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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.

This circular includes particulars given in compliance with The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Celestial Asia Securities Holdings Limited. The directors of Celestial Asia Securities Holdings Limited collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)
(Stock code: 1049)

**APPROVAL FOR PROPOSED ADOPTION OF
PROPOSED SHARE OPTION SCHEME OF
CASH FINANCIAL SERVICES GROUP LIMITED
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

A notice convening a special general meeting of Celestial Asia Securities Holdings Limited to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 22 February 2008 (Friday) at 9:45 am is set out on pages 18 to 21 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 a form of proxy will not preclude you from attending and voting at the meeting should you so wish.

30 January 2008

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DEFINITIONS

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

“associate(s)”	has the meaning ascribed in the Main Board Listing Rules
“Board”	the board of Directors
“Bye-laws”	the existing bye-laws of the Company (as lastly amended on 17 May 2004)
“Bye-laws Amendments”	the proposed amendments to the Bye-laws, details of which are set out in the notice of the SGM
“CFSG”	CASH Financial Services Group Limited (stock code on GEM: 8122), a company incorporated in Bermuda with limited liability and whose shares are listed on GEM, and a non-wholly-owned subsidiary of the Company
“CFSG Board”	the board of directors of CFSG
“CFSG Group”	CFSG and its subsidiaries
“CFSG SGM”	the special general meeting of CFSG to be held at 21/F The Center, 99 Queen’s Road Central, Hong Kong at 9:30 am on 22 February 2008 to approve, inter alia, the Proposed Introduction and the Proposed Share Option Scheme
“CFSG Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of CFSG
“CFSG Shareholder(s)”	holder(s) of CFSG Shares
“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
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange

DEFINITIONS

“GEM Share Option Scheme”	the share option scheme adopted by CFSG pursuant to a resolution passed by CFSG Shareholders on 19 February 2002
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	25 January 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Introduction”	the proposed listing of CFSG Shares on the Main Board by way of introduction pursuant to the Main Board Listing Rules
“Proposed Share Option Scheme”	the proposed share option scheme of CFSG to be conditionally adopted at the CFSG SGM, a summary of the principal terms of which is set out in the section headed “Major terms of the Proposed Share Option Scheme” in this circular
“SGM”	the special general meeting of the Company to be held at 9:45 am on 22 February 2008, notice of which is set out on pages 18 to 21 of this circular
“Share(s)”	ordinary share(s) of \$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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)

Board of Directors

Executive:

KWAN Pak Hoo Bankee

LIN Che Chu George

LAW Ping Wah Bernard

WONG Kin Yick Kenneth

Independent non-executive:

LEUNG Ka Kui Johnny

WONG Chuk Yan

CHAN Hak Sin

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

30 January 2008

To the Shareholders

Dear Sir/Madam,

**APPROVAL FOR PROPOSED ADOPTION OF
PROPOSED SHARE OPTION SCHEME OF
CASH FINANCIAL SERVICES GROUP LIMITED
AND**

PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY

INTRODUCTION

In connection with the Proposed Introduction of CFSG, CFSG Board has proposed to CFSG Shareholders to adopt the Proposed Share Option Scheme, the provisions of which will comply with the requirements of the Chapter 17 of the Main Board Listing Rules in substitution of the existing GEM Share Option Scheme.

CFSG has convened the CFSG SGM to approve, inter alia, the proposed adoption of the Proposed Share Option Scheme on 22 February 2008. Pursuant to rule 17.01(4) of Chapter 17 of the Main Board Listing Rules, the Proposed Share Option Scheme also has to be simultaneously approved by the Shareholders of the Company, being the holding company of CFSG which is also listed on the Stock Exchange.

LETTER FROM THE BOARD

Also, in order to bring the Bye-laws of the Company in line with the Main Board Listing Rules and the new Bermuda law, the Board proposes to the Shareholders the Bye-laws Amendments. The Bye-laws Amendments are required to be approved by the Shareholders.

The purpose of this circular is to provide you with information regarding (i) the ordinary resolution approving the Proposed Share Option Scheme and (ii) the special resolution approving the Bye-laws Amendments.

PROPOSED SHARE OPTION SCHEME

In connection with the Proposed Introduction, CFSG Directors propose the adoption of the Proposed Share Option Scheme, the provisions of which will comply with the requirements of Chapter 17 of the Main Board Listing Rules in substitution of the existing GEM Share Option Scheme.

