
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Stock Exchange of Hong Kong Limited (“Stock Exchange”) takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

If you are in doubt as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Celestial Asia Securities Holdings Limited (“Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

**GENERAL MANDATE TO REPURCHASE SHARES
REFRESHMENT OF THE SCHEME MANDATE LIMIT
APPROVAL FOR REFRESHMENT OF THE RESPECTIVE SCHEME
MANDATE LIMIT OF
CASH FINANCIAL SERVICES GROUP LIMITED AND
PRICERITE GROUP LIMITED
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS**

(i) A notice convening an annual general meeting (“AGM”) of the Company to be held at 10:00 am on 17 May 2004, Monday, to approve the general mandate to repurchase shares, the refreshment of the scheme mandate limit and the approval for refreshment of the respective scheme mandate limit of CASH Financial Services Group Limited and Pricerite Group Limited is set out in the 2003 annual report of the Company. (ii) A notice convening a special general meeting of the Company to approve the proposed amendments to the Bye-laws to be held at 10:05 am (or immediately after the conclusion or adjournment of the AGM of the Company to be held on the same day) on 17 May 2004, Monday, is set out on pages 17 to 21 of this circular. If you are not able to attend the meetings, please complete and return the respective form of proxy enclosed with (i) the 2003 annual report of the Company; and (ii) this circular in accordance with the instructions printed thereon as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the respective meeting or any adjourned meeting. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings should you so wish.

22 April 2004

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on Monday, 17 May 2004 at 10:00 am
“Annual Report”	the 2003 annual report of the Company
“Board”	the board of Directors
“Bye-laws Amendments”	the proposed amendments to the Bye-laws in view of the enactment of the SFO and the changes to the Listing Rules relating to corporate communications by electronic means as well as the recent changes in corporate governance issues which took effect on 31 March 2004, which amendments are set out in the notice of the SGM
“CFSG”	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the GEM of the Stock Exchange, and is a subsidiary of the Company
“CFSG AGM”	the annual general meeting of CFSG to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on, Monday, 17 May 2004 at 9:30 am
“CFSG Directors”	the directors of CFSG
“CFSG Options”	share options granted or to be granted by the CFSG Directors under the CFSG Share Option Scheme(s)
“CFSG Rights Issue”	the issue of 1 CFSG Rights Share for every 1 existing CFSG Share in issue as at the record date of 23 April 2004 at the subscription price of \$0.27 per CFSG Share by way of rights issue in CFSG
“CFSG Rights Issue Circular”	the circular issued by CFSG to the CFSG Shareholders on 6 April 2004 in respect of, among other things, the CFSG Rights Issue

DEFINITIONS

“CFSG Rights Share(s)”	new CFSG Share(s) to be issued under the CFSG Rights Issue
“CFSG Scheme Mandate Limit”	the maximum number of CFSG Shares which may be issued upon the exercise in full of options available to be granted by the CFSG Directors on behalf of CFSG from time to time under the CFSG Share Option Scheme and any other share option scheme(s) of CFSG
“CFSG Scheme Mandate Limit Circular”	the circular issued by CFSG to the CFSG Shareholders on 31 March 2004 in respect of, among other things, the refreshment of CFSG Scheme Mandate Limit
“CFSG Share Option Scheme”	the share option scheme of CFSG adopted by CFSG Shareholders on 19 February 2002 and approved by Shareholders at its special general meeting held on the same day
“CFSG Shareholders”	shareholders of CFSG
“CFSG Share(s)”	share(s) of \$0.10 each in CFSG which are listed on the GEM
“Company”	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on main board of the Stock Exchange
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Latest Practicable Date”	15 April 2004, being the latest practicable date prior to the printing of this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Pricerite”	Pricerite Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange, and is a subsidiary of the Company

