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

SHARE TRANSACTION

INVOLVING

**(1) FORMATION OF JOINT VENTURE
WITH UNITED STATES BASED OBERON MEDIA
OVER OBERON INFORMATION
FOR GAMES AND CONTENTS DISTRIBUTION
IN CHINA**

AND

(2) DEEMED DISPOSAL

The Joint Venture and purpose

The Board is pleased to announce that on 12 February 2011, the Purchaser and the Vendor entered into the Agreement relating to the formation of the Joint Venture. The Joint Venture, upon establishment, would be owned as to 89.7% by the Group, and as to 10.3% by Oberon Media. Oberon Media is a member of the United States based Oberon Media Group, which has one of the largest casual game audience and global source of multiple platform casual game and game community solutions. The Joint Venture is formed for the purpose of establishing a world-class platform for games and contents distribution in China.

The Consideration for establishing the Joint Venture

The Joint Venture is established through (1) the Acquisition and (2) the Deemed Disposal, as detailed below. In summary, Oberon Media has agreed to sell and Moli Mobile, a wholly-owned subsidiary of Moli Mobile Digital, which is, as at the date of this announcement, wholly-owned by the Company, has agreed to purchase the Equity Interest, being the entire registered capital of Oberon Information. The Consideration is set at US\$10,000,000 (equivalent to HK\$77,800,000). The Consideration will be settled as to (a) US\$7,000,000 (equivalent to HK\$54,460,000) by the issue of the Moli Consideration Shares at the Moli Issue Price of US\$6,796 (equivalent to HK\$52,872) per share and (b) US\$3,000,000 (equivalent to HK\$23,340,000) by the issue of the CASH Consideration Shares at the CASH Issue Price of HK\$0.724 per Consideration Share. Following Completion, Oberon Information will be owned as to 89.7% by the Group and as to 10.3% by Oberon Media.

Oberon Media/Oberon Information

Oberon Media is a member of the Oberon Media Group which has set an industry standard on games and related contents with its game solutions being adopted by some of the world's innovative corporations including Microsoft, AT&T, Electronic Arts, Orange France and Yahoo!. Oberon Media Group's platform combines casual and social game contents, merchandizing and features to fulfill each partner's specific needs (<http://corp.oberon-media.com/about.asp>). Oberon Media, as a member of the Oberon Media Group, was itself founded in 2003 and headquartered in New York City. It focuses on development, publishing and distribution of casual games across multiple platforms, with offices in North America, Europe and Asia. According to Oberon Media, it is backed by the likes of Goldman Sachs, Morgan Stanley and Oak Investment Partners and has 480 employees, over 100 strong distribution partners, 350 studio partnerships around the world with a catalogue of over 1,200 games. Oberon Media established Oberon Information in China in June 2009. Oberon Information is principally engaged in development, distribution and marketing of online mobile games in China as a licensed distributor. It also provides research and development of hardware and software technology systems and services related to technical transfers, consultation and support, as well as other relevant services.

Benefits to the Group

The Group is a services developer. It currently focuses on developing internet and mobile related services in China. Accordingly, the Group also focuses on expanding the Moli Group (meaning magical power) based out of Shanghai for online games as well as other internet and mobile activities, as the opportunities arise. In relation to the Moli Group, the Group has spent the last six years on developing the Moli Group into an online games platform in China. The Moli Group now has approximately 300 dedicated employees and a number of award winning online games with a database of some 40 million subscribers. The Directors thus believe that the Joint Venture will benefit the Moli Group by (1) establishing a world-class platform for games and contents distribution in China for its own subscribers and (2) for expanding the Moli Group into other value chain activities and product services. In addition, (3) the Group and the Moli Group will also acquire the talent of the key employees of Oberon Information and enhance its talent pool for its strategic development of internet and mobile related services. The Group and the Moli Group will also (4) enhance their reputations and branding in the international arena with the Joint Venture with Oberon Media. As such, the Board considers that the terms of the Joint Venture are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

Implication under the Listing Rules

As the relevant percentage ratios of the higher of the Acquisition and the Deemed Disposal is less than 5% of the applicable percentage ratios under the Listing Rules and the transactions involve issue of CASH Consideration Shares for satisfying part of the Consideration, the Agreement constitutes a share transaction for the Company under the Listing Rules.