The adoption of the Proposed Share Option Scheme is conditional upon:

- (i) the passing of ordinary resolution by CFSG Shareholders at the CFSG SGM approving the termination of the GEM Share Option Scheme;
- (ii) the passing of ordinary resolution by CFSG Shareholders at the CFSG SGM approving the adoption of the Proposed Share Option Scheme and authorising directors of CFSG to grant options thereunder and to allot, issue and deal with CFSG Shares pursuant to the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme;
- (iii) the passing of ordinary resolution by the Shareholders at the SGM approving the adoption of the Proposed Share Option Scheme;
- (iv) the Listing Committee of Main Board granting approval for the listing of, and permission to deal in, on the Main Board any CFSG Shares which may be issued pursuant to the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme; and
- (v) commencement of dealings in the CFSG Shares on the Main Board.

The Proposed Share Option Scheme will enable CFSG Directors to grant options to certain selected participants as incentives or rewards for their contribution to CFSG Group.

LETTER FROM THE BOARD

CFSG has applied to the Stock Exchange for the listing of, and permission to deal in, on the Main Board any CFSG Shares which may be issuable upon the exercise of any options which may be granted under the Proposed Share Option Scheme.

It is proposed that the GEM Share Option Scheme will be terminated upon the adoption of the Proposed Share Option Scheme after all the conditions of the Proposed Share Option Scheme have been fulfilled.

MAJOR TERMS OF THE PROPOSED SHARE OPTION SCHEME

A summary of the principal terms of the rules of the Proposed Share Option Scheme is set out below.

1. Purpose

The purpose of the Proposed Share Option Scheme is to enable CFSG to grant options to the Participants (as defined in paragraph 2 below) as incentives and/or rewards for their contribution to CFSG and/or the CFSG Group, and any of its associated companies, the CFSG Group's holding company and the subsidiaries and the associated companies to the CFSG Group's holding company ("Members of the CFSG Group").

2. Who may join

The CFSG Board may, at its discretion, offer participants (being employees (whether full time or part time), executives and officers of the Members of the CFSG Group (including executive and non-executive directors of the Members of the CFSG Group) and business consultants, agents and legal and financial advisers to the Members of the CFSG Group who the CFSG Board considers, in its sole discretion, will contribute or have contributed to the Members of the CFSG Group) ("Participants") options to subscribe for such number of new CFSG Shares as the CFSG 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 CFSG by way of consideration for the grant.

3. Maximum number of CFSG Shares

The maximum number of CFSG Shares which may be issued upon exercise of all options to be granted under the Proposed Share Option Scheme and any other share option scheme(s) of CFSG must not exceed 10% of the total issued CFSG Shares (i.e. 207,697,202) CFSG Shares, assuming that no CFSG Shares will be issued or repurchased prior to the date of the CFSG SGM) as at the date of approval and adoption of the Proposed Share Option Scheme by the CFSG Shareholders (which is expected to be 22 February 2008, being the date of the CFSG SGM). Options lapsed in accordance with the terms of such share option scheme(s) will not be counted for the purpose of the 10% limit.

LETTER FROM THE BOARD

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

- (i) refresh this limit at any time up to 10% of the CFSG Shares in issue as at the date of the approval of the limit as refreshed by the CFSG Shareholders in general meeting (options previously granted under any share option schemes of CFSG (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 Participants specifically identified by the CFSG Board whereupon CFSG shall send a circular to the CFSG 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 Main Board Listing Rules.

Notwithstanding the foregoing, the CFSG Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Proposed Share Option Scheme and any other share option scheme(s) of CFSG at any time shall not exceed 30% of the CFSG Shares in issue from time to time. No options shall be granted under any scheme(s) of CFSG 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 CFSG Shares issued and which may fall to be issued upon exercise of the options granted under the Proposed Share Option Scheme and any other share option scheme(s) of CFSG (including exercised, cancelled and outstanding options) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed one per cent of the CFSG 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 CFSG and the approval of the CFSG Shareholders in general meeting with such Eligible Participant and his associates (as defined in the Main Board Listing Rules) abstaining from voting and other requirements prescribed under the Main Board Listing Rules from time to time.

