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If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Celestial Asia Securities Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

**APPROVAL FOR
REFRESHMENT OF THE SCHEME MANDATE LIMIT
UNDER THE SHARE OPTION SCHEME OF
CASH FINANCIAL SERVICES GROUP LIMITED**

A notice convening a special general meeting of Celestial Asia Securities Holdings Limited to be held at 9:45 am on 25 November 2003 at 21/F The Center, 99 Queen's Road Central, Hong Kong is set out on pages 6 to 7 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 no later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the meeting should you so wish.

22 October 2003

DEFINITIONS

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

“Board”	the board of Directors of the Company
“Company”	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“CFSG”	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and which shares are listed on the GEM. CFSG is a 51.27% indirectly owned subsidiary of the Company
“CFSG Circular”	the circular issued by CFSG to the CFSG Shareholders on 17 October 2003 in respect of, among other things, the CFSG Rights Issue
“CFSG Directors”	the directors of CFSG
“CFSG Scheme Mandate Limit”	the maximum number of CFSG Shares which may be issued upon the exercise in full of CFSG Options available to be granted by the CFSG Directors on behalf of CFSG from time to time under the CFSG Share Option Scheme and any other share option scheme(s) of CFSG
“CFSG First SGM”	the special general meeting of CFSG to approve, inter alia, the CFSG Rights Issue to be held at 9:30 am on 3 November 2003, notice of which is set out in the CFSG Circular
“CFSG Options”	share options granted or to be granted by the CFSG Directors under the CFSG Share Option Scheme(s)
“CFSG Rights Issue”	the issue of 2 CFSG Rights Shares for every 1 existing CFSG Share in issue as at the record date of 3 November 2003 at the subscription price of HK\$0.25 per CFSG Share by way of rights issue in CFSG
“CFSG Rights Share(s)”	new CFSG Share(s) to be issued under the CFSG Rights Issue

DEFINITIONS

“CFSG Shareholders”	shareholders of CFSG
“CFSG Share(s)”	share(s) of \$0.10 each in CFSG which are listed on the GEM
“CFSG Share Option Scheme”	the share option scheme of CFSG
“Directors”	the directors of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“Latest Practicable Date”	20 October 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held at 9:45 am on 25 November 2003, notice of which is set out on pages 6 to 7 of this circular
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Executive Directors:

KWAN Pak Hoo Bankee
LAW Ping Wah Bernard
CHAN Yau Ching Bob
KWOK Oi Kuen Joan Elmond
LAW Ka Kin Eugene
LI Yuen Cheuk Thomas

Independent Non-executive Directors:

WONG Chuk Yan
CHAN Hak Sin
LEUNG Ka Kui Johnny

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

22 October 2003

To Shareholders of the Company

Dear Sir/Madam,

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

INTRODUCTION

On 17 October 2003, CFSG issued the CFSG Circular to the CFSG Shareholders containing, among other things, the proposals for (i) the issue of a total number of 251,518,816 CFSG Rights Shares; and (ii) the refreshment of the CFSG Scheme Mandate Limit, and notice of the CFSG First SGM to approve, inter alia, the refreshment of the CFSG Scheme Mandate Limit.

The purpose of this circular is to give you information regarding the refreshment of the CFSG Scheme Mandate Limit and the notice of the SGM of the Company at which ordinary resolution will be proposed to approve the refreshment of the CFSG Scheme Mandate Limit.

LETTER FROM THE BOARD

REFRESHMENT OF THE CFSG SCHEME MANDATE LIMIT

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

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

As at 14 October 2003, being the latest practicable date prior to the printing of the CFSG Circular for ascertaining certain information referred to therein, 125,759,408 CFSG Shares were in issue and CFSG Options to subscribe up to 5,370,000 CFSG Shares have been granted and remained outstanding under the CFSG Share Option Scheme and other share option scheme(s) of CFSG. No CFSG Option granted under the CFSG Share Option Scheme since its adoption on 19 February 2002 has been exercised or cancelled.

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

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of options outstanding	Percentage to issued shares in CFSG (%)
Law Ping Wah Bernard	26/3/2001	1/10/2001 - 30/9/2004	2.20	1,000,000	0.80
Law Ka Kin Eugene	26/3/2001	1/10/2001 - 30/9/2004	2.20	1,250,000	0.99
Wong Kin Yick Kenneth	26/3/2001	1/10/2001 - 30/9/2004	2.20	1,000,000	0.80
Miao Wen Hao Felix	26/3/2001	1/10/2001 - 30/9/2004	2.20	750,000	0.60
Cheng Pui Lai Majone	26/3/2001	1/10/2001 - 30/9/2004	2.20	500,000	0.40
				<u>4,500,000</u>	<u>3.59</u>

Mr Law Ping Wah Bernard is a Director of the Company, CFSG and Pricerite Group Limited (“Pricerite”) (a subsidiary of the Company which shares are also listed on the Stock Exchange). Mr Law Ka Kin Eugene is a Director of the Company and CFSG. Messrs Wong Kin Yick Kenneth and Miao Wen Hao Felix are directors of CFSG. Ms Cheng Pui Lai Majone is a director of Pricerite.

