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**Celestial Asia Securities Holdings Limited**

**時富投資集團有限公司\***

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1049)

- (1) Proposed Open Offer on the basis of one (1) Offer Share for every one (1) existing Share held on the Record Date;**
- (2) Application for Whitewash Waiver; and**
- (3) Proposed Capital Reorganisation**

## **PROPOSED OPEN OFFER**

The Company proposes to carry out the Open Offer on the basis of one (1) Offer Share for every one (1) existing Share held on the Record Date. The Open Offer involves the allotment and issue of a maximum of 831,221,677 Offer Shares at a price of HK\$0.10 per Offer Share. The Company proposes to raise not more than approximately HK\$83.1 million under the Open Offer (assuming the provisionally allotted Offer Shares have been fully subscribed).

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Offer Shares and the level of subscription of the excess Offer Shares. In the event the Open Offer is not fully subscribed, any Offer Shares not taken up by the Qualifying Shareholders will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company in Hong Kong on the Record Date, any transfer of Shares (together with the relevant Share certificates) must be lodged with the Registrar for registration by 4:30 pm on Monday, 21 January 2019. Subject to the fulfilment of the conditions of the Open Offer, the register of members of the Company will be closed from Tuesday, 22 January 2019 to Friday, 25 January 2019 (both days inclusive) to determine the eligibility of Qualifying Shareholders.

The maximum net proceeds from the Open Offer after deducting related expenses will be not more than approximately HK\$81.0 million (assuming the provisionally allotted Offer Shares have been fully subscribed). The Company plans to use the net proceeds from the Open Offer to reduce the debt level of, and as additional working capital of, the Group's retail management business.

Under Rule 7.24A of the Listing Rules, the Open Offer must be made conditional on minority shareholders' approval. The Open Offer is conditional, among others, the approval of the Open Offer and the Whitewash Waiver by Independent Shareholders at the SGM and the Whitewash Waiver being granted by the Executive.

## **UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS**

The Controlling Shareholders, as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company. The Controlling Shareholders have irrevocably undertaken to the Company that, inter alia, (i) they will accept or procure the acceptance of the Offer Shares to be provisionally allotted to them under the Open Offer up to a maximum of 286,027,807 Offer Shares (being all of the assured entitlement of the Controlling Shareholders under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date); and (ii) they may apply for excess Offer Shares under the Open Offer to the extent as allowed under Rule 7.26A of the Listing Rules, provided that (a) the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted; and (b) the total number of Offer Shares to be subscribed under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, together with the parties acting concert with any of them, upon close of the Open Offer shall not be more than 49.99% of the issued share capital of the Company as enlarged by the Open Offer. Accordingly, pursuant to the Undertakings, (I) the Controlling Shareholders will subscribe for a minimum of 204,255,724 Offer Shares in total pursuant to their assured entitlements under the Open Offer; and (II) the Controlling Shareholders will subscribe for a maximum of 286,027,807 Offer Shares in total pursuant to their assured entitlements under the Open Offer (in both cases not including any Offer Shares which may be applied for by the Controlling Shareholders, if any, under EAF) provided that the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

As at the date of this announcement, the Controlling Shareholders and parties acting in concert with any of them, are the legal and beneficial owners of a total of 313,379,429 Shares, representing approximately 37.70% of the entire issued share capital of the Company. Assuming (i) there is no change of the number of issued Shares from the date of this announcement up to and including the date of close of the Open Offer; and (ii) none of the Qualifying Shareholders other than the Controlling Shareholders have taken up their entitlements under the Open Offer and/or the excess Offer Shares applied for under the Open Offer, subject to the condition of the Undertakings that the number of Offer Shares to be applied for by the Controlling Shareholders and/or the parties acting in concert with any of them shall not result in the total number of Shares held by the Controlling Shareholders, together with the parties acting in concert with any of them, upon close of the Open Offer being more than 49.99% of the issued share capital of the Company as enlarged by the Open Offer, the interests in the Company held by the Controlling Shareholders, together with the parties acting in concert with any of them, upon the close of the Open Offer will increase from the current level of approximately 37.70% to not more than approximately 49.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. The Controlling Shareholders, together with the parties acting in concert with any of them will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

## **PROPOSED CAPITAL REORGANISATION**

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 comprising 3,000,000,000 Shares of HK\$0.10 each, of which 831,221,677 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to implement the Capital Reorganisation which will comprise the following:

- (i) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.10 to HK\$0.01;
- (ii) immediately following the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) will be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company will be increased to HK\$30,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$30,000,000 divided into 3,000,000,000 New Shares;
- (iii) the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company; and

- (iv) the amount standing to the credit of the contributed surplus account will be applied to set off the accumulated losses of the Company and/or be applied in any other manner as may be permitted under the Bye-laws and all applicable laws and rules (including the Listing Rules) as the Board may determine.

