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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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CASH 
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

**CONTINUING CONNECTED TRANSACTIONS
– FINANCIAL ASSISTANCE**

AND

NOTICE OF SPECIAL GENERAL MEETING

**The Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

VINCO 
Grand Vinco Capital Limited

A wholly-owned subsidiary of Vinco Financial Group Limited

A notice convening a special general meeting of Celestial Asia Securities Holdings Limited to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 31 December 2009 (Thursday) at 9:15 am is set out on pages 26 to 27 of this circular. A letter from Vinco Capital (as defined herein) containing its advice to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) in relation to the Margin Financing Arrangement (as defined herein) is set out on pages 11 to 18 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.

15 December 2009

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DEFINITIONS

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

“Announcement”	the joint announcement made by the Company and CFSG on 25 November 2009 in respect of, among other things, the Margin Financing Arrangement
“associate(s)”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“CASH Companies”	Libra Capital Management (HK) Limited (formerly E-Tailer Holding Limited) and Cashflow Credit Limited, being wholly-owned subsidiaries of the Company, which are connected persons of CFSG
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands, with principal activity of investment holding. It is a controlled corporation of Mr Kwan Pak Hoo Bankee (executive directors of both CFSG and the Company), and is also a substantial Shareholder the Company
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange. It is also 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 on 31 December 2009 at 9:00 am to approve the Margin Financing Arrangement
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), the ultimate controlling shareholder of CFSG, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“Conditions”	the conditions of the Margin Financing Agreements as set out in the sub-heading of “Duration and terms and Conditions” under the heading of “Margin Financing Arrangement” in this circular

DEFINITIONS

“Connected Clients”	Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard (the executive directors of each of CFSG and the Company), Mr Chan Chi Ming Benson, Mr Cheng Man Pan Ben (the executive directors of CFSG), and Cash Guardian (a substantial shareholder of the Company), and CASH Companies (wholly-owned subsidiaries of the Company and are substantial shareholders of CFSG)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries, including CFSG Group
“Independent Board Committee”	an independent board committee of the Company comprising the independent non-executive Directors, namely, Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin to advise the Independent Shareholders on the Margin Financing Arrangement
“Independent Financial Adviser” or “Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	the Shareholders other than the Connected Clients and their respective associates
“Latest Practicable Date”	11 December 2009, 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
“Margin Financing Agreements”	the written margin financing agreements all dated 25 November 2009 on same terms and conditions as disclosed in this circular between CFSG with each of the Connected Clients relating to, subject to Conditions, the proposed granting of the margin financing facility to the Connected Clients
“Margin Financing Arrangement”	the granting of margin financing facility by CFSG to the Connected Clients, subject to Conditions, pursuant to the Margin Financing Agreements

DEFINITIONS

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Previous Margin Financing Arrangement”	the margin financing facility previously extended by CFSG to certain Connected Clients for the three financial years ending 31 December 2009 under the margin financing agreements dated 19 March 2007 (particulars of which are set out in the circulars of CFSG and the Company both dated 1 March 2007), as approved by each of the independent shareholders of each of CFSG and the Company on 19 March 2007
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held on 31 December 2009 at 9:15 am to approve the Margin Financing Arrangement, notice of which is set out on pages 26 to 27 of this circular
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD

CASH

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

Board of Directors:

Executive:

KWAN Pak Hoo Bankee
LAW Ping Wah Bernard
NG Kung Chit Raymond

Independent non-executive:

LEUNG Ka Kui Johnny
WONG Chuk Yan
CHAN Hak Sin

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business:*

28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

15 December 2009

To the Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS – FINANCIAL ASSISTANCE

INTRODUCTION

On 25 November 2009, the Board made the Announcement that, among other things, the proposed Margin Financing Arrangement with each of the Connected Clients.

As each of the Connected Clients (save as CASH Companies) are connected persons of the Company, the granting of the margin financing facilities by CFSG to them under the Margin Financing Arrangement would constitute continuing connected transactions relating to financial assistance for the Company under Chapter 14A of the Listing Rules. As the margin financing facility on an annual basis to be provided to each of the Connected Clients under the Margin Financing Arrangement would exceed 2.5% of the applicable percentage ratios under the Listing Rules and HK\$10,000,000, the financial assistance contemplated thereunder will be subject to the reporting, announcement and Independent Shareholders' approval requirements for the Company under the Listing Rules. The resolution to be proposed at the SGM for approving the Margin Financing Arrangement will be taken by poll where each of the Connected Clients and their respective associates who have material interests in the transactions will abstain from voting. Accordingly, the Connected Clients, namely Mr Law Ping Wah Bernard (holding 6,784,060 Shares, representing approximately 3.30% of the issued Shares), Mr Cheng Man Pan Ben

LETTER FROM THE BOARD

(holding 12,700 Shares, representing approximately 0.01% of the issued Shares), Cash Guardian (holding 66,398,512 Shares, representing approximately 32.31% of the issued Shares), who control or are entitled to exercise control over the voting right in respect of their respective Shares and are collectively holding 73,195,272 Shares (representing approximately 35.62% of the issued Shares) as at the Latest Practicable Date, will abstain from voting at the SGM.

