



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

POSSIBLE DISCLOSEABLE TRANSACTION

UNDERWRITING OF AND FULL ACCEPTANCE OF PROVISIONAL ENTITLEMENT UNDER THE RIGHTS ISSUE OF CASH FINANCIAL SERVICES GROUP LIMITED

- The board of directors of CFSG announced on 29 September 2003 that CFSG proposed to issue 251,518,816 Rights Shares at the Subscription Price of \$0.25 per Rights Share by way of the Rights Issue in the proportion of 2 Rights Shares for every 1 CFSG Share held by CFSG Qualifying Shareholders on the Record Date. Rights Shares will not be issued to the CFSG Overseas Shareholders.
- The Board announces that, on 29 September 2003, the Company entered into the Underwriting Agreement with CFSG, a 51.27% indirectly owned subsidiary of the Company, under which the Company would act as the underwriter of the Rights Issue.
- Pursuant to the terms of the Underwriting Agreement, the Company would take up a maximum of 122,576,338 Rights Shares in addition to the CFSG Controlling Shareholder's entitlement of 128,942,478 Rights Shares under the Rights Issue at the Subscription Price of \$0.25 per Rights Share if no Rights Shares is taken up by the CFSG Shareholders other than the CFSG Controlling Shareholder.
- The underwriting of the Rights Issue by the Company together with the full acceptance of the provisional entitlement of the CFSG Controlling Shareholders under the Rights Issue constitutes a possible discloseable transaction for the Company under the Listing Rules. After close of acceptance of the Rights Issue, if the Company is required to take up such number of underwritten Rights Shares the Subscription Price of which, together with the Subscription Price of those Rights Shares provisionally allotted to and accepted by the CFSG Controlling Shareholder, exceed 15% of the Company's net tangible assets, the transaction shall become a discloseable transaction of the Company; hence the Company shall make further announcement and despatch a circular containing, inter alia, details of the Underwriting Agreement to the shareholders of the Company. Assuming that the Company is required to take up all the underwritten Rights Shares after close of acceptance of the Rights Issue and based on the acceptance by the CFSG Controlling Shareholder of all Rights Shares provisionally allotted to it, the total amount of proceeds to be paid by the Group under the Rights Issue shall be approximately \$62.9 million.
- The Rights Issue is subject to conditions. Accordingly, the Rights Issue may or may not proceed.
- Trading in the shares in the Company was suspended from 9:30 am on 29 September 2003 at the request of the Company pending this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares with effect from 9:30 am on 30 September 2003.

The Board announces that, on 29 September 2003, the Company entered into the Underwriting Agreement with CFSG, a 51.27% indirectly owned subsidiary of the Company, under which the Company would act as the underwriter of the Rights Issue.

As announced by the board of directors of CFSG on 29 September 2003, CFSG proposed to issue 251,518,816 Rights Shares at the Subscription Price of \$0.25 per Rights Share by way of the Rights Issue in the proportion of 2 Rights Shares for every 1 CFSG Share held by CFSG Qualifying Shareholders on the Record Date. Rights Shares will not be issued to CFSG Overseas Shareholders. The Subscription Price of \$0.25 per Rights Share in cash represented a discount of approximately 76.6%, 79.7% and 54.5% respectively to the closing price of \$1.07 per CFSG Share as quoted on the Stock Exchange on 26 September 2003 (the last trading day prior to the suspension of trading in the CFSG Shares) and the average closing prices of the 10 trading days and 30 trading days up to and including 26 September 2003 of approximately \$1.23 per CFSG Share and \$0.55 per CFSG Share, and a discount of approximately 51.9% to the theoretical ex-rights price of approximately \$0.52 per CFSG Share.

The CSFG Controlling Shareholder, being an Associate of the Company, has undertaken to take up or procure the taking up of the 128,942,478 Rights Shares which will be provisionally allotted to it and its Associates under the Rights Issue of CFSG. The Company has agreed with CFSG to fully underwrite the balance of the 122,576,338 Rights Shares pursuant to the Underwriting Agreement as disclosed below.

UNDERWRITING AGREEMENT

Date : 29 September 2003
 Underwriter : the Company
 Issuer of Rights Shares : CFSG, a 51.27% indirectly owned subsidiary of the Company
 Number of Rights Shares underwritten : 122,576,338 Rights Shares
 Subscription Price : \$0.25 per Rights Share

The Company would not receive any fee or underwriting commission under the Underwriting Agreement.

If none of the underwritten Rights Shares is accepted or applied for under PALs or EAFs and the underwritten Rights Shares are hence taken up by the Company pursuant to the Underwriting Agreement, the Controlling Shareholder, the Company, the Directors, and their respective Associates will then be ultimately interested in an aggregate of 315,990,055 Shares representing approximately 83.75% of the issued share capital of CFSG as enlarged by the Rights Issue in which case the public float of the CFSG Shares will fall below the requirement under the GEM Listing Rules, the Controlling Shareholder and the Company have undertaken to take necessary steps to reduce the shareholding percentage of themselves and their Associates in CFSG in order to maintain the public float of CFSG.

Assuming that the Company is required to take up all the underwritten Rights Shares, the maximum amount of proceeds to be paid by the Group under the Rights Issue shall be approximately \$62.9 million. The Group intends to fund this amount from internal resources and/or bank borrowings.

