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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 and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

CASH

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 OF THE COMPANY,
RE-ELECTION OF THE RETIRING DIRECTORS,
APPROVAL FOR ADOPTION OF SUBSIDIARY’S SHARE OPTION SCHEME,
REDUCTION OF SHARE PREMIUM ACCOUNT,
PROPOSED SHARE CONSOLIDATION,
PROPOSED REDUCTION IN SHARE CAPITAL
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular, for which the directors of the Company (“Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A notice convening an annual general meeting of the Company to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on 6 June 2008, Friday, at 9:30 am is set out on pages 44 to 49 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy 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 meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

30 April 2008

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EXPECTED TIMETABLE FOR AGM, SHARE CONSOLIDATION AND CAPITAL REDUCTION

2008

Despatch of this circular (including the notice of the AGM) and the related form of proxy to the Shareholders	Wednesday, 30 April
Latest time for lodging forms of proxy for the AGM.....	9:30 am on Wednesday, 4 June
AGM.....	9:30 am on Friday, 6 June
The date the Share Consolidation and the Capital Reduction taking effect	9:30 am on Tuesday, 10 June
Original counter for trading in board lot size of 2,000 Existing Shares temporarily closes	9:30 am on Tuesday, 10 June
Temporary counter for trading in board lot size of 400 Reduced Shares opens (in the form of the existing blue share certificates)	9:30 am on Tuesday, 10 June
First day for free exchange of certificates for Reduced Shares	Tuesday, 10 June
Original counter for trading in board lot size of 2,000 Reduced Shares reopens (in the form of new white share certificates).....	9:30 am on Tuesday, 24 June
Parallel trading in Reduced Shares commences	9:30 am on Tuesday, 24 June
Temporary counter for trading in board lot size of 400 Reduced Shares closes	4:00 pm on Wednesday, 16 July
Parallel trading in Reduced Shares ends	4:00 pm on Wednesday, 16 July
Latest date for lodging certificates for Existing Shares in exchange for certificates for Reduced Shares free of charge	Tuesday, 22 July

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 6 June 2008, Friday, at 9:30 am
“Announcement”	the announcement made by the Company on 15 April 2008 in respect of the Share Consolidation and the Capital Reduction
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Capital Reduction”	the proposed capital reduction of Consolidated Shares into Reduced Shares on the basis set out in the section headed “Share Consolidation and Capital Reduction”
“CCASS”	the Central Clearing and Settlement System established and administered by Hong Kong Securities Clearing Company Limited
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange, and is a subsidiary of the Company. Prior to the listing of shares on the Main Board which took effect on 3 March 2008, shares of CFSG were listed on the Growth Enterprise Market of the Stock Exchange under the stock code of 8122
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose shares are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	issued Share(s) of HK\$0.50 each in the share capital of the Company proposed to be created immediately after the Share Consolidation but before the Capital Reduction

DEFINITIONS

“CRMG”	CASH Retail Management Group Limited (now known as Oriental Ginza Holdings Limited) (stock code: 996), a company incorporated with limited liability in Bermuda and whose shares are listed on the Main Board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Existing Share(s)”	existing share(s) of HK\$0.10 each in the issued share capital of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hongkong Clearing”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	25 April 2008, 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
“Main Board”	The stock market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) and which stock market continues to be operated by the Exchange in parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Members of the Netfield Group”	Netfield Group and any of its associated companies, the Netfield Group’s holding company and the subsidiaries and the associated companies to the Netfield Group’s holding company
“Netfield”	Netfield Technology Limited is a company incorporated in Bermuda with limited liability and is currently a wholly-owned subsidiary of the Company. It is also the holding company of the Netfield Group which engages in online game business
“Netfield Board”	the board of directors of Netfield
“Netfield Group”	Netfield and its subsidiaries which engages in online game business

DEFINITIONS

“Netfield Options”	the options granted or to be granted under the Netfield Share Option Scheme
“Netfield Share Option Scheme”	the proposed share option scheme of Netfield to be adopted by Netfield, a summary of principal terms are set out in the appendix II to this circular
“Netfield Share(s)”	share(s) of HK\$0.10 each in Netfield
“Participant(s)”	eligible participant(s) to the Netfield Share Option Scheme, being employees (whether full time or part time), executives and officers of the Members of the Netfield Group (including executive and non-executive directors of the Members of the Netfield Group) and business consultants, agents and legal and financial advisers to the Members of the Netfield Group who the Netfield Board considers, in its sole discretion, will contribute or have contributed to the Members of the Netfield Group
“Reduced Share(s)”	issued share(s) of HK\$0.10 each in the share capital of the Company proposed to be created after the Share Consolidation and the Capital Reduction
“Registrars”	Tricor Standard Limited, the branch share registrars of the Company, whose business address is situate at 26/F Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Repurchase Mandate”	a general mandate to repurchase the 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Consolidation”	the proposed share consolidation of every 5 Existing Shares into 1 Consolidated Share

DEFINITIONS

“Share Option(s)”	share option(s) granted by the Company to the directors and/or employees of the Group under the Share Option Scheme
“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 and is currently the only share option scheme of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	share(s) of HK\$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
“trading day(s)”	day(s) on which the Stock Exchange is open for business of dealing in securities
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

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*)

LIN Che Chu George (*CEO*)

LAW Ping Wah Bernard (*CFO*)

WONG Kin Yick Kenneth (*ED*)

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors

LEUNG Ka Kui Johnny

WONG Chuk Yan

CHAN Hak Sin

Principal place of business

21/F The Center

99 Queen's Road Central

Hong Kong

30 April 2008

To Shareholders

Dear Sir/Madam,

**GENERAL MANDATE TO REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT OF THE COMPANY,
RE-ELECTION OF THE RETIRING DIRECTORS,
APPROVAL FOR ADOPTION OF SUBSIDIARY'S SHARE OPTION SCHEME,
REDUCTION OF SHARE PREMIUM ACCOUNT,
PROPOSED SHARE CONSOLIDATION,
PROPOSED REDUCTION IN SHARE CAPITAL
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with:–

- (a) information on the proposal to grant to the Directors the Repurchase Mandate which is required under rule 10.06(1)(a)(iii) of the Listing Rules to be approved by Shareholders by a specific or general approval;

LETTER FROM THE BOARD

- (b) information on the refreshment of the Scheme Mandate Limit which is required under rule 17.03(3) of the Listing Rules to be approved by Shareholders in general meeting;
- (c) information on the re-election of the retiring Directors;
- (d) information on the Netfield Share Option Scheme which is required under rule 17.02(1)(a) of the Listing Rules to be approved by Shareholders in general meeting;
- (e) information on the reduction of share premium account;
- (f) further details regarding the Share Consolidation and the Capital Reduction as announced in the Announcement; and
- (g) the notice of the AGM at which (i) ordinary resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the adoption of the Netfield Share Option Scheme, and (ii) special resolutions will be proposed to approve the reduction of share premium account, and the Share Consolidation and the Capital Reduction.

