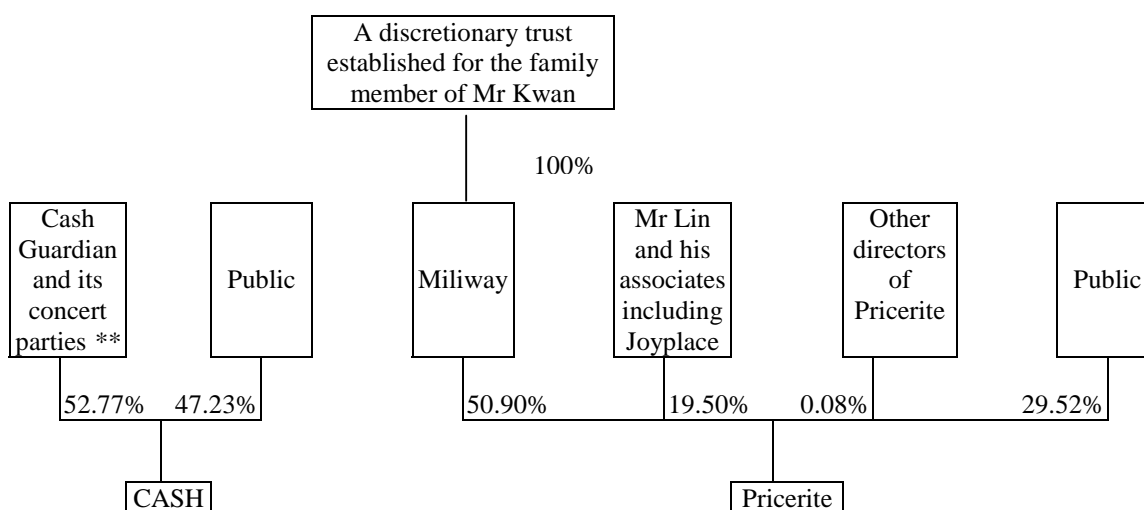
Mr Lin (together with his family)*	7,500,000	1.19	7,500,000	1.19	10,000,000	17,500,000	2.66
Mr Liu Yuen Tai	500,000	0.08	500,000	0.08	2,000,000	2,500,000	0.38
Mr Leung Siu Pong James	-	-	-	-	2,000,000	2,000,000	0.31
Public	185,537,000	29.52	185,537,000	29.52	4,495,000	190,032,000	28.92
<b>Total</b>	<b>628,669,000</b>	<b>100.00</b>	<b>628,669,000</b>	<b>100.00</b>	<b>28,495,000</b>	<b>657,164,000</b>	<b>100.00</b>

(\* being parties acting in concert with CASH)

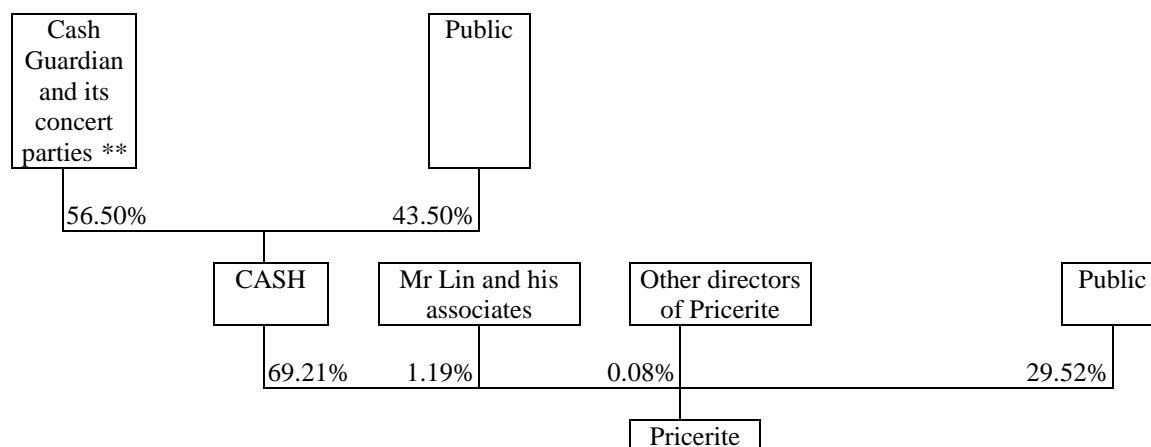
## SHAREHOLDING STRUCTURES OF CASH AND PRICERITE BEFORE AND AFTER COMPLETION

Set out below are the respective shareholding structures of CASH and Pricerite immediately before and after Completion.

