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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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 to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock code #1049)**

**GENERAL MANDATE TO REPURCHASE SHARES  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
APPROVAL FOR REFRESHMENT OF THE RESPECTIVE SCHEME MANDATE LIMIT  
OF  
CASH FINANCIAL SERVICES GROUP LIMITED AND  
PRICERITE GROUP LIMITED  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS**

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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 (“AGM”) of the Company to be held at 10:00 am on 30 May 2005, Monday, to approve the general mandate to repurchase shares, the refreshment of the scheme mandate limit, the approval for refreshment of the respective scheme mandate limit of CASH Financial Services Group Limited and Pricerite Group Limited and the re-election of the retiring Directors is set out in the 2004 annual report of the Company. If you are not able to attend the meeting, please complete and return the form of proxy enclosed with the 2004 annual report of the Company 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.

29 April 2005

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## DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on Monday, 30 May 2005 at 10:00 am
“Annual Report”	the 2004 annual report of the Company
“Board”	the board of Directors
“CFSG”	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the GEM of the Stock Exchange, and is a subsidiary of the Company
“CFSG AGM”	the annual general meeting of CFSG to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on Monday, 30 May 2005 at 9:30 am
“CFSG Director(s)”	the director(s) of CFSG
“CFSG Options”	share options granted or to be granted by the CFSG Directors under the CFSG Share Option Schemes
“CFSG Scheme Mandate Limit”	the maximum number of CFSG Shares which may be issued upon the exercise in full of options available to be granted by the CFSG Directors on behalf of CFSG from time to time under the CFSG Share Option Schemes
“CFSG Scheme Mandate Limit Circular”	the circular issued by CFSG to the CFSG Shareholders on 31 March 2005 in respect of, among other things, the refreshment of CFSG Scheme Mandate Limit
“CFSG Share Option Schemes”	the share option scheme of CFSG adopted by CFSG Shareholders on 19 February 2002 and approved by Shareholders at its special general meeting held on the same day and any other share option scheme(s) of CFSG

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## DEFINITIONS

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“CFSG Shareholders”	shareholders of CFSG
“CFSG Share(s)”	share(s) of \$0.10 each in the share capital of CFSG
“Company”	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Latest Practicable Date”	22 April 2005, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pricerite”	Pricerite Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange, and is a subsidiary of the Company
“Pricerite AGM”	the annual general meeting of Pricerite to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on Monday, 30 May 2005 at 9:45 am
“Pricerite Director(s)”	the director(s) of Pricerite
“Pricerite Options”	share options granted or to be granted by the Pricerite Directors under the Pricerite Share Option Schemes
“Pricerite Scheme Mandate Limit”	the maximum number of Pricerite Shares which may be issued upon the exercise in full of options available to be granted by the Pricerite Directors on behalf of Pricerite from time to time under the Pricerite Share Option Schemes

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## DEFINITIONS

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“Pricerite Scheme Mandate Limit Circular”	the circular issued by Pricerite to the Pricerite Shareholders on 29 April 2005 in respect of, among other things, the refreshment of Pricerite Scheme Mandate Limit
“Pricerite Share Option Schemes”	the share option scheme of Pricerite adopted by Pricerite Shareholders on 19 February 2002 and approved by Shareholders at its special general meeting held on the same day and any other share option scheme(s) of Pricerite
“Pricerite Shareholders”	shareholders of Pricerite
“Pricerite Share(s)”	share(s) of \$0.02 each in the share capital of Pricerite
“Repurchase Mandate”	a general mandate to repurchase its fully paid up shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise in full of options available to be granted by the Directors on behalf of the Company from time to time under the Share Option Schemes
“SFO”	the Securities and Futures Ordinance
“Share Option Schemes”	the existing share option scheme of the Company adopted by the Shareholders at the special general meeting held on 19 February 2002 and any other share option scheme(s) of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	share(s) of \$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“\$”	Hong Kong dollar(s)

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**LETTER FROM THE BOARD**

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**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock code #1049)**

*Executive Directors*

KWAN Pak Hoo Bankee (*Chairman*)  
LAW Ping Wah Bernard (*CFO*)  
WONG Kin Yick Kenneth (*Deputy CEO*)  
MIAO Wen Hao Felix (*Deputy CEO*)  
KWOK Oi Kuen Joan Elmond  
LI Yuen Cheuk Thomas

*Registered Office*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal Place of Business*

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

*Independent Non-executive Directors*

CHAN Hak Sin  
LEUNG Ka Kui Johnny  
WONG Chuk Yan

29 April 2005

*To Shareholders*

Dear Sir/Madam,

**GENERAL MANDATE TO REPURCHASE SHARES  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
APPROVAL FOR REFRESHMENT OF THE RESPECTIVE SCHEME MANDATE LIMIT  
OF  
CASH FINANCIAL SERVICES GROUP LIMITED AND  
PRICERITE GROUP LIMITED  
AND  
RE-ELECTION OF THE RETIRING DIRECTORS**

**INTRODUCTION**

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

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

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## LETTER FROM THE BOARD

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- (c) to approve the refreshment of the CFSG Scheme Mandate Limit;
- (d) to approve the refreshment of the Pricerite Scheme Mandate Limit; and
- (e) to re-elect the retiring Directors.