LETTER FROM THE BOARD

5. Subscription price of CFSG Shares

The subscription price for a CFSG Share in respect of any particular option granted under the Proposed Share Option Scheme (subject to adjustments referred to in paragraph 18) shall be such price as the CFSG Board in its absolute discretion shall determine, save that such price must not be less than the highest of (a) the closing price of the CFSG Shares as stated in the Main Board's daily quotations sheet on the date of offer to grant option, (b) the average of the closing prices of the CFSG Shares as stated in the Main Board's daily quotations sheet for the five (5) business days immediately preceding the date of offer to grant option; and (c) the nominal value of a CFSG Share.

6. Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder of CFSG or any of their respective associates (as defined in the Main Board Listing Rules) is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is the relevant Eligible Participant).

If the CFSG Board proposes to grant options to a substantial CFSG Shareholder or an independent non-executive director of CFSG or any of their respective associates which will result in the CFSG 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 scheme and the other schemes in the 12-month period up to and including the date of the offer of such grant:

- (i) representing in aggregate over 0.1%, or such other percentage as may from time to time be specified in the Main Board Listing Rules, of the CFSG Shares in issue on the date of the offer; and
- (ii) having an aggregate value in excess of HK\$5 million, based on the closing price of the CFSG Shares as stated in the daily quotation sheets of the Main Board on the offer date, or such other amount as may from time to time be specified in the Main Board Listing Rules,

such further grant of options will be subject to the issue of a circular by CFSG and the approval of the CFSG Shareholders in general meeting on a poll at which all connected persons (as defined in the Main Board Listing Rules) of CFSG shall abstain from voting, in favour at the general meeting such other requirements prescribed under the Main Board Listing Rules from time to time.

LETTER FROM THE BOARD

7. Restrictions on the time of grant of options

For so long as the CFSG Share are listed on the Main Board, an offer to grant option may not be made after a price-sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price-sensitive information has been announced pursuant to the requirements of the Main Board Listing Rules. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (a) the date of the CFSG Board meeting for the approval of CFSG's results for any year, half-year, quarterly or any other interim period (whether or not required under the Main Board Listing Rules); and (b) the deadline for CFSG to publish its interim or results for any year, half-year, quarterly or any other interim period (whether or not required under the Main Board Listing Rules) announcement under the listing agreement and ending on the date of actual publication of the results announcement.

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 CFSG 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 CFSG of HK\$1.00 by way of consideration is received by CFSG, 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 CFSG 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 Proposed Share Option Scheme. Subject to earlier termination by CFSG in general meeting, the Proposed Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Proposed Share Option Scheme by CFSG Shareholders by resolution at a general meeting.

LETTER FROM THE BOARD

10. Performance target

The CFSG 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 Proposed 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 CFSG 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 CFSG or the relevant Members of the CFSG 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 CFSG 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 CFSG Group (if so determined by the CFSG 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 CFSG or the Members of the CFSG Group.

13. Rights on general offer

If a general offer by way of takeover is made to all the holders of CFSG 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 CFSG Shares.

LETTER FROM THE BOARD

14. Rights on compromise or arrangement between CFSG and its members or creditors

If a general offer by way of scheme of arrangement is made to all the holders of CFSG Shares with the Proposed Share Option Scheme having been approved by the necessary number of holders of CFSG Shares at the requisite meetings, the grantee may thereafter (but before such time as shall be notified by CFSG) 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 CFSG and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of CFSG, CFSG 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 CFSG (such notice to be received by CFSG 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 CFSG 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 CFSG 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 CFSG to its CFSG Shareholders to convene a shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up CFSG, CFSG shall forthwith give notice thereof to the grantee and the grantee may by notice in writing to CFSG (such notice to be received by CFSG 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 CFSG 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 CFSG Shares to the grantee which falls to be issued on such exercise.

LETTER FROM THE BOARD

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 of CFSG 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 CFSG;
- (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 CFSG 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 CFSG 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 CFSG Group (if so determined by the board of the Members of the CFSG 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 CFSG or the relevant Members of the CFSG Group. A resolution of the CFSG Board or the board of directors of the relevant Members of the CFSG 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 CFSG Board shall exercise CFSG'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.

