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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**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, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

**時富投資集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1049)**

**PROPOSED SHARE CONSOLIDATION**

**AND**

**NOTICE OF SPECIAL GENERAL MEETING**

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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 3 September 2020 (Thursday) at 9:30 am is set out on pages 8 to 9 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 or any adjourned meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

13 August 2020

\* For identification purpose only

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## EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION

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The expected timetable for the Share Consolidation is set out below. The expected timetable is subject to the results of the SGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

**2020**

Despatch date of circular with notice of the SGM . . . . . Thursday, 13 August

Latest time for lodging transfer of Shares in order to qualify  
for attendance and voting at the SGM . . . . . 4:30 pm on Friday, 28 August

Closure of register of members of the Company to determine  
the qualification for attendance and voting at the SGM . . . . . Monday, 31 August to  
Thursday, 3 September  
(both dates inclusive)

Latest time for lodging proxy forms for the SGM . . . . . 9:30 am on Tuesday, 1 September

Record date for attending and voting at the SGM . . . . . Thursday, 3 September

Date and time of the SGM . . . . . 9:30 am on Thursday, 3 September

Publication of announcement of voting results of the SGM . . . . . Thursday, 3 September

**The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this circular.**

Effective date for the Share Consolidation . . . . . Monday, 7 September

First day for free exchange of the existing share certificates  
for new share certificates for the Consolidated Shares . . . . . Monday, 7 September

Dealings in the Consolidated Shares commence . . . . . 9:00 am on Monday, 7 September

Original counter for trading in the Existing Shares  
in board lots of 6,000 Existing Shares (in the form of  
the existing share certificates) temporarily closes . . . . . 9:00 am on Monday, 7 September

Temporary counter for trading in the Consolidated Shares  
in board lots of 300 Consolidated Shares (in the form of  
the existing share certificates) opens . . . . . 9:00 am on Monday, 7 September

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## EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION

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Original counter for trading in the Consolidated Shares in board lots of 6,000 Consolidated Shares (in the form of the new share certificates for the Consolidated Shares) re-opens . . . . .	9:00 am on Monday, 21 September
Parallel trading in the Consolidated Shares (in the form of the new share certificates for the Consolidated Shares and the existing share certificates) commences . . . . .	9:00 am on Monday, 21 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . .	9:00 am on Monday, 21 September
Temporary counter for trading in the Consolidated Shares in board lots of 300 Consolidated Shares (in the form of the existing share certificates) closes . . . . .	4:10 pm on Tuesday, 13 October
Parallel trading in the Consolidated Shares (in the form of the new share certificates for the Consolidated Shares and the existing share certificates) ends . . . . .	4:10 pm on Tuesday, 13 October
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares . . . . .	4:10 pm on Tuesday, 13 October
Last date for free exchange of existing share certificates for new share certificates for the Consolidated Shares . . . . .	Thursday, 15 October

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## PRECAUTIONARY MEASURES FOR THE SGM

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Taking into account the recent development of the pandemic caused by the novel coronavirus pneumonia (COVID-19), **the Company strongly recommends the Shareholders to appoint the chairman of the SGM as their proxy to vote on their behalf in respect of the resolution to be proposed at the SGM to minimise the risk of infection.**

For Shareholders attending the SGM in person, the Company will implement the following precautionary measures at the SGM:

- (a) **compulsory body temperature check** will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be permitted to access to the meeting venue;
- (b) every Shareholder or proxy is required to **sterilise their hands with hand sanitiser** and register at the counter at the entrance of the venue;
- (c) every Shareholder or proxy is required to **wear surgical face mask** throughout the meeting;  
and
- (d) no distribution of corporate gifts and no refreshments will be served.

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## DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or on which a “black” rainstorm warning is hoisted between 9:00 am and 5:00 pm) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which Shares are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	10 August 2020, 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
“SGM”	the special general meeting of the Company to be held for considering and, if thought fit, approving the Share Consolidation
“Share(s)”	the Existing Share(s) and/or the Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every twenty (20) Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“Stock Exchange”                      The Stock Exchange of Hong Kong Limited

“HK\$”                                      Hong Kong dollar(s), the lawful currency of Hong Kong

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LETTER FROM THE BOARD

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**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

**時富投資集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1049)**

***Board of Directors:***

*Executive Directors:*

KWAN Pak Hoo Bankee

LEUNG Siu Pong James

KWAN Teng Hin Jeffrey

NG Hin Sing Derek

*Independent non-executive Directors:*

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

13 August 2020

To Shareholders

Dear Sir/Madam,

**PROPOSED SHARE CONSOLIDATION**

**AND**

**NOTICE OF SPECIAL GENERAL MEETING**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 23 July 2020 in relation to the Share Consolidation. The purpose of this circular is to provide you with details of the Share Consolidation and to give you the notice of SGM.