A. REPURCHASE MANDATE

At the annual general meeting of the Company held on 1 June 2007, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Under the Listing Rules, such general mandate will lapse at the conclusion of the AGM. The Company is proposing an ordinary resolution in the AGM for granting the general mandate to the Directors to repurchase Shares up to 10% of the issued Shares of the Company as at the day of passing the resolution.

This circular 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 share 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.

LETTER FROM THE BOARD

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 2007. However, the Directors will not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

2. Share capital

As at the Latest Practicable Date, the Company has 902,525,740 Shares in issue and issued share capital of HK\$90,252,574.00.

On that basis and assuming no further Shares will be issued prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 90,252,574 Shares (representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution) representing share capital of HK\$9,025,257.40 being repurchased by the Company. Such Repurchase Mandate, if passed, will continue in force until the conclusion of 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.

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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 <i>HK\$</i>	Lowest <i>HK\$</i>
2007		
April	0.450	0.340
May	0.590	0.385
June	1.380	0.460
July	2.450	1.390
August	1.820	0.940
September	1.760	1.130
October	1.380	1.010
November	1.400	0.850
December	1.090	0.750
2008		
January	0.800	0.350
February	0.880	0.510
March	0.800	0.500
April (up to the Latest Practicable Date)	0.640	0.440

5. Share 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.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the single largest substantial Shareholder, together with its associates collectively were beneficially interested in 314,042,564 Shares representing approximately 34.80% 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 Shareholder, together with its associates, in the Company would be increased to approximately 38.67% of the issued share capital, in which case, such increase may give rise to an obligation of the substantial Shareholder to make a mandatory general offer under rules 26 and 32 of the Takeovers Code. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that it will trigger the mandatory general offer under rules 26 and 32 of the Takeovers Code. The number of Shares held by the public will still be maintained at above 25% of the total number of Shares in issue in the event of exercise of the Repurchase Mandate 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 rule 17.03(3) of 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 must not exceed 30% of the Shares in issue from time to time.

Pursuant to rule 17.03(3) of 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, 902,525,740 Shares were in issue and option to subscribe up to 70,000,000 Shares, representing 7.76% 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. Since the latest refreshment of Scheme Mandate Limit and up to the Latest Practicable Date, a total of 42,300,000 options have been granted and the Scheme Mandate Limit has been utilised as to around 64.46%.

LETTER FROM THE BOARD

The refreshment of the Scheme Mandate Limit is conditional upon (i) approval by Shareholders by an ordinary resolution in the AGM; and (ii) the Stock Exchange granting approval for the listing and permission to deal in the option Share(s) to be issued pursuant to the exercise of options to be granted under the Scheme Mandate Limit.

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 90,252,574 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 to be in excess of 30% of the Shares in issue from time to time.

The Directors would like to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so as to retain the flexibility for the Board to make new grant of options under the Share Option Scheme as the Board may consider appropriate from time to time. It will allow the Company to attract potential employees to join the Group and to provide incentives to and to retain the existing employees of the Group which is in the interests of the Group.

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.

C. RE-ELECTION OF THE RETIRING DIRECTORS

The following Directors shall retire and, being eligible, offer themselves for re-election by ordinary resolutions at the AGM:

- (i) Mr Kwan Pak Hoo Bankee and Mr Law Ping Wah Bernard shall retire at least once in every three financial years at annual general meeting of the Company in accordance with the Company's bye-laws and the corporate governance code; and
- (ii) Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being independent non-executive Directors, shall retire at the annual general meeting of the Company in each year in accordance with the corporate governance code and their terms of office of directorship.

LETTER FROM THE BOARD

Particulars of Directors proposed to be re-elected at the AGM is set out in Appendix I of this circular.

D. APPROVAL FOR ADOPTION OF SUBSIDIARY'S SHARE OPTION SCHEME

Netfield is the holding company of the Netfield Group, which engages in online game business. Netfield does not have in place a share option scheme. It is proposed that Netfield (subject to approval by Shareholders) will adopt a share option scheme to provide incentive to the Participants with the opportunity to acquire proprietary interests in Netfield, which will encourage the grantees of such options to work towards enhancing the value of Netfield Group, and to enable Netfield to recruit high-calibre employees and attract human resources, for the benefit of the Group as a whole.

Under the Netfield Share Option Scheme, the Netfield Board will have the right to grant to the Participants options to subscribe for Netfield Shares (not the Company's Shares), which when aggregated with any securities to be granted subject to any other share option scheme(s) of Netfield, if any, shall not in aggregate exceed 10% of the total number of Netfield Shares in issue as at the date of the approval of the Netfield Share Option Scheme. Notwithstanding any other provisions of the Netfield Share Option Scheme, the maximum number of Netfield Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Netfield Share Option Scheme and other share option scheme(s) of Netfield, if any, shall not exceed 30% of the total number of Netfield Shares in issue from time to time.

In addition:

1. Any grant of options under the Netfield Share Option Scheme to any Participant, who is also a Director, chief executive or substantial Shareholder of the Company or any of their respective associates, shall also be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the option), and like all other grantees of the scheme, if the number of securities issued and to be issued upon exercise of the options granted to such Director, chief executive or substantial Shareholder of the Company or their respective associates in any 12-month period exceed 1% of the relevant class of securities of Netfield in issue, such grant must be separately approved by the Shareholders with such grantee and his associates abstaining from voting.

LETTER FROM THE BOARD

2. Where any grant of options to an independent non-executive Director or a substantial Shareholder of the Company or any of their respective associates would result in the Netfield Shares which may be issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person under such scheme in the 12-month period up to and including the date of such grant representing in aggregate over 0.1%, or such other percentage as may from time to time be specified in the Listing Rules, of the share capital of Netfield in issue, such grant of options shall be subject to prior approval by the Shareholders (voting by way of poll). All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting.
3. Any alteration of the rules of Netfield Share Option Scheme to the advantage of the grantees shall comply with the requirements under the Listing Rules and also be subject to the approval by the Shareholders.

As Netfield is a subsidiary of the Company, the Netfield Share Option Scheme must be approved by Shareholders at general meeting pursuant to the rule 17.02(1)(a) of the Listing Rules. Subject to the approval of an ordinary resolution by the Shareholders at the AGM, the Netfield Board will adopt the Netfield Share Option Scheme and will have the right to grant to the Participants options to subscribe for the Netfield Shares.

The Netfield Board will include certain terms in respect of, among other things, the minimum period for which options must be held and the performance target to be achieved before the options can be exercised, and the exercise price of options, in the Netfield Share Option Scheme in the manner that the such terms will serve the purpose of the scheme, which is to provide incentives and/or rewards for the grantees' contribution to the Members of the Netfield Group.

A summary of the principal terms of the Netfield Share Option Scheme is set out in the appendix II to this circular. This serves as a summary of the principal terms of the Netfield Share Option Scheme but does not constitute its full terms. The full terms of the Netfield Share Option Scheme are available for inspection at the principal place of business of the Company at 21/F The Center, 99 Queen's Road Central, Hong Kong from the date of the circular up to and including the date of the AGM.