The Agreement

Date: 12 February 2011

Parties

Purchaser: Moli Mobile Limited, a wholly-owned subsidiary of the Company.

Vendor: Oberon Media Asia Pacific Pte. Ltd., a company engaged in development, publishing and distribution of casual games across multiple platforms, which is the beneficial and registered owner of the Equity Interest as at the date of the Agreement.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

Assets to be acquired: the Equity Interest, being the entire registered capital of Oberon Information which is directly held by and beneficially owned by the Vendor as at the date of the Agreement.

Consideration: US\$10,000,000 (equivalent to HK\$77,800,000).

The Consideration will be satisfied as follows:-

- (i) as to US\$7,000,000 (equivalent to HK\$54,460,000) by the Purchaser procuring Moli Mobile Digital to allot and issue to the Vendor the Moli Consideration Shares at the Moli Issue Price of US\$6,796 (equivalent to HK\$52,872) per share which was determined by the Parties in accordance with the business operation, development potential and prospects of business of the Moli Group; and
- (ii) as to US\$3,000,000 (equivalent to HK\$23,340,000) by the Company allotting and issuing to the Vendor the CASH Consideration Shares.

According to the terms of the Agreement, the CASH Issue Price was fixed at HK\$0.724, and a total of 32,237,569 CASH Consideration Shares will be issued to satisfy part of the Consideration.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser based on the business operation, future prospects and development potential of Oberon Information and the synergy effect for the Joint Venture for establishing, through the Moli Group, a world-class platform for games and contents distribution in China. The Moli Issue Price was agreed between the Vendor and the Purchaser after arm's length negotiation, taking into consideration of the business operation, development potential and prospects of business of the Moli Group. As the Moli Group has a negative consolidated net asset value, the Moli Issue Price represents a substantial premium over the audited consolidated net asset value per Moli Share as at 31 December 2009. The CASH Issue Price was determined with reference to the respective prevailing market price of the Shares. The number of Shares to be issued as the CASH Consideration Shares was arrived at by dividing US\$3,000,000 (equivalent to HK\$23,340,000) by the CASH Issue Price, being the average closing price per Share as quoted by the Stock Exchange for the five consecutive trading days immediately prior to the date of the Agreement, and the resultant number is rounded down to the nearest integer. The CASH Issue Price:

- (i) is equal to the average closing price per Share as quoted by the Stock Exchange in the five consecutive trading days up to and including 11 February 2011, being the trading day immediately before the date of the Agreement; and
- (ii) represents a premium of approximately 6.8% over the average closing price per Share of approximately of HK\$0.678 per Share as quoted on the Stock Exchange in the ten consecutive trading days up to and including 11 February 2011, being the trading day immediately before the date of the Agreement.

The Directors are of the view that the terms of the Acquisition, including the Consideration, the Moli Issue Price and the CASH Issue Price are fair and reasonable.

**CASH Consideration
Shares and Moli
Consideration
Shares**

The CASH Consideration Shares represent approximately 1.04% of the issued share capital of the Company as at the date of this announcement, and approximately 1.03% of the issued share capital of the Company as enlarged by the issue of the CASH Consideration Shares.

The CASH Consideration Shares will be issued under the general mandate granted by the Shareholders to the Board on 24 September 2010 allowing the Board to issue a maximum of 20% of the issued Shares on the date of passing the resolution, being 559,212,350 Shares. As at the date of this announcement, 63,564,000 new Shares will be utilized and issued under the general mandate upon completion of the formal sale and purchase agreement dated 11 January 2011 (as announced by the Company on 11 January 2011), and a total number of 495,648,350 new Shares remains available to be issued under the general mandate. After the issue of the CASH Consideration Shares, there will remain 463,410,781 Shares available to be issued under the general mandate.

