

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

The announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the shares of CASH.



**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 AND TOP UP OF SHARES

CONNECTED TRANSACTION

- ACTING AS PLACING AGENT

CASH

The Placing and the Top Up

The CASH Board and the CFSG Board announce that the Agreement was entered into after the trading hours on 1 April 2011 among CASH, Cash Guardian (the Controlling Shareholder) and the Placing Agent.

Pursuant to the Agreement,:

- (i) the Placing Agent agreed, on a best-efforts basis, to procure the placing of the Placing Shares, being 100,000,000 existing Shares held by Cash Guardian, to Placees at the Placing Price of HK\$0.50 per Placing Share; and
- (ii) Cash Guardian agreed, subject to the Top Up Conditions, to subscribe for the Top Up Shares, being 100,000,000 new Shares at the Top Up Price of HK\$0.50 per Top Up Share.

The 100,000,000 Top Up Shares represents approximately 3.17% of the existing issued share capital of CASH as at the date of this announcement, and approximately 3.08% of the issued share capital of CASH as enlarged by the Top Up Shares.

The Placing is unconditional and will be completed within 3 Business Days from the date of the Agreement (ie on or before 7 April 2011), or any other date as Cash Guardian and the Placing Agent may mutually agree. The Top Up is conditional and will be completed within 2 Business Days from the fulfilment of the Top Up Conditions, or any other date as CASH and Cash Guardian may mutually agree and in any event within 14 days after the date of the Agreement. The Top Up Shares will be issued under the general mandate granted by the Shareholders to the CASH Board on 24 September 2010.

Application will be made by Cash Guardian to the Executive for a waiver from the general offer obligation that may otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Placing and the Top Up.

Application will be made by CASH to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Top Up Shares to be issued.

CFSG

The Placing Agent is a wholly-owned subsidiary of CFSG (an associated company of CASH). 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 and the CFSG Board announce that the Agreement was entered into after the trading hours on 1 April 2011. The principal terms of the Agreement are set out below.

THE AGREEMENT

Pursuant to the Agreement:

- (a) the Placing Agent agreed, on a best effort basis, to procure the Placing, being the placing of the Placing Shares to Placees at the Placing Price; and
- (b) Cash Guardian agreed for the Top Up, being the subscription for the Top Up Shares at the Top Up Price.

The Placing

- Seller:** Cash Guardian, the Controlling Shareholder of CASH
- 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:** 100,000,000 existing Shares held by Cash Guardian.
- Placing Price:** HK\$0.50 per Placing Share.

The Placing Price for the Placing Shares represents:

- a discount of approximately 10.7% to the closing price of HK\$0.560 per Share as quoted on the Stock Exchange on the Trading Day;
- a discount of approximately 12.6% to the average of the closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days ended on the Trading Day, being approximately HK\$0.572 per Share;
- a discount of approximately 13.8% to the average of the closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days ended on the Trading Day, being approximately HK\$0.580 per Share; and
- a premium of 199.4% over the audited net asset value of HK\$0.167 per Share, based on the audited net asset value attributable to the Shareholders of the CASH Group as at 31 December 2010.

The Placing Price for the Placing Shares was 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.

The Placing Conditions: The Placing is unconditional.

Completion: Within 3 Business Days after the date of the Agreement (ie on or before 7 April 2011), or any other date as Cash Guardian and the Placing Agent may mutually agree and in any event within 14 days after the date of the Agreement.

Placing commission: 3% 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\$1,500,000.

The Top Up

Issuer: Celestial Asia Securities Holdings Limited

Subscriber: Cash Guardian

Top Up Shares: The same number of shares of the Placing Shares, being 100,000,000 new Shares.

Top Up Price: HK\$0.5 per Top Up Share, which is same as the Placing Price. The Top Up Price represents:

- a discount of approximately 10.7% to the closing price of HK\$0.560 per Share as quoted on the Stock Exchange on the Trading Day;
- a discount of approximately 12.6% to the average of the closing prices as quoted on the Stock Exchange for the last 5 consecutive trading days ended on the Trading Day, being approximately HK\$0.572 per Share;
- a discount of approximately 13.8% to the average of the closing prices as quoted on the Stock Exchange for the last 10 consecutive trading days ended on the Trading Day, being approximately HK\$0.580 per Share; and
- a premium of 199.4% over the audited net asset value of HK\$0.167 per Share, based on the audited net asset value attributable to the Shareholders of the CASH Group as at 31 December 2010.

