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NET2GATHER (CHINA) HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

PROPOSED CHANGE OF NAME

AND

SHARE CONSOLIDATION

The Change of Name

The Board proposes to change the English name of the Company from “Net2Gather (China) Holdings Limited” to “Celestial Asia Securities Holdings Limited” and to adopt the Chinese name “時富投資集團有限公司” for identification purposes only to replace the existing name of the Company.

The Share Consolidation

The Board also proposes to effect the Share Consolidation to consolidate 10 issued and unissued Shares of HK\$0.01 each into 1 Consolidated Share of HK\$0.10.

General

The Change of Name and the Share Consolidation are required to be approved by the Shareholders at the SGM. A circular containing, among other things, details regarding the Change of Name and the Share Consolidation, together with a notice convening the SGM, will be despatched to the Shareholders on or before 12 September 2012.

THE CHANGE OF NAME

The Board proposes to change the English name of the Company from “Net2Gather (China) Holdings Limited” to “Celestial Asia Securities Holdings Limited” and to adopt the Chinese name “時富投資集團有限公司” for identification purposes only to replace the existing name of the Company.

Conditions of the Change of Name

The Change of Name will be subject to the following conditions:

1. the passing of a special resolution by the Shareholders approving the Change of Name at the SGM; and
2. the approval of the Registrar of Companies in Bermuda having been obtained for the use of the proposed new English name by the Company.

The relevant filings with the Registrar of Companies in Bermuda will be made after the passing of the special resolution at the SGM.

Subject to satisfaction of the conditions set out above, the Change of Name will take effect from the date on which the Registrar of Companies in Bermuda enters the new English name on the register in place of the existing English name and Chinese secondary name of the Company. Thereafter, the Company will carry out any necessary filing procedures with the Companies Registry in Hong Kong.

Reasons for the Change of Name

The Group is an investment conglomerate with key operation engaged by its subsidiaries and associates in mobile internet, financial services and retail management businesses. The Group remains committed to developing its mobile internet business in the PRC and is actively seeking other business opportunities amid the change in market and economic situation. The new name will better reflect the existing businesses of the Group.

In addition, the brand name of “Celestial Asia Securities Holdings Limited” established since 1998 is more well-known and recognized by the investors and our business partners. The adoption of new name will improve our corporate image and is beneficial to marketing promotion for our businesses, which is essential to the future development and expansion of the Group. The Board considers that the Change of Name is in the interests of the Company and the Shareholders as a whole.

Effects of the Change of Name

The Change of Name, once approved and after becoming effective, will not in any way affect any of the rights of any Shareholders. All existing share certificates of the Company in issue bearing the present name of the Company will, even after the Change of Name has become effective, continue to be effective as documents of title to the shares of the Company and will be valid for trading, settlement and registration purposes. Shareholders may exchange certificates bearing the new name of the Company free of charge from 8 October 2012 to 14 November 2012 (both days inclusive) by submitting their existing share certificates to the our branch share registrar in Hong Kong. Once the Change of Name becomes effective, all new share certificates of the Company will be issued in the new name of the Company thereafter and the English and Chinese stock short names of the Company will also be changed.

The Company will make further announcement(s) to inform the Shareholders of the effective date of the Change of Name and the trading arrangement in respect of the stock short names.

THE SHARE CONSOLIDATION

The Board also proposes to put to the Shareholders proposals to effect the Share Consolidation at the terms set out hereinafter.

The Existing Share Capital

Authorised share capital : HK\$300,000,000 divided into 30,000,000,000 Shares

Number of Shares in issue : 3,694,318,577 Shares

Issued share capital : HK\$36,943,185.77

Board lot size : 6,000 units of the Shares

Terms of the Share Consolidation

Basis : To consolidate the issued and unissued ordinary share capital of the Company on the basis of every 10 Shares into 1 Consolidated Share

Fractional Consolidated Share(s) : Fractional Consolidated Share(s) resulted from the Share Consolidation will not be issued but will be aggregated and, if possible, sold and retained for the benefit of the Company

Board lot size

The current board lot size for trading in the Shares on the Stock Exchange is 6,000 Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain at 6,000 Consolidated Shares.

Reasons for the Share Consolidation

The Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. As such, the transaction and handling costs of the Company in relation to the dealing in the Consolidated Shares are expected to be reduced, which will be beneficial to the Company. Moreover, as the market value of each board lot upon the Share Consolidation becoming effective will be higher than the market value of each existing board lot, the transaction cost as a proportion of the market value of each board lot will be lowered. It is expected that the liquidity in trading of the Shares will increase accordingly and the market value of the Shares will more precisely reflect the intrinsic value of the Company. The Board therefore believes that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole.

