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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 your stockbroker or other registered dealer 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, stockbroker 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)****TERMINATION OF EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME****AND****NOTICE OF SPECIAL GENERAL MEETING**

A notice convening the 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 30 September 2021 (Thursday) at 9:30 am is set out on pages 17 to 18 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.

8 September 2021

* For identification purpose only

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PRECAUTIONARY MEASURES FOR THE SGM

Taking into account the recent development of the pandemic caused by the Novel Coronavirus (COVID-19) pandemic, **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 resolutions to be proposed at the SGM to minimise the risk of infection.** The Company also encourages the Shareholders to submit any question they have to the management of the Company by email at inquiry@cash.com.hk in advance of the SGM. 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; and
- (c) every Shareholder or proxy is required to **wear surgical face mask** throughout the meeting.

DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme is adopted by the Shareholders at the SGM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for business of dealing in securities
“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
“Director(s)”	director(s) of the Company
“Existing Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at an annual general meeting of the Company held on 21 May 2012, which will be expired and terminated on 20 May 2022
“Grantee(s)”	Participant(s) who is/are granted and has/have not declined Option(s), or any person(s) entitled to such Option(s) in consequence of the death of the original Grantee(s)
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	3 September 2021, 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
“Member(s) of the Group”	(i) the Company; (ii) any subsidiary (as defined in the Companies Ordinance (Cap. 622) as amended from time to time) or associated company of the Company; and (iii) any holding company or substantial Shareholder (has the meaning ascribed to it in the Listing Rules) of the Company and any of their respective subsidiary (as defined in the Companies Ordinance (Cap. 622) as amended from time to time) or associated company or associates

DEFINITIONS

“New Share Option Scheme”	the 2021 share option scheme proposed to be adopted by the Shareholders at the SGM
“Option(s)”	as the context may require, a right granted under the New Share Option Scheme or the Existing Share Option Scheme to subscribe for Shares in accordance with the New Share Option Scheme or the Existing Share Option Scheme
“Option Period”	the period during which an Option may be exercised and which shall be fixed by the Board upon grant of the Option
“Option Share(s)”	Share(s) issued or issuable upon exercise of an Option
“Participant(s)”	eligible participant(s) to the New Share Option Scheme, including any employee, director, consultant, adviser, service provider or agent of any Member of the Group, to whom Option(s) may be granted under the New Share Option Scheme by the Board
“SGM”	the special general meeting of the Company to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 30 September 2021 (Thursday) at 9:30 am
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price per Option Share at which the Grantee may subscribe for upon exercise of an Option
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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

LI Shing Wai Lewis

LEUNG Siu Pong James

KWAN Teng Hin Jeffrey

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

8 September 2021

To Shareholders

Dear Sir/Madam,

**TERMINATION OF EXISTING SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME**

AND

NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with further information regarding, among other things, the details of the New Share Option Scheme, the termination of the Existing Share Option Scheme and the notice convening the SGM.

* For identification purpose only

LETTER FROM THE BOARD

TERMINATION OF EXISTING SHARE OPTION SCHEME AND PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

Termination of the Existing Share Option Scheme

The Existing Share Option Scheme was adopted by the Company on 21 May 2012. Under the terms of the Existing Share Option Scheme, unless otherwise cancelled or amended, the Existing Share Option Scheme would remain in force for a period of 10 years from the date of its adoption. Accordingly, the Existing Share Option Scheme will be expired and terminated on 20 May 2022, and no further Option could thereafter be offered under the Existing Share Option Scheme. However, the rules of the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of any Option granted prior to its termination, or otherwise to the extent as may be required in accordance with the rules of the Existing Share Option Scheme. All Options granted under the Existing Share Option Scheme prior to its termination will continue to be valid and exercisable in accordance with the rules of the Existing Share Option Scheme. As at the Latest Practicable Date, there were a total of 4,150,000 Options (being 800,000 Options held by Dr Kwan Pak Hoo Bankee (Executive Director, Chief Executive Officer, Chairman and substantial Shareholder), 800,000 Options held by Mr Li Shing Wai Lewis (Executive Director and Chief Financial Officer), 800,000 Options held by Mr Leung Siu Pong James (Executive Director), 800,000 Options held by Mr Kwan Teng Hin Jeffrey (Executive Director) and 950,000 Options held by other Grantees) remained outstanding under the Existing Share Option Scheme.