The Moli Consideration Shares represent approximately 10.3% of the issued share capital of Moli Mobile Digital as enlarged by the issue of the Moli Consideration Shares.

The Moli Consideration Shares and the CASH Consideration Shares will be allotted and issued as fully paid to the Vendor at Completion, and will rank pari passu in all respects with the then respective existing shares in issue as at the date of allotment. The Vendor will be entitled to receive all dividends and distributions, which are declared, made or paid after the allotment of the CASH Consideration Shares and the Moli Consideration Shares.

Lock-up undertaking:

Subject to the transfer of not more than 50% of the CASH Consideration Shares permitted in accordance with the terms of the Agreement, the Vendor unconditionally and irrevocably undertakes to the Purchaser that it will not, and will procure the permitted transferee(s) of the CASH Consideration Shares not to, without the prior written consent of the Purchaser:

- (a) offer, sell, contract to sell, pledge, charge, create security interest over, or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any CASH Consideration Shares;
- (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the CASH Consideration Shares;

- (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of the CASH Consideration Shares or other securities, in cash or otherwise; or
- (d) announce or otherwise make public an intention to do any of the foregoing;

for the period from and including the Completion Date and the 12 months thereafter.

Conditions precedent:

Completion is conditional upon satisfaction of the following conditions:-

- (a) Warranties: the warranties given by the Vendor under the Agreement remaining true and accurate in all respects and not misleading in any respect as of the Completion Date by reference to the facts and circumstances subsisting as at the Completion Date;
- (b) No prohibitive action: no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Agreement or which is reasonably likely to materially and adversely affect the right of the Purchaser to own the legal and beneficial title to the Equity Interest, free from encumbrances, following the Completion Date;
- (c) Approvals: the approval from the Ministry of Commerce of the PRC or its local counterpart in respect of the transfer of the Equity Interest to the Purchaser as contemplated in the Agreement and all necessary approvals and consents required to be obtained by Oberon Information from any governmental authority or other third party in respect of the Agreement and/or the transactions contemplated thereunder having been obtained unconditionally and irrevocably, or where such approval or consent is given subject to conditions, on such conditions as are acceptable to the Purchaser acting reasonably;

- (d) Licence Agreement: the Licence Agreement, which shall be amended in form and substance as approved by the Purchaser, remaining legal, valid and binding on the parties thereto and other than the amendment contemplated in the Agreement, no amendment, variation, or modification having been made thereto since the date of its signing;
- (e) Employment agreement: each of the key management of Oberon Information having executed and delivered to Oberon Information an employment agreement and a non-disclosure, non-competition, non-solicitation and inventions assignment agreement, both in form and substance satisfactory to the Purchaser;
- (f) Listing approval: the listing committee of the Stock Exchange granting the listing of, and permission to deal in, on the Stock Exchange, the CASH Consideration Shares;
- (g) The Vendor's board's approval: the approval by the board of directors of the Vendor and the transactions contemplated hereunder; and
- (h) Business intellectual property: all business intellectual property (other than the games in the game portfolio of Oberon Information) having been duly registered in the name of Oberon Information with and granted by (as appropriate) the relevant governmental or regulatory authorities in Hong Kong, China or elsewhere (if any) unless otherwise agreed by the Purchaser.

The Purchaser may at any time waive in whole or in part and conditionally or unconditionally any of the conditions set out in above (other than the conditions (f) and (g)) by notice in writing to the Vendor. The Purchaser does not have any current intention to waive any of the above conditions.

If the Conditions are not satisfied or waived on or before 31 March 2011 (or on such other date as may be agreed between the Parties in writing), the Agreement will automatically lapse, provided however that (a) the surviving provisions in the Agreement shall continue in force following the lapse of this Agreement; and (b) in circumstances where the Vendor has breached the provisions or other covenants in the Agreement to be performed or complied with by the Vendor prior to the Completion, the lapse of this Agreement will be without prejudice to the rights and liabilities of any party accrued prior to such lapse. In all other such circumstances, the Agreement will lapse without liability to any party thereunder.