Pursuant to rule 10.06(iii) of the Listing Rules, the Repurchase Mandate has to be granted and approved by Shareholders by a specific or general approval. Pursuant to rule 17.03(3) of the Listing Rules, the refreshment of the Scheme Mandate Limit has to be approved by Shareholders in general meeting. Pursuant to rule 23.03(3) of the GEM Listing Rules and rule 17.01(4) of the Listing Rules, the refreshment of respectively the CFSG Scheme Mandate Limit and the Pricerite Scheme Mandate Limit also has to be simultaneously approved by the shareholders of the Company, being the holding company of CFSG and Pricerite which are also listed on the Stock Exchange. Each of the resolutions will be considered in the AGM.

### **A. REPURCHASE MANDATE**

At the annual general meeting of the Company held on 17 May 2004, 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.

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

#### **1. REASON FOR SHARES REPURCHASE**

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

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## **LETTER FROM THE BOARD**

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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 2004. 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 437,483,827 Shares in issue and issued share capital of \$43,748,382.70.

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 43,748,382 Shares representing share capital of \$4,374,838.20 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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## LETTER FROM THE BOARD

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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:

	<b>Highest</b>	<b>Lowest</b>
	\$	\$
<b>2004</b>		
April	0.750	0.540
May	0.570	0.470
June	0.550	0.420
July	0.450	0.360
August	0.400	0.300
September	0.380	0.300
October	0.470	0.265
November	0.490	0.350
December	0.450	0.350
<b>2005</b>		
January	0.425	0.330
February	0.415	0.300
March	0.500	0.350
April (up to the Latest Practicable Date)	0.450	0.355

### 5. SHARES REPURCHASES MADE BY THE COMPANY

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

### 6. GENERAL

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

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

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the substantial Shareholders and the Directors, together with their associates collectively were beneficially interested in 246,326,451 Shares representing approximately 56.30% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of the substantial Shareholders and the Directors, together with their associates, in the Company would be increased to approximately 62.60% of the issued share capital, in which case, the number of Shares held by the public will be maintained at above 25%. The Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of repurchase made pursuant to the Repurchase Mandate should the Repurchase Mandate be exercised in full.

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

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

### **B. REFRESHMENT OF THE SCHEME MANDATE LIMIT**

Pursuant to 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 Schemes 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, 437,483,827 Shares were in issue and option to subscribe up to 12,000,000 Shares, representing 2.73% of the issued share capital of the Company as at the Latest Practicable Date, have been granted and remained outstanding under the Share Option Schemes. Since the latest refreshment of Scheme Mandate Limit and up to the Latest Practicable Date, no options have been granted under the Share Option Schemes and no such options have been exercised or cancelled up to the Latest Practicable Date.

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## LETTER FROM THE BOARD

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

Name	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date (%)
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 - 30/11/2005	0.502	3,000,000	0.68
Law Ping Wah Bernard	2/12/2003	2/12/2003 - 30/11/2005	0.502	3,000,000	0.68
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 - 30/11/2005	0.502	1,000,000	0.23
Miao Wen Hao Felix	2/12/2003	2/12/2003 - 30/11/2005	0.502	1,000,000	0.23
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 - 30/11/2005	0.502	3,000,000	0.68
Li Yuen Cheuk Thomas	2/12/2003	2/12/2003 - 30/11/2005	0.502	1,000,000	0.23
				12,000,000	2.73

The above persons are all Directors. Mr Kwan Pak Hoo Bankee is also the substantial Shareholder who held approximately 37.49% of the issued share capital of the Company as at the Latest Practicable Date.

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

The refreshment of the Scheme Mandate Limit is conditional upon (i) approval by Shareholders 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 43,748,382 Shares, being 10% of the Shares then in issue as at the AGM.

On the same assumption, the Directors expect that the grant of options in full under the refreshed Scheme Mandate Limit hereof will not cause the Shares to be issued upon the full exercise of the then outstanding options granted and available to be granted under the Share Option Schemes to be in excess of 30% of the Shares in issue from time to time.