**PROPOSED SHARE CONSOLIDATION**

The Board proposes that every twenty (20) Existing Shares be consolidated into one (1) Consolidated Share.

\* For identification purpose only



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## LETTER FROM THE BOARD

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### Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$30,000,000 divided into 3,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 1,614,403,621 Existing Shares have been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and assuming that no Existing Shares are issued or repurchased from the date hereof until the effective date of the Share Consolidation, the authorised share capital of the Company shall become HK\$30,000,000 divided into 150,000,000 Consolidated Shares of par value of HK\$0.20 each, of which 80,720,181 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

### Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

1. the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the SGM;
2. the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
3. the compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the Latest Practicable Date, none of the conditions had been fulfilled.

### Listing application

An application has been made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC.

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## LETTER FROM THE BOARD

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Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in on any other stock exchange other than the Stock Exchange and no debt securities of the Company are listed or dealt in on the Stock Exchange or any other stock exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Adjustments in relation to other securities of the Company**

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

### **No change in board lot size**

As at the Latest Practicable Date, the Existing Shares were traded on the Stock Exchange in board lots of 6,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain as 6,000 Consolidated Shares.

Based on the closing price of HK\$0.058 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, the value of each board lot of 6,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$6,960.

### **Reasons for the Share Consolidation**

The Share Consolidation will reduce the total number of Shares currently in issue. As such, it is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares. Moreover, as the market value of each board lot upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lower as most of the banks/securities firms will charge a minimum transaction costs for each securities trade. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company, the Shareholders and investors as a whole.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the interests and rights of the Shareholders.

Taking into account of the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation is in the best interest of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company had no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fund raising activities in the next 12 months.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

### **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Celestial Securities Limited, an associated company of the Company, as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 am on Monday, 21 September 2020 to 4:10 pm on Tuesday, 13 October 2020 (both days inclusive). Shareholders of odd lots of the Consolidated Shares may contact Ms Amy Ng or Mr Leo Ko (telephone: 2526 8218) of Celestial Securities Limited during normal business hours in the aforesaid period.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

### **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, which is currently expected to be on Monday, 7 September 2020, being the second Business Day immediately after the date of the SGM, the Shareholders may during the period from Monday, 7 September 2020 to Thursday, 15 October 2020 (both days inclusive) submit existing share certificates for the Existing Shares (in the colour of purple) to the Company's branch share registrar and transfer office in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange for new share certificates for the Consolidated Shares (in the colour of gold) at the expense of the Company.

Thereafter, share certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of certificates cancelled/issued is higher.

After Thursday, 15 October 2020, share certificates for the Existing Shares will remain effective as documents of title and may be exchanged for share certificates for the Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

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## LETTER FROM THE BOARD

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### SGM

Set out on pages 8 to 9 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 9:30 am on 3 September 2020 (Thursday).

At the SGM, an ordinary resolution for approving the Share Consolidation will be proposed for the Shareholders' approval.

The resolution will be voted by way of poll at the SGM. As no Shareholder has material interest in the Share Consolidation, no Shareholder is required to abstain from voting on the resolution to approve the Share Consolidation

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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

### 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.

### RECOMMENDATION

The Directors consider that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM.

On behalf of the Board  
**Bankee P. Kwan**  
*Chairman & CEO*

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## NOTICE OF THE SGM

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### CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

時富投資集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 1049)**

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (“SGM”) of Celestial Asia Securities Holdings Limited (“Company”) will be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 3 September 2020 (Thursday) at 9:30 am for the purpose of considering and, if thought fit, passing the following resolution of the Company:

#### ORDINARY RESOLUTION

“**THAT** subject to and conditional upon the granting of approval by the Listing Committee of The Stock Exchange of Hong Kong Limited (“Stock Exchange”) of the listing of, and permission to deal in, the issued shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below:

- (a) with effect from the second business day immediately following the date on which this resolution is passed:
  - (i) every twenty (20) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.20 (each a “Consolidated Share”) (“Share Consolidation”), such Consolidated Shares shall rank pari passu in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum of association and bye-laws of the Company; and
  - (ii) all fractional Consolidated Shares will be disregarded and will not be issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company; and
- (b) the board of directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to the foregoing arrangement for the Share Consolidation.”

By order of the Board  
**Suzanne W S Luke**  
*Company Secretary*

Hong Kong, 13 August 2020

\* For identification purpose only

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## NOTICE OF THE SGM

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*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

*Notes:*

1. A member entitled to attend and vote at the SGM is entitled to appoint one or if he is the holder of two or more shares, more than one proxy to attend and vote on his behalf. A proxy need not be a member of the Company. A form of proxy for the SGM is also enclosed.
2. In order to be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the SGM or any adjournment thereof.
3. In order to qualify for attending and voting at the SGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the branch share registrar of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 pm on 28 August 2020.