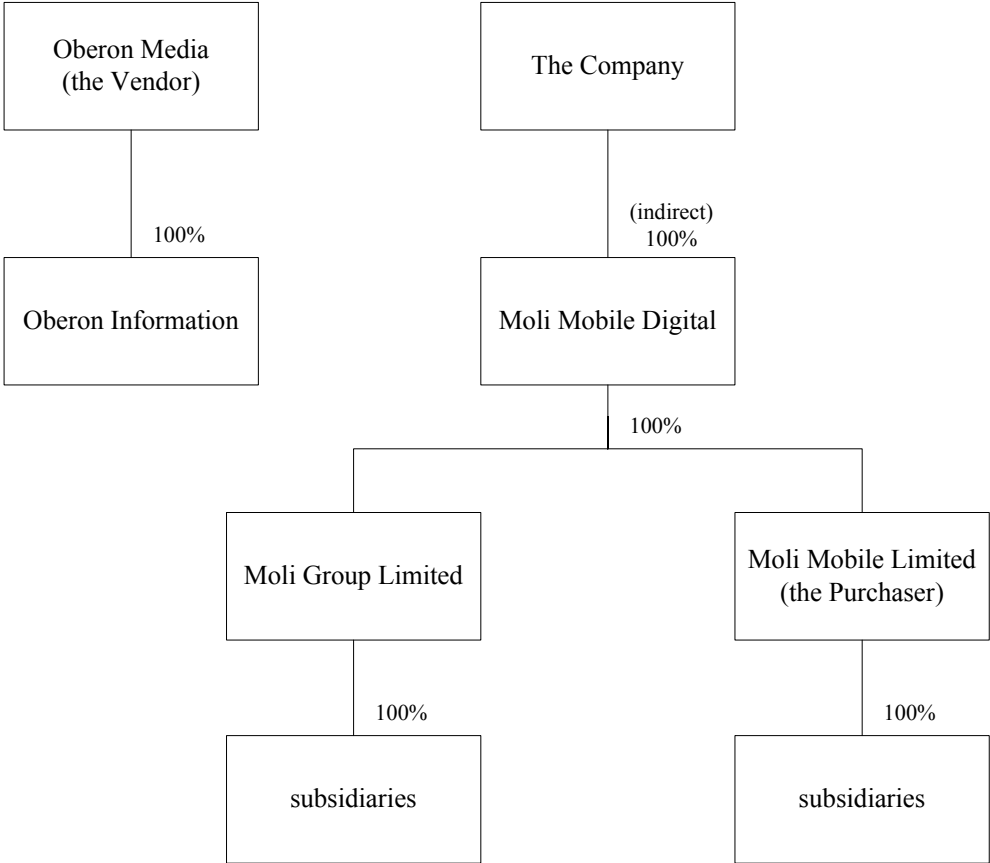
The Completion

Completion will take place on or before 31 March 2011 (or on such other date as may be agreed between the Parties in writing) after the conditions precedent in the Agreement have been fulfilled.