LETTER FROM THE BOARD

E. REDUCTION OF SHARE PREMIUM ACCOUNT

The Board proposes a reduction of the share premium account of the Company to reduce the share premium account of the Company by an amount of approximately HK\$100,000,000.00 and to transfer such amount to the contributed surplus account of the Company where it may be utilised as the Board considers appropriate in accordance with the bye-laws of the Company and all applicable laws. The proposed reduction of share premium of the Company and the transfer of such amount to the contributed surplus account of the Company are in compliance with all applicable laws and regulations as well as the constitutional documents of the Company.

1. Reasons for proposed share premium reduction

According to section 40(2) of the Companies Act 1981 of Bermuda, the share premium account of the Company is restricted to limited use by the Company, for instance, inter alia, paying up unissued Shares as fully paid bonus Shares and writing off expenses for issue of Shares. Whereas the contributed surplus account of the Company is a distributable reserve which is available to be applied by the Company in a more general manner as the Board may think fit, including but not limited to, payment of dividends to Shareholders and elimination of accumulated losses.

The transfer of amount from the share premium account to the contributed surplus account will give the Company more flexibility for the use of funds such as for payment of dividends to Shareholders as and when the Board considers appropriate.

2. Conditions

The proposed reduction of share premium is conditional upon:

- pursuant to section 46(2) of the Companies Act 1981 of Bermuda:
 - (i) the publication of a notice in Bermuda for the reduction of share premium of the Company being a date not more than 30 days and not less than 15 days before the date on which the reduction of share premium is to have effect; and
 - (ii) the Directors having satisfied that on the date the reduction of share premium is to be effected, there are no reasonable grounds for believing that the Company is, or after such reduction would be, unable to pay its liabilities as they become due; and

LETTER FROM THE BOARD

- the passing of a special resolution by the Shareholders in the AGM approving the reduction of share premium.

Subject to all conditions being fulfilled, the reduction of share premium will take effect on the date of AGM approving the relevant special resolution.

F. SHARE CONSOLIDATION AND CAPITAL REDUCTION

1. Existing share capital

Authorised share capital : HK\$300,000,000 divided into 3,000,000,000 Existing Shares

Number of Existing Shares in issue : 902,525,740 Existing Shares

Issued share capital : HK\$90,252,574.00

Board lot size : 2,000 units of Existing Shares

2. Terms of share consolidation

Basis : To consolidate the issued ordinary share capital of the Company on the basis of every 5 Existing Shares into 1 Consolidated Share

Fractional Consolidated Share(s) : Fractional Consolidated Share(s) resulted from the Share Consolidation will not be issued but will be aggregated and, if possible, sold and retained for the benefit of the Company

3. Terms of capital reduction

Basis : Assuming the Share Consolidation taking effect, to reduce each Consolidated Share of HK\$0.50 in the then ordinary share capital of the Company to a Reduced Share of HK\$0.10 by the cancellation of HK\$0.40 thereof

Treatment of reduced share capital : The total amount of reduced share capital resulted from the Capital Reduction will be debited to the share capital account and credited to the contributed surplus account

LETTER FROM THE BOARD

4. Reasons for share consolidation and capital reduction

The Share Consolidation will reduce the number of board lots in the market and will reduce the transaction costs for dealing in the Shares. Based on the closing price quoted on the Stock Exchange as at the Latest Practicable Date, the value per board lot of 2,000 Shares was HK\$1,200. Upon the Share Consolidation taking effect, the market price of the Shares will increase by 5 times theoretically and therefore the value per new board lot of 2,000 Shares will be HK\$6,000. Any trading costs or handling charges, which are calculated on per board lot basis, will therefore be lower.

Upon the Share Consolidation taking effect, the par value of each Share will become HK\$0.50. Since new Shares may not be issued below the par value, the Capital Reduction will reduce the par value of a Share and allow the Company a greater flexibility in pricing its shares in issuance of new Shares in future. Presently, the Company has no plan to issue any new Shares in the Company.

The Directors consider that the Share Consolidation and the Capital Reduction are in the interest of the Company and the Shareholders as a whole.

5. Conditions

The Share Consolidation and the Capital Reduction are inter-conditional with each other and are conditional upon, among other things:

- the passing of a special resolution of the Shareholders in the AGM approving the Share Consolidation and the Capital Reduction;
- the publication of a notice in Bermuda for the reduction in share capital of the Company pursuant to section 46 of the Companies Act 1981 of Bermuda; and
- the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Reduced Shares.

As at the Latest Practicable Date, none of the conditions abovementioned has been fulfilled.

Subject to all conditions being fulfilled, the Share Consolidation and the Capital Reduction will take effect simultaneously in accordance with the time schedule as set out in the section headed “Expected timetable for AGM, Share Consolidation and Capital Reduction” in this circular.

LETTER FROM THE BOARD

6. Effects of share consolidation and capital reduction

(a) *Share capital structure and net assets of the Group after Share Consolidation and Capital Reduction*

- Authorised share capital : HK\$300,000,000 divided into 3,000,000,000 Existing Shares. The existing authorised share capital will remain unchanged
- Number of Reduced Shares then in issue : A maximum of 180,505,148 Reduced Shares (assuming no new Shares are issued prior to the Share Consolidation and the Capital Reduction taking effect)
- Issued share capital : Reduced to approximately 20% of the existing issued share capital to a maximum of HK\$18,050,514.80 by a reduction of approximately HK\$72,202,059.20
- Board lot size : 2,000 units of Reduced Shares with a temporary counter for trading in board lots of 400 units of Reduced Shares to be arranged immediately following the Share Consolidation and the Capital Reduction taking effect
- Rights attached to Reduced Shares : The rights attached to a Reduced Share shall remain unchanged after the Share Consolidation and the Capital Reduction becoming effective and is equivalent to that of 5 Existing Shares, and there will be no diminution of any liability in respect of payment to any Shareholder of any paid up capital, except no fractional entitlement, if any, as a result of the Share Consolidation will be issued to Shareholder but will be aggregated and, if possible, sold and retained for the benefit of the Company
- Contributed surplus account : To be enlarged by approximately HK\$72,202,059.20 transferred from the issued share capital account

LETTER FROM THE BOARD

Consolidated net assets : The consolidated net assets of the Group will remain unchanged save for expenses to be incurred to effect the Share Consolidation and the Capital Reduction

(b) Adjustments to exercise prices and terms of share options

Subject to the Share Consolidation taking effect, the exercise price of and the number of Reduced Shares entitled under each Share Option granted to the grantees of the Group will be adjusted in accordance with the rules of the Share Option Scheme under which the Share Options were granted, rule 17.03(13) of the Listing Rules and the relevant supplementary guidance issued by the Stock Exchange dated 5 September 2005. Exercise price will be enlarged by 5 times, and the number of Reduced Shares entitled under a Share Option will be reduced to 1/5 of the number of Existing Shares entitled thereunder but shall be in board lot size of the Shares. The adjustment will give a participant generally the same proportion of the equity capital as that to which that person was previously entitled but not to the extent that a share will be issued at less than its nominal value. The Capital Reduction will not have any effect to any other terms of the Share Options. The adjustments to the Share Options and the effective dates thereof have been certified by an independent financial adviser of the Company.