The Independent Board Committee has been established to consider the terms of the Margin Financing Arrangement. Vinco Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the terms and conditions of the Margin Financing Arrangement.

The purpose of this circular is to give you further information regarding the Margin Financing Arrangement and the notice of the SGM at which an ordinary resolution will be proposed to approve the Margin Financing Arrangement.

MARGIN FINANCING ARRANGEMENT

Parties to the Margin Financing Arrangement

- (a) CFSG
- (b) Connected Clients, which are Mr Kwan Pak Hoo Bankee ^(Notes 1 and 2), Mr Law Ping Wah Bernard ^(Note 1) (the executive directors of each of CFSG and the Company), Mr Chan Chi Ming Benson ^(Note 3), Mr Cheng Man Pan Ben ^(Note 1) (the executive directors of CFSG), and Cash Guardian ^(Notes 1 and 2) (a substantial Shareholder of the Company), and Libra Capital Management (HK) Limited ^(Note 1) and Cashflow Credit Limited (wholly-owned subsidiaries of the Company and substantial shareholders of CFSG).

Notes:

- (1) Such Connected Clients have been granted margin financing facility of up to HK\$30 million for each of the three financial years ending 31 December 2009 under the Previous Margin Financing Arrangement.
- (2) The margin financing facility to be granted to each of the above Connected Clients is a stand alone facility. Each of their margin financing facility under the Margin Financing Arrangement will not be aggregated.
- (3) Mr Chan Chi Ming Benson is a new director of CFSG as appointed after 19 March 2007. He has not been granted the margin financing facility under the Previous Margin Financing Arrangement.

As the Connected Clients are either directors or substantial shareholders of CFSG and/or the Company, or each respective associates, each of the Connected Clients, save as CASH Companies, is a connected person of each of CFSG and the Company under the Listing Rules. CASH Companies are connected persons of CFSG only.

Margin financing facility to be granted

Under the proposed margin financing arrangement, the margin financing facility being extended to each of the Connected Clients will be a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the three financial years ending 31 December 2012.

LETTER FROM THE BOARD

Having considered the improvement in securities market, the amount of utilisation of Previous Margin Financing Arrangement by certain Connected Clients and the anticipated trading volume of securities by the Connected Clients after discussion with each of the Connected Clients, the Board proposes the annual caps in respect of the Margin Financing Arrangement. The amount of the margin financing facility to be extended to each of the Connected Clients is determined after arm's length negotiation between the parties by reference to the anticipated trading volume of securities by the Connected Clients amid the improvement in the Hong Kong stock market and the prevailing investment sentiment.

The Board considers that the granting of margin financing facilities to the Connected Clients are of the same nature as facilities granted by CFSG in its usual and ordinary course of business, and on normal and commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients. Certain Connected Clients, who are directors or substantial shareholders of CFSG and/or the Company, are now utilising the Previous Margin Financing Arrangement which will be expired after 31 December 2009. The other new Connected Clients would also like to utilise the margin financing facilities of CFSG. The Board would seek approval from the Independent Shareholders for renewal and/or grant of margin financing arrangements to the Connected Clients.

Duration and terms and Conditions

The Margin Financing Arrangement will have a fixed term of three financial years ending on 31 December 2012 and is conditional upon:

- (1) CFSG having obtained approval from its independent shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the CFSG SGM convened in compliance with the Listing Rules; and
- (2) the Company having obtained approval from the Independent Shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the SGM convened in compliance with the Listing Rules.

If the conditions above are not satisfied on or before 30 June 2010 or such later date as may be agreed between CFSG and the Connected Clients, the Margin Financing Arrangement will not proceed. As at the Latest Practicable Date, none of the conditions has been fulfilled.

Margin Financing Agreements and other terms

In compliance with the Listing Rules in relation to continuing connected transactions, CFSG entered into Margin Financing Agreements on same terms and conditions as disclosed in this circular with each of the Connected Clients on 25 November 2009 relating to, subject to Conditions, the proposed grant of the margin financing facility under the Margin Financing Arrangement to the Connected Clients.

The margin financing facilities will be provided to the Connected Clients on normal commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients.

Each of the margin financing facilities is repayable on demand and will be secured by listed securities held by the respective Connected Clients.

