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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

**MAJOR TRANSACTION
DISPOSAL OF PROPERTY**

On 7 December 2012, the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser (an Independent Third Party) entered into the Provisional Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the Consideration of HK\$66,000,000 to be settled in cash.

As the relevant Percentage Ratios for the Disposal under the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to the Shareholders' approval accordingly.

A circular containing, among other things, details of the Disposal and notice to convene the SGM will be despatched to the Shareholders on or before 2 January 2013.

INTRODUCTION

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

THE PROVISIONAL AGREEMENT

Date : 7 December 2012

Vendor : Go Lucky Investments Limited, a wholly-owned subsidiary of the Company.

Purchaser : Mr Kwok Lam Kwong Larry (an Independent Third Party) is a private investor.

Consideration : HK\$66,000,000 to be fully settled in cash.

The Consideration was arrived at after arm's length negotiation between the parties to the Provisional Agreement on normal commercial terms with reference to the market value of similar properties in similar location. The Board considers that the terms of the Provisional Agreement are fair and reasonable and are in the best interest of the Company and the Shareholders.

Payment terms : The Consideration has been / will be paid by the Purchaser to the Vendor by cash in the following manner:

- (i) HK\$3,100,000 (being around 4.7% of the Consideration) has been paid as an initial deposit upon the signing of the Provisional Agreement;
- (ii) HK\$3,500,000 (being around 5.3% of the Consideration) will be paid as a further deposit upon the signing of the formal sale and purchase agreement on or before 20 December 2012; and
- (iii) the balance of the Consideration in the sum of HK\$59,400,000 (being 90% of the Consideration) will be paid upon completion of the Disposal on or before 6 February 2013.

All deposits payable by the Purchaser shall be paid to the Vendor's solicitors as stakeholders who shall not release the same deposits to the Vendor unless it is proved that the balance of the Consideration is sufficient to discharge the existing legal charge or mortgage of the Property.

Conditions precedent: The completion of the Disposal is conditional upon, among others, the satisfaction of the following conditions:-

- (i) the approving of the Provisional Agreement by the Shareholders at the SGM to be convened in accordance with the requirements of the Listing Rules; and
- (ii) the obtaining of all necessary consents, approvals, licences and authorization (if necessary) by the Company in relation to the Provisional Agreement and the transactions contemplated thereunder.

Completion : According to the Provisional Agreement, the formal sale and purchase agreement in respect of the Property is to be signed on or before 20 December 2012 and the completion of the sale and purchase of the Property is to take place on or before 6 February 2013.

PROPERTY

The Property comprises a domestic unit located at “Flat B on 3rd Floor together with a car parking space No 25 on Ground Floor, Rose Gardens, No 9 Magazine Gap Road, Hong Kong”. The saleable area of the subject flat is approximately 2,235 square feet.

The Property was acquired through acquisition of Go Lucky by the Group on 17 February 2009. The carrying value of the Property in the accounts of the Group was HK\$80,000,000 as at 31 December 2011. The market value of the Property in accordance with the valuation report issued by an independent qualified professional valuer was approximately HK\$66,000,000 as at 30 November 2012.

The Property is an investment property of the Group. No net profit was attributable to the Property for the two financial years immediately preceding the Disposal as the Property was vacant. The Disposal of the Property is expected to result in a loss (before taxation) of approximately HK\$14,750,000 to the Group as calculated on the basis of the Consideration less the aggregate amount of the carrying value of the Property shown in the accounts as at 31 December 2011 and other related legal costs, commission and expenses.

INFORMATION ON THE GROUP

The current principal activities of the 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; (b) the business activities carried out via CASH Financial Services Group Limited (stock code: 510): (i) financial services 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, and (ii) sales of furniture and household items and electrical appliances; and (c) investment holding. For additional information, please visit www.cash.com.hk.

REASON FOR THE DISPOSAL AND USE OF PROCEEDS

Having considered the recent property market conditions and the consideration for the Property offered by the Purchaser, the Board considers that it is in the interest of the Company and the Shareholders to dispose of the Property to capitalise on favourable market conditions and enhance the working capital of the Group.

The proceeds of HK\$66,000,000 will be applied as to around 68% for repayment of bank loan and as to around 32% for general working capital of the Group.

The Board considers 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 relevant Percentage Ratios for the Disposal under the Listing Rules is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under the Listing Rules and is subject to the Shareholders' approval accordingly.

A circular containing, among other things, details of the Disposal and notice to convene the SGM will be despatched to the Shareholders on or before 2 January 2013.

DEFINITIONS

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| “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\$66,000,000 to be settled in cash |
| “Directors” | the director(s) of the Company |
| “Disposal” | the transaction contemplated under the Provisional Agreement, being the disposal of the Property by the Vendor to the Purchaser at the Consideration |
| “Group” | the Company and its subsidiaries and associates |
| “Independent Third Party(ies)” | to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the person and his associate(s) are third parties independent of the Company and connected persons of the Company as defined under the Listing Rules |
| “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 |
| “Provisional Agreement” | the provisional sale and purchase agreement dated 7 December 2012 entered into between the Vendor and the Purchaser in relation to the Disposal |
| “Property” | the domestic unit known as Flat B, 3rd Floor and car parking space No 25, Ground Floor, Rose Gardens, No 9 Magazine Gap Road, Hong Kong |
| “Purchaser” | Mr Kwok Lam Kwong Larry, an Independent Third Party |

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| “SGM” | a special general meeting of the Company to be convened and held to approve the Provisional Agreement and the transactions contemplated thereunder |
| “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 “Go Lucky” | Go Lucky Investments 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, 7 December 2012

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Dr Chan Yau Ching Bob
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