The Capital Reorganisation is subject to passing of special resolution(s) by Shareholders. The Capital Reorganisation is not conditional upon the Open Offer and Whitewash Waiver becoming effective.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Open Offer and the Whitewash Waiver. The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Open Offer and the Whitewash Waiver, and an announcement will be made upon its appointment.

The SGM will be held to approve the Open Offer, and the transactions contemplated thereunder, as well as the Whitewash Waiver and the Capital Reorganisation. As at the date of this announcement, the Controlling Shareholders, together with the parties acting in concert with any of them, was interested in a total of 313,379,429 Shares, representing approximately 37.70% of the entire issued share capital of the Company. The Controlling Shareholders and parties acting in concert with any of them and those who are involved in and/or interested in the Open Offer and the Whitewash Waiver will abstain from voting at the SGM in respect of the resolutions for the Open Offer and the Whitewash Waiver. As no Shareholder has any material interest in the Capital Reorganisation, no Shareholder as at the date of this announcement is required to abstain from voting on the special resolution relating to Capital Reorganisation to be proposed at the SGM. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are either in person or by proxy by the Independent Shareholders at the SGM.

A circular containing, among others, (i) further details of the Open Offer, the Whitewash Waiver and the Capital Reorganisation; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; and (iv) a notice convening the SGM, is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (ie on or before 20 December 2018). Given that additional time will be required for finalising certain information to be included in the Circular, including but not limited to the indebtedness information of the Group, and it is expected that such information will not be ready on or before the aforesaid deadline, the Company will apply to the Executive for its consent to delay the despatch of the Circular. Further announcement will be made by the Company in this regard as and when appropriate.

Subject to, among others, the Open Offer, the Whitewash Waiver and the Capital Reorganisation being approved at the SGM and the Whitewash Waiver being granted by the Executive, the Prospectus Documents or the Prospectus, whichever is appropriate, will be dispatched to the Qualifying Shareholders and, for information only, the Excluded Shareholders in due course.

The Prospectus Documents setting out details of the Open Offer are expected to be despatched to the Qualifying Shareholders on or about Monday, 28 January 2019. The Company will send the Prospectus to the Excluded Shareholders for information only.

### **WARNING OF THE RISK OF DEALINGS IN THE SHARES**

**Shareholders and potential investors of the Company should note that the Open Offer is conditional, among others, conditions precedent as set out in section headed “Conditions of the Open Offer” in this announcement below. Accordingly, the Open Offer may or may not proceed.**

**Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed.**

**Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.**

### **PROPOSED OPEN OFFER**

Details of the Open Offer are set out as follows:

Basis of the Open Offer : One (1) Offer Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date

Subscription Price of the Offer : HK\$0.10 per Offer Share  
Share

Number of Shares : 831,221,677 Shares  
in issue as at the date of this  
announcement

Number of Offer Shares : Not more than 831,221,677 Offer Shares (assuming no Share will be issued or repurchased by the Company from the date of this announcement up to and including the Record Date)

Aggregate nominal value of : Up to HK\$8,312,216.77 (assuming Capital Reorganisation  
the Offer Shares becoming effective)

As at the date of this announcement, there are 34,200,000 outstanding Options, but which are either ineligible for exercise on or before the Record Date or the respective holders of which have undertaken that they will not exercise the subscription rights attached to the Options from the date of this announcement and up to and including the Record Date. Apart from the above, the Company has no outstanding options, convertible securities or warrants which confer the rights to subscribe for the Shares as at the date of this announcement.

The Offer Shares to be issued pursuant to the terms of the Open Offer represent not more than 100% of the existing issued share capital of the Company and not more than 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to and including the date of issue of the Offer Shares).