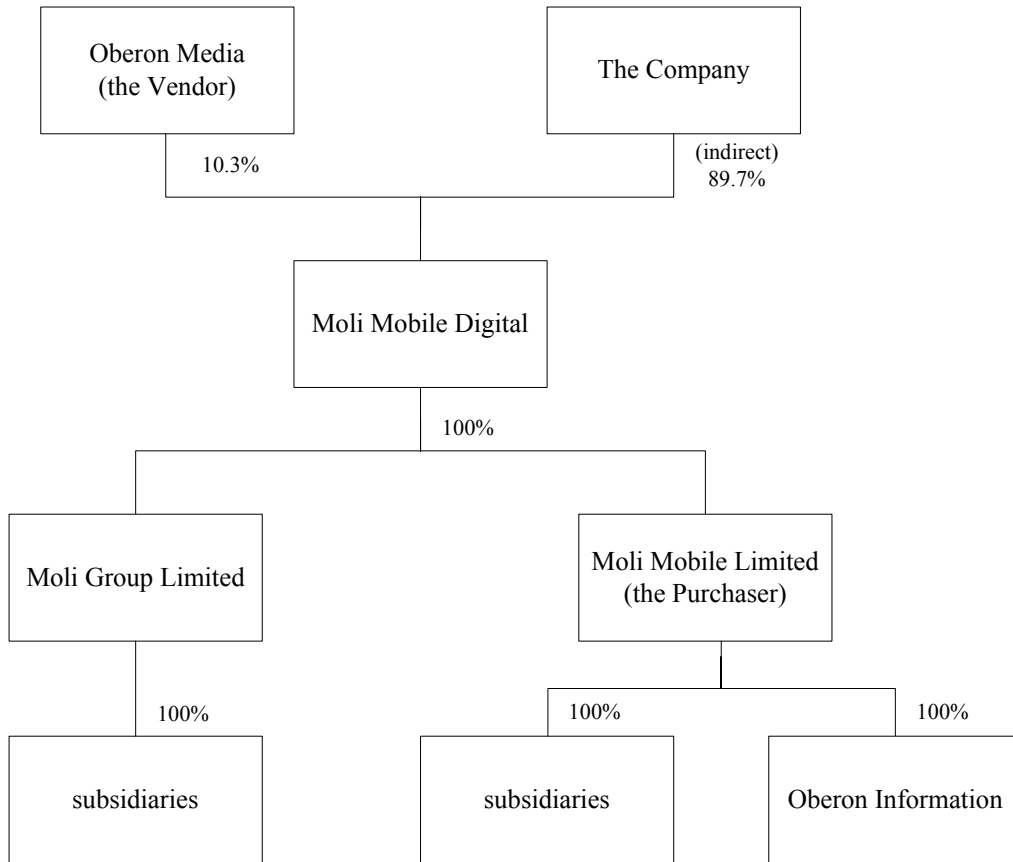
THE SHAREHOLDING STRUCTURE

The shareholding structure of the Group as at the date of this announcement and immediately after Completion are as follows:

As at the date of the Agreement:



Immediately after the Completion:



INFORMATION ABOUT THE GROUP

The Group is a services developer. It currently focuses on developing internet and mobile related services in China. Accordingly, the Group also focuses on expanding the Moli Group (meaning magical power) which is based out of Shanghai for online games as well as other internet and mobile activities, as the opportunities arise. In relation to the Moli Group, the Group has spent the last six years on developing the Moli Group as an online games platform in China. The Moli Group now has approximately 300 dedicated employees and a number of award winning online games with a database of some 40 million subscribers.

The Group’s abilities as a services developer is illustrated by the branding and management teams developed for its earlier services brands namely (1) CASH Financial Services Group Limited (stock code: 510) “CFSG” for delivering financial services in China including in relation to 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; and (b) “Pricerite” (being spun off from CFSG) for delivering retail and franchise services including for sales of furniture and household items and electrical appliances and franchise services in China. CFSG and Pricerite now have their own management teams and are no longer subsidiaries of the Group.

OBERON MEDIA / OBERON INFORMATION

Oberon Media is a member of the Oberon Media Group which has set an industry standard on games and related contents with its game solutions being adopted by some of the world's innovative corporations including Microsoft, AT&T, Electronic Arts, Orange France and Yahoo!. Oberon Media Group's platform combines casual and social game content, merchandizing and features to fulfill each partner's specific needs (<http://corp.oberon-media.com/about.asp>). Oberon Media, as a member of the Oberon Media Group, was itself founded in 2003 and headquartered in New York City. It focuses on development, publishing and distribution of casual games across multiple platforms, with offices in North America, Europe and Asia. According to Oberon Media, it is backed by the likes of Goldman Sachs, Morgan Stanley and Oak Investment Partners and has 480 employees, over 100 strong distribution partners, 350 studio partnerships around the world with a catalogue of over 1,200 games. Oberon Media established Oberon Information in China in June 2009. Oberon Information is principally engaged in development, distribution and marketing of online mobile games in China as a licensed distributor. It also provides research and development of hardware and software technology systems and services related to technical transfers, consultation and support, as well as other relevant services.