7. Dealings in reduced shares and share certificates

In view of the Reduced Shares to be created upon the Share Consolidation and the Capital Reduction taking effect, (i) a temporary counter at the Stock Exchange will be arranged to deal in the Reduced Shares in board lot size of 400 Reduced Shares before the Reduced Shares are dealt with in the board lot size of 2,000 Reduced Shares, and (ii) exchange for new share certificates for Reduced Shares free of charge for a certain period will be arranged. Detailed terms and timetable for the dealings in the Reduced Shares and the free exchange for new share certificates are set out in the section headed “Expected timetable for AGM, Share Consolidation and Capital Reduction” of this circular.

Shareholders may submit their existing certificates for Existing Shares to the Registrars in exchange for new certificates for Reduced Shares free of charge during business hours from 10 June 2008 up to and including 22 July 2008. Thereafter certificates for Existing Shares may only be valid for exchange for new certificate for Reduced Shares and will be accepted for exchange only on payment of a fee which is currently HK\$2.50 for each new certificate. Certificates for Reduced Shares will be white in colour to distinguish them from the existing certificates for Existing Shares, which are blue in colour.

LETTER FROM THE BOARD

It is expected that new certificates for Reduced Shares will be available for collection within 10 business days after submission of the existing certificates for Existing Shares to the Registrars for exchange. Unless otherwise instructed, new share certificates will be issued in board lot of 2,000 Reduced Shares each.

Subject to the conditions abovementioned being fulfilled, the trading arrangements for dealings in Reduced Shares are as follows:

- (i) with effect from 9:30 am on 10 June 2008, the existing counter for trading in Existing Shares in board lot size of 2,000 Existing Shares will be closed temporarily. A temporary counter for trading in Reduced Shares represented by existing share certificates in board lot size of 400 Reduced Shares will be established from the period from 9:30 am on 10 June 2008 to 4:00 pm on 16 July 2008. During the period, certificates for Existing Shares can be traded at this counter only and will be valid for settlement and delivery for trading.
- (ii) with effect from 9:30 am on 24 June 2008, the original counter will be reopened for trading in Reduced Shares in board lot size of 2,000 Reduced Shares. Only certificates for Reduced Shares can be traded at this counter;
- (iii) from 9:30 am on 24 June 2008 to 4:00 pm on 16 July 2008 inclusive, there will be parallel trading at the counters mentioned in (i) and (ii) above; and
- (iv) the temporary counter for trading in Reduced Shares in board lot size of 400 will be removed after the close of trading on 16 July 2008. Thereafter, trading in Reduced Shares will only be in board lot size of 2,000 and certificates for Existing Shares will cease to be marketable and will not be acceptable for dealing purpose. However, such certificates will continue to be good evidence of legal title and may be lodged with the Registrars for exchange for certificate for Reduced Shares.

Application will be made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Reduced Shares and arrangement will be made to enable the Reduced Shares to be admitted to CCASS for securities clearing and settlement purpose.

LETTER FROM THE BOARD

Subject to the granting of listing of, and permission to deal in, the Reduced Shares on the Stock Exchange, the Reduced Shares will be accepted as eligible securities by Hongkong Clearing for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Reduced Shares on the Stock Exchange or such other date as determined by Hongkong Clearing. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

8. Odd lot arrangement

In view of the odd lots resulting from the Share Consolidation, the Company has procured Celestial Securities Limited, a non-wholly-owned subsidiary of the Company, on a best-effort basis, to arrange for the purchase or disposal of the odd lots of Reduced Shares from or to Shareholders who hold odd lots of the Reduced Shares during the period from 24 June 2008 to 16 July 2008 at the prevailing market prices. Shareholders who hold odd lots of Reduced Shares may instruct their stockbrokers to contact Ms Chan Po Ki Fion or Mr To Kei Ming of Celestial Securities Limited at telephone number 2287 8094 for the purchase or disposal of their odd lot holdings. Shareholders should note that the matching of the sale and purchase of odd lots of the Reduced Shares is not guaranteed.

G. AGM

Notice of the AGM containing (i) the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the adoption of Netfield Share Option Scheme and (ii) the proposed special resolutions to approve the reduction of the share premium account, and the Share Consolidation and the Capital Reduction are set out on pages 44 to 49 of this circular for your consideration and approval.

Following the AGM, the Company will publish an announcement on the outcome of the AGM for the adoption of the Netfield Share Option Scheme on the business day following the AGM in accordance with rule 17.02(1)(a) of the Listing Rules.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to be present at the AGM, you are requested to complete the 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 meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

LETTER FROM THE BOARD

H. PROCEDURE TO DEMAND A POLL BY SHAREHOLDERS

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

- i. 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
- ii. the demand is made by:
 - a. Chairman of the meeting; or
 - b. at least 3 registered Shareholders (as represented personally, or by proxy, or by corporate representative) entitled to vote at the meeting; or
 - c. 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; or
 - d. a registered Shareholder or registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right; or
 - e. if required by the rules of the designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing five per cent. (5%) or more of the total voting rights at the meeting.

LETTER FROM THE BOARD

I. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:–

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual report of the Company for the year ended 31 December 2007;
- (c) Netfield Share Option Scheme; and
- (d) the written certificate from the independent financial adviser of the Company in respect of the adjustments to the Share Options.

J. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors, the adoption of the Netfield Share Option Scheme, the reduction of share premium account, and the Share Consolidation and the Capital Reduction are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of all the ordinary resolutions and special resolutions at the AGM.

On behalf of the Board

Bankee P Kwan

Chairman

Set out below is details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:

Mr Bankee Pak-hoo KWAN

Chairman and Executive Director

- (a) Mr Kwan, aged 48, joined the Board on 9 March 1998.
- (b) Mr Kwan is in charge of the overall business strategy of the Group. He is also a member of the Remuneration Committee of the Company.
- (c) Mr Kwan joined CFSG's board on 11 August 2000. He is the Chairman and an executive director of CFSG and also a member of the remuneration committee of CFSG. Mr Kwan was an executive director of CRMG during the period from 11 April 2000 to 15 November 2006. He was a director of Meritz Securities Company Limited, which is listed on the Korean Stock Exchange, during the period from 28 May 2004 to 1 December 2005. Save as herein disclosed, Mr Kwan does not hold any other positions with the Company and other members of the Company, and has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. Mr Kwan graduated from the Murdoch University of Perth, Australia in 1998 with a Master's degree in Business Administration and from the Chinese University of Hong Kong in 1984 with a Bachelor's degree in Business Administration. Mr Kwan is also a fellow membership of the Institute of Financial Accountants of the United Kingdom since 1999 and a member of the Hong Kong Securities Institute since 1999. Mr Kwan is also a Certified Professional Marketer (Hong Kong) of Hong Kong Institute of Marketing and a member of Hong Kong Institute of Marketing.
- (e) There is no service contract between the Company and Mr Kwan. Mr Kwan is not appointed for a specific term but he is subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-law and the corporate governance code.
- (f) Mr Kwan is also the substantial Shareholder of the Company. Save as disclosed herein, Mr Kwan has no other relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.