DEFINITIONS

“Pricerite AGM”	the annual general meeting of Pricerite to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on, Monday, 17 May 2004 at 9:45 am
“Pricerite Directors”	the directors of Pricerite
“Pricerite Options”	share options granted or to be granted by the Pricerite Directors under the Pricerite Share Option Scheme(s)
“Pricerite Scheme Mandate Limit”	the maximum number of Pricerite Shares which may be issued upon the exercise in full of options available to be granted by the Pricerite Directors on behalf of Pricerite from time to time under the Pricerite Share Option Scheme and any other share option scheme(s) of Pricerite
“Pricerite Scheme Mandate Limit Circular”	the circular issued by Pricerite to the Pricerite Shareholders on 22 April 2004 in respect of, among other things, the refreshment of Pricerite Scheme Mandate Limit
“Pricerite Share Option Scheme”	the share option scheme of Pricerite adopted by Pricerite Shareholders on 19 February 2002 and approved by Shareholders at its special general meeting held on the same day
“Pricerite Shareholders”	shareholders of Pricerite
“Pricerite Share(s)”	share(s) of \$0.02 each in Pricerite which are listed on the main board of the Stock Exchange
“Registered Shareholders	Shareholders whose names appear on the register of members of the Company
“Repurchase Mandate”	a general mandate to repurchase its fully paid up shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise in full of options available to be granted by the Directors on behalf of the Company from time to time under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Securities and Futures Ordinance

DEFINITIONS

“SGM”	the special general meeting of the Company to be held at 10:05 am (or immediately after the conclusion or adjournment of the AGM to be held on the same day) on 17 May 2004, Monday, at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong
“Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at the special general meeting held on 19 February 2002
“Shareholders”	shareholders of the Company
“Share(s)”	share(s) of \$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“\$”	Hong Kong dollar(s)

LETTER FROM THE BOARD



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

Executive Directors

KWAN Pak Hoo Bankee *(Chairman and CEO)*

LAW Ping Wah Bernard *(CFO)*

WONG Kin Yick Kenneth *(Deputy CEO)*

MIAO Wen Hao Felix *(Deputy CEO)*

CHAN Yau Ching Bob

KWOK Oi Kuen Joan Elmond

LAW Ka Kin Eugene

LI Yuen Cheuk Thomas

Registered Office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business

21/F The Center

99 Queen's Road Central

Hong Kong

Independent Non-executive Directors

CHAN Hak Sin

LEUNG Ka Kui Johnny

WONG Chuk Yan

22 April 2004

To shareholders

Dear Sir/Madam,

GENERAL MANDATE TO REPURCHASE SHARES

REFRESHMENT OF THE SCHEME MANDATE LIMIT

**APPROVAL FOR REFRESHMENT OF THE RESPECTIVE SCHEME
MANDATE LIMIT OF
CASH FINANCIAL SERVICES GROUP LIMITED AND
PRICERITE GROUP LIMITED**

AND

PROPOSED AMENDMENTS TO THE BYE-LAWS

The purpose of this circular is to provide you with information on the proposals:–

- (a) to grant to the Directors the Repurchase Mandate;
- (b) to refresh the Scheme Mandate Limit;

LETTER FROM THE BOARD

- (c) to approve the refreshment of the CFSG Scheme Mandate Limit;
- (d) to approve the refreshment of the Pricerite Scheme Mandate Limit; and
- (e) to approve the Bye-laws Amendments.

Pursuant to the Listing Rules, the Repurchase Mandate and the refreshment of the Scheme Mandate Limit have to be granted and approved by Shareholders by a specific or general approval. Pursuant to the GEM Listing Rules and the Listing Rules, the refreshment of the respective CFSG Scheme Mandate Limit and Pricerite Scheme Mandate Limit also has to be simultaneously approved by the shareholders of the Company, being the holding company of CFSG and Pricerite which are also listed on the Stock Exchange. Each of the above resolutions (a) to (d) will be considered in the AGM. The Bye-laws Amendments also require the approval from the Shareholders and the resolution (e) will be considered in the SGM.

This circular also gives you notice of the SGM to consider and, if appropriate, to approve the above resolution (e).

A. REPURCHASE MANDATE

This explanatory statement contains all the information in relation to the Repurchase Mandate required pursuant to the Listing Rules which is set out as follows:

1. REASON FOR SHARES REPURCHASE

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase shares in the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2003.

2. SHARE CAPITAL

As at the Latest Practicable Date, the Company has 365,483,827 Shares in issue and issued share capital of \$36,548,382.70.