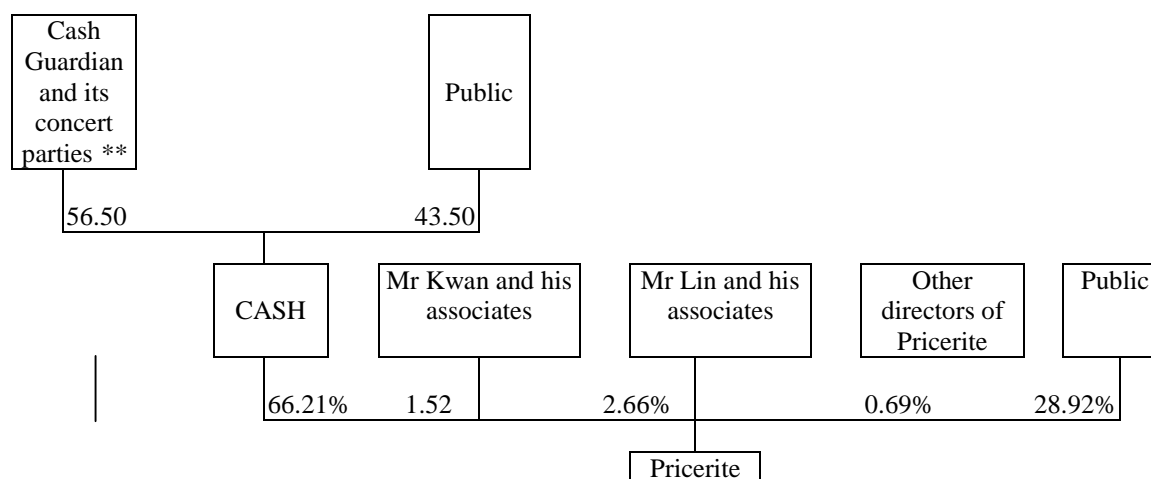
*Immediately before Completion*



*Immediately after Completion, assuming no issue of new Pricerite Shares*



*Immediately after Completion, assuming no issue of new Pricerite Shares other than those issued upon exercise of all outstanding Options*



*(\*\* please refer to the table under the above section headed "Information on CASH" for details of the interest of Cash Guardian and its concert parties in CASH Shares)*

## MAINTAINING THE LISTING OF PRICERITE

It is the intention of the CASH Board to maintain the listing of Pricerite on the Stock Exchange after the closing of the Offers (if made). The CASH Board and the Pricerite Board will undertake to the Stock Exchange that appropriate steps will be taken to ensure that sufficient public float exists for the Pricerite Shares.

The Stock Exchange has stated that it will closely monitor trading in the

Pricerite Shares if, at the close of the Offers (if made), less than 25% of the Pricerite Shares are held by the public. If the Stock Exchange believes that:

- . a false market exists or may exist in the Pricerite Shares, or
- . there are too few Pricerite Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Pricerite Shares. It is noted that upon close of the Offers, there may be less than 25% of the Pricerite Shares held by the public in which case appropriate steps will be taken by CASH to ensure that sufficient public float will exist for the Pricerite Shares. However, decision (if the case may require) in this regard has not been determined yet. Further announcement will otherwise be made accordingly.

If Pricerite remains listed on the Stock Exchange, any acquisition or disposal of assets by Pricerite or any of its subsidiaries will be subject to the provisions of the Listing Rules. Pursuant to the Listing Rules, the Stock Exchange has the discretion to require Pricerite to issue a circular to its shareholders irrespective of the size of the proposed acquisitions and disposals by Pricerite or any of its subsidiaries, particularly where such proposed acquisitions and disposals by them represent a departure from the principal activities of Pricerite and its subsidiaries. The Stock Exchange also has the power to aggregate a series of acquisitions and disposals by Pricerite and its subsidiaries and any such transactions may result in Pricerite being treated as if it were a new listing applicant and subject to the requirements for new listing application as set out in the Listing Rules.

