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**CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

*(incorporated in Bermuda with limited liability)*

**(Stock code: 1049)**

**FURTHER DEFERRAL OF DESPATCH OF CIRCULAR  
AND**

**DEFERRAL OF COMPLETION**

**in relation to**

**Possible Major Transaction**

**– Formation of Joint Venture in respect of TD-SCDMA Technology**

As additional time is required for the issue of the valuation report and preparation of the Circular, the despatch of the Circular will be further deferred.

In addition, the Supplemental Agreement was entered into between the JV Partners on 25 October 2007 pursuant to which, among other things, they have agreed that the Longstop Date will be deferred to 31 December 2007.

Reference is made to the announcement issued by Celestial Asia Securities Holdings Limited (“Company”) dated 19 July 2007 (“1st Announcement”) in respect of, among other things, the possible major transaction for the formation of joint venture in respect of TD-SCDMA Technology and the announcement dated 9 August 2007 (“2nd Announcement”) in respect of the deferral of despatching the Circular. Terms used herein shall have the same meanings as ascribed in the 1st Announcement unless the context otherwise requires.

**Further deferral of despatch of the Circular**

As detailed in the 2nd Announcement, the deadline for despatching the Circular was extended to 31 October 2007 (“Deadline”).

During the period from the 2nd Announcement to the date of this announcement, the JV Partners had appointed joint independent valuers for the valuation process, including deciding the methodologies, making relevant enquiries and obtaining relevant information on the TD-SCDMA Technology.

The joint independent valuers have made their best endeavors towards meeting the Deadline. However, the valuation of the TD-SCDMA Technology takes longer time than expected due to different procedures and methodologies for valuation being applied in Hong Kong and the PRC. As the valuation has to be mutually agreed by both the joint independent valuers, more time will be required to collect and exchange information and evidence.

As additional time is required for issue of the valuation report and preparation of the Circular, the despatch of the Circular will be deferred. The Company has applied to the Stock Exchange for a waiver from strict compliance with the requirements under Rule 14.38 of the Listing Rules by extending the despatch date of the Circular to on or before 29 February 2008.

### **Deferral of completion of the JV Agreement**

The Board announces that a supplemental agreement (“Supplemental Agreement”) to the JV Agreement was entered into between the JV Partners on 25 October 2007 pursuant to which, among other things, the JV Partners have agreed that the longstop date for the fulfilment of JV Conditions (“Longstop Date”) will be deferred to 31 December 2007 (or such other date as may be agreed between the JV Partners).

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

Hong Kong, 26 October 2007

As at the date hereof, the executive directors of the Company are Mr Kwan Pak Hoo Bankee, Mr Lin Che Chu George, Mr Law Ping Wah Bernard and Mr Wong Kin Yick Kenneth, and the independent non-executive directors of the Company are Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin.