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**Celestial Asia Securities
Holdings Limited (“CASH”)**
*(incorporated in Bermuda with limited
liability)*
(Stock code: 1049)



**CASH Financial Services
Group Limited (“CFSG”)**
*(incorporated in Bermuda with limited
liability)*
(Stock code: 510)

PLACING OF NEW SHARES

CONNECTED TRANSACTION

AND

- ACTING AS PLACING AGENT

RESUMPTION OF TRADING

CASH

The Placing

The CASH Board announces that the Placing Agreement was entered into after the trading hours on 14 December 2010 between CASH and the Placing Agent.

Pursuant to the Placing Agreement, the Placing Agent agreed (on a best-efforts basis), subject to the Placing Conditions, to procure the placing of the Placing Shares, being 160,000,000 new Shares, to the Placees at the Placing Price of HK\$0.77 per Placing Share.

The 160,000,000 Placing Shares represents approximately 5.18% of the existing issued share capital of CASH as at the date of this announcement, and approximately 4.92% of the issued share capital of CASH as enlarged by the Placing Shares.

The Placing is conditional and will be completed within 2 Business Days from the fulfilment of the Placing Conditions, or any other date as CASH and the Placing Agent may mutually agree. The Placing Shares will be issued under the general mandate granted by the Shareholders to the CASH Board on 24 September 2010.

Application has been made by CASH to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Placing Shares to be issued.

Resumption of trading

Trading in the Shares on the Stock Exchange was suspended from 9:30 am on 15 December 2010 at the request of CASH. CASH has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 am on 16 December 2010.

CFSG

The Placing Agent is a wholly-owned subsidiary of CFSG. CASH is a substantial shareholder of CFSG, and is therefore a connected person of CFSG within the meaning of Rule 14A.11 of the Listing Rules. The acting as the Placing Agent for CASH is therefore a connected transaction for CFSG under Chapter 14A of the Listing Rules. As the relevant percentage ratios in respect of the placing commission under Rule 14.07 of the Listing Rules is less than 5%, the transaction is subject only to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements of CFSG under Chapter 14A of the Listing Rules.

INTRODUCTION

The CASH Board announces that the Placing Agreement was entered into after the trading hours on 14 December 2010. The principal terms of the Placing Agreement are set out below.

THE PLACING AGREEMENT

Pursuant to the Placing Agreement, the Placing Agent agreed (on a best effort basis), subject to the Placing Conditions, to procure the placing of the Placing Shares to the Placees at the Placing Price.

The Placing

Date: 14 December 2010

Issuer: Celestial Asia Securities Holdings Limited

Placing Agent: Celestial Securities Limited, being a corporation licensed under SFO to conduct types 1 and 3 regulated activities under SFO, and is a wholly-owned subsidiary of CFSG, and an associated company of CASH. CFSG is not a connected person of CASH under the definition of the Listing Rules.

Placees: Not less than six placees who are Independent Third Parties, all of whom are independent professional, institutional and/or individual investors.

Placing Shares: 160,000,000 new Shares.

Placing Price: HK\$0.77 per Placing Share.

The Placing Price for the Placing Shares represents:

- a discount of approximately 9.41% to the closing price of HK\$0.850 per Share as quoted on the Stock Exchange on the Last Trading Day;
- a discount of approximately 11.09% to the average of the closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days ended on the Last Trading Day, being approximately HK\$0.866 per Share;
- a discount of approximately 13.87% to the average of the closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days ended on the Last Trading Day, being approximately HK\$0.894 per Share; and
- a premium of 330.17% over the audited net asset value of HK\$0.179 per Share, based on the audited net asset value attributable to the Shareholders of the CASH Group as at 31 December 2009.

The Placing Price for the Placing Shares is determined after arm's length negotiation between CASH and the Placing Agent with reference to the recent market Share prices under the prevailing market conditions. The CASH Board is of the view that the Placing Price is fair and reasonable to CASH and the Shareholders as a whole.

Proceeds: The gross and net proceeds of the Placing will be HK\$123.2 million and around HK\$117.0 million respectively, representing a net Placing Price of approximately HK\$0.73 per Placing Share.

Ranking of the Placing Shares: The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the then existing Shares at the date of allotment.

