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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

DISCLOSEABLE TRANSACTION

LICENSE AGREEMENTS

The Board announces that on 18 September 2008, the Group entered into the following License Agreements:-

- (a) the First License Agreement with Gonzo Rosso and Goldsky Digital, online gaming developers, pursuant to which Gonzo Rosso agreed to grant Moli Publish (a subsidiary of the Company) an exclusive global license (except Japan) to use, operate and sub-license the Online Game “Tower of Druaga: the Recovery of BABYLIM” and its related software and marks for 5 years subject to the terms of this agreement; and
- (b) the Second License Agreement with Goldsky Digital (a subsidiary of Gonzo Rosso), pursuant to which Goldsky Digital agreed to grant Moli Publish (a subsidiary of the Company) an exclusive license to use and operate the Online Game “Pandora Saga” and its related software and marks in North America region, including USA, for 3 years subject to the terms of this agreement.

As the relevant Percentage Ratios exceed 5% but less than 25%, the transactions under the License Agreements together constituted a discloseable transaction of the Company under the Listing Rules. Circular containing further details of the License Agreements will be dispatched to the Shareholders as soon as practicable.

Introduction

The Board announces that on 18 September 2008, the Group entered into the License Agreements. The principle terms of the License Agreements are set out below.

The First License Agreement

Date: 18 September 2008

- Parties:
- (1) Gonzo Rosso (an Independent Third Party) as licensor
 - (2) Goldsky Digital (a subsidiary of Gonzo Rosso) (an Independent Third Party) as non-exclusive agent for this agreement between Gonzo Ross and Moli Publish
 - (3) Moli Publish (a subsidiary of the Company) as licensee

Licensing products: Gonzo Rosso agreed to grant Moli Publish an exclusive global license (except Japan) to use, operate and sub-license the Online Game "Tower of Druaga: the Recovery of BABYLIM" and its related software and marks subject to the terms of this agreement.

The Online Game is a brand-new item and there is no figure relating to net profits or revenue of the Online Game for the preceding two financial years ended 31 December 2007. The value of the Online Game cannot be ascertained.

License Fee: The License Fee comprises an initial fee and a royalty fee as follows:-

- (1) A non-refundable initial fee, paid or to be payable, in installments by cash as follows:-
 - (a) 10% upon the signing of this agreement;
 - (b) 6.7% by end of November 2008;
 - (c) 3.3% by January 2009;
 - (d) 30% by end of March 2009; and
 - (e) 50% by end of August 2009.
- (2) royalty fees to be payable on a monthly basis by cash based on the actual gross sale revenue or the actual royalties received of the Online Game, in the range of between 10%-20% for direct licensing and not exceeding 50% for sub-licensing, depending on the gross sales revenue in different licensing regions or actual royalties received from sub-licensing regions.

The License Fee will be funded by internal resources of the Group and/or bank borrowings. The License fee was arrived at arm's length negotiation between the parties to the agreement. The actual initial fee is not exceeding US\$3 million (equivalent to about HK\$23.4 million), which is the market price of a comparable Online Game in the market, based on recent researches conducted by the Directors relating to development cost of the Online Game, popularity of the Online Game in Japan, market situation and players taste in the licensing regions, expected number of subscribers and subscription fee in licensing regions, features and playability of the Online Game etc. The royalty fee was determined in accordance with the sales targets and the business plans of the Group in relation to the Online Game.

Term: 5 years from the commercial launch date for each licensing region, subject to further extension or renewal by mutual written agreement of the parties to this agreement or earlier termination in accordance with the terms and conditions of this agreement.

The Second License Agreement

Date: 18 September 2008

Parties: (1) Goldsky Digital (a subsidiary of Gonzo Rosso), an Independent Third Party, as licensor
(2) Moli Publish (a subsidiary of the Company) as licensee

Licensing products: Goldsky Digital agreed to grant Moli Publish an exclusive license to use and operate the Online Game “Pandora Saga” and its related software and marks in North America region, including USA, subject to the terms of this agreement.

The Online Game is a brand-new item and there is no figure relating to net profits or revenue of the Online Game for the preceding two financial years ended 31 December 2007. The value of the Online Game cannot be ascertained.

License Fee: The License Fee comprises an initial fee and a royalty fee as follows:-

- (1) A non-refundable initial fee, paid or to be payable, in installments by cash as follows:-
 - (a) 10% upon the signing of this agreement;
 - (b) 10% upon receipt of the translation assets as requested by licensee from licensor;
 - (c) 30% by close beta stage; and
 - (d) 50% by initial launch date.
- (2) royalty fees to be payable on a monthly basis by cash based on the actual gross sale revenue of the Online Game in the range of between 15%-20%, depending on different levels of gross sales revenue.

The License Fee will be funded by internal resources of the Group and/or bank borrowings. The License fee was arrived at arm’s length negotiation between the parties to the agreement. The actual initial fee is not exceeding US\$300,000 (equivalent to about HK\$2,340,000). The basis of determination of the initial fee and the royalty fee are the same as disclosed above for the First Licensing Agreement.