Apart from the Existing Share Option Scheme, the Company had no other subsisting share option scheme as at the Latest Practicable Date.

Details of the Options granted under the Existing Share Option Scheme as at the Latest Practicable Date are set out below:

Category of Participants	Date of grant	Number of Options granted	Exercise price (HK\$)	Exercise period and vesting condition (Notes)	Number of outstanding Options
Directors	16/07/2021	3,200,000	1.45	1 to 3 and 5	3,200,000
Employee	16/07/2021	400,000	1.45	1 to 3 and 5	400,000
Consultant	16/07/2021	550,000	1.45	1 and 4 to 6	550,000
		<u>4,150,000</u>			<u>4,150,000</u>

LETTER FROM THE BOARD

Notes:

1. The Options are exercisable from 1 August 2021 to 31 July 2023.
2. The Options granted to Directors and employee were divided into two tranches vesting period from 1 August 2021 and 1 August 2022, respectively to 31 July 2023. Each of the vesting periods can vest 50% of the share options granted.
3. The vesting of the share options was subject to the achievement of agreed milestones/performance indicators and/or business budget plan for the relevant year during the option period as approved at the sole discretion of the Board.
4. The vesting of the share options was subject to the satisfactory delivery of services to Members of the Group as approved by the Board at its sole discretion.
5. The Options must be exercised within one month from the date on which the Board's approval of the vesting of the share options.
6. The options were granted to Mr Law Ping Wah Bernard ("Mr Law") as consultant of the Group for provision of advisory services to the Group in relation to financial planning and analysis, risk management, business restructuring, mergers and acquisitions etc. Mr Law is a former executive director and chief financial officer of the Company with extensive experience in financial management and accountancy and is familiar with the Group's financial and corporate structure and management system. The Board is of the view that the grant of options will provide incentives for Mr Law to provide professional financial advisory services and planning to cater for business needs of the Group which will align his interests with the Group and secure his long-term support and commitment to the Group.

Adoption of the New Share Option Scheme

In view of the expiry of the Existing Share Option Scheme in around 9 months time and the latest scheme mandate limit obtained from Shareholders had almost been fully used up with only remaining 6,108 Shares, the Board proposes to adopt the New Share Option Scheme and the termination of the Existing Share Option Scheme.

The purpose of the New Share Option Scheme is to provide the Company with a flexible means of incentives, rewards, remuneration, and/or providing benefits to the Participants. The Participants include employees, directors, consultant, adviser, service provider or agent of any Members of the Group, including its subsidiaries, its associated companies, the Group's holding company(ies) or substantial Shareholder(s) and/or the subsidiaries or associated companies or associates of the Group's holding company(ies) or substantial Shareholder(s).

The Company considers that it is necessary to ensure the scope of participants under the New Share Option Scheme is wide enough to cover those individuals and entities, which are able to contribute to the Group but fall outside the traditional employer-and-employee relationship, and allow the Company to have flexibility to incentivise and reward to these parties as the Company considers commercially appropriate.

The external advisers, consultants and service provider play an important role in developing and promoting the Group's business and operations from time to time. The New Share Option Scheme could reward them for their contributions and loyalty in maintaining a continued business relationship with the Group.

LETTER FROM THE BOARD

In the event that any of the shareholders of any Member of the Group is able contribute to the Group being a long-term strategic investor or partner of the Group or by introducing any business opportunities to the Group or by providing any professional or agent services to any Members of the Group, the New Share Option Scheme could align the interest of the Group and these external parties and incentivises the participation and involvement in promoting the business of the Group.