#### SUSPENSION AND RESUMPTION OF TRADING

Trading in the securities of CASH and Pricerite on the Stock Exchange were suspended with effect from 10:00 am on Friday, 9 February 2001 pending the issue of this announcement at the request of CASH and Pricerite, respectively. Respective applications have been made to the Stock Exchange for the resumption of trading in the securities of CASH and Pricerite on the Stock Exchange with effect from 10:00 am on Wednesday, 14 February 2001.

#### GENERAL

An independent committee of the Pricerite Board will be formed to advise

shareholders of Pricerite and holders of the outstanding Options who are eligible to accept the Offers and independent of CASH and parties acting in concert with it regarding the Offers, if the Offers are made. An independent financial adviser will be appointed to advise the independent committee of the Pricerite Board regarding the Offers. Subject to completion of the Miliway Agreement, a composite offer document containing, among other things, the terms of the Offers, the respective advice of the independent committee of the Pricerite Board and the independent financial adviser in relation to the Offers, together with the relevant forms of acceptance and transfer, will be sent to the shareholders of Pricerite within seven days from the Completion Date.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Agreements"	the Miliway Agreement and the Joyplace Agreement
"associates"	as defined in the Listing Rules
"Business Day"	a day (except Saturday) on which banks in Hong Kong are open for business
"CASH"	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange
"CASH Board"	the board of the directors of CASH
"Cash Guardian"	Cash Guardian Limited, a company incorporated in the British Virgin Islands with limited liability and owned as to 40% by Mr Khoo Ken Wee, an executive director of CASH, and as to 60% by a trustee of a unit trust, units of which are held by a trustee of a discretionary trust established for the benefit of Mr Kwan's family members
"Cash Option"	the proposed option under the Share Offer which offers the Pricerite Shareholders HK\$0.35 in cash for each Pricerite Share tendered for acceptance

	under the Share Offer
"CASH Share(s)"	ordinary share(s) of HK\$0.10 in the share capital of CASH
"CASH Share Option"	the proposed option under the Share Offer which offers the Pricerite Shareholders 7 new CASH Shares for every 6 Pricerite Shares tendered for acceptance under the Share Offer
"CASH Independent Shareholder(s)"	holder(s) of CASH Share(s) other than Cash Guardian and its concert parties, which include Mr Kwan and his associates including Miliway, all directors of CASH and Mr Lin and his associates including Joyplace
"Celestial Capital"	Celestial Capital Limited, an investment adviser and a dealer registered under Securities Ordinance (Chapter 333 of the Laws of Hong Kong)
"Code"	the Hong Kong Code on Takeovers and Mergers
"Completion"	completion of the Agreements
"Completion Date"	the date of completion of the Miliway Agreement
"Conditions"	conditions of the Agreements, being those conditions described in the paragraph headed "Conditions of the Agreements" under the section headed "The Agreements" of this announcement
"Consideration Shares"	507,654,000 new CASH Shares to be issued as to 373,333,333 CASH Shares to Miliway and as to 134,320,667 CASH Shares to Joyplace upon completion of the Miliway Agreement and the Joyplace Agreement respectively
"Issue Price"	HK\$0.30 per CASH Share, being the issue price of the Consideration Shares



