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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

**GENERAL MANDATE TO REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE COMPANY,
RE-ELECTION OF THE RETIRING DIRECTORS,
GRANT OF SHARE OPTIONS TO
A DIRECTOR AND SUBSTANTIAL SHAREHOLDER
AND
NOTICE OF ANNUAL GENERAL MEETING**

This circular, for which the directors of the Company (“Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A notice convening an annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 18 May 2011, Wednesday, at 9:45 am is set out on pages 22 to 26 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 the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 18 May 2011, Wednesday, at 9:45 am
“associates”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands and a company controlled by Mr Kwan
“CEO”	the chief executive officer of the Company
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange. It is currently an associate 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 (not including the Options) entitling to subscribe for a total of 24,000,000 Shares granted to Mr Kwan under the Share Option Scheme which remain outstanding as at the Latest Practicable Date
“Group”	the Company and its subsidiaries
“Independent Shareholders”	the Shareholders other than Mr Kwan and his associates (including Cash Guardian) and all the connected persons of the Company as defined under the Listing Rules
“Latest Practicable Date”	6 April 2011, being the latest practicable date prior to the printing of this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Kwan”	Mr Kwan Pak Hoo Bankee, the chairman, CEO, executive Director and substantial Shareholder of the Company

DEFINITIONS

“Options”	the proposed 60,000,000 share options, representing around 2% of the existing Shares in issue as at the Latest Practicable Date, conditionally granted to Mr Kwan under the Share Option Scheme
“Repurchase Mandate”	a general mandate to repurchase the fully paid up Shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise in full of options available to be granted by the Directors on behalf of the Company from time to time under the Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at the special general meeting held on 19 February 2002 and is currently the only share option scheme of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

Executive Directors

KWAN Pak Hoo Bankee *(Chairman & CEO)*

LAW Ping Wah Bernard *(CFO)*

NG Kung Chit Raymond *(COO)*

Registered office

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent non-executive Directors

LEUNG Ka Kui Johnny

WONG Chuk Yan

CHAN Hak Sin

Principal place of business

28/F Manhattan Place

23 Wang Tai Road

Kowloon Bay

Hong Kong

11 April 2011

To Shareholders

Dear Sir/Madam,

**GENERAL MANDATE TO REPURCHASE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE COMPANY,
RE-ELECTION OF THE RETIRING DIRECTORS,
GRANT OF SHARE OPTIONS TO
A DIRECTOR AND SUBSTANTIAL SHAREHOLDER
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with:

- (a) information on the proposal to grant to the Directors the Repurchase Mandate which is required under rule 10.06(1)(a)(iii) of the Listing Rules to be approved by Shareholders by a specific or general approval;
- (b) information on the refreshment of the Scheme Mandate Limit which is required under rule 17.03(3) of the Listing Rules to be approved by Shareholders in general meeting;

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- (c) information on the re-election of the retiring Directors;
- (d) information on the proposed grant of the Options to a Director and substantial Shareholder; and
- (e) the notice of the AGM at which ordinary resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the grant of Options.

At the AGM, Mr Kwan and his associates (including Cash Guardian) and all connected persons of the Company shall abstain from voting in respect of the resolution no. 7 to approve the grant of the Option as required under rules 17.03(4) and 17.04(1) of the Listing Rules. As at the Latest Practicable Date, Mr Kwan and his associate, Cash Guardian, control or are entitled to exercise control over the voting rights in respect of an aggregate of 1,026,238,955 Shares.

Save as the aforesaid resolution no. 7, there is no abstinence requirement for Mr Kwan and his associates for all other resolutions at the AGM.

A. REPURCHASE MANDATE

At the special general meeting of the Company held on 24 September 2010, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Under the Listing Rules, such general mandate will lapse at the conclusion of the AGM. The Company is proposing an ordinary resolution in the AGM for granting the general mandate to the Directors to repurchase Shares up to 10% of the issued Shares of the Company as at the day of passing the resolution.

This circular statement contains all the information in relation to the Repurchase Mandate required pursuant to the Listing Rules which is set out as follows:

1. Reason for Share Repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares in the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2010. However, the Directors will not propose to exercise the Repurchase Mandate to such

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an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

2. Share Capital

As at the Latest Practicable Date, the Company has 3,151,422,585 Shares in issue and issued share capital of HK\$31,514,225.85.