- (g) Within the meaning of Part XV of the SFO, Mr Kwan has the following interest as at the Latest Practicable Date:
- (i) other interest of 314,042,564 Shares in the Company and personal interest of options with right to subscribe for 4,000,000 and 2,500,000 Shares in the Company at the prices of HK\$0.323 each and HK\$0.490 each respectively; and
 - (ii) personal interest of 9,940,000 shares in CFSG and other interest of 1,022,101,998 shares in CFSG.
- (h) Mr Kwan is currently entitled to a monthly salary of HK\$120,000, plus year end discretionary bonus which will depend on his working performance.
- (i) Mr Kwan is a director of the following company which has been put into liquidation:

Name of company:	Celestial (International) Securities & Investment Limited (“CISI”)
Place of incorporation:	Hong Kong
Nature of business:	Money lending
Nature of the proceeding involved:	Compulsory liquidation
Date of commencement of the proceeding:	25 April 2005
Amount involved:	HK\$1,662,598.31 together with accrued interests

Development history of
the proceedings:

In 2003, Ka Chee Company Limited instituted a winding-up proceedings against CISI, a subsidiary of the Company (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Details of the case are as follow:

- i. Ka Chee obtained judgment against CISI being rent and outgoing charges due and owing by CISI to Ka Chee in respect of a property known as all those shops Nos. 208-210 on the second floor of Olympia Plaza, No. 255 King's Road, North Point, Hong Kong under a tenancy agreement made between Ka Chee as landlord and CISI as tenant on 23 April 2002.
- ii. CISI failed to settle the judgment sum despite demanded by Ka Chee.
- iii. CISI was wound up as it failed to settle the judgment debt to Ka Chee. The liability of CISI was ceased upon the making of the winding-up order and there is no need for the Group to bear any other liability.

Current position of
the proceeding:

The liquidator has been appointed and it is in progress of compulsory liquidation

CISI was a limited liability company and run into financial difficulty during the unprecedented unfavourable market environment in Hong Kong after "911" and "SARS". CISI was a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Bernard Ping-wah LAW*Chief Financial Officer and Executive Director*

- (a) Mr Law, aged 49, joined the Board on 9 March 1998.
- (b) Mr Law is in charge of the Group's financial and accounting management.
- (c) Mr Law joined the CFSG's board on 11 August 2000. He is the Chief Financial Officer and an executive director of CFSG. He was an executive director of CRMG during the period from 3 May 2001 to 15 November 2006. Save as herein disclosed, Mr Law does not hold any other positions with the Company and other members of the Company, and has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Law has extensive experience in financial management and accountancy. Mr Law graduated from the University of Warwick, United Kingdom in 1997 with a Master's degree of Business Administration. Mr Law has been a fellow of The Association of Chartered Certified Accountants since 1994, a fellow member of the Hong Kong Institute of Certified Public Accountants since 1998 and a member of Hong Kong Securities Institute since 1999.
- (e) There is no service contract between the Company and Mr Law. Mr Law is not appointed for a specific term but he is subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-laws and the corporate governance code.
- (f) Mr Law has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Law has the following personal interest as at the Latest Practicable Date:
 - (i) 33,920,300 shares in the Company and options with rights to subscribe for 4,000,000 and 2,500,000 shares in the Company at the prices of HK\$0.323 each and HK\$0.490 each respectively; and
 - (ii) 32,569,600 shares in CFSG.
- (h) Mr Law is currently entitled to a monthly salary of HK\$90,000, plus year end discretionary bonus which will depend on his working performance.

APPENDIX I**DETAILS OF THE RETIRING DIRECTORS
PROPOSED TO BE RE-ELECTED AT THE AGM**

(i) Mr Law is a director of the following company which has been put into liquidation:

Name of company:	CISI
Place of incorporation:	Hong Kong
Nature of business:	Money lending
Nature of the proceeding involved:	Compulsory liquidation
Date of commencement of the proceeding:	25 April 2005
Amount involved:	HK\$1,662,598.31 together with accrued interests
Development history of the proceedings:	<p>In 2003, Ka Chee Company Limited instituted a winding-up proceedings against CISI, a subsidiary of the Company (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Details of the case are as follow:</p> <ol style="list-style-type: none">i. Ka Chee obtained judgment against CISI being rent and outgoing charges due and owing by CISI to Ka Chee in respect of a property known as all those shops Nos. 208-210 on the second floor of Olympia Plaza, No. 255 King's Road, North Point, Hong Kong under a tenancy agreement made between Ka Chee as landlord and CISI as tenant on 23 April 2002.ii. CISI failed to settle the judgment sum despite demanded by Ka Chee.

- iii. CISI was wound up as it failed to settle the judgment debt to Ka Chee. The liability of CISI was ceased upon the making of the winding-up order and there is no need for the Group to bear any other liability.

Current position of the proceeding: the liquidator has been appointed and it is in progress of compulsory liquidation

CISI was a limited liability company and run into financial difficulty during the unprecedented unfavourable market environment in Hong Kong after “911” and “SARS”. CISI was a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Johnny Ka-kui LEUNG

Independent non-executive Director

- (a) Mr Leung, aged 50, joined the Board on 25 October 2000.
- (b) Mr Leung is also the chairman of the Audit Committee and the Remuneration Committee of the Company. Save as disclosed herein, Mr Leung does not hold any other positions with the Company and other members of the Company as at the Latest Practicable Date.
- (c) Mr Leung has also held directorships in the following companies which are listed on the Stock Exchange:
 - (i) Mr Leung is an independent non-executive director of Jackin International Holdings Limited (stock code: 630) and Cardlink Technology Group Limited (stock code: 8066);
 - (ii) Mr Leung was an independent non-executive director of DigiTel Group Limited which was delisted on 31 March 2006; and
 - (iii) Mr Leung was an independent non-executive director and a member of the audit committee of CRMG during the period from 8 June 2005 to 18 October 2006.

Save as disclosed above, Mr Leung has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

- (d) Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. Mr Leung graduated from the University of London in 1984 with a Bachelor of Laws.
- (e) There is no service contract entered into between the Company and Mr Leung but an appointment letter was signed between the Company and Mr Leung. The term of office of Mr Leung is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Leung is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Leung has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Leung was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Leung's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Chuk-yan WONG*Independent non-executive Director*

- (a) Mr Wong, aged 46, joined the Board on 3 June 1998.
- (b) Mr Wong is also a member of the Audit Committee and the Remuneration Committee of the Company. Save as disclosed herein, Mr Wong does not hold any other positions with the Company and other members of the Company as at the Latest Practicable Date.
- (c) Mr Wong has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Wong has extensive investment management experience in the global financial markets and is a portfolio manager of a large renowned investment counsel in Toronto, Canada and is responsible for the company's equity investments in the Asia Pacific region. Mr Wong graduated from the University of British Columbia, Canada in 1989 with a Master of Science degree in Business Administration and from the Chinese University of Hong Kong in 1984 with a Bachelor's degree of Business Administration. Mr Wong is also a Chartered Financial Analyst (CFA) charterholder since 1993 and a Certified General Accountant of Canada since 1996.
- (e) There is no service contract entered into between the Company and Mr Wong but an appointment letter was signed between the Company and Mr Wong. The term of office of Mr Wong is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Wong is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Wong has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Wong was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Wong's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Dr Hak-sin CHAN*Independent non-executive Director*