The Top Up Price is the same as the Placing Price which was determined after arm's length negotiation among CASH, Cash Guardian and the Placing Agent with reference to the recent market Share prices under the prevailing market conditions. The Board is of the view that the Top Up Price is fair and reasonable to CASH and the Shareholders as a whole.

Proceeds: The gross and net proceeds of the Top Up will be HK\$50 million and around HK\$48.5 million respectively, representing a net Top Up Price of approximately HK\$0.48 per Top Up Share.

Ranking of the Top Up Shares: The To Up 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 Top Up Shares: The Top Up 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 559,212,350 Shares. As at the date of this announcement, a total of 95,801,569 new Shares will be utilized and issued under the general mandate upon completion of the formal sale and purchase agreement dated 11 January 2011 and the equity transfer agreement dated 12 February 2011 (as announced by the Company on 11 January 2011 and 12 February 2011 respectively). Further after the issue of the Top Up Shares, there will remain 363,410,781 Shares available to be issued under the general mandate.

Top Up Conditions: The Top Up is conditional upon:

- (a) the Listing Committee of the Stock Exchange having granted listing of and permission to deal in the Top Up Shares;
- (b) the completion of the Placing;
- (c) the Executive having granted a waiver (“Waiver”) from the obligation to make a general offer under Rule 26 of the Takeovers Code to make a general offer by Cash Guardian as a result of the Top Up; and
- (d) any other requirement under the Listing Rules and the Takeovers Code.

None of the above Top Up Conditions are waivable (in particular, the granting of the Waiver by the Executive under Note 6 on dispensations from Rule 26 cannot be waived by Cash Guardian).

Completion: Within 2 Business Days from the fulfilment of the Top Up Conditions, or any other date as CASH and Cash Guardian may mutually agree and in any event within 14 days after the date of the Agreement.

SHAREHOLDING STRUCTURE OF CASH

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 Placing and the issue of the Top Up Shares are as follows:

	As at the date of this announcement		After completion of the Placing		After completion of the Placing and the Top Up	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Cash Guardian	1,022,638,955	32.45	922,638,955	29.28	1,022,638,955	31.45
Mr Kwan Pak Hoo Bankee	3,600,000	0.11	3,600,000	0.11	3,600,000	0.11
Cash Guardian and parties acting in concert with it	1,026,238,955	32.56	926,238,955	29.39	1,026,238,955	31.56
Other directors of CASH	111,153,920	3.53	111,153,920	3.53	111,153,920	3.42
Public Shareholders (including the Placees) (<i>Note</i>)	2,014,029,710	63.91	2,114,029,710	67.08	2,114,029,710	65.02
Total	3,151,422,585	100.00	3,151,422,585	100.00	3,251,422,585	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.

IMPLICATIONS UNDER THE TAKEOVERS CODE WITH RESPECT TO THE PLACING AND THE TOP UP AND APPLICATION FOR WAIVER

As there will be changes in the aggregate percentage shareholdings in respect of Cash Guardian and parties acting in concert with it from 32.56% to 29.39% after the Placing and from 29.39% to 31.56% after the Top Up (namely an increase from below 30% to 30% or more), Cash Guardian and parties acting in concert with it would be obliged to make a general offer for all the other issued Shares other those owned by Cash Guardian and parties acting in concert with it under Rule 26.1 of the Takeovers Code. Application for a waiver from the obligation to make a general offer under Rule 26 of the Takeovers Code will be made by Cash Guardian to the Executive pursuant to Note 6 on dispensation from Rule 26 of the Takeovers Code.

REASONS OF THE PLACING AND THE TOP UP AND USE OF PROCEEDS

The current principal activities of the CASH Group consist of (a) provision of mobile internet (to include content, operations and distribution activities) services and online game (sales of online game auxiliary products and licensing) services through the brand name “Moli”; (b) 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; (c) sales of furniture and household items and electrical appliances through the brand name “Pricerite”; 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 and the Top Up to broaden its shareholder base, strengthen the capital base and to enhance its financial position and net assets base for long-term development and growth. Further to the recent acquisition of a controlling stake in Yole from Injoy and JV with Oberon Media, CASH was approached with further exciting opportunities to develop the integrated end-to-end mobile internet platform in China, with some independent investors and potential business partners share CASH's vision to take the first-mover advantage.