### **Non-underwritten basis**

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Offer Shares and the level of subscription of the excess Offer Shares. In the event the Open Offer is not fully subscribed, any Offer Shares not taken up by the Qualifying Shareholders will not be issued by the Company and the size of the Open Offer will be reduced accordingly. The legal adviser of the Company has confirmed that there are no applicable statutory requirements under the laws of Bermuda regarding minimum subscription levels in respect of the Open Offer.

The Controlling Shareholders' obligation to make a general offer under the Takeovers Code may be triggered as a result of the acceptance by the Controlling Shareholders and/or the parties acting in concert with any of them of the Offer Shares provisionally allotted to them under the Open Offer when there is an undersubscription of the Open Offer. The Controlling Shareholders will apply to the Executive for the Whitewash Waiver. As disclosed in the paragraph headed "Conditions of the Open Offer" under this section headed "Proposed Open Offer", it is a condition of the Open Offer to have the Executive having granted (and such grant not having been withdrawn) the Whitewash Waiver to the Controlling Shareholders.

### **Subscription Price**

The Subscription Price of the Offer Shares is HK\$0.10 per Offer Share, payable in full upon application of the relevant assured allotment of the Offer Shares. The Subscription Price represents:

- (i) a discount of approximately 45.95% to the closing price of HK\$0.185 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 45.95% to the average of the closing prices of approximately HK\$0.185 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 42.86% to the average of the closing prices of approximately HK\$0.175 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;

- (iv) a discount of approximately 30.07% to the theoretical ex-rights price of approximately HK\$0.143 per Share calculated based on the closing price of HK\$0.185 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 22.70% represented by the theoretical diluted price of HK\$0.143 to the benchmarked price of approximately HK\$0.185 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Date of HK\$0.185 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of HK\$0.185 per Share); and
- (vi) a discount of approximately 83.61% to the audited consolidated equity attributable to owners of the Company per Share of approximately HK\$0.61 (based on the latest published audited equity attributable to owners of the Company of HK\$508,123,000 as at 31 December 2017 and 831,221,677 Shares in issue as at the date of this announcement).

The Subscription Price was determined on an arm's length principle by the Company with references to, among other things, the prevailing market price of the Shares, the prevalent unstable financial market conditions, the amount of the intended funding needs for ongoing business development of the Company and having considered the reasons as detailed under the section headed "Reasons for the Open Offer and use of proceeds" in this announcement. Given that (i) the Group intends to reduce the debt level of, and provide additional working capital for, its retail management business; (ii) the subscription price was determined by the Directors with reference to the prevailing market price of the Shares prior to and including the Last Trading Day; and (iii) under the Open Offer, each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company, the Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the Independent Board Committee to be included in the Circular) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Qualifying Shareholders**

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only. No Application Form will be sent to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, any transfer of the Shares (with the relevant Share certificates) must be lodged with the Registrar for registration by 4:30 pm on Monday, 21 January 2019. The address of the Registrar, Tricor Standard Limited, is Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

### **Excluded Shareholders**

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than that in Hong Kong (to the extent required under the applicable law).

The Directors will make enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of the issue of the Offer Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be extended to such Overseas Shareholders.

The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus. The Company will send copies of the Prospectus for information only, but will not send any Application Form and EAF, to the Excluded Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

### **Basis of allotment**

The basis of the provisional allotment shall be one (1) Offer Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for. The Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the Independent Board Committee to be included in the Circular) consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Status of the Offer Shares**

The Offer Shares, when being allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.



## **Closure of register of members of the Company**

The register of members of the Company will be closed from Tuesday, 22 January 2019 to Friday, 25 January 2019, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this period.

## **Certificates of the Offer Shares and refund cheques**

Subject to fulfillment of the conditions of the Open Offer, certificates for the fully-paid Offer Shares are expected to be despatched on or before Wednesday, 27 February 2019 to those entitled thereto by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be despatched on or before Wednesday, 27 February 2019 by ordinary post at the respective Shareholders' own risk.

## **Application for excess Offer Shares**

To ensure that each Qualifying Shareholder will be given equal and fair opportunity to subscribe for the Offer Shares on fair and equity basis in proportion to their shareholding interest, the Qualifying Shareholders will be entitled to apply for any Offer Share in excess of their respective assured entitlements created by adding together fractions of the Offer Shares, entitlements of the Excluded Shareholders and any Offer Shares which are not taken up by other Qualifying Shareholders in excess of their own entitlements but are not assured of being allocated any Offer Shares.