On that basis and assuming no further Shares will be issued prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 315,142,258 Shares (representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution) representing share capital of HK\$3,151,422.58 being repurchased by the Company. Such Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein or the revocation of the Repurchase Mandate by an ordinary resolution of the Shareholders.

3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Directors propose that the repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

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4. Marketing Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
April	0.148	0.135
May	0.149	0.125
June	0.201	0.127
July	0.252	0.167
August	0.390	0.213
September	0.455	0.368
October	0.580	0.358
November	0.890	0.520
December	1.040	0.500
2011		
January	0.820	0.550
February	0.770	0.600
March	0.740	0.550
April (up to the Latest Practicable Date)	0.620	0.540

5. Share Repurchases made by the Company

During the previous 6 months prior to the date of this circular, the Company had not repurchased, sold or redeemed any of the listed securities of the Company.

6. General

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, the single largest substantial Shareholder and the parties acting in concert with it (with the meaning ascribed thereto under the Takeovers Code) and their associates collectively were beneficially interested in 1,026,238,955 Shares representing approximately 32.56% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of the substantial Shareholder and the parties acting in concert with it

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together with their associates in the Company would be increased to approximately 36.18% of the issued share capital, in which case, such increase may give rise to an obligation of the substantial Shareholder to make a mandatory general offer under rules 26 and 32 of the Takeovers Code. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that it will trigger the mandatory general offer under rules 26 and 32 of the Takeovers Code. The number of Shares held by the public will still be maintained at above 25% of the total number of Shares in issue in the event of exercise of the Repurchase Mandate in full.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

B. REFRESHMENT OF THE SCHEME MANDATE LIMIT

Pursuant to rule 17.03(3) of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time.

Pursuant to rule 17.03(3) of the Listing Rules, the Scheme Mandate Limit may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by Shareholders. The Scheme Mandate Limit may be refreshed by Shareholders in general meeting from time to time.

The Share Option Scheme was adopted by the Company on 19 February 2002. As at the Latest Practicable Date, 3,151,422,585 Shares were in issue and a total of 246,000,000 options (including the Options) with rights to subscribe up to 246,000,000 Shares, representing 7.81% of the issued share capital of the Company as at the Latest Practicable Date, have been granted under the Share Option Scheme and remained outstanding.

Pursuant to the ordinary resolution as approved by the Shareholders at the special general meeting of the Company held on 24 September 2010, the Scheme Mandate Limit was refreshed and the Company is allowed to grant options entitling holders thereof to subscribe for up to 279,606,170 Shares. Since the latest refreshment of the Scheme Mandate Limit and up to the Latest Practicable Date, a total of 120,000,000 options (including the Options) have been granted and the Scheme Mandate Limit has been utilised as to around 42.92%. Out of the 120,000,000 options granted, a total of 30,000,000 options were exercised and no option was cancelled or lapsed during the period.

The refreshment of the Scheme Mandate Limit is conditional upon (i) approval by Shareholders by an ordinary resolution at the AGM; and (ii) the Stock Exchange granting approval for the listing of and permission to deal in the option Share(s) to be issued

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pursuant to the exercise of options to be granted under the Scheme Mandate Limit. Options previously granted under the share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the scheme(s) or exercised options) will not be counted in the Scheme Mandate Limit as refreshed.

Assuming no further allotment and issue of Shares and/or repurchase of Shares up to the date of the AGM, the Scheme Mandate Limit (upon the approval of the refreshment by the Shareholders at the AGM) will allow the Company to grant options entitling holders thereof to subscribe for up to 315,142,258 Shares, being 10% of the Shares then in issue as at the date of the AGM.

Since 42.92% of the Scheme Mandate Limit as refreshed at the last special general meeting of the Company has been utilised, the Directors would like to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so as to obtain a higher limit and retain the flexibility for the Board to make new grant of options under the Share Option Scheme as the Board may consider appropriate from time to time. It will allow the Company to attract potential employees to join the Group and to provide incentives to and to retain the existing employees of the Group which is in the interests of the Group.

Application will be made to the Stock Exchange by the Company for the approval of the listing of and permission to deal in the Shares, representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit, which may be issued pursuant to the exercise of the options under the Share Option Scheme.