Under the Underwriting Agreement, the Company may in its reasonable opinion terminate the Underwriting Agreement if, inter alia, the success of the Rights Issue would be materially and adversely affected by certain events or any material adverse changes in market conditions which happens before 4:00 pm on the second business day after the last day for acceptance and payment of the Rights Shares.

The Rights Issue is conditional upon, inter alia, the approval of the Rights Issue by the CFSG Shareholders (other than the CSFG Controlling Shareholder and its Associates) at the SGM of CFSG, and the obligations of the Company under the Underwriting Agreement becoming unconditional and the Underwriting Agreement not being terminated in accordance with its terms. If the conditions of the Rights Issue are not fulfilled in full on or before 30 November 2003 (or such later date as CFSG and the Company may agree), the Rights Issue will lapse.

INFORMATION ON CFSG AND BENEFITS OF THE UNDERWRITING AGREEMENT

The principal activities of the CFSG Group are the provision of financial services which consist of (a) brokerage of securities, commodities futures, and options via both the online and traditional channels, (b) share margin financing, (c) corporate finance, and (d) other financial services.

The stock market in Hong Kong is staging a strong recovery since recent months amid improved sentiment in respect of equities investment, substantiated by the significantly higher daily turnover on the Hong Kong Stock Exchange. In light of the prospect of a sustainable robust market environment, the directors of CFSG believe that it is in the interests of CFSG to implement the Rights Issue with a view to strengthening its capital base so that the CFSG Group will be in the best position to capture business opportunities associated with its principal business engagements ahead. By way of the Rights Issue, CFSG will raise approximately \$62.9 million (before expenses) which will be used to enhance the working capital of the CFSG Group. The Board believes that the Rights Issue and the Underwriting Agreement provide an opportunity for CFSG to expand its securities brokerage and margin financing business. The Board considers that the Rights Issue and the Underwriting Agreement are beneficial to the business of the Group as a whole.

IMPLICATIONS UNDER THE LISTING RULES

The underwriting of the Rights Issue by the Company together with the full acceptance of the provisional entitlement of the CFSG Controlling Shareholders under the Rights Issue constitutes a possible discloseable transaction for the Company under the Listing Rules. After close of acceptance of the Rights Issue, if the Company is required to take up such number of underwritten Rights Shares the Subscription Price of which, together with the Subscription Price of those Rights Shares provisionally allotted to and accepted by the CFSG Controlling Shareholder, exceed 15% of the Company's net tangible assets, the transaction shall become a discloseable transaction for the Company; hence the Company shall make further announcement and despatch a circular containing, inter alia, details of the Underwriting Agreement to the shareholders of the Company. Assuming that the Company is required to take up all the underwritten Rights Shares after close of acceptance of the Rights Issue and based on the acceptance by the CFSG Controlling Shareholder of all Rights Shares provisionally allotted to it, the total amount of proceeds to be paid by the Group under the Rights Issue shall be approximately \$62.9 million.

SUSPENSION AND RESUMPTION OF TRADING

Trading in the shares was suspended from 9:30 am on 29 September 2003 at the request of the Company pending this announcement. Application has been made to the Stock Exchange for resumption of trading in the shares with effect from 9:30 am on 30 September 2003.

DEFINITIONS

"Associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors of the Company
"CFSG"	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and which shares are listed on the GEM of the Stock Exchange. CFSG is a 51.27% indirectly owned subsidiary of the Company
"CFSG Controlling Shareholder"	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is a 100% wholly-owned subsidiary of the Company. The CSFG Controlling Shareholder, at the date of announcement, is interested in 64,471,239 CFSG Shares, representing approximately 51.27% of the existing issued share capital of CFSG
"CFSG Group"	CFSG and its subsidiaries
"CFSG Overseas Shareholders"	CFSG Shareholders whose names appear on the register of members of CFSG on the Record Date and whose addresses as shown on that register of members of CFSG on that date situated outside Hong Kong
"CFSG Prospectus"	prospectus in relation to the Rights Issue of CFSG
"CFSG Qualifying Shareholders"	CFSG Shareholders whose names appear on the registered of members of CFSG as at the Record Date other than the CFSG Overseas Shareholders
"CFSG Share(s)"	share(s) of \$0.10 each in CFSG and are listed on the GEM of the Stock Exchange
"CFSG Shareholder(s)"	shareholder(s) of CFSG
"Company"	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and which shares are listed on the main board of the Stock Exchange
"Director(s)"	the director(s) of the Company
"EAF(s)"	application form(s) for excess Rights Shares
"GEM"	Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	The Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange
"PAL(s)"	provisional allotment letter(s)
"Record Date"	3 November 2003, the record date for ascertaining entitlements to the PALs and the EAFs
"Rights Issue"	the issue of 2 Rights Shares for every 1 existing CFSG Share as at the Record Date at the Subscription Price
"Rights Share(s)"	new CFSG Share(s) to be issued under the Rights Issue of CFSG
"SGM"	the special general meeting of CFSG to be held for approving, inter alia, the Rights Issue
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	\$0.25 per Rights Share
"Underwriting Agreement"	the underwriting agreement dated 29 September 2003 entered into between CFSG and the Company in relation to the underwriting for the Rights Issue
"\$"	Hong Kong dollar currency

On behalf of the board
Bankee P Kwan
 Chairman & CEO

Hong Kong, 29 September 2003