LETTER FROM THE BOARD

17. Ranking of CFSG Shares

The CFSG 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 CFSG Shares to be allotted and issued upon the exercise of an option shall be subject to all the provisions of the constitutional documents of CFSG 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 CFSG as attached to the fully-paid CFSG 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 CFSG 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 CFSG, such corresponding alterations (if any) shall be made in (except on an issue of securities of CFSG as consideration in a transaction which shall not be regarded as circumstances requiring alteration or adjustment) in (a) the number of CFSG Shares subject to any outstanding options and/or (b) the exercise price as the auditors or the approved independent financial adviser shall at the request of CFSG or any grantee, certify in writing, to be in their opinion fair and reasonable and satisfied the requirements under the Main Board 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 CFSG (as interpreted in accordance with the supplementary guidance attached to the letter from the Main Board 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 CFSG Share to be issued at less than its nominal value. Any adjustment to be made will comply with the Main Board Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Main Board Listing Rule issued by the Main Board from time to time.

LETTER FROM THE BOARD

19. Alteration of Proposed Share Option Scheme

The terms and conditions of the Proposed Share Option Scheme and the regulations for the administration and operation of the Proposed Share Option Scheme (provided that the same are not inconsistent with the Proposed Share Option Scheme and the Main Board Listing Rules) may be altered in any respect by resolution of the CFSG 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 Main Board Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Proposed Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Proposed Share Option Scheme),

must be made with the prior approval of shareholders of CFSG in general meeting at which any person(s) to whom or for whose benefit the CFSG Shares may be issued under the Proposed Share Option Scheme and their respective associates shall abstain from voting PROVIDED THAT the amended terms of the Proposed Share Option Scheme or the options shall remain in compliance with Chapter 17 of the Main Board 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 CFSG 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.

LETTER FROM THE BOARD

In respect of any meeting of grantees referred to in paragraph 19, all the provisions of the constitutional documents for the time being of CFSG as to general meetings of CFSG shall mutatis mutandis apply as though the options were a class of shares forming part of the capital of CFSG 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 CFSG 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 CFSG 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 seven 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 seven 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 CFSG cancels options and issues new ones to the same grantee, the issue of such new options may only be made under the Proposed Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by CFSG Shareholders.

LETTER FROM THE BOARD

21. Termination of the Proposed Share Option Scheme

CFSG may by resolution in general meeting or the CFSG Board may at any time resolve to terminate the Proposed Share Option Scheme and in such event no further option shall be offered but the provisions of the Proposed 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 Proposed Share Option Scheme shall be disclosed in the circular to shareholders of CFSG seeking approval of the new scheme established after the termination of the Proposed Share Option Scheme.

22. Disclosure in annual and half-yearly reports

CFSG will disclose details of the options granted under the Proposed Share Option Scheme in its annual and half-yearly reports in accordance with the Main Board Listing Rules in force from time to time.

PROPOSED BYE-LAWS AMENDMENTS

In order to bring the Bye-laws in line with the Main Board Listing Rules and the Bermuda Law, the Board proposes to amend the Bye-laws to the effect that:–

- (a) the Company has the power to purchase for redemption a redeemable Share, where the purchases not made through the market or by tender shall be limited to a maximum price, and if purchases are by tender, tenders shall be available to all Shareholders alike;
- (b) there is no longer required to elect president, vice president, chairman and a deputy chairman by the Company;
- (c) Directors shall demand poll voting for resolution at the general meeting if required under the Main Board Listing Rules;
- (d) Directors can be removed by an ordinary resolution in general meeting instead of a special resolution;
- (e) every Director should be subject to retirement by rotation at least once every three years; and
- (f) Directors shall have power to fill the vacancy of office of the auditors.

LETTER FROM THE BOARD

The proposed Bye-laws Amendments are subject to the approval of the Shareholders by way of special resolution at the SGM.

DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Proposed Share Option Scheme is available for inspection at 21/F The Center, 99 Queen's Road Central, Hong Kong during normal business hours on any day up to and including the date of the SGM.

SGM

Set out on pages 18 to 21 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 22 February 2008 (Friday) at which an ordinary resolution and a special resolution will be proposed to be considered and, if thought fit, be passed by the Shareholders for the approval of the Proposed Share Option Scheme and the Bye-laws Amendments respectively.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete and return the 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 SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM 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

LETTER FROM THE BOARD

- (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.

RECOMMENDATION

The Directors believe that the Bye-laws Amendments and the proposed adoption of the Proposed Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution relating to the Bye-laws Amendments and the ordinary resolution relating to the approval adoption of the Proposed Share Option Scheme as set out in the notice of the SGM respectively.

