



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”

- (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.”

(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 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 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

The Directors as at the date hereof are Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Wong Kin Yick Kenneth, Mr Miao Wen Hao Felix, Dr Chan Yau Ching Bob, Ms Kwok Oi Kuen Joan Elmond, Mr Law Ka Kin Eugene, Mr Li Yuen Cheuk Thomas, Mr Chan Hak Sin, Mr Leung Ka Kui Johnny and Mr Wong Chuk Yan.

Hong Kong, 22 April 2004

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.
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.

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