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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

**VOLUNTARY ANNOUNCEMENT
ADOPTION OF NEW ACCOUNTING STANDARDS**

This is a voluntary announcement made by the Company.

The Board wishes to inform the Shareholders that CFSG is now accounted for as a subsidiary of the Group upon early adoption of the New HKFRS 10 by the Company on 21 March 2013.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This is a voluntary announcement made by Celestial Asia Securities Holdings Limited (“Company”, which together with its subsidiaries, the “Group”).

The board of directors of the Company (“Board”) wishes to inform the shareholders of the Company (“Shareholders”) that CASH Financial Services Group Limited (“CFSG”, a company listed on the main board of the Stock Exchange with stock code: 510), is now accounted for as a subsidiary of the Group due to early adoption of the new and revised Hong Kong Financial Reporting Standard (“New HKFRS”) 10 issued by the Hong Kong Institute of Certified Public Accountants by the Company (“Early Adoption”).

The Company, through its wholly-owned subsidiary, is currently holding approximately 42.75% equity interest and voting rights in CFSG, and CFSG had been accounted for as an associated company of the Company before the Early Adoption. On 21 March 2013, the Board resolved the early adoption of certain New HKFRSs (including HKFRS 10 “Consolidated Financial Statements”). After considering that the Group has a sufficiently dominant voting interest to direct the relevant activities of CFSG on the basis of the Group’s absolute size of shareholding in CFSG and the relative size of the shareholdings owned by the other shareholders of CFSG, CFSG is now accounted for as a subsidiary of the Group in accordance with the New HKFRS 10. CFSG will be accounted for and consolidated in the consolidated financial statements of the Group for the year ended 31 December 2012 as a subsidiary.

As at the date of this announcement, based on the assessment of the Company, the Early Adoption will have the following major financial effects on the Group:-

- (i) The turnover of the Group for the year ended 31 December 2011 would be increased by as to around 141.7 times;
- (ii) The loss of the Group for the year ended 31 December 2011 would be decreased by as to around 0.6%; and
- (iii) The net assets of the Group as at 31 December 2011 would be decreased by as to around 7.4%.

Details of the impact of the Early Adoption on the Group's financial statements will be disclosed in the financial statements of the Company for the year ended 31 December 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

On behalf of the Board
Bernard Law
*Executive Director &
Chief Financial Officer*

Hong Kong, 21 March 2013

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Dr Chan Yau Ching Bob
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