LETTER FROM THE BOARD

Reasons for the transaction

The Board considers that the Margin Financing Arrangements would (a) provide flexibility of the CFSG Board to grant such margin financing facilities, (b) enable CFSG to capture the securities trading activities of the Connected Clients, and (c) allows the CFSG Group to earn income from the Connected Clients in the ordinary course of business and on normal commercial terms. Given that the margin financing facilities are being provided on normal commercial terms and in the ordinary course of business, the Board considers that the terms of the Margin Financing Arrangement are fair and reasonable, and the provision of Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole.

Previous Margin Financing Arrangement

The amounts of margin financing facilities granted to certain Connected Clients under the Previous Margin Financing Arrangement in the two years ended 31 December 2008 and the six months ended 30 June 2009 are as follows:

Name	Year end/ period end	Outstanding amount as at year/ period end (HK\$'000)	Maximum outstanding amount during the year/period (HK\$'000)
Mr Kwan Pak Hoo Bankee and associates	31 December 2007	–	29,021
	31 December 2008	–	1,792
	30 June 2009	–	8,523
Mr Law Ping Wah Bernard and associates	31 December 2007	–	29,489
	31 December 2008	–	15,401
	30 June 2009	–	11,149
Mr Cheng Man Pan Ben and associates	31 December 2007	–	23,349
	31 December 2008	29	16,412
	30 June 2009	150	5,173
Cash Guardian	31 December 2007	–	–
	31 December 2008	–	–
	30 June 2009	–	–
Libra Capital Management (HK) Limited (formerly known as E-Tailer Holding Limited)	31 December 2007	–	–
	31 December 2008	–	29,182
	30 June 2009	–	27,348

Note: The caps of margin financing facilities for the above Connected Clients under the Previous Margin Financing Arrangement are up to HK\$30 million for each of the three financial years ending 31 December 2009.

LETTER FROM THE BOARD

GENERAL

The Company is principally engaged in the (a) financial services provided via CFSG including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, margin financing, corporate finance, other financial services and retailing of furniture and household items; and (b) property investment and other investment holding.

As each of the Connected Clients (save as CASH Companies) is a connected person of the Company, the granting of the margin financing facilities to the Connected Clients would constitute financial assistance under Chapter 14A of the Listing Rules. As each of the margin financing facilities on an annual basis to be granted would exceed 2.5% of the applicable percentage ratios under the Listing Rules and HK\$10,000,000, the financial assistance to be provided by CFSG to the Connected Clients is subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules for the Company.

The Independent Board Committee has been established to advise the Independent Shareholders of the terms of the Margin Financing Arrangement. The Company has appointed Vinco Capital as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the terms and conditions of the Margin Financing Arrangement.

The resolution to be proposed at the SGM for approving the Margin Financing Arrangement will be taken by poll where each of the Connected Clients and their respective associates who have material interests in the transactions will abstain from voting. Accordingly, the Connected Clients, namely Mr Law Ping Wah Bernard (holding 6,784,060 Shares, representing approximately 3.30% of the issued Shares), Mr Cheng Man Pan Ben (holding 12,700 Shares, representing approximately 0.01% of the issued Shares), Cash Guardian (holding 66,398,512 Shares, representing approximately 32.31% of the issued Shares), who control or are entitled to exercise control over the voting right in respect of their respective Shares and are collectively holding 73,195,272 Shares (representing approximately 35.62% of the issued Shares) as at the Latest Practicable Date, will abstain from voting at the SGM.

SGM

Set out on pages 26 to 27 of this circular is a notice convening the SGM to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong at 9:15 am on 31 December 2009 at which an ordinary resolution will be proposed to be considered and, if thought fit, be passed by the Independent Shareholders for the approval of the Margin Financing Arrangement by poll, to which each of the connected persons and their respective associates are required to abstain from voting in accordance with the Listing Rules.

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.

LETTER FROM THE BOARD

RECOMMENDATION

In relation to the Margin Financing Arrangement, the Directors (including all the independent non-executive Directors forming the Independent Board Committee) are of the opinion that the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and the Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole, and the Directors (including all the independent non-executive Directors forming the Independent Board Committee) therefore recommend the Independent Shareholders to vote in favour of the resolution relating to the Margin Financing Arrangement at the SGM.

Your attention is also drawn to the letters from the Independent Board Committee and Vinco Capital and their respective recommendations set out on pages 10 to 18 of this circular.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information on the Group as set out in the appendix to this circular.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

CASH 
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

15 December 2009

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
– FINANCIAL ASSISTANCE**

We refer to the circular dated 15 December 2009 of the Company (“Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed to form an Independent Board Committee to consider the terms of the Margin Financing Arrangement, and to advise the Independent Shareholders whether, in our opinion, the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders as a whole are concerned and is in the interests of the Company and the Shareholders as a whole. Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Margin Financing Arrangement.