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## **LETTER FROM THE BOARD**

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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 Schemes 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 Schemes.

### **C. REFRESHMENT OF THE CFSG SCHEME MANDATE LIMIT**

Pursuant to rule 23.03(3) of the GEM Listing Rules, the maximum number of CFSG Shares which may be issued upon exercise of all outstanding CFSG Options granted and yet to be exercised under the CFSG Share Option Schemes must not exceed 30% of the CFSG Shares in issue from time to time.

Pursuant to rule 23.03(3) of the GEM Listing Rules, the CFSG Scheme Mandate Limit may not exceed 10% of the CFSG Shares in issue as at the date of approval or adoption of that limit by CFSG Shareholders. The CFSG Scheme Mandate Limit may be refreshed by CFSG Shareholders in general meeting from time to time subject to conditions including, inter alia, approval by the Shareholders in general meeting.

As at 24 March 2005, being the latest practicable date prior to the printing of the CFSG Scheme Mandate Limit Circular for ascertaining certain information referred to therein, 754,556,448 CFSG Shares were in issue and CFSG Options to subscribe up to 40,300,000 CFSG Shares, representing 5.34% of the issued share capital of CFSG as at that latest practicable date, have been granted and remained outstanding under the CFSG Share Option Schemes. Since the latest refreshment of CFSG Scheme Mandate Limit and up to that latest practicable date, no CFSG Options have been granted under the CFSG Share Option Schemes and no such options have been exercised or cancelled up to that latest practicable date.

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## LETTER FROM THE BOARD

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Details of CFSG Options held by the connected persons (as defined in the Listing Rules) of the Company as at the latest practicable date of the CFSG Scheme Mandate Limit Circular are listed below for information:

Name	<i>Notes</i>	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date (%)
Kwan Pak Hoo Bankee	1-4	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Law Ping Wah Bernard	1-3	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Wong Kin Yick Kenneth	1-2	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Miao Wen Hao Felix	1	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Kwok Oi Kuen Joan Elmond	1-2	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Li Yuen Cheuk Thomas	1&3	2/12/2003	2/12/2003 - 30/11/2005	0.34	3,185,000	0.42
Kwok Lai Ling Elaine	3	2/12/2003	1/6/2004 - 31/5/2006	0.34	650,000	0.08
					<u>19,760,000</u>	<u>2.60</u>

*Notes:*

- (1) Director
- (2) CFSG Director
- (3) Pricerite Director
- (4) Substantial Shareholder who held approximately 37.49% of the issued share capital of the Company as at the Latest Practicable Date

On that basis and assuming no further allotment and issue of CFSG Shares and/or repurchase of CFSG Shares up to the date of the CFSG AGM, upon, inter alia, the approval of the refreshment of the CFSG Scheme Mandate Limit by CFSG Shareholders, the CFSG Scheme Mandate Limit (as refreshed) will allow CFSG to grant options entitling holders thereof to subscribe for up to 75,455,644 CFSG Shares, being 10% of the CFSG Shares then in issue as at the CFSG AGM.

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

The refreshment of the CFSG Scheme Mandate Limit is conditional upon approval by the CFSG Shareholders, approval by the Shareholders and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the CFSG Shares, which may be issued pursuant to the exercise of the CFSG Options under the CFSG Share Option Schemes.

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## LETTER FROM THE BOARD

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### D. REFRESHMENT OF THE PRICERITE SCHEME MANDATE LIMIT

Pursuant to rule 17.03(3) of the Listing Rules, the maximum number of Pricerite Shares which may be issued upon exercise of all outstanding Pricerite Options granted and yet to be exercised under the Pricerite Share Option Schemes must not exceed 30% of the Pricerite Shares in issue from time to time.

Pursuant to rule 17.03(3) of the Listing Rules, the Pricerite Scheme Mandate Limit may not exceed 10% of the Pricerite Shares in issue as at the date of approval or adoption of that limit by Pricerite Shareholders. The Pricerite Scheme Mandate Limit may be refreshed by Pricerite Shareholders in general meeting from time to time subject to conditions, including, inter alia, approval by the Shareholders in general meeting.