In assessing the eligibility of the external parties under the New Share Option Scheme, the Board will consider the following factors (where applicable):

- (a) the potential and/or actual contribution to the business affairs of and benefits to the Group in terms of, including without limitation, promoting the continuing development and growth of the Group, bringing innovation, new talents and expertise to the Group and the actual or expected change in the Group's revenue or profits which is or may be attributable to the provision of such services;
- (b) the potential and/or actual degree of involvement in and/or cooperation with the Group with regard to the number, scale and nature of the services, and the period of engagement/cooperation/business relationship with the Group; and/or
- (c) whether he/she is regarded as a valuable human resource of the Group based on his work experience, professional qualifications, knowledge in the industry or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him and the Group, external business connections, strategic value, and repute and credibility).

Based on the above, the Board considers that the inclusion of external parties other than the employees and directors of the Group is appropriate and in the interest of the Company and the Shareholders as a whole.

The rules set out the basis for determining the minimum subscription price (as described in paragraph 4 of the Appendix) and provide that the Company may specify the date or dates on which an Option will vest or may be exercised in the grant of an Option. The rules will not prescribe specific performance targets that must be met before an Option can be exercised. However, the rules will give the Board discretion to impose such conditions on the Options where appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting options is to remunerate or compensate employees. The Directors consider it more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate. The Directors believe that these provisions, as well as such other terms as may be determined by the Board, will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme.

The Board will be responsible for administering the New Share Option Scheme. There are no trustees appointed for the purposes of the New Share Option Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no plan to grant Options to any of the Participants after the adoption of the New Share Option Scheme. The Directors will review the business needs and development of the Group and consider granting Options to provide appropriate incentives or rewards to eligible Participants for their contribution to the Group under the New Share Option Scheme from time to time.

Pursuant to the note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the New Share Option Scheme proposed to be adopted.

The adoption of the New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM to (i) approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme and (ii) authorise the Board to grant Options under the New Share Option Scheme and to allot, issue and deal with the Shares which may fall to be issued pursuant to the exercise of any Options to be granted pursuant to the New Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, any Shares which may fall to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

As at the Latest Practicable Date, there were 80,720,181 Shares in issue. Assuming that no further Share will be allotted, issued or bought back prior to the SGM, the number of Shares which may fall to be issued pursuant to the New Share Option Scheme on the Adoption Date will be 8,072,018 Shares, representing approximately 10% of the total number of Shares in issue as at the date of approval of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 10% of the Company's issued share capital as at the Adoption Date, which fall to be issued pursuant to the exercise of the Options to be granted under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the SGM is set out in the Appendix to this circular. A copy of the New Share Option Scheme will be available for inspection at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours on any Business Day from the date of this circular to and including the date of the SGM and at the SGM.

LETTER FROM THE BOARD

Comparison with the terms of the New Share Option Scheme and the Existing Share Option Scheme

The terms of the New Share Option Scheme are substantially the same as those of the Existing Share Option Scheme in line with the requirements of the Listing Rules. The major difference is bold as follows:

- (a) If a general offer by way of takeover is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the Options to its full extent (to the extent not already exercised even though the Option Period has not come into effect during the occurrence of the general offer) at any time **within 14 days after the date of the announcement of an unconditional offer or within 3 Business Days after a conditional offer becomes or is declared unconditional (as the case maybe) that the offer becomes or is declared unconditional. For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.**

The reason for the changes is to align with the market practice and to clarify that the Options (if not exercised) will remain exercisable before the general offer for avoidance of doubt.

Valuation of the Options

The Directors consider that it is not appropriate to state the value of the Options which may be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the Options to be granted shall not be assignable, and no holder of the Options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option.

