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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

**PROPOSED GRANT OF SHARE OPTIONS TO
A DIRECTOR AND SUBSTANTIAL SHAREHOLDER**

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

On 25 March 2011, the Board resolved to grant a total of 60,000,000 Options, representing around 2% of the existing Shares in issue, to Mr Kwan (the Chairman, CEO, Director and substantial Shareholder).

As the Options granted to Mr Kwan exceeds 1% of the existing Shares in issue in the 12-month period up to and including the date of grant and have an aggregate value (based on the closing price of the Share on the date of grant) in excess of HK\$5 million, the proposed grant is conditional upon the approval of Independent Shareholders at the general meeting pursuant to Rules 17.03(4) and 17.04(1) of the Listing Rules. Mr Kwan and his associates and all connected persons of the Company shall abstain from voting in respect of the resolution approving the grant of the Options at the AGM to be convened.

A circular containing, inter alia, further details and terms of the grant of the Options, the information required by the Listing Rules, together with the notice of the AGM, will be despatched to the Shareholders in due course.

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

On 25 March 2011, the Board resolved to grant the Options to subscribe for up to a total of 60,000,000 Shares (representing around 2% of the total number of Shares in issue) to Mr Kwan (the Chairman, CEO, Director and substantial Shareholder) under the Share Option Scheme.

A summary of the grant of the Options is set out below:-

Date of grant	: 25 March 2011
Exercise price of the Options	: HK\$0.592 per Share, which represents the highest of (i) the closing price of HK\$0.590 per Share as stated in the daily quotations sheet of the Stock Exchange on 25 March 2011, being the date of grant; (ii) the average closing price of HK\$0.592 per Share as stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding 25 March 2011; and (iii) HK\$0.01, being the nominal value of the Share.
Total number of the Options granted	: 60,000,000
Validity period of the Options	: Two years from 25 March 2011 to 24 March 2013

In accordance with Rule 17.04(1) of the Listing Rules, the grant of the Options to Mr Kwan has been approved by all independent non-executive Directors on 25 March 2011.

Pursuant to Rule 17.03(4) of the Listing Rules, where a grant of options to a grantee will result in the shares issued and to be issued upon exercise of all options granted and to be granted to him (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of grant exceeding 1% of the shares in issue, the grant of options to the grantee must be approved by shareholders of the company at a general meeting at which the grantee and his associates shall abstain from voting.

Pursuant to Rule 17.04(1) of the Listing Rules, where any grant of options to a substantial shareholder and/or his associates would result in the shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to the substantial shareholder and/or his associates in the 12-month period up to and including the date of such grant (i) exceeding 0.1% of the shares in issue and (ii) having an aggregate value, based on the closing price of the shares on the date of grant, in excess of HK\$5 million, the grant of options to the substantial shareholder and/or his associates must be approved by shareholders of the company at a general meeting at which all connected persons of the company shall abstain from voting.

As the Options granted to Mr Kwan exceeds 1% of the existing Shares in issue in the 12-month period up to and including the date of grant, the proposed grant is conditional upon the approval of Shareholders at the general meeting pursuant to Rule 17.03(4) of the Listing Rules. Mr Kwan and his associates shall abstain from voting in respect of the resolution approving the grant of the Options.

As the Options granted to Mr Kwan (also a substantial Shareholder) also have an aggregate value (based on the closing price of the Shares on the date of grant) in excess of HK\$5 million, the proposed grant to Mr Kwan is conditional upon the approval of Independent Shareholders at general meeting at general meeting pursuant to Rule 17.04(1) of the Listing Rules. Mr Kwan and his associates and all connected persons of the Company shall abstain from voting in respect of the resolution approving the grant of the Options.

Accordingly, Mr Kwan and his associates (including Cash Guardian Limited) and all connected persons of the Company shall abstain from voting in respect of the resolution approving the grant of the Option at the AGM to be convened.