- (a) Dr Chan, aged 46, joined the Board on 25 October 2000.
- (b) Dr Chan is also a member of the Audit Committee of the Company. Save as disclosed herein, Dr Chan does not hold any other positions with the Company and other members of the Company as at the Latest Practicable Date.
- (c) Dr Chan has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Dr Chan has extensive experience in the academia in the USA as professor, researcher and consultant in the fields of corporate finance and international marketing and is a faculty member of the Department of Marketing at The Chinese University of Hong Kong. Dr Chan graduated from the University of Wisconsin-Madison, US with a Doctor of Philosophy degree in Business in 2000 and a Master's degree in Business Administration in 1986 and from the Chinese University of Hong Kong with a Bachelor's degree in Business Administration in 1984.
- (e) There is no service contract entered into between the Company and Dr Chan but an appointment letter was signed between the Company and Dr Chan. The term of office of Dr Chan is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Dr Chan is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Dr Chan has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Dr Chan was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Dr Chan's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the Netfield Share Option Scheme to be approved and adopted by the Netfield Board subject to the approval of the Shareholders at the AGM.

1. PURPOSE

The purpose of the Netfield Share Option Scheme is to enable Netfield to grant options to the Participants as incentives and/or rewards for their contribution to Members of the Netfield Group.

2. WHO MAY JOIN

The Netfield Board may, at its discretion, offer Participants options to subscribe for such number of new Netfield Shares as the Netfield Board may determine at an exercise price determined in accordance with paragraph 5 below. Upon acceptance of the option, the grantee thereof shall pay HK\$1.00 to Netfield by way of consideration for the grant.

3. MAXIMUM NUMBER OF NETFIELD SHARES

The maximum number of Netfield Shares which may be issued upon exercise of all options to be granted under the Netfield Share Option Scheme and any other share option scheme(s) of Netfield must not exceed 10% of the total issued Netfield Shares (i.e. 78,000 Netfield Shares, assuming that no Netfield Shares will be issued or repurchased prior to the date of the AGM) as at the date of approval and adoption of the Netfield Share Option Scheme by the Shareholders (which is expected to be 6 June 2008, being the date of the AGM). The Netfield Options lapsed in accordance with the terms of such share option scheme will not be counted for the purpose of the 10% limit.

Subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Netfield Board may:

- (i) refresh this limit at any time up to 10% of the Netfield Shares in issue as at the date of the approval of the limit as refreshed by the Shareholders in general meeting (options previously granted under any share option schemes of Netfield (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the limit as refreshed); and/or

- (ii) grant options beyond the 10% limit to the Participants specifically identified by the Netfield Board whereupon the Company shall send a circular to the Shareholders containing, amongst others, a generic description of the specified participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the options serve such purpose and such other information as required under the Listing Rules.

Notwithstanding the foregoing, the Netfield Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Netfield Share Option Scheme and any other share option scheme(s) of Netfield at any time shall not exceed 30% of the Netfield Shares in issue from time to time. No options shall be granted under any scheme(s) of Netfield or any of its subsidiaries if this will result in the 30% limit being exceeded.

4. MAXIMUM NUMBER OF OPTIONS TO ANY ONE INDIVIDUAL

The total number of Netfield Shares issued and which may fall to be issued upon exercise of the options granted under the Netfield Share Option Scheme and any other share option scheme(s) of Netfield (including exercised, cancelled and outstanding options) to each Participant in any 12-month period up to the date of grant shall not exceed one per cent of the Netfield Shares in issue as at the date of grant.

Any further grant of options in excess of this one per cent limit shall be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting with such Participant and his associates abstaining from voting and other requirements prescribed under the Listing Rules from time to time.

5. SUBSCRIPTION PRICE OF NETFIELD SHARES

- (a) The subscription price for a Netfield Share in respect of any particular option granted under the Netfield Share Option Scheme (subject to adjustments referred to in paragraph 18) shall be such price as the Netfield Board in its absolute discretion shall determine, save that such price must not always be less than the nominal value of a Netfield Share, which is currently of HK\$0.10 each.

The subscription price of any Netfield Option granted at any time:

- (i) after Netfield has resolved to seek a separate listing of Netfield on the GEM or the Main Board of the Stock Exchange or an overseas stock market, and up to the listing date; or
- (ii) during the period commencing 6 months before the lodgement of Form 5A (or its equivalent for listing on the Main Board or the overseas stock exchange), and up to the listing date of Netfield,

shall not be less than the new issue price (if any) at listing. If any such options have been granted at a subscription price lower than the new issue price, such subscription price shall upon the date of the listing be adjusted and increased to the new issue price and any grantee who has exercised such options prior to the date of the listing will be required to pay Netfield the difference between the original subscription price and such adjusted subscription price in respect of the relevant options exercised within seven (7) business days after the date of the listing.

After the Netfield Shares have been listed on the Stock Exchange or an overseas stock exchange, the subscription price shall be at least the higher of:

- (i) the closing price of the Netfield Shares as stated in the relevant stock exchange's daily quotations sheet on the date on which an offer for a grant of Netfield Option is made to the Participant;
- (ii) the average closing price of the Netfield Shares as stated in the relevant stock exchange's daily quotations sheet over the five (5) business days immediately preceding the date on which an offer for a grant of Netfield Option is made to the Participant provided that the new issue price of Netfield Share shall be used as the closing price for any business day falling within the period before listing, if Netfield Shares have been listed for less than five (5) business days; and
- (iii) the nominal value of a Netfield Share.

- (b) In the event that the exercise of Netfield Option by the grantee at the subscription price (subject to adjustment as set out in paragraph 18) set out above at listing is prohibited or not allowed under the relevant laws, regulations and rules of the relevant stock exchange, the Netfield Board may, in its absolute discretion as may consider appropriate, redeem the Netfield Option by paying the grantee in cash such amount, which shall not less than the nominal value of the Netfield Share but not higher than the new issue price for listing, as determined solely by the Netfield Board, before listing of the Netfield Shares. However, if the grantee is a connected person of the Company under the Listing Rules, such redemption shall be in compliance with the requirement of the Listing Rules.

A nominal consideration of HK\$1.00 is payable at the time of the acceptance of the grant of the Netfield Option. An offer for the grant of a Netfield Option may only be accepted within the time limit specified in the offer letter (which shall not be later than five (5) days from the offer date).

6. GRANTING OPTIONS TO CONNECTED PERSONS

Any grant of options to a Director, chief executive or substantial Shareholder of the Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive director who is the relevant Participant), and like all other grantees of the scheme, if the number of securities issued and to be issued upon exercise of the options granted to such Director, chief executive or substantial Shareholder of the Company or their respective associates in any 12-month period exceed 1% of the relevant class of securities of Netfield in issue, such grant must be separately approved by the Shareholders with such grantee and his associates abstaining from voting.