We wish to draw your attention to the letter from the Board set out on pages 4 to 9 of the Circular which contains, inter alia, information on the Margin Financing Arrangement and the letter from Vinco Capital set out on pages 11 to 18 of the Circular which contains its advice in respect of the terms of the Margin Financing Arrangement.

Having taken into account the advice of Vinco Capital, we consider that the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and the Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution above to be proposed at the SGM to approve the Margin Financing Arrangement.

Yours faithfully

Independent Board Committee

Leung Ka Kui Johnny

Wong Chuk Yan

Chan Hak Sin

Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the Margin Financing Arrangement which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited

Units 4909-4910, 49/F., The Center,
99 Queen's Road Central, Hong Kong

15 December 2009

To the Independent Board Committee and the Independent Shareholders of
Celestial Asia Securities Holdings Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS – FINANCIAL ASSISTANCE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the Margin Financing Arrangement, details of which are set out in the section headed "Letter from the Board" in the circular issued by the Company to the Shareholders dated 15 December 2009 ("Circular") of which this letter forms part. Capitalized terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

As the Previous Margin Financing Arrangement will expire on 31 December 2009 and CFSG will continue to provide margin financing arrangement to certain Connected Clients and other new Connected Clients, the Company thus entered into the Margin Financing Agreements with CFSG on 25 November 2009 pursuant to which CFSG has conditionally agreed to extend the margin financing facility to each of the Connected Clients a sum of up to HK\$30 million (which represents outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the three financial years ending 31 December 2012.

LETTER FROM VINCO CAPITAL

Given that each of the Connected Clients (save as CASH Companies) are connected persons of the Company, the granting of the margin financing facilities by CFSG to such Connected Clients under the Margin Financing Arrangement thus constitute continuing connected transactions under Chapter 14A of the Listing Rules. In addition, as the annual margin financing facility to be provided to each of the Connected Clients under the Margin Financing Arrangement would exceed 2.5% of the applicable percentage ratios as calculated under the Listing Rules and HK\$10,000,000, the Margin Financing Arrangement thus are subject to the reporting, announcement requirements and approval of the Independent Shareholders at the SGM to be taken by way of a poll. As at the Latest Practicable Date, each of the Connected Clients and their respective associates who have material interests in transactions are required to abstain from voting for the relevant resolution at the SGM to approve the Margin Financing Arrangement. Accordingly, the Connected Clients, namely Mr Law Ping Wah Bernard (holding 6,784,060 Shares, representing approximately 3.30% of the issued Shares), Mr Cheng Man Pan Ben (holding 12,700 Shares, representing approximately 0.01% of the issued Shares), Cash Guardian (holding 66,398,512 Shares, representing approximately 32.31% of the issued Shares), who control or are entitled to control over the voting right in respect of their respective Shares and are collectively holding 73,195,272 Shares (representing approximately 35.62% of the issued Shares) as at the Latest Practicable Date, shall abstain from voting at the SGM.

The Independent Board Committee, comprising Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan, and Dr Chan Hak Sin, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders on the Margin Financing Arrangement. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Margin Financing Arrangement. In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give you an independent opinion as to whether the Margin Financing Arrangement is on normal commercial terms, in the ordinary course of business, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

LETTER FROM VINCO CAPITAL

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Margin Financing Arrangement, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Margin Financing Arrangement and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation in relation to the Margin Financing Arrangement, we have taken into consideration the following principal factors and reasons:

Background of and reasons for the entering of the Margin Financing Agreements

Information of the Company

The Company is principally engaged in the (a) financial services provided via CFSG including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, margin financing, corporate finance, other financial services and retailing of furniture and household items; and (b) property investment and other investment holding.

Background of entering into the Margin Financing Agreements

As stated in the Letter from the Board and with reference the circular dated 1 March 2007, the Company and certain Connected Clients entered into the margin financing agreements in respect of the Previous Margin Financing Arrangement respectively, pursuant to which the CFSG agreed to provide margin financing facilities to certain Connected Clients a sum of up to HK\$30 million for each of the three financial years ending 31 December 2009. The Previous Margin Financing Arrangement granted to certain Connected Clients under the existing margin financing agreements was approved by the Independent Shareholders at the special general meeting of the Company held on 19 March 2007. Given that the Previous Margin Financing Arrangement will expire after 31 December 2009, the Company thus entered into the Margin Financing Agreements with certain Connected Clients so as to continue its provision of margin financing facilities to certain Connected Clients following 31 December 2009.