As at 22 April 2005, being the latest practicable date prior to the printing of the Pricerite Scheme Mandate Limit Circular for ascertaining certain information referred to therein, 749,692,812 Pricerite Shares were in issue and Pricerite Options to subscribe up to 19,833,333 Pricerite Shares, representing 2.65% of the issued share capital of Pricerite as at that latest practicable date, have been granted and remained outstanding under the Pricerite Share Option Schemes. Since the latest refreshment of Pricerite Scheme Mandate Limit and up to that latest practicable date, no Pricerite Options have been granted under the Pricerite Share Option Schemes. Pricerite Options to subscribe for a total number of 200,000 Pricerite Shares have been exercised and Pricerite Options to subscribe for a total number of 5,466,666 Pricerite Shares have been cancelled up to that latest practicable date.

Details of Pricerite Options held by the connected persons (as defined in the Listing Rules) of the Company as at the latest practicable date of the Pricerite Scheme Limit Circular are listed below for information:

Name	<i>Notes</i>	Date of grant	Exercise period	Exercise price per share (\$)	Number of options outstanding	Percentage to issued shares as at the Latest Practicable Date (%)
Miao Wen Hao Felix	1	2/12/2003	1/12/2004 - 30/11/2005	0.316	2,833,333	0.38
Li Yuen Cheuk Thomas	1&3	2/12/2003	1/12/2004 - 30/11/2005	0.316	2,833,333	0.38
Kwok Lai Ling Elaine	3	2/12/2003	1/12/2004 - 30/11/2005	0.316	5,666,667	0.76
Leung Siu Pong James	3	2/12/2003	1/12/2004 - 30/11/2005	0.316	2,833,333	0.38
					<u>14,166,666</u>	<u>1.90</u>

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## LETTER FROM THE BOARD

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*Notes:*

- (1) Director
- (2) CFSG Director
- (3) Pricerite Director
- (4) Substantial Shareholder who held approximately 37.49% of the issued share capital of the Company as at the Latest Practicable Date

On that basis and assuming no further allotment and issue of Pricerite Shares and/or repurchase of Pricerite Shares up to the date of the Pricerite AGM, upon, inter alia, the approval of the refreshment of the Pricerite Scheme Mandate Limit by Pricerite Shareholders, the Pricerite Scheme Mandate Limit (as refreshed) will allow Pricerite to grant options entitling holders thereof to subscribe for up to 74,969,281 Pricerite Shares, being 10% of the Pricerite Shares then in issue as at the Pricerite AGM.

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

The refreshment of the Pricerite Scheme Mandate Limit is conditional upon approval by the Pricerite Shareholders, approval by the Shareholders and the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Pricerite Shares, which may be issued pursuant to the exercise of the Pricerite Options under the Pricerite Share Option Schemes.

### **E. RE-ELECTION OF THE RETIRING DIRECTORS**

In accordance with Bye-laws 87(1) and 87(2) of the Company's Bye-laws, Dr Chan Hak Sin and Mr Leung Ka Kui Johnny shall retire and, being eligible, offer themselves for re-election at the AGM. Particulars of Directors proposed to be re-elected at the AGM are set out in Appendix of this circular.

### **AGM**

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

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## LETTER FROM THE BOARD

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A form of proxy for the AGM is enclosed with the Annual Report. If you do not intend 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.

### **PROCEDURE TO DEMAND A POLL BY SHAREHOLDERS**

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

- (1) the demand is raised before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll); and
- (2) 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.



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## LETTER FROM THE BOARD

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### RECOMMENDATION

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

On behalf of the Board

**Bankee P Kwan**

*Chairman*

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

**Dr CHAN Hak Sin**

- (a) Dr Chan, aged 43, was appointed as an independent non-executive Director on 25 October 2000.
- (b) Dr Chan is also a member of the Audit Committee of the Company.
- (c) 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 possesses a Doctor of Philosophy in Business. Save as disclosed above, Dr Chan has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) The term of office for each independent non-executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.
- (e) Dr Chan has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company save as disclosed above.
- (f) 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.
- (g) The remuneration of Dr Chan will be determined by the Board with reference to the prevailing market rate for similar position.

**Mr LEUNG Ka Kui Johnny**

- (a) Mr Leung, aged 47, was appointed as an independent non-executive Director on 25 October 2000.
- (b) Mr Leung is also a member of the Audit Committee of the Company.
- (c) Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. Mr Leung possesses a Bachelor of Laws. Mr Leung is also an independent non-executive director of Jackin International Holdings Limited, DigiTel Group Limited, Cardlink Technology Group Limited. Mr Leung was also an independent non-executive director of 401 Holdings Limited but he had resigned on 31 March 2004. Save as disclosed above, Mr Leung has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) The term of office for each independent non-executive Director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.
- (e) Mr Leung has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company save as disclosed above.
- (f) 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.
- (g) The remuneration of Mr Leung will be determined by the Board with reference to the prevailing market rate for similar position.