Conditions for the Share Consolidation

The Share Consolidation is conditional upon, among other things:

1. the passing of an ordinary resolution by the Shareholders approving the Share Consolidation at the SGM; and
2. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective.

Subject to all conditions being fulfilled, the Share Consolidation will take effect.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company amounts to HK\$300,000,000 divided into 30,000,000,000 Shares, of which 3,694,318,577 Shares have been allotted and issued as fully paid or credited as fully paid. Assuming the Share Consolidation becoming effective and on the basis that the Company does not allot and issue any further Shares prior thereto, the authorised share capital of the Company will remain at HK\$300,000,000 but will be divided into 3,000,000,000 Consolidated Shares, of which 369,431,857 whole Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank pari passu in all respects with each other. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Adjustment to exercise price and terms of share options

Subject to the Share Consolidation taking effect, the exercise price of and the number of Consolidated Shares entitled under each share option granted to the grantees of the Group will be adjusted in accordance with the share option scheme(s) of the Company, Rule 17.03(13) of the Listing Rules and the relevant supplementary guidance issued by the Stock Exchange dated 5 September 2005. The adjustments to the share options and the timetable thereof are subject to certification by an independent financial adviser of the Company and will be disclosed in the Circular.

EXPECTED TIMETABLE FOR THE SHARE CONSOLIDATION

2012

Circular in relation to the Share Consolidation and the Change of Name to be dispatched on or before	Wednesday, 12 September
Latest time for lodging forms of proxy for the SGM	9:30 am on Wednesday, 3 October
The SGM	9:30 am on Friday, 5 October
Effective date for the Share Consolidation	Monday, 8 October
Dealings in the Consolidated Shares commence	9:00 am on Monday, 8 October
Original counter for trading in board lots of 6,000 Shares temporarily closes	9:00 am on Monday, 8 October
Temporary counter for trading in board lots of 600 Consolidated Shares (in the form of the Old Share Certificates) opens	9:00 am on Monday, 8 October
First day for free exchange of the Old Share Certificates for the New Share Certificates	Monday, 8 October
Original counter for trading in board lot of 6,000 Consolidated Shares (in the form of the New Share Certificates) re-opens	9:00 am on Monday, 22 October
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 am on Monday, 22 October
Parallel trading in the Consolidated Shares (in the form of the New Share Certificates and the Old Share Certificates) commences	9:00 am on Monday, 22 October
Parallel trading in the Consolidated Shares (in the form of the New Share Certificates and the Old Share Certificates) ends	4:00 pm on Monday, 12 November
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 pm on Monday, 12 November
Temporary counter for trading in board lot of 600 Consolidated Shares (in the form of the Old Share Certificates) closes	4:00 pm on Monday, 12 November
Latest date for free exchange of the Old Share Certificates for the New Share Certificates	Wednesday, 14 November

Further announcement will be made if there are any changes to the above timetable. All time references in this announcement refer to Hong Kong time.

Dealings in the Consolidated Shares and the share certificates

In view of the Consolidated Shares to be created upon the Share Consolidation taking effect, (i) a temporary counter at the Stock Exchange will be arranged to deal in the Consolidated Shares in board lot size of 600 Consolidated Shares before the Consolidated Shares are dealt with in the board lot size of 6,000 Consolidated Shares, and (ii) exchange for new share certificates for Consolidated Shares free of charge for a period from 8 October 2012 to 14 November 2012 will be arranged.

Application will be made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Consolidated Shares.

Odd lot arrangement

The Company will procure Celestial Securities Limited, an associated company of the Company, to arrange for the purchase or disposal of the odd lots of the Consolidated Shares at the prevailing market prices during the period from 22 October 2012 to 12 November 2012 from or to Shareholders who hold odd lots of the Consolidated Shares. Details of the odd lot share arrangement will be disclosed in the Circular.

GENERAL

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DEFINITIONS

“Board”	the board of directors of the Company
“Business Day”	any day (other than Saturday or Sunday) on which banks in Hong Kong are open for business during their normal business hours
“Change of Name”	proposed change of the English name of the Company to “Celestial Asia Securities Holdings Limited” and to adopt the Chinese name “時富投資集團有限公司” for identification purposes only
“Circular”	the circular containing, inter alia, details of the Change of Name and the Share Consolidation, together with the notice of the SGM
“Company”	Net2Gather (China) Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company after the Share Consolidation
“Group”	the Company and its subsidiaries
“New Share Certificates”	new certificates of the Consolidated Shares
“Old Share Certificates”	certificates of the Shares
“SGM”	the special general meeting of the Company to be convened to approve the Change of name and the Share Consolidation

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company before the Share Consolidation
“Share Consolidation”	the proposed share consolidation of every 10 Shares into 1 Consolidated Share
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 5 September 2012

As at the date hereof, the 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