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Offer Shares and the level of subscription of the excess Offer Shares. The Controlling Shareholders' obligation to make a general offer under the Takeovers Code may be triggered as a result of the acceptance in full by the Controlling Shareholders and/or parties acting in concert with any of them of the Offer Shares provisionally allotted to them under the Open Offer when there is an undersubscription of the maximum of 831,221,677 Offer Shares under the Open Offer. The Controlling Shareholders will apply to the Executive for the Whitewash Waiver and it is a condition of the Open Offer to have the Executive having granted (and such grant not having been withdrawn) the Whitewash Waiver to the Controlling Shareholders.

Apart from the Controlling Shareholders (together with parties acting in concert with any of them), any other Shareholder who applies to take up all or part of his/her/its assured entitlement under the Open Offer or apply for excess Offer Shares under the EAF may also unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive has been obtained. Accordingly, the Open Offer will be made on the term that the Company will provide for Shareholders (except the Controlling Shareholders (together with parties acting in concert with any of them), who will apply for the Whitewash Waiver from the Executive to waive the obligation to make a general offer under the Takeovers Code) to apply on the basis that if the Offer Shares are not fully taken up, the application of any Shareholder (other than the Controlling Shareholders (together with parties acting in concert with any of them)) for his/her/its assured entitlement under the Open Offer or for excess Offer Shares under the EAF will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

The Directors will allocate the excess Offer Shares (if any) at their discretion on a fair and equitable basis as far as practicable, according to the principle that any excess Offer Shares will be allocated to the Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Offer Shares applied for by all such Qualifying Shareholders, subject to the measures as described above in this paragraph to avoid the abuse of the excess application mechanism and potential obligation to make a general offer under the Takeovers Code upon completion of the Open Offer by any Shareholders (save for the case of the Controlling Shareholders who will apply for the Whitewash Waiver).

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for excess Offer Shares.

In the event that the Board notes unusual patterns of excess Offer Shares application(s) and has reason to believe that any application may have been made with the intention to abuse the above mechanism and/or (save for the case of the Controlling Shareholders who will apply for the Whitewash Waiver) which may trigger any obligation to make a general offer under the Takeovers Code, such application(s) for excess Offer Shares may be rejected and/or scaled down at the sole discretion of the Board.

The Open Offer is not underwritten by any underwriter. Any Offer Shares not taken up by the Qualifying Shareholders will not be issued.

### **Fractional entitlements**

Entitlement to Offer Shares will be rounded down to the nearest whole number and no fractional entitlements or allotments are expected to arise as a result of the Open Offer.

### **Application for listing**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Offer Shares.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares will be admitted into CCASS.

Dealings in the Offer Shares in board lots of 6,000 Shares, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

## Conditions of the Open Offer

The Open Offer is conditional on each of the following conditions being fulfilled:

- (a) the approval by Independent Shareholders (other than those not permitted to vote on the relevant resolutions by the Listing Rules and/or the Takeovers Code) of the Open Offer and the Whitewash Waiver at the SGM;
- (b) the Whitewash Waiver having been granted by the Executive and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (c) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (d) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Excluded Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Shares and the Offer Shares;
- (f) the compliance with and performance of all the undertakings and obligations of all relevant Option holders not to exercise the rights to subscribe for the Shares attached to the Options from the date of this announcement and up to and including the Record Date;
- (g) the compliance with and performance of all the undertakings and obligations of all the Controlling Shareholders not to change the number of Shares they are interested in from the date of this announcement and up to and including the Record Date and to take up or procure the taking up of Offer Shares in accordance to the Undertakings; and
- (h) (if necessary) compliance with any other requirements under the applicable laws and regulations of Hong Kong and Bermuda.

Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are either in person or by proxy by the Independent Shareholders at the SGM.

In respect of condition (h) above, as at the date of this announcement, the Directors are not aware of any other requirements under the applicable laws and regulations of Hong Kong and Bermuda in relation to the Open Offer which have to be complied with.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions set out above and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary.

All of the conditions are incapable of being waived. If the conditions above are not satisfied on or before the Long Stop Date, the Open Offer shall be terminated.