LETTER FROM THE BOARD

On that basis and assuming no further Shares will be issued prior to the AGM, the Company may purchase a maximum of 10% of the issued share capital of the Company as at the date of the AGM and the exercise of the Repurchase Mandate in full would result in up to 36,548,382 Shares representing share capital of \$3,654,838.20 being repurchased by the Company during the period prior to the next annual general meeting of the Company following the passing of the resolution referred to herein or the revocation of the Repurchase Mandate by an ordinary resolution of the Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Directors propose that the repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

4. MARKETING PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest	Lowest
	\$	\$
2003		
April	0.340	0.250
May	0.550	0.242
June	1.040	0.520
July	1.200	0.820
August	0.910	0.730
September	1.120	0.780
October	0.820	0.620
November	0.700	0.485
December	0.760	0.480
2004		
January	0.710	0.520
February	0.910	0.650
March	0.830	0.650
April (up to the Latest Practicable Date)	0.750	0.690

LETTER FROM THE BOARD

5. SHARES REPURCHASES MADE BY THE COMPANY

During the previous 6 months prior to the date of this circular, the Company had not repurchased, sold or redeemed any of the listed securities of the Company.

6. GENERAL

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, the substantial Shareholders and the Directors, together with their associates, were beneficially interested in 174,722,151 Shares representing approximately 47.81% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of the substantial Shareholders and the Directors, together with their associates, in the Company would be increased to approximately 53.12% of the issued share capital, in which case, the number of Shares held by the public will be maintained at above 25%. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of repurchase made pursuant to the Repurchase Mandate should the Repurchase Mandate be exercised in full.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

B. REFRESHMENT OF THE SCHEME MANDATE LIMIT

Pursuant to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the Shares in issue from time to time.

LETTER FROM THE BOARD

Pursuant to the Listing Rules, the Scheme Mandate Limit may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by Shareholders. The Scheme Mandate Limit may be refreshed by Shareholders in general meeting from time to time.

As at the Latest Practicable Date, 365,483,827 Shares were in issue and option to subscribe up to 16,000,000 Shares, representing 4.38% of the issued share capital of the Company as at the Latest Practicable Date, have been granted and remained outstanding under the Share Option Scheme and other share option scheme(s) of the Company. Since the latest refreshment of Scheme Mandate Limit and up to the Latest Practicable Date, a total number of 16,000,000 options have been granted under the Share Option Scheme. No such options have been exercised or cancelled up to the Latest Practicable Date.

Details of the options granted to and held by the connected persons (as defined in the Listing Rules) of the Company or their respective associates as at the Latest Practicable Date are listed below for information:

Name	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date (%)
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.82
Law Ping Wah Bernard	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.82
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.27
Miao Wen Hao Felix	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.27
Chan Yau Ching Bob	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.82
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.82
Law Ka Kin Eugene	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.27
Li Yuen Cheuk Thomas	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.27
				<u>16,000,000</u>	<u>4.36</u>

The above persons are all Directors. Mr Kwan Pak Hoo Bankee is also the substantial shareholder of the Company who held approximately 44.88% of the issued share capital of the Company as at the Latest Practicable Date.

No options granted by the Company to the connected persons or their respective associates have been exercised.

LETTER FROM THE BOARD

On that basis and assuming no further allotment and issue of Shares and/or repurchase of Shares up to the date of the AGM, upon the approval of the refreshment of the Scheme Mandate Limit by Shareholders in the AGM, the Scheme Mandate Limit (as refreshed) will allow the Company to grant options entitling holders thereof to subscribe for up to 36,548,382 Shares, being 10% of the Shares then in issue as at the AGM.

On the same assumption, the Directors expect that the grant of options in full under the refreshed Scheme Mandate Limit hereof will not cause the Shares to be issued upon the full exercise of the then outstanding options granted and available to be granted under the Share Option Scheme or any other share option scheme(s) of the Company to be in excess of 30% of the Shares in issue from time to time.

Application will be made to the Stock Exchange by the Company for the approval of the listing of and permission to deal in the Shares, representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit, which may be issued pursuant to the exercise of the options under the Share Option Scheme and any other share option scheme(s) of the Company.

C. REFRESHMENT OF THE CFSG SCHEME MANDATE LIMIT

Pursuant to the GEM Listing Rules, the maximum number of CFSG Shares which may be issued upon exercise of all outstanding CFSG Options granted and yet to be exercised under the CFSG Share Option Scheme and any other share option scheme(s) of CFSG must not exceed 30% of the CFSG Shares in issue from time to time.