Shareholding structure

The following table illustrates changes in shareholdings of Mr Kwan and his associates in the issued share capital of the Company upon exercise in full of the Options granted and the Existing Options:

Shareholder	As at the date of this announcement		Upon exercise of the Options granted (subject to approval at the AGM) in full		Upon exercise of the Options granted (subject to approval at the AGM) and the Existing Options in full	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Cash Guardian Limited (Note 3)	1,022,638,955	33.09	1,022,638,955	32.46	1,022,638,955	32.18
Mr Kwan (Note 2)	-	-	60,000,000	1.91	87,600,000	2.76
	<u>1,022,638,955</u>	<u>33.09</u>	<u>1,082,638,955</u>	<u>34.37</u>	<u>1,110,238,955</u>	<u>34.94</u>
Directors (other than Mr Kwan)						
Law Ping Wah Bernard	107,408,720	3.48	107,408,720	3.41	107,408,720	3.38
Ng Kung Chit Raymond	3,745,200	0.12	3,745,200	0.12	3,745,200	0.12
Sub-total for Directors (other than Mr Kwan)	<u>111,153,920</u>	<u>3.60</u>	<u>111,153,920</u>	<u>3.53</u>	<u>111,153,920</u>	<u>3.50</u>
Other public Shareholders	<u>1,956,429,710</u>	<u>63.31</u>	<u>1,956,429,710</u>	<u>62.10</u>	<u>1,956,429,710</u>	<u>61.56</u>
Total	<u><u>3,090,222,585</u></u>	<u>100.00</u>	<u><u>3,150,222,585</u></u>	<u>100.00</u>	<u><u>3,177,822,585</u></u>	<u>100.00</u>

Notes:

- As at the date of this announcement, the total number of Shares in issue was 3,090,222,585.
- As at the date hereof, in addition to the Options, Mr Kwan holds 27,600,000 Existing Options, representing around 0.89% of the existing Shares in issue of the Company.
- Cash Guardian Limited is controlled by companies associated with Mr Kwan, and is associate of Mr Kwan as defined under the Listing Rules.

Reasons for the grant of the Options

In view of the continuous contribution of Mr Kwan to the business development of the Group, the Options proposed to be granted to him are served as an appreciation of his dedication and great efforts in the past years. The Options will also provide incentive to Mr Kwan for his leadership in the expansion of the Group in the long run, with an aim to enhance Shareholders' value and return.

Taking into consideration the aforesaid reasons, the Board (including all the independent non-executive Directors) consider that the grant of the Options to Mr Kwan is in the best interests of the Company and the Shareholders as a whole.

General

The grant of the Options to Mr Kwan is conditional upon the approval of Independent Shareholders to be obtained at the AGM to be convened. Mr Kwan and his associates and all connected persons of the Company shall abstain from voting at the AGM in respect of the resolution approving the grant of the Options.

A circular containing, inter alia, further details and terms of the grant of the Options, the information required by the Listing Rules, together with the notice of the AGM, will be despatched to the Shareholders in due course.

DEFINITIONS

“AGM”	an annual general meeting of the Company to be convened to approve, among other things, the grant of the Options
“associates”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“CEO”	the chief executive officer of the Company
“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
“connected persons”	has the same meaning ascribed in the Listing Rules
“Director(s)”	director(s) of the Company
“Existing Options”	the existing share options entitling to subscribe for a total of 27,600,000 Shares granted to Mr Kwan under the Share Option Scheme before 25 March 2011, which remain outstanding on the date of this announcement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Shareholders”	the Shareholders other than Mr Kwan and his associates (including Cash Guardian Limited) and all the connected persons of the Company as defined under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Kwan”	Mr Kwan Pak Hoo Bankee, the Chairman, CEO, an Executive Director and the substantial Shareholder of the Company
“Options”	the proposed 60,000,000 share options, representing around 2% of the existing Shares in issue as at the date of this announcement, conditionally granted to Mr Kwan under the Share Option Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders at the special general meeting held on 19 February 2002
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By Order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 25 March 2011

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