C. RE-ELECTION OF THE RETIRING DIRECTORS

The following Directors shall retire and, being eligible, offer themselves for re-election by ordinary resolutions at the AGM:

- (i) Mr Kwan Pak Hoo Bankee and Mr Law Ping Wah Bernard, being EDs, shall retire at least once in every 3 financial years at the annual general meeting of the Company in accordance with the corporate governance code and their terms of office of directorship; and
- (ii) Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being independent non-executive Directors, shall retire at the annual general meeting of the Company in each year in accordance with the corporate governance code and their terms of office of directorship.

Particulars of Directors proposed to be re-elected at the AGM are set out in Appendix of this circular.

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D. GRANT OF THE OPTIONS TO A DIRECTOR AND SUBSTANTIAL SHAREHOLDER

Reference is made to the announcement of the Company dated 25 March 2011 in relation to the conditional grant of the Options to Mr Kwan.

Total number and basis of share options granted

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 of the Company) 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
Performance target	:	No performance target must be achieved before the Options can be exercised
Consideration payable on acceptance of the Options	:	HK\$1.00 was paid by Mr Kwan upon acceptance of the grant
Rights attached to the Shares to be issued on exercise of the Options	:	The Shares to be issued upon the exercise of the Options shall rank pari passu with the Shares then existing in all respects, including the entitlement of receiving dividends and other distributions the record date for which is on or after the date of allotment and issue of those Shares

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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) and all connected persons of the Company shall abstain from voting in respect of the resolution no. 7 approving the grant of the Options at the AGM.

As at the Latest Practicable Date, no notice has been received by the Company from any connected person of the Company of his, her or its intention to vote against the resolution approving the grant of the Options to be proposed at the AGM.

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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 as at the Latest Practicable Date:

Shareholder	As at the Latest Practicable Date		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 (<i>Note 3</i>)	1,022,638,955	32.45	1,022,638,955	31.84	1,022,638,955	31.61
Mr Kwan (<i>Note 2</i>)	<u>3,600,000</u>	<u>0.11</u>	<u>63,600,000</u>	<u>1.98</u>	<u>87,600,000</u>	<u>2.71</u>
Cash Guardian and parties acting in concert with it	<u>1,026,238,955</u>	<u>32.56</u>	<u>1,086,238,955</u>	<u>33.82</u>	<u>1,110,238,955</u>	<u>34.32</u>
Directors (other than Mr Kwan)						
Law Ping Wah Bernard	107,408,720	3.41	107,408,720	3.34	107,408,720	3.32
Ng Kung Chit Raymond	<u>3,745,200</u>	<u>0.12</u>	<u>3,745,200</u>	<u>0.12</u>	<u>3,745,200</u>	<u>0.11</u>
Sub-total for Directors (other than Mr Kwan)	<u>111,153,920</u>	<u>3.53</u>	<u>111,153,920</u>	<u>3.46</u>	<u>111,153,920</u>	<u>3.44</u>
Other public Shareholders	<u>2,014,029,710</u>	<u>63.91</u>	<u>2,014,029,710</u>	<u>62.72</u>	<u>2,014,029,710</u>	<u>62.25</u>
Total	<u><u>3,151,422,585</u></u>	<u><u>100.00</u></u>	<u><u>3,211,422,585</u></u>	<u><u>100.00</u></u>	<u><u>3,235,422,585</u></u>	<u><u>100.00</u></u>

Notes:

- As at the Latest Practicable Date, the total number of Shares in issue was 3,151,422,585.
- As at the Latest Practicable Date, in addition to the Options, Mr Kwan holds 24,000,000 Existing Options, representing around 0.76% of the existing Shares in issue of the Company.
- Cash Guardian 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) considers that the grant of the Options to Mr Kwan is in the best interests of the Company and the Shareholders as a whole.

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The grant of the Options to Mr Kwan is conditional upon the approval of Independent Shareholders at the AGM. 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.

E. THE AGM

Notice of the AGM containing the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the grant of the Options is set out on pages 22 to 26 of this circular for your consideration and approval. All the resolutions will be voted by way of poll at the AGM.

At the AGM, Mr Kwan and his associates (including Cash Guardian) and all connected persons of the Company shall abstain from voting in respect of the resolution no. 7 to approve the grant of the Option as required under rule 17.03(4) and 17.04(1) of the Listing Rules. As at the Latest Practicable Date, Mr Kwan and his associate, Cash Guardian, control or are entitled to exercise control over the voting rights in respect of an aggregate of 1,026,238,955 Shares.