Pursuant to the GEM Listing Rules, the CFSG Scheme Mandate Limit may not exceed 10% of the CFSG Shares in issue as at the date of approval or adoption of that limit by CFSG Shareholders. The CFSG Scheme Mandate Limit may be refreshed by CFSG Shareholders in general meeting from time to time subject to conditions including, inter alia, approval by the Shareholders in general meeting.

As at 24 March 2004, being the latest practicable date prior to the printing of the CFSG Scheme Mandate Limit Circular for ascertaining certain information referred to therein, 377,278,224 CFSG Shares were in issue and CFSG Options to subscribe up to 60,334,400 CFSG Shares, representing 16.00% of the issued share capital of CFSG as at that latest practicable date, have been granted and remained outstanding under the CFSG Share Option Scheme and other share option scheme(s) of CFSG. Since the latest refreshment of CFSG Scheme Mandate Limit and up to that latest practicable date, a total number of 37,350,000 CFSG Options have been granted under the CFSG Share Option Scheme. No such options have been exercised or cancelled up to that latest practicable date.

LETTER FROM THE BOARD

Details of CFSG Options held by the connected persons (as defined in the Listing Rules) of the Company as at the Latest Practicable Date are listed below for information:

Name	Notes	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date
						(%)
Kwan Pak Hoo Bankee	1-4	3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Law Ping Wah Bernard	1-3	26/3/2001	1/10/2001 – 30/9/2004	1.08	2,040,000	0.54
		3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Wong Kin Yick Kenneth	1-2	26/3/2001	1/10/2001 – 30/9/2004	1.08	2,040,000	0.54
		3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Miao Wen Hao Felix	1-2	26/3/2001	1/10/2001 – 30/9/2004	1.08	1,530,000	0.41
		3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Chan Yau Ching Bob	1&3	3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Kwok Oi Kuen Joan Elmond	1-2	3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Law Ka Kin Eugene	1-2	26/3/2001	1/10/2001 – 30/9/2004	1.08	2,550,000	0.68
		3/11/2003	3/11/2003 – 31/10/2004	0.60	1,250,000	0.33
		2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Li Yuen Cheuk Thomas	1&3	2/12/2003	2/12/2003 – 30/11/2005	0.44	2,450,000	0.65
Cheng Pui Lai Majone	3	26/3/2001	1/10/2001 – 30/9/2004	1.08	1,020,000	0.27
		2/12/2003	1/6/2004 – 31/5/2006	0.44	500,000	0.13
Kwok Lai Ling Elaine	3	2/12/2003	1/6/2004 – 31/5/2006	0.44	500,000	0.13
					38,530,000	10.21

Notes:

- (1) Director
- (2) CFSG Director
- (3) Pricerite Director
- (4) Substantial shareholder of the Company who held approximately 44.88% of the issued share capital of the Company as at the Latest Practicable Date

LETTER FROM THE BOARD

On that basis and assuming no further allotment and issue of CFSG Shares and/or repurchase of CFSG Shares up to the date of the CFSG AGM, upon, inter alia, the approval of the refreshment of the CFSG Scheme Mandate Limit by CFSG Shareholders, the CFSG Scheme Mandate Limit (as refreshed) will allow CFSG to grant options entitling holders thereof to subscribe for up to 37,727,822 CFSG Shares. As disclosed in the CFSG Rights Issue Circular, CFSG has put forward a proposal to the CFSG Shareholders for CFSG Rights Issue. If the CFSG Rights Issue is approved by the CFSG Shareholders, a total number of 377,278,224 CFSG Rights Shares will be issued under the CFSG Rights Issue on 17 May 2004, the total number of issued shares of CFSG as at the CFSG AGM will be increased to 754,556,448 CFSG Shares. Then, the CFSG Scheme Mandate Limit (as refreshed) will allow CFSG to grant options entitling holders thereof to subscribe for up to 75,455,644 CFSG Shares, being 10% of the CFSG Shares then in issue as at the CFSG AGM.

On the same assumption, the CFSG Directors expect that the grant of options in full under the refreshed CFSG Scheme Mandate Limit will not cause the CFSG Shares to be issued upon the full exercise of the then outstanding CFSG Options granted and available to be granted under the CFSG Share Option Scheme or any other share option scheme(s) of CFSG to be in excess of 30% of the CFSG Shares in issue from time to time.