## **REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS**

The principal activity of the Company is investment holding. The principal activities of the Group consist of (a) retail management business including sales of furniture and household items and electrical appliances through the chain stores under multi-brand names including “Pricerite”, “TMF”, “SECO” and “Galleon” in Hong Kong; (b) mobile internet services business; and (c) general investment holding including algorithmic trading business. For additional information, please visit [www.cash.com.hk](http://www.cash.com.hk).

The Board believes that, taking into account the prevalent financial market conditions and economic outlook, it would be in the interest of the Company to raise equity funding via the Open Offer to reduce the debt level of, and as additional working capital for the Group, in particular its retail management business. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Excluded Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

The Company has considered the following fund raising alternatives in comparison to the Open Offer:

<b>Fund raising alternatives</b>	<b>Reason(s) for not adopting the fund raising alternatives</b>
(i) Placing of new Shares	The Board is of the view that placing of new Shares would only be available to certain places who are not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders.
(ii) Debt financing	The Company considers that favorable terms in relation to debt financing on a timely basis may not be achievable and it will result in additional interest burden, higher gearing ratio of the Group and the Group will be subject to repayment obligations.
(iii) Rights issue	The Company is of the view that rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights sold in rights issue.

After considering the fund raising alternatives mentioned above and taking into account the benefits and cost of each of the alternatives, the Board (excluding the independent non-executive Directors whose views will be provided after taking into consideration of the advice from the Independent Financial Adviser) is of the view that the Open Offer is more cost effective and efficient and beneficial to the Company and the Shareholders as a whole.

The Board considers that the Open Offer is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so. However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

In view of the above, the Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the Independent Board Committee to be included in the Circular) consider that the terms of the Open Offer and the Whitewash Waiver are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Assuming a minimum of 204,255,724 Offer Shares and a maximum of 831,221,677 Offer Shares will be issued, the estimated gross proceeds of the Open Offer will be from approximately HK\$20.4 million (assuming only the Controlling Shareholders take up the Offer Shares) to approximately HK\$83.1 million (assuming the provisionally allotted Offer Shares have been fully subscribed). The estimated expenses in relation to the Open Offer will amount to approximately HK\$2.1 million and the estimated net proceeds of the Open Offer will be from approximately HK\$18.3 million (assuming only the Controlling Shareholders take up the Offer Shares) to a maximum of approximately HK\$81.0 million (assuming the provisionally allotted Offer Shares have been fully subscribed). The net subscription price per Offer Share is expected to be approximately from HK\$0.090 (assuming only the Controlling Shareholders take up the Offer Shares) to HK\$0.097 (assuming the provisionally allotted Offer Shares have been fully subscribed).

The Group intends to use the net proceeds from the Open Offer up to approximately HK\$81.0 million as to approximately HK\$50.5 million for partial repayment of bank loans in relation to the retail management business and as to approximately HK\$30.5 million for additional working capital of the Group for running the retail management business. As at 30 June 2018, the Group had total outstanding bank loans (due within one year) of approximately HK\$239.6 million and total outstanding bank loans (due after one year) of approximately HK\$36.3 million. The net proceeds from the Open Offer will be utilised in the above priority order and allow the Group to reduce its gearing level and interest burden.

#### **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT**

The Company had no fund raising activity in the past 12 months immediately preceding the date of this announcement.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below depicts the possible shareholding structure of the Company as at the date of this announcement and the possible changes upon completion of the Open Offer (assuming there is no other change in the shareholding structure of the Company between the date of this announcement and completion date of the Open Offer):

Shareholders	As at the date of this announcement		Immediately after completion of the Open Offer (assuming the Offer Shares are fully taken up by all the Qualifying Shareholders under the Open Offer)		Immediately after completion of the Open Offer (assuming none of the Offer Shares are taken up by the Qualifying Shareholders (other than the Controlling Shareholders) under the Open Offer)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Controlling Shareholders (Notes 1 & 2)	286,027,807	34.41	572,055,614	34.41	490,283,531	47.35
Directors of the Company						
- Mr Law Ping Wah Bernard	27,345,312	3.29	54,690,624	3.29	27,345,312	2.65
- Mr Chan Chi Ming Benson	6,310	-	12,620	-	6,310	-
The Controlling Shareholders and parties acting in concert with any of them (Notes 3 and 4)	313,379,429	37.70	626,758,858	37.70	517,635,153	49.99
Public Shareholders	517,842,248	62.30	1,035,684,496	62.30	517,842,248	50.01
<b>Total:</b>	<b>831,221,677</b>	<b>100.00</b>	<b>1,662,443,354</b>	<b>100.00</b>	<b>1,035,477,401</b>	<b>100.00</b>