In addition, any such valuation would have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions, including the subscription price, the exercise period, lock-up period (if any), interest rate, expected volatility and other variables. As no Option had been granted as at the Latest Practicable Date under the New Share Option Scheme, certain variables are not available for calculating the value of the Options thereunder, the Directors believe that any calculation of the value of the Options under the New Share Option Scheme as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and may be misleading to the Shareholders and the investors of the Company.

LETTER FROM THE BOARD

SGM

Notice of the SGM containing the proposed ordinary resolutions to approve the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme is set out on pages 17 to 18 of this circular for your consideration and approval. There is no abstained voting requirement for the resolutions at the SGM. All the resolutions will be voted by way of poll at the SGM.

A form of proxy for the SGM is enclosed with this circular. Whether or not you are able to be present at the SGM, 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 or any adjourned meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the New Share Option Scheme is available for inspection at the principal place of business of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours from the date of this circular up to and including the date of the SGM.

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 believe that the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendix to this circular.

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

MAJOR TERMS OF THE NEW SHARE OPTION SCHEME**1. Participants of the New Share Option Scheme**

The Participants of the New Share Option Scheme to whom Options may be granted by the Board shall include any employee, director, consultant, adviser, service provider or agent of any Member of the Group who in the sole discretion of the Board has contributed or will contribute to the Group.

2. Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to provide incentives to:

- (a) award and retain the Participants who have made contribution to the Members of the Group; or
- (b) attract potential candidates to serve the Members of the Group for the benefit of the development of the Members of the Group.

3. Life of the New Share Option Scheme

The New Share Option Scheme shall be valid for 10 years from the Adoption Date after which no further Options shall be granted.

The New Share Option Scheme may also be terminated by the Board, or by the Shareholders in general meeting, after which no Options shall be granted. However, Options remaining unexpired immediately before termination thereof shall continue to be exercisable in accordance with their terms of issue.

4. Subscription Price

The Subscription Price of an Option shall be a price determined by the Board at its absolute discretion and notified to a Grantee and shall be no less than the highest of:

- (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of grant which day must be a trading day; and
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 trading days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

5. Maximum number of the Option Shares available under the New Share Option Scheme and any other share option scheme of the Company

The maximum number of Shares issuable under all Options to be granted and other options to be granted under any other share option scheme of the Company to be granted shall not exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the 10% limit.

This 10% maximum limit may be “refreshed” by the approval of the Shareholders in general meeting as far as the refreshed limit shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit.

However, the total maximum number of Shares which may be issued or issuable upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other options granted and yet to be exercised under any other share option scheme of the Company shall not exceed 30% of the Shares in issue from time to time.

6. The Option Shares entitled by each Grantee

The total number of the Option Shares issued and issuable upon exercise of the Options (including exercised and the outstanding Options and the Options cancelled in accordance with Clause 8 hereof) and other options granted under any other share option scheme of the Company to a Grantee within any 12-months period must not exceed 1% of the Shares in issue from time to time.

Attention is also drawn to the current requirement of Chapter 17 of the Listing Rules that:

- (a) any grant of Options to a Director, chief executive or substantial Shareholder of the Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option);

- (b) where any grant of Options to a substantial Shareholder of the Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of Options already granted and to be granted to such person under the New Share Option Scheme and any other share option schemes of the Company (including the Options exercised, cancelled and outstanding) in any 12-months period up to and including the date of grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at each date of grant, in excess of HK\$5 million,

such further grant of the Options is required to be approved by the Shareholders in general meeting in accordance with the Listing Rules. The Company must send a circular to the Shareholders. The Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

7. Exercise of the Options

Under the New Share Option Scheme, there is no requirement for a Grantee to fulfill any performance target or to hold the Option for a certain period before exercising the Option save as determined by the Board and provided in the offer of grant of the Options.

The Option Period shall be any period fixed by the Board upon grant of the Option but in any event the Option Period shall not go beyond 10 years from the date of offer for grant.

The grant of an Option is taken as accepted if the Grantee accepts in writing within 28 days from the date of grant together with a non-refundable remittance of HK\$1.00 in favour of the Company which acceptance shall be deemed to have taken effect with retrospective effect from the date of the offer of an Option. If such offer is not so accepted, it shall be deemed declined and shall lapse.

An Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating the number of the Option Shares in respect of which it is exercised and attaching a remittance for the aggregate amount of the Subscription Price multiplied by the number of the Option Shares in respect of which it is exercised after which the Company shall within 28 days therefrom issue the relevant share certificate(s) to the Grantee. The Option Shares issued upon the exercise of an Option shall rank *pari passu* with all then existing Shares in issue as at the date of exercise including voting rights and the entitlement of dividend and any distribution declared or made after the date of exercise.

An Option may be exercised at any time during the Option Period provided that an Option has not lapsed in accordance with Clause 9 below.

8. Cancellation of the Options

The Options granted but not exercised may, subject to the consent of the Grantee, be cancelled at the approval of the Board.

9. Lapse of the Options

An Option shall lapse on the earliest of:

- (a) the expiry of the Option Period;
- (b) in the event of death of the Grantee, the expiry of 12 months from the death of the Grantee;
- (c) in the event other than Clause 9(b) above, the Grantee ceasing to be a Participant of the Members of the Group for whatever reason including misconduct, termination, resignation, retirement, expiry of service contract, which day of cessation shall be the last actual working day with or the service day for the Members of the Group;
- (d) subject to the voluntary winding-up duly resolved, the expiry of the period referred to in Clause 12 hereof;
- (e) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in Clause 13 hereof;
- (f) the date of commencement of winding-up of the Company;
- (g) the date on which the Grantee commits a breach of any term under the New Share Option Scheme or any term imposed by the Company on the Option; and
- (h) the date of approval by the Board to cancel the Option in accordance with Clause 8 hereof.

10. Non-transferability of the Options

Except for the transmission of an Option on the death of a Grantee to his/her personal representatives, neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Grantee to any other person. If a Grantee transfers, assigns or disposes of any such Option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

11. Ranking of the Shares

No dividends will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised (including those arising on a liquidation of the Company). The Shares issued on the exercise of an Option will rank equally in all respects with the Shares in issue on the date of allotment.

They will not rank for any rights (which include, among other things, voting rights and dividend rights) attaching to the Shares by reference to a date preceding the date of allotment. The Shares subject to the New Share Option Scheme are not required to be separately designated.

12. Rights on winding up

In the event that a notice is given by the Company to its Shareholders to convene a Shareholders' meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to each Grantee and thereupon, every Grantee shall be entitled to exercise his/her Option (if not already exercised) to its full extent or to the extent specified (such exercise to occur not later than 2 Business Days prior to the proposed Shareholders' meeting referred to above) by notice in writing to the Company, stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised, accompanied by a remittance for the full amount of the Subscription Price for the Shares in respect of which the notice is given, and the Company shall, as soon as possible and, in any event, no later than the day immediately prior to the date of the proposed Shareholders' meeting, allot such number of Shares to the Grantee which fall to be issued pursuant to the exercise of the Option. The Company shall give notice to the Grantee of the passing of such resolution within seven days after the passing thereof. Any Option not exercised 2 Business Days prior to the Shareholders' meeting above will lapse.

13. Rights on scheme of arrangement

In the event of a compromise or arrangement between the Company and the Shareholders or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such a scheme or arrangement and the Grantee may by delivering a notice in writing to the Company (such notice to be received by the Company not later than 2 Business days prior to the proposed meeting), exercise the Option to its full extent or to the extent specified in such notice, but such exercise of Option shall be conditional upon such compromise or arrangement being sanctioned by the Supreme Court of Bermuda (if necessary) and becoming effective. Failing such exercise, all Option will lapse.

14. Rights on general offer

If a general offer by way of takeover is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Grantee shall be entitled to exercise the Options to its full extent (to the extent not already exercised even though the Option Period has not come into effect during the occurrence of the general offer) at any time within 14 days after the date of the announcement of an unconditional offer or within 3 Business Days after a conditional offer becomes or is declared unconditional (as the case maybe) that the offer becomes or is declared unconditional. For the avoidance of doubt, an Option not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer.