Save as the aforesaid resolution no. 7, there is no abstinence requirement for Mr Kwan and his associates for all other resolutions at the AGM.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

F. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (a) the memorandum of association and the bye-laws of the Company; and
- (b) the annual report of the Company for the year ended 31 December 2010.

G. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

H. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the grant of the Options are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant ordinary resolutions at the AGM.

In light of the reasons mentioned in the paragraph headed “Reasons for the grant of the Options”, the Board (including all the independent non-executive Directors) considers that the grant of the Options to Mr Kwan is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board (including all the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of the ordinary resolution approving the grant of Options to Mr Kwan at the AGM.

On behalf of the Board
Bankee P Kwan
Chairman & CEO

Set out below is details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM:

Mr Bankee Pak-hoo KWAN

Chairman, Chief Executive Officer and Executive Director

- (a) Mr Kwan, aged 51, joined the Board on 9 March 1998.
- (b) Mr Kwan is in charge of the overall business strategy of the Group. He is also a member of the Remuneration Committee of the Company.
- (c) Mr Kwan joined CFSG's board on 11 August 2000. He is the Chairman and an executive director of CFSG and also a member of the remuneration committee of CFSG. Save as herein disclosed, Mr Kwan has not held any other positions with the Company and other members of the Company, and has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. Mr Kwan graduated from the Murdoch University of Perth, Australia with a Master's degree in Business Administration and from the Chinese University of Hong Kong with a Bachelor's degree in Business Administration. Mr Kwan is also a fellow membership of the Institute of Financial Accountants of the United Kingdom and a member of the Hong Kong Securities Institute. Mr Kwan is also a Certified Professional Marketer (Hong Kong) of Hong Kong Institute of Marketing and a member of Hong Kong Institute of Marketing.
- (e) There is no service contract between the Company and Mr Kwan. Mr Kwan is not appointed for a specific term but he is subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-law and the corporate governance code.
- (f) Mr Kwan is also the substantial Shareholder of the Company. Save as disclosed herein, Mr Kwan has no other relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Kwan has the following interest:
 - (i) personal interest of 3,600,000 Shares on the Company;
 - (ii) other interest of 1,022,638,955 Shares in the Company;
 - (iii) personal interest of options with right to subscribe for 24,000,000 and 60,000,000 Shares in the Company at the prices of HK\$0.1667 each and HK\$0.5920 each respectively;

- (iv) other interest of convertible note with right to convert for 339,051,615 Shares in the Company at the exercise price of HK\$0.0833 each;
- (v) other interest of 1,535,605,990 shares in CFSG; and
- (vi) personal interest of options with rights to subscribe for 20,000,000 and 70,000,000 shares in CFSG at the prices of HK\$0.3040 each and HK\$ 0.4590 each respectively.
- (h) Mr Kwan is currently entitled to a monthly salary of HK\$10,000, plus year end discretionary bonus which will depend on his working performance.
- (i) Mr Kwan is a director of the following company which has been put into liquidation:

Name of company: Celestial (International) Securities & Investment Limited (“CISI”)

Place of incorporation: Hong Kong

Nature of business: Money lending

Nature of the proceeding involved: Compulsory liquidation

Date of commencement of the proceeding: 25 April 2005

Amount involved: HK\$1,662,598.31 together with accrued interests

Development history of the proceedings: In 2003, Ka Chee Company Limited instituted a winding-up proceedings against CISI, a subsidiary of the Company (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Details of the case are as follow:

- i. Ka Chee obtained judgment against CISI being rent and outgoing charges due and owing by CISI to Ka Chee in respect of a property known as all those shops Nos. 208-210 on the second floor of Olympia Plaza, No. 255 King’s Road, North Point, Hong Kong under a tenancy agreement made between Ka Chee as landlord and CISI as tenant on 23 April 2002.
- ii. CISI failed to settle the judgment sum despite demanded by Ka Chee.

- iii. CISI was wound up as it failed to settle the judgment debt to Ka Chee. The liability of CISI was ceased upon the making of the winding-up order and there is no need for the Group to bear any other liability.

