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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

PROPOSED SHARE SUBDIVISION

AND

CHANGE OF BOARD LOT SIZE

Proposed Share Subdivision

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.10 of the Company into ten (10) Subdivided Shares of HK\$0.01 each.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subdivided Shares arising from the Share Subdivision. All Subdivided Shares will rank pari passu with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision.

Change of board lot size

The Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares. Upon the Share Subdivision becoming effective, the board lot size will be changed from 2,000 Shares to 6,000 Subdivided Shares.

General

The Share Subdivision are conditional upon, among other things, the Shareholders' approval at the SGM.

The Circular containing, inter alia, details of the Share Subdivision, the trading arrangement in respect of the Subdivided Shares, together with the notice of the SGM, will be despatched to the Shareholders on 8 October 2010.

PROPOSED SHARE SUBDIVISION

As at the date of this announcement, the authorised share capital of the Company was HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each, of which 287,286,177 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.10 of the Company into 10 Subdivided Shares of HK\$0.01 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$300,000,000 divided into 30,000,000,000 Subdivided Shares, of which 2,872,861,770 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased prior to the Share Subdivision becoming effective.

All Subdivided Shares will rank pari passu with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision.

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the SGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares arising from the Share Subdivision.

BOARD LOT CHANGE

The Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares. The Board proposes that subject to and upon the Share Subdivision becoming effective, the board lot size be changed from 2,000 Shares to 6,000 Subdivided Shares. The Board Lot Change ensures that the value of each board lot of the Subdivided Shares would be more than HK\$2,000. The Board considers the Board Lot Change to be in the interests of the Company and its Shareholders as a whole.

REASONS FOR THE SHARE SUBDIVISION AND BOARD LOT CHANGE

The proposed Share Subdivision will decrease the nominal value and increase the total number of shares in issue. The Share Subdivision will result in downward adjustment to the trading price of the Shares. The Board believes that the Share Subdivision will decrease the trading spread as well as the volatility of the trading price of the Shares and thus result in the improved liquidity in trading of the Company's Subdivided Shares. Therefore, the Board considers that the Share Subdivision will enable the Company to attract more investors and broaden its Shareholder base. The Board also considers that the Board Lot Change will result in Subdivided Shares being traded in a more reasonable board lot size and value.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

ARRANGEMENT FOR MATCHING ODD LOTS

In order to alleviate the difficulties arising from the existence of odd lots of the Subdivided Shares as a result of the Share Subdivision and Board Lot Change, the Company has agreed to procure Celestial Securities Limited to stand in the market to provide matching services for the odd lots of Subdivided Shares on best effort basis during the period from 11 November 2010 to 1 December 2010 (both dates inclusive). Shareholders who wish to take advantage of this matching facility either to dispose of their odd lots of Subdivided Shares or to top up to board lots of 6,000 Subdivided Shares, may contact Ms Chan Po Ki Fion of Celestial Securities Limited at 9/F Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong at telephone number (852) 2587-5257.

Holders of Subdivided Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Subdivided Shares is not guaranteed. The Shareholders are advised to consult their professional advisers if they are in doubt about the above procedures.

ADJUSTMENTS TO THE EXERCISE PRICES OF THE SHARE OPTIONS AND CONVERSION PRICE OF THE CONVERTIBLE NOTE

Implementation of the Share Subdivision will lead to adjustments to the exercise prices and number of option shares, and to the conversion price and number of conversion shares. The Company will inform each of the Share Option's grantees and the Convertible Note's holder regarding the adjustments to be made pursuant to the respective terms and conditions of the Share Options and the Convertible Note respectively. Such adjustments will be certified by an independent financial adviser of the Company.

Save as disclosed above, the Company has no other outstanding share options or convertible securities to subscribe for any Share.

FREE EXCHANGE OF SHARE CERTIFICATES

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates for the Subdivided Shares free of charge during the business hours from 28 October 2010 to 6 December 2010 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher).

It is expected that the new share certificates will be available for collection within a period of 10 business days after the submission of the existing share certificates. The new share certificates will be issued in blue colour in order to distinguish them from existing share certificates which are in white colour.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Subdivision is set out below:

2010

Despatch of the Circular (including the notice of the SGM) and the related form of proxy to the Shareholders Friday, 8 October

Latest date and time to return form of proxy for the SGM 9:30 am on Monday, 25 October

Date and time of the SGM 9:30 am on Wednesday, 27 October

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “Proposed Share Subdivision” above.

Effective date of the Share Subdivision Thursday, 28 October

Dealings in Subdivided Shares commence 9:30 am on Thursday, 28 October

Temporary counter for trading in Subdivided Shares in board lots of 20,000 Subdivided Shares (in the form of existing certificates) opens 9:30 am on Thursday, 28 October

Original counter for trading in Shares in board lots of 2,000 Shares temporarily closes 9:30 am on Thursday, 28 October

Free exchange of existing certificates for the new certificates for the Subdivided Shares commences Thursday, 28 October

Original counter for trading in Subdivided Shares in board lots of 6,000 Subdivided Shares (only new share certificates for the Subdivided Shares can be traded at this counter) reopens 9:30 am on Thursday, 11 November

Parallel trading in the Shares and Subdivided Shares (in the form of existing share certificates and new share certificates) commences 9:30 am on Thursday, 11 November

Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Subdivided Shares Thursday, 11 November

Effective date of the change of board lot size Thursday, 11 November

Temporary counter for trading in board lots of 20,000 Subdivided Shares (in the form of existing share certificates) closes 4:00 pm on Wednesday, 1 December

Parallel trading in Subdivided Shares (in the form of existing share certificates and new share certificates) ends 4:00 pm on Wednesday, 1 December

Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Subdivided Shares Wednesday, 1 December

Free exchange of existing certificates for the Shares for new certificates for the Subdivided Shares ends 4:00 pm on Monday, 6 December

Note: All times refer to Hong Kong local times and dates in this announcement.

Dates or deadlines specified in this announcement are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

GENERAL

The Share Subdivision are conditional upon, among other things, the Shareholders' approval at the SGM.

The Circular containing, inter alia, details of the Share Subdivision, the trading arrangement in respect of the Subdivided Shares, together with the notice of the SGM, will be despatched to the Shareholders on 8 October 2010.

DEFINITIONS

“Board”	the board of Directors
“Board Lot Change”	the change of the board lot size from 2,000 existing shares to 6,000 Subdivided Shares upon the Share Subdivision becoming effective
“Circular”	circular containing, inter alia, details of the Share Subdivision, the trading arrangement in respect of the Subdivided Shares, together with the notice of the SGM, to be despatched to the Shareholders on 8 October 2010
“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 of the Stock Exchange
“Convertible Note”	the convertible note dated 17 February 2009 issued to the controlling shareholder of the Company as consideration for acquisition of the properties group by the Group (as disclosed in the announcement dated 11 November 2008 and the circular dated 21 January 2009 of the Company)
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be convened to approve, if thought fit, the Share Subdivision
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) or the Subdivided Share(s), as the case may be
“Share Option(s)”	share option(s) granted by the Company to the directors and/or employees of the Group under the share option scheme of the Company adopted on 19 February 2002
“Share Subdivision”	the proposed subdivision of each issued and unissued Share into ten (10) Subdivided Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company, upon approval of the Share Subdivision
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

On behalf of the Board
Bankee P Kwan
Chairman & CEO

Hong Kong, 6 October 2010

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Law Ping Wah Bernard
Mr Ng Kung Chit Raymond

Independent non-executive directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin