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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

**Discloseable Transaction
Disposal of a residential property in Hong Kong**

On 12 April 2009, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Preliminary Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase or procure to purchase the Property at the Consideration of HK\$51,000,000 to be settled in cash.

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

INTRODUCTION

The Vendor and the Purchaser entered into the Preliminary Agreement under which the Vendor shall sell to the Purchaser the Property at the Consideration.

THE PRELIMINARY AGREEMENT

Date : 12 April 2009

Vendor : Honest Joy Properties Limited, a wholly-owned subsidiary of the Company

Purchaser : Rise Wave Limited, an investment company

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Consideration : HK\$51,000,000 to be settled in cash.

The terms of the Preliminary Agreement were determined after arm's length negotiation with reference to the current market conditions and were on normal commercial terms. The Board considers that the terms of the Preliminary Agreement are fair and reasonable and are in the best interest of the Company and the Shareholders.

Payment terms : The Consideration will be paid by the Purchaser in the following manner:

- (i) HK\$2,500,000 has been paid as an initial deposit upon the signing of the Preliminary Agreement;
- (ii) HK\$2,600,000 will be paid as a further deposit upon the signing of the formal sale and purchase agreement on or before 24 April 2009;
- (iii) HK\$2,550,000 will be paid as part of the Consideration on or before 15 May 2009; and
- (iv) the balance of the Consideration in the sum of HK\$43,350,000 will be paid upon completion of the Disposal on or before 15 July 2009.

Completion : Completion shall take place on or before 15 July 2009 in accordance with the Preliminary Agreement.

PROPERTY

The residential building known as House No. A8 (including its 2 car parking spaces), Regalia Bay, No. 88 Wong Ma Kok Road, Stanley, Hong Kong.

The Property was acquired by the Group via acquisition of the investment company of Honest Joy on 17 February 2009. The Property was valued by an independent property valuer with market value of HK\$53,500,000 as at 31 October 2008. The carrying value of the Property in the accounts of the Vendor was around HK\$50 million as at 31 March 2009 in accordance with the fair value of the Property with reference to the recent market price of similar properties.

The net profit and loss attributable to the Property from the date of acquisition of Honest Joy by the Group on 17 February 2009 and up to 31 March 2009 was loss (both before and after taxation and extraordinary items) of approximately HK\$3,520,000 as calculated based on the carrying value of the Property as at 31 March 2009. Disposal of the Property will result in a gain before taxation of approximately HK\$300,000 which will be reported in the financial year ending 31 December 2009.

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 AND USE OF PROCEEDS

The Board considers that the Disposal is in the interest of the Company and the Shareholders as it represents a good opportunity for the Company to realise its investment in the Property. The net proceeds for the sale of the Property (before taxation and after expenses) are expected to be approximately HK\$50.3 million. Part of the net proceeds of approximately HK\$27.8 million will be used for full repayment of the overdraft facility and mortgage loan relating to the Property due to a bank, and the remaining balance of approximately HK\$22.5 million will be used as the working capital of the Group as well as to finance future acquisition and investment opportunities of the Group.

The Directors consider that the Disposal, the terms of which have been determined on an arm's length basis with reference to the current market conditions, are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

GENERAL

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

DEFINITIONS

“Board”	the board of Directors
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“Consideration”	HK\$51,000,000 to be settled in cash
“Directors”	the director(s) of the Company
“Disposal”	the transaction contemplated under the Preliminary Agreement, being the disposal of the Property by the Vendor to the Purchaser at the Consideration
“Group”	the Company and its subsidiaries

“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
“Preliminary Agreement”	the preliminary sale and purchase agreement dated 12 April 2009 and entered into by the Vendor and the Purchaser in relation to the Disposal
“Property”	the residential building known as House No. A8 (including its 2 car parking spaces), Regalia Bay, No. 88 Wong Ma Kok Road, Stanley, Hong Kong
“Purchaser”	Rise Wave Limited
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary shares of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Honest Joy”	Honest Joy Properties Limited, a company incorporated in the British Virgin Islands with limited liability, which is a wholly-owned subsidiary of the Company

By Order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 14 April 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