Current position of
the proceeding:

The liquidator has been appointed and it is in progress
of compulsory liquidation

CISI was a limited liability company and run into financial difficulty during the unprecedented unfavourable market environment in Hong Kong after “911” and “SARS”. CISI was a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Bernard Ping-wah LAW*Chief Financial Officer and Executive Director*

- (a) Mr Law, aged 52, joined the Board on 9 March 1998.
- (b) Mr Law is in charge of the Group's overall financial and accounting management.
- (c) Mr Law joined the CFSG's board on 11 August 2000. He is the Chief Financial Officer and an executive director of CFSG. Save as herein disclosed, Mr Law has not held any other positions with the Company and other members of the Company, and has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Law has extensive experience in financial management and accountancy. Mr Law graduated from the University of Warwick, United Kingdom with a Master's degree of Business Administration. Mr Law is a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and a member of Hong Kong Securities Institute.
- (e) There is no service contract between the Company and Mr Law. Mr Law is not appointed for a specific term but he is subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-laws and the corporate governance code.
- (f) Mr Law has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Law has the following personal interest:
 - (i) personal interest of 107,408,720 Shares;
 - (ii) personal interest of options with rights to subscribe for 24,000,000 Shares in the Company at the price of HK\$0.1667 each;
 - (iii) personal interest of 25,005,600 shares in CFSG; and
 - (iv) personal interest of options with rights to subscribe for 30,000,000 shares in CFSG at the price of HK\$0.3040 each.
- (h) Mr Law is currently entitled to a monthly salary of HK\$10,000, plus year end discretionary bonus which will depend on his working performance.
- (i) Mr Law is a director of the following company which has been put into liquidation:

Name of company:	CISI
Place of incorporation:	Hong Kong
Nature of business:	Money lending

Nature of the proceeding involved:	Compulsory liquidation
Date of commencement of the proceeding:	25 April 2005
Amount involved:	HK\$1,662,598.31 together with accrued interests
Development history of the proceedings:	<p>In 2003, Ka Chee Company Limited instituted a winding-up proceedings against CISI, a subsidiary of the Company (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Details of the case are as follow:</p> <ol style="list-style-type: none">i. Ka Chee obtained judgment against CISI being rent and outgoing charges due and owing by CISI to Ka Chee in respect of a property known as all those shops Nos. 208-210 on the second floor of Olympia Plaza, No. 255 King's Road, North Point, Hong Kong under a tenancy agreement made between Ka Chee as landlord and CISI as tenant on 23 April 2002.ii. CISI failed to settle the judgment sum despite demanded by Ka Chee.iii. CISI was wound up as it failed to settle the judgment debt to Ka Chee. The liability of CISI was ceased upon the making of the winding-up order and there is no need for the Group to bear any other liability.
Current position of the proceeding:	the liquidator has been appointed and it is in progress of compulsory liquidation

CISI was a limited liability company and run into financial difficulty during the unprecedented unfavourable market environment in Hong Kong after "911" and "SARS". CISI was a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Johnny Ka-kui LEUNG*Independent non-executive Director*

- (a) Mr Leung, aged 53, joined the Board on 25 October 2000.
- (b) Mr Leung is also the chairman of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Leung is an independent non-executive director of Jackin International Holdings Limited (stock code: 630) and Cardlink Technology Group Limited (stock code: 8066). Save as disclosed above, Mr Leung has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. Mr Leung graduated from the University of London with a Bachelor of Laws.
- (e) There is no service contract entered into between the Company and Mr Leung but an appointment letter was signed between the Company and Mr Leung. The term of office of Mr Leung is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Leung is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Leung has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Leung was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Leung was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2010. Mr Leung's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Chuk-yan WONG*Independent non-executive Director*

- (a) Mr Wong, aged 49, joined the Board on 3 June 1998.
- (b) Mr Wong is also a member of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Wong has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Wong has extensive investment management experience in the global financial markets and is a portfolio manager of a large renowned investment counsel in Toronto, Canada and is responsible for the company's equity investments in the Asia Pacific region. Mr Wong graduated from the University of British Columbia, Canada with a Master of Science degree in Business Administration and from the Chinese University of Hong Kong with a Bachelor's degree of Business Administration. Mr Wong is also a Chartered Financial Analyst (CFA) charterholder and a Certified General Accountant of Canada.
- (e) There is no service contract entered into between the Company and Mr Wong but an appointment letter was signed between the Company and Mr Wong. The term of office of Mr Wong is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Wong is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Wong has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Wong was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) No director's fee was paid to Mr Wong for the year ended 31 December 2010. Mr Wong's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Dr Hak-sin CHAN*Independent non-executive Director*