If the Netfield Board proposes to grant options to a substantial Shareholder or an independent non-executive Director of the Company or any of their respective associates which will result in the Netfield Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person under this Netfield Share Option Scheme and the other schemes in the 12-month period up to and including the date of the offer of such grant representing in aggregate over 0.1%, or such other percentage as may from time to time be specified in the Listing Rules, of the share capital of Netfield in issue, such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting, in favour at the general meeting such other requirements prescribed under the Listing Rules from time to time.

7. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

The Netfield Share Option Scheme prohibits the making of any offer or the granting of any options at a time when the Participants of the Netfield Share Option Scheme would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or law.

8. RIGHTS ARE PERSONAL TO GRANTEE

An option is personal to the grantee and the grantee may not in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so.

9. TIME OF EXERCISE OF OPTION

There is no general requirement that an option must be held for any minimum period before it can be exercised but the Netfield Board is empowered to impose at its discretion any such minimum period at the time of grant of any particular option. The date of grant of any particular option is the date when the duplicate offer document constituting acceptance of the option duly signed by the grantee, together with a remittance in favour of Netfield of HK\$1.00 by way of consideration is received by Netfield, such date must be on or before the 28th day after the option is offered to the relevant grantee. The period during which an option may be exercised will be determined by the Netfield Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Netfield Share Option Scheme. Subject to earlier termination by the Company in general meeting, the Netfield Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Netfield Share Option Scheme by Shareholders by resolution at a general meeting.

10. PERFORMANCE TARGET

The Netfield Board has the discretion to require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Netfield Share Option Scheme can be exercised.

11. RIGHTS ON CEASING TO BE A PARTICIPANT AND DEATH

If the grantee of an option ceases to be an employee of the Members of the Netfield Group

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph 12 below, the option (to the extent not already exercised) will lapse on the date of cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation,

which date shall be the last actual working day with Netfield or the relevant Members of the Netfield Group whether salary is paid in lieu of notice or not.

12. LAPSE OF OPTION ON MISCONDUCT, BANKRUPTCY OR DISMISSAL ETC.

If a grantee ceases to be a Participant by reason of the termination of his relationship with the Members of the Netfield Group on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Members of the Netfield Group (if so determined by the Netfield Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with Netfield or the Members of the Netfield Group.

13. RIGHTS ON GENERAL OFFER

If a general offer by way of takeover is made to all the holders of Netfield Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, the grantee shall be entitled to exercise the option in full (to the extent not already exercised even though the option period has not come into effect during the occurrence of the general offer) at any time within 21 days of the notice given by any such offeror to acquire the remaining Netfield Shares.

14. RIGHTS ON COMPROMISE OR ARRANGEMENT BETWEEN NETFIELD AND ITS MEMBERS OR CREDITORS

If a general offer by way of scheme of arrangement is made to all the holders of Netfield Shares with the Netfield Share Option Scheme having been approved by the necessary number of holders of Netfield Shares at the requisite meetings, the grantee may thereafter (but before such time as shall be notified by Netfield) exercise the option (to the extent not already exercised even though the option period has not come into effect during the occurrence of the general offer) to its full extent or to the extent specified in such notice.

In the event of a compromise or arrangement between Netfield and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of Netfield, Netfield shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the grantee may by notice in writing to Netfield (such notice to be received by Netfield not later than 4 trading days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice, and Netfield shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed meeting, allot and issue such number of Netfield Shares to the grantee which falls to be issued on such exercise credited as fully paid and registered the grantee as holder thereof.

15. RIGHTS ON WINDING-UP

In the event that a notice is given by Netfield to its shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up Netfield, Netfield shall forthwith give notice thereof to the grantee and the grantee may by notice in writing to Netfield (such notice to be received by Netfield not later than 4 trading days prior to the proposed shareholders' meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and Netfield shall as soon as possible and in any event no later than the day immediately prior to the date of the proposed shareholders' meeting, allot and issue such number of Netfield Shares to the grantee which falls to be issued on such exercise.

16. LAPSE OF THE OPTIONS

An option will lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (i) the expiry date relevant to that option;
- (ii) the expiry of any of the periods referred to in paragraph 11;
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referring to in paragraph 14;
- (iv) subject to the voluntary winding-up duly resolved, the expiry of the period referred to in paragraph 15;
- (v) the date of commencement of the winding-up of Netfield;
- (vi) subject to the High Court of Hong Kong or Supreme Court of Bermuda not making an order prohibiting the offeror to acquire the remaining Netfield Shares in the offer, the expiry of the period referred to in paragraph 13;
- (vii) the date on which the grantee ceases to be a Participant by reason of the termination of his relationship with the Members of the Netfield Group on any one or more of the grounds that he has been guilty of serious misconduct, or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee of the Members of the Netfield Group (if so determined by the Netfield Board of the Members of the Netfield Group) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with Netfield or the relevant Members of the Netfield Group. A resolution of the Netfield Board or the board of directors of the relevant Members of the Netfield Group to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in paragraph 12 above shall be conclusive; or
- (viii) the date on which the Netfield Board shall exercise Netfield's right to cancel the option at any time after the grantee commits a breach of the prohibitions specified in paragraph 12 above or the options are cancelled in accordance with paragraph 20 below.

17. RANKING OF NETFIELD SHARES

The Netfield Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or such other person nominated by the grantee) as the holder thereof. Subject as aforesaid, the Netfield Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of the constitutional documents of Netfield and the Companies Act of Bermuda for the time being in force and shall rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation of Netfield as attached to the fully-paid Netfield Shares in issue on the date of issue, in particular but without prejudice to the generality of the foregoing, in respect of voting, transfer and other rights, including those arising on liquidation of Netfield and rights in respect of any dividend or other distribution paid or made on or after the relevant date of issue.

18. EFFECT OF ALTERATIONS TO CAPITAL

In the event of capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of the capital of Netfield, such corresponding alterations (if any) shall be made in (except on an issue of securities of Netfield as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) in (a) the number of Netfield Shares subject to any outstanding options and/or (b) the exercise price as the auditor or the approved independent financial adviser shall at the request of Netfield or any grantee, certify in writing, to be in their opinion fair and reasonable and satisfied the requirements under the Listing Rules, provided that any such alterations shall be made on the basis that a grantee shall have the same proportion of the equity capital of Netfield (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes which can be found on the Main Board's website www.hkex.com.hk ("Supplemental Guidance")) as that to which he or she was entitled to subscribe had he or she exercised all the options held by him immediately before such adjustments and the aggregate exercise price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event and that no such alterations shall be made if the effect of such alterations would be to enable a Share to be issued at less than its nominal value. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

19. ALTERATION OF NETFIELD SHARE OPTION SCHEME

The terms and conditions of the Netfield Share Option Scheme and the regulations for the administration and operation of the Netfield Share Option Scheme (provided that the same are not inconsistent with the Netfield Share Option Scheme and the Listing Rules) may be altered in any respect by resolution of the Netfield Board except that:

- (i) any alteration to the advantage of the grantees or the Participants (as the case may be) in respect of the matters contained in rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Netfield Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Netfield Share Option Scheme),

must be made with the prior approval of the Shareholders in general meeting at which any person(s) to whom or for whose benefit the Netfield Shares may be issued under the Netfield Share Option Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of the Netfield Share Option Scheme or the options shall remain in compliance with Chapter 17 of the Listing Rules and no alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such option prior to such alteration except with:

- (i) the consent in writing of grantees holding in aggregate options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Netfield Shares which would fall to be issued upon the exercise of all options outstanding on that date; or
- (ii) the sanction of a special resolution.