The refreshment of the CFSG Scheme Mandate Limit is conditional upon approval by the CFSG Shareholders, approval by the Shareholders and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the CFSG Shares, representing a maximum of 10% of the CFSG Shares in issue as at the date of the CFSG AGM, which may be issued pursuant to the exercise of the CFSG Options under the CFSG Share Option Scheme and any other share option scheme(s) of CFSG.

D. REFRESHMENT OF THE PRICERITE SCHEME MANDATE LIMIT

Pursuant to the Listing Rules, the maximum number of Pricerite Shares which may be issued upon exercise of all outstanding Pricerite Options granted and yet to be exercised under the Pricerite Share Option Scheme and any other share option scheme(s) of Pricerite must not exceed 30% of the Pricerite Shares in issue from time to time.

Pursuant to the Listing Rules, the Pricerite Scheme Mandate Limit may not exceed 10% of the Pricerite Shares in issue as at the date of approval or adoption of that limit by Pricerite Shareholders. The Pricerite Scheme Mandate Limit may be refreshed by Pricerite Shareholders in general meeting from time to time subject to conditions, including, inter alia, approval by the Shareholders in general meeting.

As at 15 April 2004, being the latest practicable date prior to the printing of the Pricerite Scheme Mandate Limit Circular for ascertaining certain information referred to therein, 533,194,250 Pricerite Shares were in issue and Pricerite Options to subscribe up to 37,500,000 Pricerite Shares,

LETTER FROM THE BOARD

representing 7.03% of the issued share capital of Pricerite as at that latest practicable date, have been granted and remained outstanding under the Pricerite Share Option Scheme and other share option scheme(s) of Pricerite. Since the latest refreshment of Pricerite Scheme Mandate Limit and up to that latest practicable date, a total number of 10,300,000 Pricerite Options have been granted under the Pricerite Share Option Scheme. A total number of 2,800,000 of such options have been exercised and no such options have been cancelled up to that latest practicable date.

Details of Pricerite Options held by the connected persons (as defined in the Listing Rules) of the Company as at the Latest Practicable Date are listed below for information:

Name	Notes	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date (%)
Kwan Pak Hoo Bankee	1-4	2/12/2003	2/12/2003 – 30/11/2004	0.358	5,000,000	0.94
Law Ping Wah Bernard	1-3	2/12/2003	2/12/2003 – 30/11/2004	0.358	5,000,000	0.94
Miao Wen Hao Felix	1-2	2/12/2003	1/12/2004 – 30/11/2005	0.358	2,500,000	0.47
Chan Yau Ching Bob	1&3	2/12/2003	2/12/2003 – 30/11/2004	0.358	5,000,000	0.94
Li Yuen Cheuk Thomas	1&3	2/12/2003	1/12/2004 – 30/11/2005	0.358	2,500,000	0.47
Cheng Pui Lai Majone	3	2/12/2003	1/12/2004 – 30/11/2005	0.358	5,000,000	0.94
Kwok Lai Ling Elaine	3	2/12/2003	1/12/2004 – 30/11/2005	0.358	5,000,000	0.94
Leung Siu Pong James	3	2/12/2003	1/12/2004 – 30/11/2005	0.358	2,500,000	0.47
					<u>32,500,000</u>	<u>6.11</u>

Notes:

- (1) Director
- (2) CFSG Director
- (3) Pricerite Director
- (4) Substantial shareholder of the Company who held approximately 44.88% of the issued share capital of the Company as at the Latest Practicable Date

LETTER FROM THE BOARD

On that basis and assuming no further allotment and issue of Pricerite Shares and/or repurchase of Pricerite Shares up to the date of the Pricerite AGM, upon, inter alia, the approval of the refreshment of the Pricerite Scheme Mandate Limit by Pricerite Shareholders, the Pricerite Scheme Mandate Limit (as refreshed) will allow Pricerite to grant options entitling holders thereof to subscribe for up to 53,319,425 Pricerite Shares, being 10% of the Pricerite Shares then in issue as at the Pricerite AGM.

On the same assumption, the Pricerite Directors expect that the grant of options in full under the refreshed Pricerite Scheme Mandate Limit will not cause the Pricerite Shares to be issued upon the full exercise of the then outstanding Pricerite Options granted and available to be granted under the Pricerite Share Option Scheme or any other share option scheme(s) of Pricerite to be in excess of 30% of the Pricerite Shares in issue from time to time.