- (a) Dr Chan, aged 49, joined the Board on 25 October 2000.
- (b) Dr Chan is also a member of the Audit Committee of the Company.
- (c) Dr Chan has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Dr Chan has extensive experience in the academia in the USA as professor, researcher and consultant in the fields of corporate finance and international marketing and is a faculty member of the Department of Marketing at The Chinese University of Hong Kong. Dr Chan graduated from the University of Wisconsin-Madison, US with a Doctor of Philosophy degree in Business and a Master's degree in Business Administration and from the Chinese University of Hong Kong with a Bachelor's degree in Business Administration.
- (e) There is no service contract entered into between the Company and Dr Chan but an appointment letter was signed between the Company and Dr Chan. The term of office of Dr Chan is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Dr Chan is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Dr Chan has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Dr Chan was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Dr Chan was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2010. Dr Chan's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate for similar position.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Celestial Asia Securities Holdings Limited (“Company”) will be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 18 May 2011, Wednesday, at 9:45 am for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the year ended 31 December 2010.
2. To declare a final dividend of HK 0.2 cent per share for the year ended 31 December 2010.
3. A. To re-elect the following retiring Directors of the Company for the ensuing year:
 - (i) Mr Kwan Pak Hoo Bankee
 - (ii) Mr Law Ping Wah Bernard
 - (iii) Mr Leung Ka Kui Johnny
 - (iv) Mr Wong Chuk Yan
 - (v) Dr Chan Hak Sin
- B. To authorise the Directors to fix the Directors’ remuneration.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Directors to fix its remuneration.

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As special businesses, to consider and, if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

5. A. **“THAT**

- (a) subject to paragraph A(c), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph A(a) shall authorise the Directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph A(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- 1. the conclusion of the next annual general meeting of the Company;
- 2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- 3. the revocation or variation of this resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other

NOTICE OF THE AGM

arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT

- (a) subject to paragraph B(b), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange or on any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph B(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- 1. the conclusion of the next annual general meeting of the Company;
- 2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
- 3. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- C. “THAT** conditional upon resolutions nos. 5A and 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no.5B above be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no.5A above.”

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6. “**THAT** conditional on the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares in the Company to be issued pursuant to the exercise of any options to be granted under the existing share option scheme and any other share option scheme(s) of the Company, the Directors be and are hereby authorised, at their absolute discretion, to grant options to the extent that the shares in the Company issuable upon the full exercise of all options shall not be more than 10% of the issued share capital of the Company as at the date of this resolution.”
7. “**THAT**
- (a) the directors of the Company be and are hereby authorised to grant to Mr Kwan Pak Hoo Bankee (“Mr Kwan”) share options (“Options”) to subscribe for up to a total of 60,000,000 shares of the Company at an exercise price of HK\$0.592 per share under the share option scheme of the Company adopted on 19 February 2002 on such terms as they consider appropriate;
 - (b) any one of the directors of the Company be and is hereby authorised to do any act or thing and to sign, seal, execute and/or deliver any document for and on behalf of the Company as may be necessary, desirable or expedient in connection with the grant of the Options to Mr Kwan; and
 - (c) all acts and actions taken by the directors or any of them in connection with the grant of the Options to Mr Kwan before the date hereof be hereby approved, ratified and confirmed.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 11 April 2011

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Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed.
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 or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The biographical details of Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, being Directors proposed to be re-elected at the forthcoming annual general meeting, are provided in this circular.
4. The register of members of the Company will be closed from 16 May 2011 (Monday) to 18 May 2011 (Wednesday) (both days inclusive) during which no transfer of shares will be registered, in order to determine the entitlement of the shareholders for the final dividend. Shareholders whose names appear on the register of members on 16 May 2011 will be entitled to the final dividend. In order to qualify for the entitlements, shareholders must ensure that all transfers accompanied by the relevant share certificates are lodged with the Hong Kong share registrar of the Company, Tricor Standard Limited at 26/F Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 pm on 13 May 2011 (Friday).