LETTER FROM VINCO CAPITAL

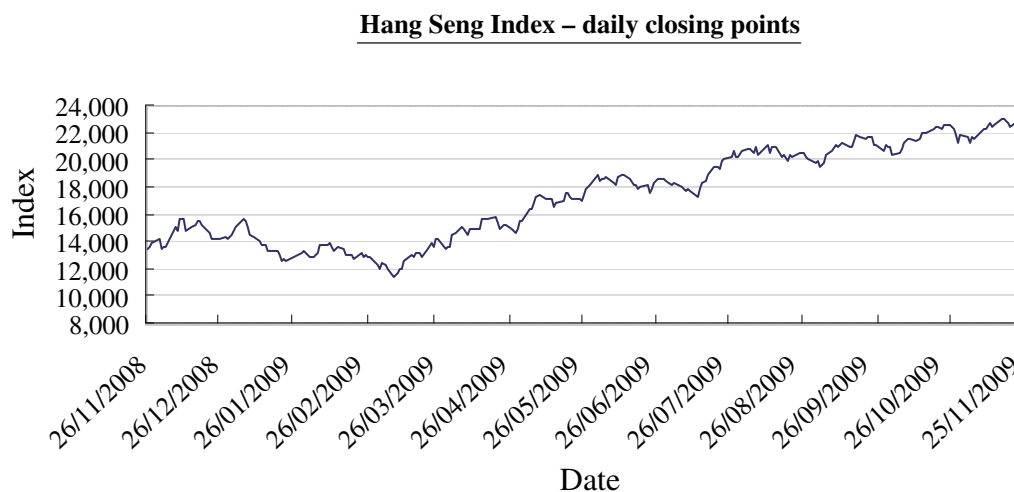
Reasons for entering into the Margin Financing Agreements

As stated in the Letter from the Board, the Directors considered that the Margin Financing Arrangement would (i) provide flexibility for CFSG Board to grant such margin financing facilities; (ii) enable CFSG to capture the securities trading activities of the Connected Clients; and (iii) allows the CFSG Group to earn income from the Connected Clients in the ordinary course of business and on normal commercial terms.

Given that the nature of the Margin Financing Arrangement to the Connected Clients are of the identical nature as margin financing facilities granted by CFSG to other independent margin clients of CFSG, we are thus of the view that the Margin Financing Arrangement is in the ordinary and usual course of business of the Company.

Prospect of the stock market in Hong Kong

Set out below the historical daily closing points of the Hang Seng Index from 26 November 2008 and up to the 25 November 2009 (being the date of signing the Margin Financing Agreements) (“Review Period”):



Source: <http://finance.yahoo.com>

As illustrated in the graph above, we noted that the daily closing points of the Hang Seng Index have presented an overall increasing trend during the Review Period. During the Review Period, the daily closing points of the Hang Seng Index were fluctuated in the range of approximately 11,922 to 15,614 for the period from 26 November 2008 to 6 March 2009. Since then, the daily closing points of the Hang Seng Index demonstrated an overall increasing trend from approximately 11,345 on 9 March 2009 to approximately 22,612 on 25 November 2009 and reached its highest daily closing point of approximately 22,944 on 16 November 2009.

LETTER FROM VINCO CAPITAL

Set out below is the historical trading value of the listed securities on the Stock Exchange from January 2008 to November 2009:

	Trading value (HK\$'million)		% change
	2009	2008	
January	859,267	2,629,311	(67.32)
February	799,015	1,593,386	(49.85)
March	1,024,976	1,699,723	(39.70)
April	1,238,219	1,820,521	(31.99)
May	1,516,183	1,533,448	(1.13)
June	1,618,348	1,286,877	25.76
July	1,524,461	1,391,196	9.58
August	1,474,934	1,129,294	30.61
September	1,339,121	1,419,970	(5.69)
October	1,319,141	1,296,735	1.73
November	1,486,053	946,892	56.94

Source: <http://www.hkex.com.hk>

As shown from the table above, we noted that the trading value had gradually improved in the second half of year 2009. In the first half of year 2009, the trading value ranged from a negative growth of approximately 67.32% in January 2009 to a positive growth of approximately 25.76% in June 2009, with an average negative growth of approximately 27.37% as compared to the same corresponding periods in 2008. Moreover, in the second half of year 2009, the trading value ranged from a positive growth of approximately 56.94% in November 2009 to a negative growth of approximately 5.69% in September 2009, with an average positive growth of approximately 18.63% as compared to the same corresponding periods in 2008.

In addition, with reference to the allotment results announcements of the respective new issuers on the website of the Stock Exchange, we noted that the recent initial public offering (“IPO”) market in Hong Kong is active with over-subscribed IPOs in the stock market. Further to our review on the information available on the website of the Stock Exchange, we noted that the IPO market in Hong Kong raised capital of approximately HK\$1.56 billion, HK\$16.09 billion and HK\$45.37 billion in the first quarter, second quarter and third quarter in 2009 respectively. Up to the Latest Practicable Date, the IPO market in Hong Kong has raised capital of at least approximately HK\$143.85 billion in the fourth quarter in 2009, which has already exceeding approximately 2.17 times than the capital raised in the third quarter in 2009.