Term: 3 years from the date of this agreement and shall expire on the third anniversary of the initial launch date of the Online Game, subject to automatically renewal term for one year when monthly average gross sales attains a specified amount or further extension or renewal by mutual written agreement of the parties to this agreement or earlier termination in accordance with the terms and conditions of this agreement.

The License Fees under the License Agreements

The License Fees were agreed after arm’s length negotiations between the parties to the License Agreements in light of the current market conditions of online game business and with reference to the license fees of comparable online game products in the market. The Directors consider that the terms of the License Agreements concluded are in the ordinary and usual course of business of Moli Publish, on normal commercial terms and are fair and reasonable.

Reasons for the License Agreements

The principal business of Moli Group is online game business. The online gaming industry has experienced remarkable growth in the past few years in the PRC and growth potential remains robust. Moli Group has pursued sustainable development and established a competitive position in the online gaming industry over the past years. Moli Group, as a leading international game distributor in the PRC, has built an effective game distribution platform. Online gaming is a fast-growing industry and player taste and expectations are evolving and changing very fast. Given its graphic features and playability, the Board believes that the Online Games are popular games and will be well received by the market. With its established effective game distribution platform and extensive market penetration, the Board believes

that the licensing of the new online games from overseas developers to expand and diversify Moli Group's game portfolio will increase the revenue base and generate a scaleable income to the Group in the years to come.

The Board believes that the terms of the License Agreements are on normal commercial terms and in the normal and usual course of business of the Group. The transactions contemplated under the License Agreements will facilitate the operations of online game business and increase the revenue base of the Group. The Directors consider that the transactions are fair and reasonable and in the interest of the Shareholders as a whole.

Other information

The Board wishes to inform the Shareholders that Moli Publish (a subsidiary of the Company) also entered into a license agreement with Gonzo Rosso in addition to the License Agreements on the same date. Pursuant to this agreement, Moli Publish (as licensor) agreed to grant Gonzo Rosso an exclusive license to use and operate the online game "King of Pirate Online" and its related software and marks in Japan for 3 years subject to the terms of this agreement. As the relevant Percentage Ratios is below 5%, the transaction under this agreement does not constitute any notifiable transaction of the Company under the Listing Rules. The disclosure of such information is just for information of the Shareholders.

General

As the relevant Percentage Ratios exceed 5% but less than 25%, the transactions under the License Agreements together constituted a discloseable transaction of the Company under the Listing Rules. Circular containing further details of the License Agreements will be dispatched to the Shareholders as soon as practicable.

Definitions

"Board"	the board of Directors
"Company"	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange
"Directors"	the directors of the Company
"First License Agreement"	the license agreement dated 18 September 2008 entered into between Gonzo Rosso, Goldsky Digital and Moli Publish in relation to the grant of exclusive global license (except Japan) to use, operate and sub-license the Online Game "Tower of Druaga: the Recovery of BABYLIM" and its related software and marks
"Goldsky Digital"	Goldsky Digital Technology Limited, a company incorporated in Taiwan, and is a subsidiary of Gonzo Rosso
"Gonzo Rosso"	Gonzo Rosso K.K., a company incorporated in Japan, and is a subsidiary of a group listed on Tokyo's Stock Exchange. The main businesses of its group are development and operation of online games and mobile sites, and licensing of online games and animation. It is an Independent Third Party
"Group"	the Company and its subsidiaries, including Moli Group
"Independent Third Party"	to the best of the knowledge, information and belief of the Board having made all reasonable enquiry, such company and its ultimate

beneficial owner(s) are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company

“License Agreement(s)”	the First License Agreement and the Second License Agreement
“License Fee(s)”	the license fee and the royalty fee, paid or to be payable, in respect of the licensing of the Online Game(s) under the respective License Agreement(s)
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange on the Stock Exchange
“Moli Group”	Netfield Technology Limited and its subsidiaries, being subsidiaries of the Group, which engages in online game business. Moli Publish is a subsidiary of Moli Group
“Moli Publish”	Moli Publish Limited, a company incorporated in the British Virgin Islands, and is a subsidiary of the Company. Moli Publish and its subsidiaries are engaged in online game business
“Online Game(s)”	the online game(s) “Tower of Druaga: the Recovery of BABYLIM” and/or “Pandora Saga” as specified under the respective License Agreement(s)
“Percentage Ratios”	the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules
“Second License Agreement”	the license agreement dated 18 September 2008 entered into between Goldsky Digital and Moli Publish in relation to the grant of exclusive license to use and operate the Online Game “Pandora Saga” and its related software and marks in North America region, including USA
“Share(s)”	Share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China
“USA”	United States of America
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“US\$”	United States dollar(s), the currency of the United States

For illustration purposes, the translation of US\$ into HK\$ is based on the exchange rat of US\$1.00 to HK\$7.8.

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 26 September 2008

As at the date hereof, the Directors of the Company are:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Lin Che Chu George
Mr Law Ping Wah Bernard

Independent non-executive directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin