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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

Discloseable Transaction

**Acquisition of remaining 3.4% equity shareholding interest in
a non-wholly-owned subsidiary of the Company**

On 17 November 2008, the Vendor (an Independent Third Party) and the Purchaser (a wholly-owned subsidiary of the Company) entered into the Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (being the remaining 3.4% equity shareholding interest in Netfield (BVI) (an existing 96.6%-owned subsidiary of the Company)) at the Consideration of HK\$38 million to be fully settled in cash.

As the relevant Percentage Ratios exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing further details of the Agreement will be dispatched to the Shareholders as soon as practicable.

INTRODUCTION

The Vendor and the Purchaser entered into the Agreement under which the Purchaser shall acquire from the Vendor the Sale Shares at the Consideration to be settled in cash. Upon Completion, Netfield (BVI) will become a wholly-owned subsidiary of the Company.

THE AGREEMENT

Date : 17 November 2008

Vendor : Allypark International Limited, the existing 3.4% shareholder of Netfield (BVI), and is an Independent Third Party

Purchaser : Netfield (Bermuda), the existing 96.6% shareholder of Netfield (BVI), and is a wholly-owned subsidiary of the Company

Assets to be acquired : the Sale Shares (being 60,000 ordinary shares of US\$1.00 each), representing the remaining 3.4% of issued share capital of Netfield (BVI)

Consideration : HK\$38 million, being 18.8% discount to the Original Subscription Price of the Sale Shares of US\$6 million (approximately HK\$46.8 million). The Consideration will be fully settled in cash on Completion.

The Consideration was agreed between the Vendor and the Purchaser on an arm's length basis and on normal commercial terms, with reference to the Original Subscription Price of the Sale Shares in January 2008 with a discount, the Board considers that the Consideration is fair and reasonable.

The Consideration will be funded by the internal resources of the Group.

Completion : There is no conditions precedent to the Completion. Completion will take place within 30 days from the date of the Agreement.

INFORMATION ON THE GAME GROUP

The Game Group currently engages in provision of online game services, sales of online game auxiliary products and licensing service.

The audited consolidated net losses (before and after taxation) of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2006 both were about HK\$23.4 million and HK\$23.8 million respectively, and the audited consolidated net profits (before and after taxation) of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2007 both were about HK\$5.4 million. The unaudited consolidated net assets value of the Game Group as at 30 June 2008 was about HK\$25.5 million in deficit.

INFORMATION ON THE GROUP

The current principal activities of the Group consist of (a) financial services provided via CASH Financial Services Group Limited (stock code: 510) including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, margin financing, corporate finance, other financial services; (b) retailing of furniture and household items; (c) provision of online game services, sales of online game auxiliary products and licensing services; and (d) investment holding.

REASON FOR THE ACQUISITION

The Sale Shares were acquired by the Vendor at the Original Subscription Price of US\$6 million (approximately HK\$46.8 million). The Vendor has indicated to the Company of its intention of disposing of the Sale Shares and pursuing a strategy of disinvestment in all online game business. The Acquisition provides the Group with an opportunity to acquire the remaining 3.4% minority stake at a discount of the Original Subscription Price, and to consolidate the Group's full control of the Game Group as well as to enjoy all the economic benefits arising from the Game Group.

Given that the Game Group will be fully owned and controlled by the Group upon Completion, the Group will in a better position to run and develop the online game business. The Board considers that the terms of the Agreement is fair and reasonable and on normal commercial terms, and the Acquisition is in the best interest of the Group and Shareholders as a whole.

GENERAL

As the relevant Percentage Ratios exceed 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under the Listing Rules. A circular containing further details of the Agreement will be dispatched to the Shareholders as soon as practicable.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares at the Consideration to be fully settled in cash and the transaction contemplated under the Agreement
“Agreement”	the sale and purchase agreement dated 17 November 2008 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Board”	the board of Directors of the Company
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange
“Completion”	Completion of the Agreement, as particularly described in the sub-section of “Completion” under the section of “Agreement” in this announcement
“Consideration”	HK\$38 million
“Directors”	the director(s) of the Company
“Game Group”	Netfield (BVI) and its subsidiaries, which operate and develop online game business
“Group”	the Company and its subsidiaries
“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

“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Netfield (Bermuda)” or “Purchaser”	Netfield Technology Limited, a company incorporated in Bermuda with limited liability, and is a wholly-owned subsidiary of the Company. Netfield (Bermuda) is currently the direct holding company of Netfield (BVI) with 96.6% shareholding interest in Netfield (BVI)
“Netfield (BVI)”	Netfield Technology Limited, a company incorporated in British Virgin Islands with limited liability, and is currently a 96.6%-owned subsidiary of the Company. Netfield (BVI) and its subsidiaries are engaged in online game business
“Percentage Ratios”	the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules
“Sale Shares”	60,000 fully-paid shares of US\$1.00 each (being 3.4% of issued share capital of Netfield (BVI)) held by the Vendor before Completion
“Shareholders”	holder(s) of the shares of HK\$0.10 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Original Subscription Price”	the subscription price of US\$6 million (approximately HK\$46.8 million) in total for the Sale Shares under the subscription agreement dated 7 December 2007 as referred to in the announcement issued by the Company dated 10 December 2007
“Vendor”	Allypark International Limited, a company incorporated in British Virgin Islands with limited liability, with principal business of investment holding. The Vendor had acquired the beneficial interest of the Sale Shares at the Original Subscription Price from the subscriber under the subscription agreement dated 7 December 2007. The Vendor is an existing 3.4% shareholder of Netfield (BVI), and is an Independent Third Party

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

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 17 November 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