Based on the aforesaid analysis, we concur with the Directors’ view that there would be an expected increase in the trading volume of securities by the Connected Clients amid the improvement in the stock market and the prevailing investment sentiment in Hong Kong. Accordingly, we consider that the proposed annual caps of margin financing facilities for the Connected Clients of up to HK\$30 million under the Margin Financing Arrangement to be reasonable.

LETTER FROM VINCO CAPITAL

Principal terms of the Margin Financing Agreements

Previous Margin Financing Arrangement for the three financial years ending 31 December 2009

Under the Previous Margin Financing Arrangement, the annual caps of margin financing facilities for the Connected Clients below are up to HK\$30 million for each of the three financial years ending 31 December 2009.

The following table illustrates the amounts of margin financing facilities granted to certain Connected Clients under the Previous Margin Financing Arrangement during each of the two financial years ended 31 December 2008 and for the six months ended 30 June 2009:

Name	2007		2008		2009	
	Outstanding amounts as at 31 December 2007 HK\$'000	Maximum outstanding amounts during the year ended 31 December 2007 HK\$'000	Outstanding amounts as at 31 December 2008 HK\$'000	Maximum outstanding amounts during the year ended 31 December 2008 HK\$'000	Outstanding amounts as at 30 June 2009 HK\$'000	Maximum outstanding amounts during the six months ended 30 June 2009 HK\$'000
Mr Kwan Pak Hoo Bankee and associates	–	29,021	–	1,792	–	8,523
Mr Law Ping Wah Bernard and associates	–	29,489	–	15,401	–	11,149
Mr Cheng Man Pan Ben and associates	–	23,349	29	16,412	150	5,173
Cash Guardian	–	–	–	–	–	–
Libra Capital Management (HK) Limited (<i>Note</i>)	–	–	–	29,182	–	27,348

Note: Libra Capital Management (HK) Limited was formerly known as E-Tailer Holding Limited.

Margin Financing Arrangement for the three financial years ending 31 December 2012

Under the Margin Financing Agreements, certain Connected Clients who have been granted the Previous Margin Financing Arrangement would be granted to extend each of their margin financing facility up to a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the three financial years ending 31 December 2012. Save for such Connected Clients, Mr Chan Chi Ming Benson (being a new director of CFSG as appointed after 19 March 2007) and Cashflow Credit Limited (being a wholly-owned subsidiary of the Company and a substantial shareholder of CFSG) would be granted a sum of up to HK\$30 million for each of the three financial years ending 31 December 2012 under the Margin Financing Agreements.

LETTER FROM VINCO CAPITAL

As advised by the Directors, we are given to understand that such amount of margin financing facility is determined after arm's length negotiation between the parties with reference to the anticipated trading volume of securities by the Connected Clients amid the improvement in the stock market in Hong Kong and the prevailing investment sentiment. The margin financing facilities to be granted by CFSG to the Connected Clients, as confirmed by the Directors, will be based on its existing internal policies and procedures and such terms and conditions of the Margin Financing Arrangement will be in line with other independent margin clients of CFSG and on normal commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients.

For the purpose of accessing the fairness and reasonableness of the Margin Financing Arrangement, we have reviewed, on a sampling basis, the agreements in relation to the provision of margin financing facilities offered by CFSG to each of the Connected Clients and other independent margin clients. As further discussed with the Directors, we understand that each of the margin financing facilities is repayable on demand and will be secured by listed securities held by the respective Connected Clients, which is in line with the terms and conditions of the margin financing agreements offered to other independent margin clients. Based on our review and discussion with the Directors, we are of the opinion that the terms and conditions of the Margin Financing Agreements are comparable to those offered to other independent margin clients.

In addition, we have reviewed the existing margin financing agreements and the Margin Financing Agreements and we noted that, save for the extension of the respective duration for an additional period from 1 January 2010 to 31 December 2012 and the granting of margin financing facility to Mr Chan Chi Ming Benson (being a new director of CFSG appointed after 19 March 2007) and Cashflow Credit Limited (being a wholly-owned subsidiary of the Company and a substantial shareholder of CFSG), other principal terms of the Margin Financing Agreements are essentially identical to those of the existing margin financing agreements.

Taking into account that (i) the Margin Financing Arrangement is in the ordinary and usual course of business of the Group; (ii) the gradually improved economy and the future prospects of stock market in Hong Kong as discussed in the above; (iii) the terms and conditions of the Margin Financing Arrangement to be granted to each of the Connected Clients are in line with those available to other independent margin clients of CFSG, we thus consider that the Margin Financing Arrangement is fair and reasonable to the Company and the Independent Shareholders, and is in the interests of the Company and the Independent Shareholders as a whole.

