



CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)
(Stock code #1049)

Discloseable Transaction Disposal of a residential property in Hong Kong

On 23 November 2004, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase or procure to purchase the Property at the Consideration of HK\$45,000,000 to be settled in cash.

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Disposal will be sent to the Shareholders within 21 days from the date of publication of this announcement.

INTRODUCTION

The Vendor and the Purchaser entered into the Provisional Agreement under which the Vendor shall sell to the Purchaser the Property at the Consideration.

THE PROVISIONAL AGREEMENT

Date : 23 November 2004

Vendor : Excel Smart Profits Limited, a wholly-owned subsidiary of the Company

Purchaser : Power Link Transportation Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are independent third parties which are not a connected person (as defined under the Listing Rules) of the Company, or are connected with any connected person (as defined under the Listing Rules) of the Company.

Consideration : HK\$45,000,000 to be settled in cash.

The terms of the Provisional Agreement were determined after arm's length negotiation with reference to the current market conditions and were on normal commercial terms. The Board considers that the terms of the Provisional Agreement are fair and reasonable and are in the best interest of the Company and the Shareholders.

Payment terms : The Consideration will be paid by the Purchaser in the following manner:

- (i) HK\$2,250,000, representing 5% of the Consideration, has been paid as an initial deposit upon the signing of the Provisional Agreement;
- (ii) HK\$2,250,000, representing 5% of the Consideration, will be paid as a further deposit upon the signing of the formal sale and purchase agreement, which is expected to be on or before 7 December 2004;
- (iii) HK\$4,500,000, representing 10% of the Consideration, will be paid as part of the Consideration on or before 7 January 2005;
- (iv) HK\$4,500,000, representing 10% of the Consideration, will be paid as part of the Consideration on or before 8 February 2005; and
- (v) the balance of the Consideration in the sum of HK\$31,500,000 will be paid upon completion of the Provisional Agreement.

Completion : Completion shall take place on or before 23 March 2005 or such later date as the parties may agree in writing.

PROPERTY

The residential building known as House No. A19 (including its 2 car parking spaces) of Regalia Bay, No. 88 Wong Ma Kok Road, Stanley, Hong Kong.

The Property is not subject to any existing tenancy agreement. The Property was purchased by the Vendor at a consideration on HK\$39,380,000 on 17 January 2004. The net profit and loss attributable to the Property from the date of acquisition on 17 January 2004 and up to 31 October 2004 was loss (both before and after taxation and extraordinary items) of approximately HK\$1,736,000. The loss was mainly attributed to the mortgage loan interest and the expenses in relation to the acquisition of the Property on 17 January 2004.

REASON FOR THE DISPOSAL AND USE OF PROCEEDS

The principal activities of the Group consist of (a) financial services provided via CASH Financial Services Group Limited and its subsidiaries including online and traditional brokerage and trading of securities, futures, commodities and option, margin financing, corporate finance and other financial services, (b) retailing of furniture and household items, (c) investment holding including property investment, (d) business solutions, and (e) brand management.

The Board considers that the Disposal is in the interest of the Company and the Shareholders as it represents a good opportunity for the Company to realise its investment in the Property and to reduce its borrowings. Part of the proceeds will be used for full repayment of the mortgage loan (which was approximately HK\$26,500,000 as at 31 October 2004) due to a bank. The net proceeds for the sale of the Property (after expenses) is expected to be approximately HK\$17,950,000 which will be used as the working capital of the Group.

Disposal of the Property will result in a gain before taxation of approximately HK\$2,734,000 which will be reported in the financial year ended 31 December 2005. The Directors consider that the Disposal, the terms of which have been determined on an arm's length basis with reference to the current market conditions, are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

GENERAL

The Disposal constitutes a discloseable transaction for the Company under the Listing Rules. A circular containing, amongst others, details of the Disposal will be sent to the Shareholders within 21 days of the date of publication of this announcement.

DEFINITIONS

"Board"	the board of Directors
"Company"	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
"Consideration"	HK\$45,000,000 to be settled in cash
"Directors"	the director(s) of the Company
"Disposal"	the transaction contemplated under the Provisional Agreement, being the disposal of the Property by the Vendor to the Purchaser at the Consideration
"Vendor"	Excel Smart Profits Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company
"Group"	the Company and its subsidiaries
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Property"	the residential building known as House No. A19 (including its 2 car parking spaces) of Regalia Bay, No. 88 Wong Ma Kok Road, Stanley, Hong Kong
"Provisional Agreement"	the provisional sale and purchase agreement dated 23 November 2004 and entered into by the Vendor and the Purchaser in relation to the Disposal
"Purchaser"	Power Link Transportation Limited
"Shareholder(s)"	holder(s) of Shares
"Share(s)"	shares of HK\$0.10 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

On behalf of the Board
Bankee P Kwan
Chairman & CEO

Hong Kong, 23 November 2004

As at the date hereof, the executive Directors are Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Wong Kin Yick Kenneth, Mr Miao Wen Hao Felix, Ms Kwok Oi Kuen Joan Elmond, Mr Li Yuen Cheuk Thomas, Dr Chan Yau Ching Bob, and the independent non-executive Directors are Dr Chan Hak Sin, Mr Leung Ka Kui Johnny and Mr Wong Chuk Yan.