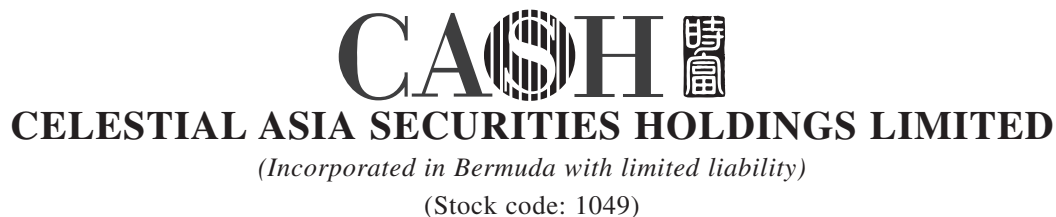

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about 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 to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



**DISCLOSEABLE TRANSACTION
LICENSE AGREEMENTS**

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DEFINITIONS

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

“Announcement”	the announcement made by the Company on 26 September 2008 in respect of, among other things, the entering into of the License Agreements by the Group on 18 September 2008
“Associate(s)”	has the meaning ascribed in the Listing Rules
“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
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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

DEFINITIONS

“Latest Practicable Date”	10 October 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“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 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
“PRC”	the People’s Republic of China
“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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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 rate of US\$1.00 to HK\$7.8.

LETTER FROM THE BOARD

CASH 
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

Board of Directors

Executive:

KWAN Pak Hoo Bankee

LIN Che Chu George

LAW Ping Wah Bernard

Independent non-executive:

LEUNG Ka Kui Johnny

WONG Chuk Yan

CHAN Hak Sin

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal place of business in Hong Kong:

21/F The Center

99 Queen's Road Central

Hong Kong

15 October 2008

To Shareholders

Dear Sir/Madam,

DISCLOSEABLE TRANSACTION LICENSE AGREEMENTS

INTRODUCTION

On 26 September 2008, the Board made the Announcement that, among other things, the Group entered into the License Agreements on 18 September 2008. The principle terms of the License Agreements are set out below.

As the relevant Percentage Ratios exceeded 5% but less than 25%, the transactions under the License Agreements together constituted a discloseable transaction of the Company under the Listing Rules.

The purpose of this circular is to give you further information regarding the License Agreements.

LETTER FROM THE BOARD

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 Rosso 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.
- 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 on 18 September 2008;
 - (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 sales 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

LETTER FROM THE BOARD

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.

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 on 18 September 2008;
- (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 sales 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 License Agreement.

LETTER FROM THE BOARD

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 did not constitute any notifiable transaction of the Company under the Listing Rules. The disclosure of such information is just for information of the Shareholders.

LETTER FROM THE BOARD

INFORMATION OF THE GROUP

The current principal activities of the Group consist of (a) financial services provided via CASH Financial Services Group Limited 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 and other financial services; (b) retailing of furniture and household goods and trendy digital products; (c) provision of online game services, sales of online game auxiliary products and licensing services; and (d) investment holding.

FINANCIAL INFORMATION OF THE ONLINE GAMES

The Online Games as specified under the License Agreements are brand-new items and there is no figure relating to net profits or revenue of the Online Games for the preceding two financial years ended 31 December 2007. The value of the Online Games cannot be ascertained.

EFFECTS OF THE LICENSE AGREEMENTS ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

It is expected that the transactions under the License Agreements will have a positive impact on the earnings of the Group in the long run.

The License Agreements will increase the Group's intangible assets as initial fees and current liabilities as initial fees payable. The License Agreements are not expected to have any material impact on the assets and liabilities of the Group.

GENERAL

As the relevant Percentage Ratios exceeded 5% but less than 25%, the transactions under the License Agreements together constituted a discloseable transaction of the Company under the Listing Rules.

ADDITIONAL INFORMATION

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

Yours faithfully,
On behalf of the Board
Bankee P Kwan
Chairman

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") were as follows:

A. The Company

1. Long positions in the ordinary Shares

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	-	66,398,512*	36.78
Lin Che Chu George	Beneficial owner	5,230,000	-	2.90
Law Ping Wah Bernard	Beneficial owner	6,784,060	-	3.76
		<u>12,014,060</u>	<u>66,398,512</u>	<u>43.44</u>

* The Shares were held by Cash Guardian Limited ("Cash Guardian"). Mr Kwan Pak Hoo Bankee was deemed to be interested in all the Shares as a result of his interests in Cash Guardian as disclosed in the section headed "substantial Shareholders" below.

2. *Long positions in the underlying shares – options under share option scheme*

Name	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	13/11/2006	13/11/2006 – 12/11/2008	1.615	800,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	2.450	500,000	0.28
Lin Che Chu George	13/11/2006	13/11/2006 – 12/11/2008	1.615	800,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	2.450	500,000	0.28
Law Ping Wah Bernard	13/11/2006	13/11/2006 – 12/11/2008	1.615	800,000	0.44
	6/6/2007	6/6/2007 – 31/5/2009	2.450	500,000	0.28
				3,900,000	2.16

Notes:

- (1) Mr Kwan Pak Hoo Bankee is also the substantial Shareholder of the Company.
- (2) The options are held by the Directors in the capacity of beneficial owners.