Mandate to issue the Placing Shares: The Placing Shares will be issued under the general mandate granted by the Shareholders to the CASH Board on 24 September 2010 allowing the CASH Board to issue a maximum of 20% of its issued Shares of CASH on the date of the passing of the resolution, being 559,212,350 Shares. As at the date of this announcement, no Shares have been issued pursuant to such general mandate. After the issue of the Placing Shares, there will remain 399,212,350 Shares available to be issued under the general mandate.

The Placing Conditions: The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares.

The Placing Conditions are required to be fulfilled on or before 31 December 2010 or such later date as may be agreed between CASH and the Placing Agent. If the Placing Conditions are not fulfilled by such date, the Placing Agreement will terminate.

Completion: Within 2 Business Days (or any extended period as agreed by CASH and the Placing Agent) after the Placing Agreement becoming unconditional.

Placing commission: 5% on the aggregate placing amount received for the Placing Shares and shall be borne by CASH. Assuming that the Placing Shares are fully placed, the Placing Agent will receive a placing commission of approximately HK\$6,160,000.

SHAREHOLDING STRUCTURE

The shareholding structures of CASH (based on information received by CASH and to the best knowledge of the CASH Board, and notified pursuant to Part XV of the SFO as at the date of this announcement) before and after the issues of the Placing Shares are as follows:

	As at the date of this announcement		After the issue of the Placing Shares	
	Number of Shares	%	Number of Shares	%
The Controlling Shareholder and its associates	1,022,638,955	33.09	1,022,638,955	31.46
Other directors of CASH	111,153,920	3.60	111,153,920	3.42
Public Shareholders (including the Placees) (<i>Note</i>)	1,956,429,710	63.31	2,116,429,710	65.12
Total	3,090,222,585	100.00	3,250,222,585	100.00

Note: CASH is not aware that any Placees will become a substantial Shareholder of CASH under the Listing Rules after the issue of the Placing Shares. The Placees are regarded as public Shareholders under the Listing Rules and the Shares held by the Placees will be counted as part of the Shares held by the public.

REASONS OF THE PLACING AND USE OF PROCEEDS

The current principal activities of the CASH Group consist of (a) financial services provided via CFSG through the brand name “CASH” 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, money lending and corporate finance; (b) sales of furniture and household items and electrical appliances through the brand name “Pricerite”; (c) provision of online game services, sales of online game auxiliary products and licensing services through the brand name “Moli” ; and (d) investment holding. For additional information, please visit www.cash.com.hk.

The CASH Board believes that it would be in the interest of CASH to raise equity funding via the Placing to strengthen CASH's capital base and to enhance its financial position and net assets base for long-term development and growth. The CASH Board considers that there are ample opportunities for further growth and market penetration of the Group's businesses in the PRC, especially for Moli's online game business to develop into an integrated multimedia business. The net proceeds from the Placing of around HK\$117.0 million shall be used for general working capital of the CASH Group, including the development of Moli's online game business in the PRC. The CASH Board considers that the terms of the Placing Agreement are fair and reasonable, and the entering into of the Placing Agreement is in the interests of CASH and the Shareholders as a whole.

FUND RAISING IN THE PAST 12 MONTHS

Save as disclosed below, CASH has not conducted any fund raising activities in the past 12 months:-

Date of announcement	Transaction	Net proceeds raised <i>(approximately)</i>	Intended use of proceeds	Actual use of proceeds
26 July 2010	Top up placing of 20,000,000 top up Shares at the price of HK\$2.50 each	HK\$49.3 million	For general working capital of the Group	Use as intended

CONNECTED TRANSACTION FOR CFSG

The Placing Agent is a corporation licensed under SFO to conduct types 1 and 3 regulated activities under SFO. The Placing Agent is a wholly-owned subsidiary of CFSG. CFSG is owned as to 42.13% equity interests by Celestial Investment Group Limited (a wholly-owned subsidiary of CASH). Therefore, CASH is a substantial shareholder of CFSG, and is therefore a connected person of CFSG within the meaning of Rule 14A.11 of the Listing Rules. The acting as the Placing Agent for CASH is therefore a connected transaction for CFSG under Chapter 14A of the Listing Rules.