The refreshment of the Pricerite Scheme Mandate Limit is conditional upon approval by the Pricerite Shareholders, approval by the Shareholders and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Pricerite Shares, representing a maximum of 10% of the Pricerite Shares in issue as at the date of the Pricerite AGM, which may be issued pursuant to the exercise of the Pricerite Options under the Pricerite Share Option Scheme and any other share option scheme(s) of Pricerite.

E. AMENDMENTS TO THE BYE-LAWS

In view of the enactment of the SFO and the changes to the Listing Rules of the Stock Exchange relating to corporate communications by electronic means as well as the recent changes on corporate governance issues which took effect on 31 March 2004, the Board has resolved to propose to the Shareholders certain amendments to the Bye-laws of the Company, which are mainly as follows:–

- (a) references to the recognised clearing house shall be revised in accordance with the SFO;
- (b) electronic corporate communications to holders of securities of the Company to the extent and in the manner permitted by the Listing Rules will be permitted;
- (c) any contract or arrangement or any other proposal in which a Director has a material interest requiring approval of the Board and requiring the Director in concern not to vote on the resolution and not to be counted in the quorum of the Board meeting shall be extended to that in which he or any of his associates (as defined in the Listing Rules from time to time) has interest, and the exceptions to the application referring to the Director shall be extended to cover the Director or any of his associates (as defined in the Listing Rules from time to time) accordingly, where appropriate;

LETTER FROM THE BOARD

- (d) the minimum period for lodgment of a notice to nominate a person as a Director shall commence on the day after the despatch of the notice of the meeting appointed for the election of Director(s); and
- (e) any Shareholder is, under the Listing Rules, required to abstain from voting on or restricted to vote only for or only against any particular resolution, any votes in concern cast in contravention thereto shall not be counted.

The proposed Bye-laws Amendments are subject to the approval of the Shareholders by way of special resolution at the SGM to be held immediately after the conclusion or adjournment of the AGM.

The Bye-laws Amendments conform with Appendix 3 of the new Listing Rules.

F. AGM AND SGM

Notice of the AGM containing the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the approval for refreshment of the CFSG Scheme Mandate Limit and the approval for refreshment of the Pricerite Scheme Mandate Limit is set out in the Annual Report for your consideration and approval.

Notice of the SGM containing the proposed special resolution to approve the Bye-laws Amendments is set out on pages 17 to 21 in this circular.

A form of proxy for the AGM is enclosed with the Annual Report. A form of proxy for the SGM is enclosed with this circular. If you do not intend to be present at the AGM and/or the SGM, you are requested to complete the respective form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no less than 48 hours before the time appointed for the holding of the respective meeting or any adjourned meeting. Completion and return of the forms of proxy will not preclude you from attending and voting at the meetings should you so wish.

G. PROCEDURE TO DEMAND A POLL BY SHAREHOLDERS

Shareholders may demand a resolution to be taken by poll if:

- (1) the demand is raised before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll); and

LETTER FROM THE BOARD

- (2) the demand is made by:
- (a) at least 3 Registered Shareholders (as represented personally, or by proxy, or by corporate representative) entitled to vote at the meeting; or
 - (b) a Registered Shareholder or Registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) representing not less than 10% of the total voting rights of all Shares in issue that entitle the holders to vote at the meeting.

H. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the approval for refreshment of CFSG Scheme Mandate Limit, the approval for refreshment of Pricerite Scheme Mandate Limit and the Bye-laws Amendments are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the AGM and the SGM.

On behalf of the Board

Bankee P Kwan

Chairman & CEO

NOTICE OF THE SGM



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Celestial Asia Securities Holdings Limited (“Company”) will be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on 17 May 2004, Monday, at 10:05 am (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held on the same day) for the purpose of considering and, if thought fit, to pass the following resolution, with or without amendments, as a special resolution:–

“**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:–

- (1) under the section “Interpretation” – to include a new defined word and revise an existing defined word as follows:

new defined word

“associate(s)” as defined by the rules of the Designated Stock Exchange.

existing defined word

“clearing house” a clearing house recognized by the laws of the jurisdiction in which or on which the shares of the Company are listed or quoted.