The audited consolidated net losses (before and after taxation) of Oberon Information for the year ended 31 December 2009 was both approximately US\$223,512 (equivalent to approximately HK\$1,738,923). The audited net asset value of Oberon Information as at 31 December 2009 was approximately US\$377,467 (equivalent to approximately HK\$2,936,693).

FINANCIAL INFORMATION ON THE MOLI GROUP AND EFFECT OF THE ACQUISITION AND THE DEEMED DISPOSAL

The audited consolidated net losses before and after taxation of the Moli Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2008 were both approximately HK\$107,010,000, and the audited consolidated net losses before and after taxation of the Moli Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2009 were both approximately about HK\$28,274,000. The audited consolidated net asset value of the Moli Group as at 31 December 2008 and 31 December 2009 was approximately HK\$77.7 million in deficit and HK\$105.9 million in deficit respectively.

Upon Completion, Oberon Information will be indirectly owned as to 89.7% by the Company and will become a subsidiary of the Group, and the Group's equity interests in Moli Mobile Digital will be diluted from 100% to 89.7%. Moli Mobile Digital will continue to be a subsidiary of the Group upon Completion.

The Deemed Disposal is expected to accrue to the Company a gain of approximately HK\$5,000,000 calculated by reference to the audited net asset value of the Moli Group of deficit of approximately HK\$105.9 million in the accounts of the Moli Group as at 31 December 2009.

BENEFITS OF THE AGREEMENT

The Directors believe that the Joint Venture will benefit the Moli Group by (1) establishing a world-class platform for games and contents distribution in China for its own subscribers and (2) for expanding the Moli Group into other value chain activities and product services. In addition, the Group and Moli Group will also (3) acquire the talent of the key employees of Oberon Information and enhance its talent pool for its strategic development of internet and mobile related services. The Group and the Moli Group will also (4) enhance their reputations and branding in the international arena with the Joint Venture with Oberon Media. As such, the Board considers that the terms of the Joint Venture are fair and reasonable and the entering into of the Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Upon Completion, Moli Mobile Digital would be owned as to 89.7% by the Group, and as to 10.3% by Oberon Media. The Group will acquire the entire equity interest in Oberon Information through its 89.7% equity interest in Moli Mobile Digital, and the Group's interest in the Moli Group will be diluted from existing 100% to 89.7% upon issue and allotment of the Moli Consideration Shares to the Vendor.

As the relevant percentage ratios of the higher of the Acquisition and the Deemed Disposal is less than 5% of the applicable percentage ratios under the Listing Rules and the transactions involve issue of the CASH Consideration Shares for satisfying part of the Consideration, the Agreement constitutes a share transaction for the Company under the Listing Rules.

GENERAL

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the CASH Consideration Shares.

The CASH Consideration Shares represent approximately 1.04% of the existing issued share capital of the Company as at the date of this announcement, and approximately 1.03% of the issued share capital of the Company as enlarged by the issue of the CASH Consideration Shares. The CASH Consideration Shares will be issued under the general mandate granted by the Shareholders to the Board on 24 September 2010.

The Moli Consideration Shares represent approximately 10.3% of the issued share capital of Moli Mobile Digital as enlarged by the issue of the Moli Consideration Shares.