Yours faithfully,
On behalf of the Board
Bankee P Kwan
Chairman

NOTICE OF THE SGM



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of Celestial Asia Securities Holdings Limited (“Company”) will be held at 21/F The Center, 99 Queen’s Road Central, Hong Kong on 22 February 2008, at 9:45 am for the purpose of considering and, if thought fit, passing the following resolutions of the Company, with or without amendments:

ORDINARY RESOLUTION

1. **“THAT** conditional upon:

- (A) the GEM Share Option Scheme (as defined in (C) below in this resolution no. 1) be terminated with effect from the date on which the Proposed Share Option Scheme (as defined in (C) below in this resolution no. 1) becomes unconditional and effective;
- (B) the Proposed Share Option Scheme be approved and adopted by the shareholders of CASH Financial Services Group Limited (“CFSG”) and the board of directors of CFSG be and is hereby authorised, at its absolute discretion, to grant options to subscribe for shares of CFSG (“CFSG Shares”) thereunder and to allot, issue and deal with any CFSG Shares pursuant to the exercise of the subscription rights under any option which may be granted under the Proposed Share Option Scheme and to do all such acts as it may in its absolute discretion consider necessary or expedient in order to give full effect to the Proposed Share Option Scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same;
- (C) the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) granting approval of the listing of, and permission to deal on the main board of the Stock Exchange in, (i) the CFSG Shares; (ii) any CFSG Shares which may be issuable upon the exercise of any options which were granted under the share option scheme adopted by CFSG pursuant to a resolution passed by the shareholders of CFSG on 19 February 2002 (“GEM Share Option Scheme”); and (iii) any CFSG Shares which may be granted under the new share option scheme to be conditionally adopted at the special general meeting of CFSG (“Proposed Share Option Scheme”) (the rules of which are set out in the document marked “A” produced to this meeting);

NOTICE OF THE SGM

(D) upon the commencement of dealing on CFSG Shares on the main board of the Stock Exchange;

, the Proposed Share Option Scheme of CFSG be and is hereby approved.”

SPECIAL RESOLUTION

2. “**THAT** the existing Bye-laws of the Company be and are hereby amended in the following manner:–

(1) in Bye-law 9 – to insert the following sentences at the end of this Bye-law:

“Where the Company purchases for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price as may from time to time be determined by the Company in general meeting, either generally or with regard to specific purchases. If purchases are by tender, tenders shall be available to all Members alike.”

(2) in Bye-law 63 –

(i) to add the words “, if one is appointed,” after the words “The president of the Company or the chairman”;

(ii) to add the words “, or if no such officer is appointed,” after the words “, or if neither of them is willing to act as chairman,”; and

(iii) to add the words “or (in the case of a Member being a corporation) by its duly authorised representative” after the words “the Members present in person”.

(3) in Bye-law 66 –

(i) to insert the following words after the words “A resolution put to the vote of a meeting shall be decided on a show of hands unless”:

“voting by way of a poll is required by the rules of the Designated Stock Exchange or”; and

NOTICE OF THE SGM

(ii) to insert the following paragraph after the end of Bye-law 66(d):

“; 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 such meeting.”

(4) in Bye-law 86(4) – to replace the word “special” with the word “ordinary” after the words “at any general meeting convened and held in accordance with these Bye-laws, by”.

(5) in Bye-law 87(1) – to replace the existing words:

“greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.”

with the following words:

“less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years.”

(6) in Bye-law 127(1) – to insert the words “(if so appointed by the Board)” after the words “The officers of the Company shall consist of a president and vice-president or chairman and deputy chairman”.

(7) in Bye-law 127(2) – to delete the entire Bye-law 127(2) and to renumber the Bye-law 127(3) as Bye-law 127(2) and Bye-law 127(4) as Bye-law 127(3).

(8) in Bye-law 129 – to replace the existing paragraph with the following paragraph:

“If the Board has appointed a chairman, the chairman shall act as chairman of all meetings of the Members and of the Directors at which he is present. If a chairman has not been appointed by the Board or is absent, the chairman of a meeting shall be elected or appointed by those present at the meeting.”

NOTICE OF THE SGM

- (9) in Bye-law 157 – to replace the existing words “as soon as practicable convene a special general meeting to fill the vacancy.” after the words “the Directors shall” with the following words:

“have power to fill the vacancy and fix the remuneration of the Auditor so appointed.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 30 January 2008

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal place of

business in Hong Kong:
21/F The Center
99 Queen’s Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies 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.