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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)
(Stock code: 1049)

Discloseable Transaction
Disposal of unlisted share investment

On 24 March 2009, the Vendor (a 90%-owned subsidiary of the Company) and the Purchaser (an Independent Third Party) entered into the Agreement. Pursuant to the Agreement, the Vendor has agreed to dispose to the Purchaser the Sale Shares, being 10% equity shareholding interest in Transtech Optical (the unlisted share investment of the Group), at the Consideration of HK\$13,980,000 to be settled in cash.

As the Percentage Ratios for the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

INTRODUCTION

On 24 March 2009, the Vendor and the Purchaser entered into the Agreement under which the Vendor has agreed to dispose to the Purchaser the Sale Shares at the Consideration to be settled in cash.

THE AGREEMENT

Date : 24 March 2009

The Vendor : Nimble Mind Profits Limited, the existing 10% shareholder of Transtech Optical before the Disposal, and is a 90%-owned subsidiary of the Company

The Purchaser : Best Sign International Limited, an Independent Third Party. The Purchaser is an investment company.

Assets to be disposed : the Sale Shares (being 10 ordinary shares of US\$1.00 each), representing 10% of issued share capital of Transtech Optical

Consideration : HK\$13,980,000 to be settled in cash in the following manners:-

- (i) HK\$6,980,000 being part of the Consideration having been paid on the execution of the Agreement;
- (ii) HK\$1,750,000 (being part of the Consideration) and interest accrued on the outstanding balance of Consideration at interest rate of 5% per annum, to be paid on the date falling on the expiry of 180 days after the Completion Date;
- (iii) HK\$1,750,000 (being part of the Consideration) and interest accrued on the outstanding balance of Consideration at interest rate of 5% per annum, to be paid on the date falling on the expiry of 360 days after the Completion Date;
- (iv) HK\$1,750,000 (being part of the Consideration) and interest accrued on the outstanding balance of Consideration at interest rate of 5% per annum, to be paid on the date falling on the expiry of 540 days after the Completion Date; and
- (v) HK\$1,750,000 (being part of the Consideration) and interest accrued on the outstanding balance of Consideration at interest rate of 5% per annum, to be paid on the date falling on the expiry of 720 days after the Completion Date.

The Consideration was agreed between the Vendor and the Purchaser on an arm's length basis and on normal commercial terms after taking into account the audited net asset value of the Sale Shares as at 31 December 2007. The Consideration represents premium of around 5 times of the audited net asset value of the Sale Shares as at 31 December 2007. In view of the premium of the Consideration, the Board considers that the Consideration is fair and reasonable.

Completion : There is no condition precedent to the completion of the Agreement. Completion took place on the same date of the Agreement of 24 March 2009.

INFORMATION ON TRANSTECH OPTICAL

The current principal activity of Transtech Optical is manufacturing optical fibers. Its group is engaged in manufacturing and sales of optical fibers.

The audited net profits, before and after taxation and extraordinary items, of Transtech Optical prepared in accordance with HKFRS for the year ended 31 December 2006 were both HK\$535,481. The audited net profits, before and after taxation and extraordinary items, of Transtech Optical prepared in accordance with HKFRS for the year ended 31 December 2007 were HK\$4,015,627 and HK\$5,830,627 respectively. The audited net assets value of Transtech Optical as at 31 December 2007 was HK\$23,154,216.

The Sale Shares (being 10% equity capital in Transtech Optical) was an unlisted share investment in the accounts of the Group. The carrying value of the Sale Shares in the accounts of the Group was zero as full provision for such unlisted share investment had been made in prior years. Based on the 100% of the Consideration and the zero carrying value of the Sale Shares, the Disposal will result in a gain before taxation for the Group of HK\$13,980,000, which will be recorded in the financial statements of the Group in year 2009. The Group does not have any remaining interest in Transtech Optical after the Disposal.

INFORMATION ON 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, 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 DISPOSAL

The Disposal provides the Group with a good opportunity for the Group to realize its unlisted share investment in Transtech Optical at a reasonable price amid the prevailing unfavourable market conditions. The proceeds from the Disposal will be used as the general working capital of the Group, which will further strengthen the financial position of the Group and enhance its cashflow. The Board believes that the terms of the Agreement are fair and reasonable and on normal commercial terms, and the Disposal is in the best interest of the Group and its shareholders as a whole.

GENERAL

As the Percentage Ratios for the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

“Agreement”	the sale and purchase agreement dated 24 March 2009 entered into among, inter alia, the Vendor and the Purchaser in relation to, among other things, the disposal of the Sale Shares by the Vendor to the Purchaser at the Consideration
“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 listed on the main board of the Stock Exchange

“Completion Date”	date of completion of the Agreement, being the same date as the date of Agreement of 24 March 2009
“Consideration”	HK\$13,980,000, being the consideration to be paid by the Purchaser to the Vendor under the Agreement
“Directors”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchaser at the Consideration to be fully settled in cash under the Agreement
“Group”	the Company and its subsidiaries
“HKFRS”	the accounting standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants
“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
“Percentage Ratios”	the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules
“Purchaser”	Best Sign International Limited, a company incorporated in the British Virgin Islands with limited liability, and is an Independent Third Party. It was the 80% shareholder of Transtech Optical immediately before the Completion Date
“Sale Shares”	10 shares of US\$1.00 each, being 10% of issued share capital, in Transtech Optical held by the Vendor as unlisted share investment immediately before the Completion Date, and has been disposed to the Purchaser under the Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transtech Optical”	Transtech Optical Communication Company Limited, a company incorporated in British Virgin Islands, which currently engages in manufacturing of optical fibers

“Vendor”

Nimble Mind Profits Limited, a company incorporated in the British Virgin Islands with limited liability, and is a 90%-owned subsidiary of the Company. It was holding the Sale Shares immediately before the Completion Date

By Order of the Board

Suzanne W S Luke

Company Secretary

Hong Kong, 24 March 2009

As at the date hereof, the Board comprises:-

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