The CASH Board considers that there are ample opportunities for further growth and market penetration of its businesses in the PRC, especially for Moli's proven record in online game business to develop into an integrated end-to-end mobile internet business to capture all value chain activities including contents, online games, casual mobile games, social networking, and others like e-commerce. China is already the largest mobile subscriber market with over 800 million users, and more than one third of them are already using mobile internet service in 2010. The trend is on the rise according to the China Internet Network Information Center (CNNIC). As China is still having a low penetration rate of smartphones but an increasing 3G capabilities, together with the Chinese government's favourable three-network convergence policy, the CASH Board expects China to be a powerful engine driving the growth of the global internet market. Through building on Moli's proven record in online games development and operations, CASH will further thrive on the unique value proposition within the China market as an internationally managed company with access rights to China's lucrative online game and mobile internet markets and an integrated platform with a full value chain to cover upstream (content), midstream (operations) and downstream (distribution channels) activities.

The net proceeds from the Placing and the Top Up of around HK\$48.5 million shall be used for general working capital of the CASH Group, including the development of Moli's online game business and its newly developed cross-platform mobile internet business in the PRC. The CASH Board considers that the terms of the Agreement are fair and reasonable, and the entering into of the 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 CASH Group	Used 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 (as associated company of CASH). CFSG is owned as to 41.55% 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 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 3% 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 3% 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\$1,500,000 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 100,000,000 Top Up Shares represents approximately 3.17% of the existing issued share capital of CASH as at the date of this announcement, and approximately 3.08% of the issued share capital of CASH as enlarged by the Top Up Shares.

The Placing is unconditional and will be completed within 3 Business Days from the date of the Agreement (ie on or before 7 April 2011), or any other date as Cash Guardian and the Placing Agent may mutually agree. The Top Up is conditional and will be completed within 2 Business Days from the fulfilment of the Top Up Conditions, or any other date as CASH and Cash Guardian may mutually agree and in any event within 14 days after the date of the Agreement. The Top Up Shares will be issued under the general mandate granted by the Shareholders to the CASH Board on 24 September 2010.

Application will be made by Cash Guardian to the Executive for a waiver from the general offer obligation that may otherwise arise under Rule 26.1 of the Takeovers Code as a result of the Placing and the Top Up.

Application will be made by CASH to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Top Up Shares to be issued.

The Placing Agent is a wholly-owned subsidiary of CFSG (an associated company of CASH). 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

“acting in concert”	has the same meaning ascribed in the Takeovers Code
“associates”	has the same meaning ascribed in the Listing Rules
“Agreement”	the placing and top up agreement dated 1 April 2011 entered into among CASH, Cash Guardian and the Placing Agent after the trading hours on 1 April 2011 in relation to the Placing and the Top Up
“Business Day”	a business day is a day on which the Stock Exchange is open for the transaction of business
“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, its subsidiaries and associated companies
“Cash Guardian” or “Controlling Shareholder”	Cash Guardian Limited, is currently holding 1,022,638,955 Shares, representing about 32.45% of the existing issued share capital of CASH. Cash Guardian is a controlling shareholder of CASH, and a company controlled by Mr Kwan Pak Hoo Bankee (the Chairman and CEO of CASH)
“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 41.55% equity interests by CASH and is an associated company of CASH
“CFSG Board”	the board of directors of CFSG
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“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 and not being party acting in concert (as defined under the Takeovers Code) with the Placing Agent and Cash Guardian and parties acting in concert with them

“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 Agreement, which are all Independent Third Parties
“Placing”	the placing of the Placing Shares at the Placing Price pursuant to the 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 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 Agreement” in this announcement
“Placing Price”	HK\$0.50 per Placing Share
“Placing Share(s)”	100,000,000 new Shares, with aggregate nominal value of HK\$1,000,000 to be placed under the Agreement
“SFC”	the Securities and Futures Commission
“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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Top Up”	the subscription of the Top Up Shares at the Top Up Price pursuant to the Agreement
“Top Up Conditions”	the conditions of the Top Up as set out in the item of “The Top Up Conditions” under the sub-section of “The Top Up” under the section of “Agreement” in this announcement
“Top Up Price”	HK\$0.50 per Top Up Share, being the same as the Placing Price
“Top Up Share(s)”	100,000,000 new Shares (being the same number of Placing Shares) with aggregate nominal value of HK\$1,000,000 to be subscribed by Cash Guardian under the Top Up

“Trading Day” 1 April 2011, being the trading day for the Shares on the date of the Agreement

“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, 1 April 2011

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

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