"Joyplace"	Joyplace Inc., a company incorporated in the British Virgin Islands which holds the Joyplace Sale Shares in the capacity as the trustee of a discretionary unit trust owned as to 1 unit by Mr Lin and as to 18,861,680 units by Canadian Imperial Bank of Commerce Trust Company (Bahamas) Limited, the trustee of another discretionary trust of which the spouse and issue of Mr Lin, but not Mr Lin himself, are the eligible objects
"Joyplace Agreement"	the conditional agreement dated 9 February 2001 between CASH and Joyplace pursuant to which CASH has conditionally agreed to acquire from Joyplace the Joyplace Sale Shares
"Joyplace Sale Shares"	115,132,000 Pricerite Shares, representing about 18.31% of the existing issued share capital of Pricerite, presently beneficially held by Joyplace
"Lin's Options"	10,000,000 Options currently held by Mr Lin
"Lin's Shares"	7,500,000 Pricerite Shares, representing about 1.19% of the existing issued share capital of Pricerite, currently held by Mr Lin and his family
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Miliway"	Miliway Resources Limited, a company incorporated in the British Virgin Islands with limited liability and is ultimately wholly owned by a discretionary trust established for the family members of Mr Kwan.
"Miliway Agreement"	the conditional agreement dated 9 February 2001 between CASH and Miliway pursuant to which CASH has conditionally agreed to acquire from Miliway the Miliway Sale Shares
"Miliway Sale Shares"	320,000,000 Pricerite Shares, representing about 50.90% of the existing issued share capital of Pricerite, presently beneficially held by Miliway

"Mr Kwan"	Mr Kwan Pak Hoo Bankee, an executive director of both CASH and Pricerite
"Mr Lin"	Mr Lin Chih Cheih Sidney, an executive director of Pricerite
"Offers"	the Share Offer and the Option Offer
"Offer Price"	HK\$0.35 per Pricerite Share, being the unit share price to be settled in cash or of new CASH Shares to be issued by CASH as the offeror under the Share Offer
"Option(s)"	option(s) granted to executive directors and employees of Pricerite or its subsidiaries pursuant to the share option scheme of Pricerite which entitle(s) the holder thereof to subscribe for Pricerite Share(s) at a certain exercise price
"Option Offer"	upon the Share Offer being made, the unconditional cash offer to be made by Celestial Capital on behalf of CASH as the offeror for all the outstanding Options other than those already held or agreed to be acquired by CASH or parties acting in concert with it, at and subject to, among other things, the terms as set out in the paragraph headed "The Option Offer" under the section headed "Possible Unconditional Offers" of this announcement. Such unconditional cash offer for the outstanding Options will be extended to the Lin's Options
"Pricerite"	Pricerite Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Pricerite Board"	the board of the directors of Pricerite
"Pricerite Share(s)"	ordinary share(s) of HK\$0.10 in the share capital of Pricerite

"Pricerite Shareholder(s)" holder(s) of Pricerite Share(s), other than CASH and parties acting in concert with it, who are eligible to accept the Share Offer. As the Share Offer will be extended to the Lin's Shares, "Pricerite Shareholders" shall include Mr Lin and his family in so far as the extended offer is concerned

"Sale Consideration" HK\$0.35 per Pricerite Share, being the unit share price to be paid and settled in new CASH Shares by CASH to Miliway and Joyplace under the Agreements

"Share Offer" upon completion of the Miliway Agreement, the unconditional general offer to be made by Celestial Capital on behalf of CASH as the offeror for all the issued Pricerite Shares (other than those already owned or agreed to be acquired by CASH or parties acting in concert with it) at and subject to, among other things, the terms as set out in the paragraph headed "The Share Offer" under the section headed "Possible Unconditional Offers" of this announcement. Such unconditional general offer for Pricerite Shares will be extended to the Lin's Shares

"Stock Exchange" The Stock Exchange of Hong Kong Limited

By order of the board of  
**Celestial Asia Securities Holdings Limited**  
**Khoo Ken Wee**  
*Managing Director*

By order of the board of  
**Pricerite Group Limited**  
**Leung Siu Pong James**  
*Executive Director*

Hong Kong, 13 February 2001

*The directors of CASH jointly and severally accepts full responsibility for the accuracy of the information contained in this announcement (other than that relating to Pricerite) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by Pricerite) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that relating to Pricerite) the omission of which would make any statement in this announcement misleading.*

*The directors of Pricerite jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to CASH) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by CASH) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement (other than that relating to CASH) the omission of which would make any statement in this announcement misleading.*

Please also refer to the published version of this announcement in the South China Morning Post.