- (2) in Bye-law 2(e) – to insert the following words after the last word “form” of the paragraph:

“, and including the form of electronic display, provided that all applicable Statutes, rules and regulations are complied”

NOTICE OF THE SGM

- (3) in Bye-law 2(j) – to be renumbered as “2(k)” and insert before this Bye-law the following new paragraph:

“2. (j) references to a document being executed include that being executed under hand or under seal or by electronic signature or by any other method and references to a Notice or document include that recorded or stored in any digital, electronic, electrical, magnetic or other retrievable form or medium and information in visible form whether having physical substance or not;”

- (4) in Bye-law 6 – to insert the words “, save for the use of share premium as expressly permitted by the Act,” before the words “any share premium account” in Bye-law 6 and delete the words “in any manner permitted by law” at the end of Bye-law 6.

- (5) in both Bye-laws 44 and 51 – to insert the following words after the words “any other newspapers in accordance with the requirements of any Designated Stock Exchange”:

“or by any means in such manner as may be accepted by the Designated Stock Exchange”

- (6) in Bye-law 77 – to renumber the paragraph as Bye-law 77(2) and replace the first word of “If” of the paragraph with “Subject to Bye-law 77(1), if”, and insert right before the paragraph with the following new paragraph:

“77. (1) If any Member is, under the rules of the Designated Stock Exchange, required to abstain from voting on or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement shall not be counted.”

- (7) in Bye-law 88 – to replace the existing paragraph with the following:

“88. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless during the period of seven (7) days commencing from the day after the despatch of the notice convening the meeting for the appointment of Director(s) there shall have been lodged at the head office notice in writing signed by a Member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice together with the necessary publication information required under the rules of the Designated Stock Exchange in writing by the person to be proposed of his willingness to be elected.”

NOTICE OF THE SGM

(8) in Bye-law 103(1) – to replace the existing paragraph with the following:

“103. (1) A Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his associates is materially interested or in the manner as may be restricted by the rules of the Designated Stock Exchange, but prohibition shall not apply to any of the following matters namely:

- (i) any contract or arrangement for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of them or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has/have himself or themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (v) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or any of his

NOTICE OF THE SGM

associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or

- (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme, an insurance policy or other arrangement which relates to Directors, their associates, and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded to the employees to which such scheme or fund relates.”

- (9) in Bye-law 153 – to insert the following words after the last word of “debentures” of the paragraph:

“, or, to the extent not prohibited in these Bye-laws, the foregoing requirement in this Bye-law 153 shall be deemed satisfied in any manner permitted by and subject to the due compliance with all applicable Statutes, rules and regulations, including the rules of the Designated Stock Exchange, and to obtaining all necessary consents, if any, required thereunder”

- (10) in Bye-law 154(2) – to replace the words “fourteen (14) days” by the following words:

“twenty-one (21) days (or such other period as may be prescribed by the Act or the rules of the Designated Stock Exchange or any applicable Statutes, rules and regulations)”

- (11) in Bye-law 160 – to replace the existing paragraph with the following:

“160. Any Notice or document (including “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange) from the Company to a Member may be given in either the English language or the Chinese language, and shall, to the extent permitted or not prohibited by the rules of the Designated Stock Exchange or any applicable laws and in the manner as prescribed thereunder, be served in writing or by cable, telex or facsimile transmission message, or in other form of electronic transmission or communication, or by public announcement, and be served or delivered by the Company on or to any Member personally, or by sending or transmitting it to

NOTICE OF THE SGM

the postal address, telex or facsimile transmission number, electronic number or address or website provided by the Member, or by advertisement in appointed newspapers (as defined in the Act) or in newspapers published daily and circulating generally in the territory, or by placing the Notice or document on the Company's website. In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders."

- (12) in Bye-law 163 – to insert after the words “a cable or telex or facsimile” the words “or electronic”.

By order of the Board
Joan Elmond O K Kwok
Company Secretary

Hong Kong, 22 April 2004

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business:

21/F The Center
99 Queen's Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint proxy to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company. A form of proxy is also enclosed for the meeting.
2. In order to be valid, the form must be deposited at the principal place of business of the Company in Hong Kong at 21/F The Center, 99 Queen's Road Central, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the special general meeting or any adjournment thereof.