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 SGM of the Company, upon, inter alia, (i) the approval of the refreshment of the CFSG Scheme Mandate Limit by CFSG Shareholders; and (ii) the issue of a total number of 251,518,816 CFSG Right Shares by CFSG under the CFSG Rights Issue, the CFSG Scheme Mandate Limit (as refreshed) will allow CFSG to grant options entitling holders thereof to subscribe for up to 37,727,822 CFSG Shares, being 10% of the CFSG Shares then in issue as at the CFSG First SGM as enlarged by the issue of the CFSG Rights Shares, as at the date of the SGM of the Company.

LETTER FROM THE BOARD

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

The refreshment of the CFSG Scheme Mandate Limit is conditional upon, inter alia, approval by the CFSG Shareholders and the GEM Listing Committee of the Stock Exchange granting the listing of, and permission to deal in a maximum of 37,727,822 CFSG Shares, representing 10% of the CFSG Shares in issue as at the date of the CFSG First SGM as enlarged by the issue of the CFSG Rights Shares, as at the date of the SGM of the Company, which may be issued pursuant to the exercise of the CFSG Options under the CFSG Share Option Scheme and any other share option scheme(s) of CFSG.

THE SGM

An ordinary resolution will be proposed at the SGM to, conditional upon (i) approval by the CFSG Shareholders for refreshment of the CFSG Scheme Mandate Limit; (ii) the relevant permission from the GEM Listing Committee of the Stock Exchange; and (iii) the issue of a total number of 251,518,816 CFSG Rights Shares by CFSG under the CFSG Rights Issue, permit CFSG to grant CFSG Options to the extent that the Shares in CFSG issuable upon the full exercise of the CFSG Options to be granted thereunder shall be not more than 37,727,822 CFSG Shares, representing 10% of the issued share capital of CFSG as at the date of the CFSG First SGM as enlarged by the issue of the CFSG Rights Shares, as at the date of the SGM of the Company. As the Company is the holding company of CFSG for its 51.27% shareholding interest and is listed on the Stock Exchange, the refreshment of the CFSG Scheme Mandate Limit is conditional upon, inter alia, approval by the Shareholders in shareholders' meeting of the Company according to the Listing Rules.

Set out on pages 6 to 7 of this circular is a notice convening the SGM to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong at 9:45 am on 25 November 2003 at which an ordinary resolution will be proposed to be considered and, if thought fit, be passed by the Shareholders for the refreshment of the CFSG Scheme Mandate Limit.

RECOMMENDATION

The Directors are of the view that the refreshment of the CFSG Scheme Mandate Limit to be resolved at the SGM is in the interests of the Company and its Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM.

On behalf of the Board
Bankee P Kwan
Chairman & CEO

NOTICE OF SGM



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Celestial Asia Securities Holdings Limited (“Company”) will be held at 21/F The Center, 99 Queen’s Road Central, Hong Kong on 25 November 2003, Tuesday, at 9:45 am for the purpose of considering and, if thought fit, passing the following resolution as ordinary resolution of the Company:–

ORDINARY RESOLUTION

“**THAT** the refreshment of the scheme mandate limit of CASH Financial Services Group Limited (“CFSG”), a subsidiary of the Company, to grant options in CFSG (“CFSG Options”) to the extent that the shares in CFSG issuable upon the full exercise of all CFSG Options shall not be more than 10% of the issued share capital of CFSG as at the date of this resolution (“CFSG Scheme Mandate Limit”), be and is hereby approved subject to and conditional upon the following:–

- (i) approval by the shareholders of CFSG for refreshment of the CFSG Scheme Mandate Limit;

- (iii) the Listing Committee of the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the shares in CFSG to be issued pursuant to the exercise of any CFSG Options to be granted under the existing share option scheme of CFSG adopted on 19 February 2002 and any other share option scheme(s) of CFSG; and

- (iii) the issue of a total of 251,518,816 new shares (“CFSG Rights Shares”) of HK\$0.10 each (“CFSG Shares”) in CFSG by means of rights issue of the issue of 2 CFSG Rights Shares for every existing CFSG Share in issue as at the record date of 3 November 2003 on or before the date of this resolution.

By order of the Board
Luke Wing Sheung Suzanne
Joint Company Secretary

Hong Kong, 22 October 2003

NOTICE OF SGM

Head office and principal place

of business in Hong Kong:

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

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint proxy to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company. A form of proxy is also enclosed for the meeting.
2. In order to be valid, the form 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 of attorney or other authority, not less than 48 hours before the time for holding the special general meeting or any adjournment thereof.