The CFSG Board (including all the independent non-executive directors of CFSG) considers that the entering into the Placing Agreement will contribute commission revenue to the group within the usual and ordinary course of business of the Placing Agent, and it is in the best interests of CFSG and its shareholders as a whole. No director of CFSG has a material interest in the transaction. The placing commission of 5% on the gross proceeds of the Placing was determined after arm's length negotiation between the parties with regard to the prevailing market practice. The CFSG Board is of the view that the placing commission of 5% is on normal commercial terms, fair and reasonable. Assuming that the Placing Shares are fully placed, the Placing Agent will receive a placing commission of approximately HK\$6,160,000 in cash to be deducted from the placing proceeds. As the relevant percentage ratios in respect of the placing commission under Rule 14.07 of the Listing Rules is less than 5%, the transaction is subject only to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements of CFSG under Chapter 14A of the Listing Rules.

GENERAL

The 160,000,000 Placing Shares represents approximately 5.18% of the existing issued share capital of CASH as at the date of this announcement, and approximately 4.92% of the issued share capital of CASH as enlarged by the Placing Shares.

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Application has been made by CASH to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Placing Shares to be issued.

Trading in the Shares on the Stock Exchange was suspended from 9:30 am on 15 December 2010 at the request of CASH. CASH has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 am on 16 December 2010.

The Placing Agent is a wholly-owned subsidiary of CFSG. CASH is a substantial shareholder of CFSG, and is therefore a connected person of CFSG within the meaning of Rule 14A.11 of the Listing Rules. The acting as the Placing Agent for CASH is therefore a connected transaction for CFSG under Chapter 14A of the Listing Rules. As the relevant percentage ratios in respect of the placing commission under Rule 14.07 of the Listing Rules is less than 5%, the transaction is subject only to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirements of CFSG under Chapter 14A of the Listing Rules.

DEFINITIONS

“associates”	has the same meaning ascribed in the Listing Rules
“CASH”	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
“CASH Board”	the board of directors of CASH
“CASH Group”	CASH and its subsidiaries
“CEO”	chief executive officer
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange. It is currently beneficially owned as to 42.13% equity interests by CASH and is an associated company of CASH
“CFSG Board”	the board of directors of CFSG

“Controlling Shareholder”	Cash Guardian Limited, is currently holding 1,022,638,955 Shares, representing about 33.09% of the existing issued share capital of CASH. It is a company controlled by Mr Kwan Pak Hoo Bankee, the Chairman and CEO of CASH and the Chairman of CFSG
“Business Day”	a business day is a day on which the Stock Exchange is open for the transaction of business
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the knowledge, information and belief of the CASH Board having made all reasonable enquiry, such company(ies) or person(s) and their respective ultimate beneficial owner(s) are third parties independent of CASH and connected persons (as defined under the Listing Rules) of CASH
“Last Trading Day”	14 December 2010, being the last trading day for the Shares prior to the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	the placees of the Placing Shares to be placed by the Placing Agent under the Placing pursuant to the Placing Agreement, which are all Independent Third Parties
“Placing”	the placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Celestial Securities Limited, being a corporation licensed under SFO to conduct types 1 and 3 regulated activities under SFO, and is a wholly-owned subsidiary of CFSG, and an associated company of CASH
“Placing Agreement”	the placing agreement entered into between CASH and the Placing Agent after the trading hours on 14 December 2010 in relation to the Placing
“Placing Conditions”	the conditions of the Placing as set out in the item of “The Placing Conditions” under the sub-section of “The Placing” under the section of “The Placing Agreement” in this announcement
“Placing Price”	HK\$0.77 per Placing Share
“Placing Share(s)”	160,000,000 new Shares, with aggregate nominal value of HK\$1,600,000, to be issued and placed under the Placing Agreement

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholders of CASH
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of CASH
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong

On behalf of the CASH Board
Bankee P Kwan
Chairman & CEO

On behalf of the CFSG Board
Benson Chan
CEO

Hong Kong, 15 December 2010

As at the date hereof, the CASH Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Law Ping Wah Bernard
Mr Ng Kung Chit Raymond

Independent non-executive directors:

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

As at the date hereof, the CFSG Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Chan Chi Ming Benson
Mr Law Ping Wah Bernard
Mr Cheng Man Pan Ben
Mr Yuen Pak Lau Raymond

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Mr Lo Kwok Hung John
Mr Lo Ming Chi Charles