B. Associated corporations (within the meaning of the SFO)

(i) *CASH Financial Services Group Limited (a subsidiary of the Company)*

Long positions in the ordinary shares

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Beneficial owner and founder of a discretionary trust	1,988,000	210,080,799*	51.44
Lin Che Chu George	Beneficial owner	3,942,400	–	0.96
Law Ping Wah Bernard	Beneficial owner	6,513,920	–	1.58
		12,444,320	210,080,799	53.98

* The shares were held as to 198,771,039 shares by Celestial Investment Group Limited, a wholly-owned subsidiary of the Company, and as to 11,309,760 shares by Cash Guardian. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these shares as a result of his interests in the Company through Cash Guardian as disclosed in the “substantial Shareholders” below.

- (ii) *Netfield Technology Limited (“Netfield”), a subsidiary of the Company*

Long positions in the underlying shares

On 9 January 2007 (as amended on 22 January 2007), Mr Lin Che Chu George, an executive Director, was granted of an option to acquire from the Group such number of shares in Netfield as representing 10% of the issued share capital in Netfield for a cash consideration of HK\$12 million. The option is exercisable during the 12-month period immediately before and after the securities of Netfield or its holding company become listed on any recognised stock exchange, in whole or in part by Mr Lin.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their Associates had any interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and any options in respect of such capital, or were otherwise notified to the Company and recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Capacity	Number of Shares	Shareholding (%)
Jeffnet Inc (<i>Note</i>)	Trustee of a discretionary trust	66,398,512	36.78
Cash Guardian (<i>Note</i>)	Beneficial owner	66,398,512	36.78

Note: This refers to the same number of Shares held by Cash Guardian (which is 100% beneficially owned by Jeffnet Inc). Jeffnet Inc held these Shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to the SFO, Mr Kwan Pak Hoo Bankee and Jeffnet Inc were deemed to be interested in the Shares held by Cash Guardian.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group and any options in respect of such capital, or were otherwise notified to the Company and recorded in the register required to be kept under section 336 of the SFO.

4. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective Associates had any interest in a business, which competes or may compete with the business of the Group.

5. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

6. LITIGATION

Company and subsidiaries

- (a) During the year ended 31 December 2005, Theodore J Marr (“Marr”) filed a cross-summons with the California court in the United States of America against the Company and others alleging breaches of fiduciary duties and/or fraudulent conveyances. Marr’s claims in the cross-summons against the Company included US\$900,000 (equivalent to approximately HK\$7,020,000) arising out of an employment contract between Marr and ILUX Corporation (“ILUX”), a subsidiary of the Company, US\$15,000,000 (equivalent to approximately HK\$117,000,000) arising out of the dissolution of ILUX, exemplary and punitive damages of not less than US\$5,000,000 (equivalent to approximately HK\$39,000,000) in respect of each of Marr’s causes of action against cross-complainants, and interest. In August 2006, the Company made an application to the California court for the breach of fiduciary duties cause of action against the Company to be dismissed on the ground that Marr lacks standing to assert this cause of action, and in September 2006 the California court dismissed the breach of fiduciary duty claim against the Company. No court decision has been rendered yet in respect of Marr’s other causes of action against the Company. The hearing of the Company’s application for summary judgment for a dismissal of the fraudulent transfer and constructive fraudulent transfer causes of action (the remaining causes of action) by the California court has been fixed to take place on 26 January 2009. In the opinion of the Directors, the potential liability arisen from the case is remote.

- (b) On 11 May 2006, Hallmark Cards, Incorporated (“Petitioner”) filed a petition for a winding-up order against Cosmos Global Limited (“CGL”), a subsidiary of the Company, under which the Petitioner claimed that CGL was indebted to the Petitioner for a sum of US\$41,591.23 (equivalent to approximately HK\$324,000) and interest accrued thereon. A winding-up order was made by a master of the High Court on 2 August 2006. Provisional liquidator has been appointed by the court to manage the affairs of CGL on the same date and CGL is now in the process of liquidation.
- (c) In 2003, Ka Chee Company Limited instituted a winding-up proceedings against Celestial (International) Securities & Investment Limited (“CISI”), a subsidiary of the Company, for an amount of HK\$1,662,598. A winding-up order was made by the court, the liquidator has been appointed to wind-up CISI, and the winding-up procedure is still in progress.

Save as disclosed above, neither the Company nor any other company in the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

7. MISCELLANEOUS

- (a) The qualified accountant of the Company is Mr Yuen Pak Lau Raymond, *a fellow member of The Association of Chartered Certified Accountants and a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants.*
- (b) The secretary of the Company is Ms Luke Wing Sheung Suzanne, *a fellow member of The Institute of Chartered Secretaries and Administrators.*
- (c) The head office and the principal place of business of the Company in Hong Kong are at 21/F The Center, 99 Queen’s Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (d) The principal share registrars and transfer office of the Company in Bermuda are The Bank of Bermuda Limited at The Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda. The branch share registrars and transfer office of the Company in Hong Kong are Tricor Standard Limited at 26/F Tesbury Centre, 28 Queen’s Road East, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.