LETTER FROM VINCO CAPITAL

CONCLUSION

Having taken into account the above principal factors and reasons, we are of the view that the terms of the Margin Financing Agreements are in the ordinary and usual course of business and on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, the Margin Financing Arrangement are in the interests of the Company and the Independent Shareholders as a whole. Therefore, we advise the Independent Board Committee to recommend the Independent Shareholders, and the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM approving the Margin Financing Arrangement.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors 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.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

A. The Company

1. Long positions in the ordinary Shares

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	66,398,512*	32.31
Law Ping Wah Bernard	Beneficial owner	6,784,060	–	3.30
Ng Kung Chit Raymond	Beneficial owner	48,300	28,800	0.04
		<u>6,832,360</u>	<u>66,427,312</u>	<u>35.65</u>

* The Shares were held by Cash Guardian. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the section headed "Substantial Shareholders" in this section below.

2. Long positions in the underlying shares

(i) Options under share option schemes

Name	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	13/3/2009	13/3/2009 – 31/3/2011	1.13	1,800,000	0.88
Law Ping Wah Bernard	13/3/2009	13/3/2009 – 31/3/2011	1.13	1,800,000	0.88
Ng Kung Chit Raymond	13/3/2009	13/3/2009 – 31/3/2011	1.13	1,000,000	0.49
				<u>4,600,000</u>	<u>2.25</u>

(ii) Convertible note

Name	Date of convertible note	Conversion period	Conversion price per share (HK\$)	Number of underlying shares	Percentage to issued shares (%)
Kwan Pak Hoo Bankee	17/2/2009	17/8/2009 – 31/12/2011	1.00	<u>43,243,000</u>	<u>21.04</u>

Note: The convertible note in the outstanding amount of HK\$43,243,000 was held by Cash Guardian. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the heading of “Substantial Shareholders” in this section below.

B. Associated corporations (within the meaning of the SFO)

CFSG

1. Long positions in the ordinary shares of HK\$0.10 each

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Beneficial owner and founder of a discretionary trust	8,168,000	315,121,198*	52.39
Law Ping Wah Bernard	Beneficial owner	13,771,120	–	2.23
Ng Kung Chit Raymond	Beneficial owner	3,014,000	18,000	0.49
		<u>24,953,120</u>	<u>315,139,198</u>	<u>55.11</u>

- * The shares were held as to 298,156,558 shares by Celestial Investment Group Limited, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company), and as to 16,964,640 shares by Cash Guardian. Pursuant to the SFO, the Company was owned as to approximately 32.31% by Cash Guardian (which was 100% beneficially owned by Jeffnet Inc). Jeffnet Inc held these shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in the Company through Cash Guardian as disclosed in the section headed "Substantial Shareholders" in this section below.

2. *Long positions in the underlying shares – options under share option schemes*

Name	Date of grant	Exercise period (Note)	Exercise price per share (HK\$)	Number of options outstanding	Percentage to issued shares (%)
Kwan Pak Hoo Bankee	15/6/2009	15/6/2009 – 30/6/2013	0.734	5,000,000	0.81
Law Ping Wah Bernard	15/6/2009	15/6/2009 – 30/6/2013	0.734	5,000,000	0.81
				<u>10,000,000</u>	<u>1.62</u>

Note: The options were vested in 2 tranches as to (i) 50% exercisable from the commencement of the expiry of 6 months from the date of grant (ie 15 December 2009) up to 30 June 2013; and (ii) 50% exercisable from the commencement of the expiry of 1 year from the date of grant (ie 15 June 2010) up to 30 June 2013.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their associates had any interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. **SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and any options in respect of such capital, or were otherwise notified to the Company and recorded in the register required to be kept under section 336 of the SFO were as follows:

A. Long positions in the ordinary Shares

Name	Capacity	Number of Shares	Shareholding (%)
Jeffnet Inc (“Jeffnet”) (<i>Note</i>)	Trustee of a discretionary trust	66,398,512	32.31
Cash Guardian (<i>Note</i>)	Beneficial owner	66,398,512	32.31

Note: This refers to the same number of Shares held by Cash Guardian (which is 100% beneficially owned by Jeffnet). Jeffnet held these shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to the SFO, Mr Kwan Pak Hoo Bankee and Jeffnet were deemed to be interested in the Shares held by Cash Guardian.