15. Alteration of terms upon change in share capital

In the event of any alteration in the capital structure of the Company, whether by way of capitalization of profits or reserves, rights issue, consolidation of shares, sub-division of shares, or reduction of the share capital of the Company (other than an issue of Shares as consideration in a transaction to which the Company is a party), whilst any Option remains outstanding, corresponding alterations (if any) shall be made to:

- (a) the number of the Option Shares subject to the Option so far as unexercised, or
- (b) the Subscription Price,

or any combination thereof, as the Auditors shall certify in writing that such adjustments are fair and reasonable and such adjustments shall be made in the manner that:-

- (a) the proportion of the issued share capital of the Company to which the Grantee is entitled on an outstanding Option after adjustment shall be generally the same as previously entitled;
- (b) the adjusted number of the Option Shares entitled by the Grantee on an outstanding Option shall be in board lot size of the Shares; and
- (c) the adjusted Subscription Price shall not be less than the nominal value of a Share.

16. Alteration of terms of the New Share Option Scheme

- (a) The Board may amend any of the provisions of the New Share Option Scheme (including amendments in order to comply with changes in legal or regulatory requirements) at any time and provided that amendments which are to the advantage of present or future Grantees and which relate to matters contained in Rule 17.03 of the Listing Rules are sanctioned by the Shareholders in general meeting.
- (b) Any alteration to the terms and conditions of the New Share Option Scheme which is of a material nature shall be subject to the approval of, inter alia, the Shareholders save where such alteration takes effect automatically under the terms of the New Share Option Scheme.
- (c) Any change in authority of the Board in relation to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting.
- (d) Any amendment to any terms of the New Share Option Scheme or the Options granted shall comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Board has the absolute discretion to impose more restrictive terms on the terms of an Option upon the grant thereof.

17. Termination of the New Share Option Scheme

The Board or the Shareholders in general meeting may terminate the New Share Option Scheme at any time by resolving that no further Options shall be granted under the New Share Option Scheme. In such circumstances, no new grants of the Options under the New Share Option Scheme will be made and any Options which have been granted under the New Share Option Scheme but not yet exercised shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme.

NOTICE OF THE SGM



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 30 September 2021 (Thursday) at 9:30 am for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** subject to and conditional upon The Listing Committee of the Stock Exchange of Hong Kong Limited granting approval of the listing of, and permission to deal in, the shares of the Company (not exceeding 10% of the Company’s issued share capital on the date of this resolution) which may fall to be issued upon the exercise of the options to be granted under the new share option scheme of the Company (“New Share Option Scheme”), the rules of which are contained in the document marked “A” produced to the meeting and signed by the Chairman of the meeting for identification purposes, the New Share Option Scheme be and is hereby approved and adopted and the Directors of the Company be and are hereby authorised to grant options and to allot, issue and deal with the shares which fall to be issued pursuant to the exercise of any option granted under the New Share Option Scheme and to take all such steps as may be necessary or expedient in order to give full effect to the New Share Option Scheme.”
2. “**THAT** subject to and conditional upon the passing of the Ordinary Resolution no.1 of the notice convening the SGM, the existing share option scheme adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 21 May 2012 (“Existing Share Option Scheme”) be and is hereby terminated upon the New Share Option Scheme becoming effective (without prejudice to the rights and benefits of and attached to any outstanding options which have been granted under the Existing Share Option Scheme prior to the date of the passing of this resolution).”

By order of the Board
Ada S P Cheung
Company Secretary

Hong Kong, 8 September 2021

* *For identification purpose only*

NOTICE OF THE SGM

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 a 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 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 adjourned 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 24 September 2021.
4. The votes to be taken at the meeting for the resolution(s) will be by way of poll.