DEFINITIONS

“Acquisition”	acquisition of the Equity Interest from the Vendor by the Purchaser at the Consideration under the Agreement
“Agreement”	an equity transfer agreement dated 12 February 2011 entered into between Moli Mobile and the Vendor in relation to the Acquisition and the Deemed Disposal

“Board”	the board of Directors
“Business Day(s)”	a day on which commercial banks are opened for business in HK or China (excluding Saturdays, Sundays, public holidays and any weekday on which typhoon signal no.8 or higher is hoisted or a black rain storm warning is given in HK at any tie during 9:00 am to 5:00 pm)
“CASH Consideration Shares”	32,237,569 new Shares to be allotted and issued by the Company to the Vendor at the CASH Issue Price on the Completion Date
“CASH Issue Price”	HK\$0.724 per CASH Consideration Share which is determined in accordance with the average of the quoted closing prices of the Shares for the five consecutive trading days preceding the date of the Agreement
“China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of China and Taiwan
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Agreement
“Completion Date”	on or before 31 March 2011 (or on such other date as may be agreed between the Parties in Writing), being the date on which the Completion occurs
“Consideration”	a sum of US\$10,000,000 (equivalent to HK\$77,800,000), being the consideration for the sale and purchase of the Equity Interest
“Deemed Disposal”	the allotment and issue of the Moli Consideration Shares, representing 10.3% (as enlarged) of the issued share capital of Moli Mobile Digital to the Vendor to settle part of the Consideration under the Agreement, resulting in dilution of equity interest by the Group in the Moli Group from 100% to 89.7% upon Completion
“Director(s)”	director(s) of the Company
“Equity Interest”	the entire registered capital of Oberon Information
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of China

“Joint Venture”	the joint venture over Oberon Information established through Moli Mobile Digital between the Group and Oberon Media through the Acquisition and the Deemed Disposal
“Licence Agreement”	the licence agreement dated 3 November 2010 entered into between Oberon Media Group and Oberon Information relating to provision of licence of rights of certain games portfolio by Oberon Media Group to Oberon Information in China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Moli Consideration Shares”	1,030 Moli Shares to be allotted and issued by Moli Mobile Digital to the Vendor at the Moli Issue Price on the Completion Date. The Moli Consideration Shares represent approximately 10.3% of the issued share capital of Moli Mobile Digital as enlarged by the Moli Consideration Shares
“Moli Group”	Moli Mobile Digital and its subsidiaries, including the Moli Group Limited and Moli Mobile Limited, which are engaged in online game businesses
“Moli Group Limited”	Moli Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company
“Moli Issue Price”	US\$6,796 (equivalent to HK\$52,872) per Moli Share which is determined by the Parties in accordance with the business operation, development potential and prospects of business of the Moli Group
“Moli Mobile Digital”	Moli Mobile Digital Entertainment Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, and is currently a wholly-owned subsidiary of the Company. It will be the joint venture company with Oberon Media for building up the Moli Group as a world-class platform for games and contents distribution in China
“Moli Share(s)”	ordinary share(s) of US\$1.00 (equivalent to HK\$7.78) each in the share capital of Moil Mobile Digital
“Oberon Information”	Oberon Information Technology (Suzhou) Co. Ltd., a wholly foreign owned company established in China, and is directly held and beneficially owned by the Vendor as of the date of the Agreement

“Oberon Media Group”	the Vendor and its subsidiaries, including the Oberon Information. The Oberon Media Group is engaged in development, publishing and distribution of casual games across multiple platforms, and provision of casual games platforms and casual games community solutions services
“Parties”	the parties to the Agreement
“Purchaser” or “Moli Mobile”	Moli Mobile Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Oberon Media”	Oberon Media Asia Pacific Pte. Ltd., a company incorporated in Singapore with limited liability, which is the beneficial and registered owner of the Equity Interest as of the date of the Agreement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollars, the currency of the United States

Unless otherwise specified in this announcement, amounts denominated in US\$ have been translated, for illustration only, into HK\$ at exchange rate of US\$1.00=HK\$7.78.

On behalf of the Board
Bankee P Kwan
Chairman & CEO

Hong Kong, 12 February 2011

As at the date hereof, the board of directors of the Company 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