B. Long positions in the ordinary shares of subsidiaries of the Group

Name of subsidiary(ies)	Name of shareholder(s)	Number of share(s)	Shareholding (%)
Value Success Finance Limited	Timestar Technology Limited	50	50.00
Marvel Champ Investments Limited	Smooth Joy Investments Limited	35	35.00
Moliyo P2P Limited	威信誠科技股份有限公司 (Translated as Winstron Technology Company Limited)	33	33.00
3C Retail Group Limited	Oceanfield Limited	28	28.00
3C Retail Group Limited	Wong Wah On Edward	12	12.00
Nimble Mind Profits Limited	Hsin Chong Construction (Asia) Limited	1	10.00

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and any options in respect of such capital, or were otherwise notified to the Company and recorded in the register required to be kept under section 336 of the SFO.

4. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

5. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

6. INTEREST OF DIRECTORS IN GROUP'S ASSETS

Save as Excelbright Enterprises Limited and its subsidiaries which were acquired by the Group from Mr Kwan Pak Hoo Bankee on 17 February 2009, since 31 December 2008 (the date to which the latest published audited accounts of the Group have been made up), each of the Directors did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group and no Director was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. INTERESTS OF DIRECTORS IN CONTRACTS

The Directors confirm that there is no contract or arrangement subsisting as at the Latest Practicable Date in which a Director was materially interested which was significant in relation to the business of the Group.

8. MATERIAL ADVERSE CHANGE

The Directors have confirmed that, at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Group since 31 December 2008, the date to which the latest published audited financial statements of the Group were made up.

9. LITIGATION

The following set out the outstanding litigation, arbitration or claims involved by the Group of material importance:

- (1) In 2003, Ka Chee Company Limited instituted a winding-up proceedings against Celestial (International) Securities & Investment Limited ("CISI"), a subsidiary of the Company, for an amount of HK\$1,662,598. A winding-up order was made by the court on 13 July 2005, the liquidator has been appointed to wind-up CISI, and the winding-up proceedings are still in progress.

- (2) On 11 May 2006, Hallmark Cards, Incorporated (“Petitioner”) filed a petition for a winding-up order against Cosmos Global Limited (“Cosmos”), a subsidiary of the Company, under which the Petitioner claimed that Cosmos was indebted to the Petitioner for a sum of US\$41,591.23 and interest accrued thereon. A winding-up order was made by a master of the High Court on 2 August 2006. Provisional liquidator has been appointed by the court to manage the affairs of Cosmos on the same date and Cosmos is now in the process of liquidation. Cosmos is a dormant company and the winding up of Cosmos will not have any material impact to the operation of the Group.

Save as disclosed above, no member of the Group is involved in any litigation or arbitration or claims of material importance and no litigation or arbitration or claim of material importance of the Company to be pending or threatened by or against any member of the Group as at the Latest Practicable Date.

10. EXPERT, QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Vinco Capital	A licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, Vinco Capital was not interested beneficially in the Shares or shares in its subsidiaries and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for Shares or shares in any member of the Group.

As at the Latest Practicable Date, Vinco Capital did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries since 31 December 2008, being the date up to which the latest published audited consolidated accounts of the Company were made up.

As at the Latest Practicable Date, Vinco Capital has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and reference to its name in the form and context in which it appears.

11. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours on any day up to the holding of the SGM:

- (a) the Margin Financing Agreements;
- (b) the letter from the Independent Board Committee, the text of which is set out on page 10 of this circular;
- (c) the letter from Vinco Capital, the text of which is set out on pages 11 to 18 of this circular;
and
- (d) the letter of consent from Vinco Capital as referred to in paragraph headed “Expert, qualification and consent” in this appendix.

NOTICE OF SGM

CASH

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 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 31 December 2009 (Thursday) at 9:15 am for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**, the grant of margin financing facility (“Margin Financing Arrangement”) of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) to each of Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard (the executive directors of each of CASH Financial Services Group Limited (“CFSG”) (a non-wholly-owned subsidiary of the Company) and the Company), Mr Chan Chi Ming Benson, Mr Cheng Man Pan Ben (the executive directors of CFSG), and Cash Guardian Limited (a substantial shareholder of the Company), and Libra Capital Management (HK) Limited (formerly E-Tailer Holding Limited) and Cashflow Credit Limited (wholly-owned subsidiaries of the Company and substantial shareholders of CFSG) (“Connected Clients”) by CFSG for each of the three financial years ending 31 December 2012, subject to the terms and conditions of the Margin Financing Arrangement as described in the circular of the Company dated the same date of this notice, and the signing of margin financing agreements dated 25 November 2009 between CFSG with each of the Connected Clients, be and are hereby approved and the directors of the Company be and are hereby authorised to do such things or make such arrangement as they may think fit to give effect to the Margin Financing Arrangement.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 15 December 2009

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

NOTICE OF SGM

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 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, 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.