Written notice of any alterations made in accordance with this paragraph 19 shall be given to all grantees.

In respect of any meeting of grantees referred to in paragraph 19, all the provisions of the constitutional documents for the time being of Netfield as to general meetings of Netfield shall mutatis mutandis apply as though the options were a class of Netfield Shares forming part of the capital of Netfield except that:

- (a) not less than seven days' notice of such meeting shall be given;
- (b) a quorum at any such meeting shall be two grantees present in person or by proxy and holding options entitling them to the issue of one-tenth in nominal value of all Netfield Shares which would fall to be issued upon the exercise of all options then outstanding unless there is only one grantee holding all options then outstanding, in which case the quorum shall be one grantee;
- (c) every grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Netfield Share to which he or she would be entitled upon exercise in full of his options then outstanding;
- (d) any grantee present in person or by proxy may demand a poll; and
- (e) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than 7 or more than 14 days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least 7 days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

20. CANCELLATION OF OPTIONS

Any cancellation of options granted but not exercised must be approved by the grantee of the relevant options in writing for the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraphs 12 and 16. Where Netfield cancels options and issues new ones to the same grantee, the issue of such new options may only be made under the Netfield Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by Shareholders.

21. TERMINATION OF THE NETFIELD SHARE OPTION SCHEME

Netfield may by resolution in general meeting or the Netfield Board may at any time resolve to terminate the Netfield Share Option Scheme and in such event no further option shall be offered but the provisions of the Netfield Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior to the termination or otherwise as may be required in accordance with the provisions of this Scheme. Details of the options granted, including options exercised or outstanding, under the Netfield Share Option Scheme shall be disclosed in the circular to Shareholders seeking approval of the new scheme established after the termination of the Netfield Share Option Scheme.

22. CONDITIONS OF THE NETFIELD SHARE OPTION SCHEME

The terms of the Netfield Share Option Scheme are in compliance with the Listing Rules. The Netfield Share Option Scheme is conditional on the approval of the Shareholders at the AGM on the adoption of the Netfield Share Option Scheme by the Netfield Board and the issue of Netfield Shares pursuant to the exercise of any options which may be granted thereunder.

23. DISCLOSURE IN ANNUAL, HALF-YEARLY AND QUARTERLY REPORTS

For so long as Netfield remains as a subsidiary of the Company, the Company will disclose details of the options granted under the Netfield Share Option Scheme in its annual, half-yearly and quarterly reports in accordance with the Listing Rules in force from time to time.

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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual 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 6 June 2008, Friday, at 9:30 am for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the year ended 31 December 2007.
2. To declare a final dividend.
3. To re-elect the retiring Directors of the Company for the ensuring year and to authorise the Directors to fix the Directors’ remuneration.
4. To re-appoint Messrs Deloitte Touche Tohmatsu as auditor of the Company for the ensuing year and to authorise the Directors to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

ORDINARY RESOLUTIONS

A. THAT

- (a) subject to paragraph A(c), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

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- (b) the approval in paragraph A(a) shall authorise the Directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph A(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
3. the revocation or variation of this resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).

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B. THAT

- (a) subject to paragraph B(b), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange or on any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph B(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
3. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.

- C. THAT** conditional upon resolutions nos. 5A and 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no.5B above be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no.5A above.

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6. To consider and, if thought fit, to pass the following resolution, with or without amendments, as ordinary resolution:

THAT conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares in the Company to be issued pursuant to the exercise of any options (“Options”) to be granted under the existing share option scheme and any other share option scheme(s) of the Company, the Directors be and are hereby authorised, at their absolute discretion, to grant Options to the extent that the shares in the Company issuable upon the full exercise of all Options shall not be more than 10% of the issued share capital of the Company as at the date of this resolution.

7. To consider and, if thought fit, to pass the following resolution, with or without amendments, as ordinary resolution:

THAT the share option scheme of Netfield Technology Limited (“Netfield”), a subsidiary of the Company, the rules of which are set out in the document marked “A” tabled at the meeting and a summary of which is set out in the circular of the Company dated 30 April 2008 to which this notice forms part, be and is hereby approved for adoption by Netfield and the directors of Netfield be and are hereby authorised to implement and administer the same and to issue and allot shares of Netfield to such persons as may be allowed under and on the terms therein mentioned.

SPECIAL RESOLUTIONS

8. To consider and, if thought fit, to pass the following resolution, with or without amendments, as special resolution:

THAT, with effect from the date of passing of this resolution, the share premium account of the Company as at the date of this resolution be reduced by an amount of HK\$100,000,000.00 and such amount be transferred to the contributed surplus account of the Company where it may be utilised in accordance with the bye-laws of the Company and all applicable laws and the Directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem fit or appropriate in order to effect and implement the foregoing.

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9. To consider and, if thought fit, to pass the following resolution, with or without amendments, as special resolution:

THAT subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, shares of HK\$0.10 each in the issued share capital of the Company upon the Share Consolidation and the Capital Reduction (as defined below) becoming effective, and (ii) the publication of a notice in Bermuda for the reduction in the share capital of the Company pursuant to section 46 of the Companies Act 1981 of Bermuda, with effect from 9:30 am on 10 June 2008 (“Effective Date”),:-

- (a) every five (5) existing shares of HK\$0.10 each in the issued share capital of the Company to be consolidated into one (1) share of HK\$0.50 each in the capital of the Company (“Consolidated Share”) (“Share Consolidation”), and fractional Consolidated Shares shall be disregarded and not issued to the shareholders of the Company and that all such fractional entitlements to Consolidated Shares will be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit of the Company;
- (b) the issued share capital of the Company be reduced by canceling paid up capital to the extent of HK\$0.40 on each of the Consolidation Shares in issue on the Effective Date (“Capital Reduction”) so that each issued share in the capital of the Company shall be treated as one (1) fully-paid up ordinary share of HK\$0.10 each in the capital of the Company, and
- (c) the credit amount arising from the Capital Reduction be transferred to the contributed surplus account of the Company where it may be applied in accordance with the bye-laws of the Company,

and that the board of directors of the Company be and are hereby authorised generally to do all acts, deeds and things as they may, in their absolute discretion, deem appropriate and in the best interest of the Company to effect and implement the Share Consolidation and the Capital Reduction, in accordance with the timetable and the trading arrangement as set out in the circular of the Company dated 30 April 2008 to which this notice forms part and/or any other revised arrangement as the board of directors of the Company may deem fit.

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 30 April 2008

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Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy 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 or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The register of members will be closed from 4 June 2008 (Wednesday) to 6 June 2008 (Friday) (both days inclusive). In order to establish entitlements to the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrars, Tricor Standard Limited, at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:30 pm on 3 June 2008 (Tuesday).
4. The biographical details of Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being Directors proposed to be re-elected at the forthcoming annual general meeting, are provided in this circular.
5. A form of proxy for use at the meeting is enclosed.