Notes:

1. The shareholding of the Controlling Shareholders include the shareholding interests in the Company held by Cash Guardian as to 281,767,807 Shares and Dr Kwan Pak Hoo Bankee in his personal name as to 4,260,000 Shares.
2. The total number of Offer Shares to be subscribed by the Controlling Shareholders under Open Offer will be scaled down to a level such that the total number of Shares held by the Controlling Shareholders, together with the parties acting concert with any of them, upon close of the Open Offer shall not be more than 49.99% of the issued share capital of the Company. Accordingly, the Controlling Shareholders will subscribe for a maximum of 286,027,807 Offer Shares provisionally allotted to them under the Open Offer (ie not including excess application(s) for the Offer Shares which may be made by the Controlling Shareholders, if any).
3. Mr Law Ping Wah Bernard and Mr Chan Chi Ming Benson are parties acting in concert with the Controlling Shareholders by virtue of their capacity as Directors.
4. As at the date of this announcement, save as disclosed above, none of the Directors hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company.

The Company will take all appropriate steps to ensure that sufficient public float be maintained upon the completion of the Open Offer in compliance with Rule 8.08(1)(a) of the Listing Rules.

## **ADJUSTMENT OF EXERCISE PRICE OF OPTIONS**

As at the date of this announcement, there are 34,200,000 outstanding Options granted to participants under the share option scheme of the Company. The issuance of the Offer Shares may cause an adjustment to the exercise price and number of option shares, which adjustments shall be certified by the auditors or independent financial adviser of the Company. As soon as the certification is issued, the Company will inform each of the Option grantees accordingly.

## **UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS**

The Controlling Shareholders, as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company. The Controlling Shareholders have irrevocably undertaken to the Company that, inter alia, (i) they will accept or procure the acceptance of the Offer Shares to be provisionally allotted to them under the Open Offer of up to a maximum of 286,027,807 Offer Shares (being all of the assured entitlement of the Controlling Shareholders under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date); and (ii) they may apply for excess Offer Shares under the Open Offer to the extent as allowed under Rule 7.26A of the Listing Rules, provided that (a) the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted; and (b) the total number of Offer Shares to be subscribed under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, together with the parties acting concert with any of them, upon close of the Open Offer shall not be more than 49.99% of the issued share capital of the Company as enlarged by the Open Offer. Accordingly, pursuant to the Undertakings, (I) the Controlling Shareholders will subscribe for a minimum of 204,255,724 Offer Shares in total pursuant to their assured entitlements under the Open Offer; and (II) the Controlling Shareholders will subscribe for a maximum of 286,027,807 Offer Shares in total pursuant to their assured entitlements under the Open Offer (in both cases not including any Offer Shares which may be applied for by the Controlling Shareholders, if any, under EAF) provided that the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted.

Save for the Undertakings from the Controlling Shareholders abovementioned, the Company has not received any other irrevocable commitments to accept or reject the Offer Shares.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR THE WHITEWASH WAIVER**

As at the date of this announcement, the Controlling Shareholders and parties acting in concert with any of them, are the legal and beneficial owners of a total of 313,379,429 Shares, representing approximately 37.70% of the entire issued share capital of the Company. Assuming (i) there is no change of the number of issued Shares from the date of this announcement up to and including the date of close of the Open Offer; and (ii) none of the Qualifying Shareholders other than the Controlling Shareholders have taken up their entitlements under the Open Offer and/or the excess Offer Shares applied for under the Open Offer, subject to the condition of the Undertakings that the number of Offer Shares to be applied for by the Controlling Shareholders and/or the parties acting in concert with any of them shall not result in the total number of Shares held by the Controlling Shareholders, together with the parties acting in concert with any of them, upon close of the Open Offer being

more than 49.99% of the issued share capital of the Company as enlarged by the Open Offer, the interests in the Company held by the Controlling Shareholders, together with the parties acting in concert with any of them, upon the close of the Open Offer will increase from the current level of approximately 37.70% to not more than approximately 49.99% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. The Controlling Shareholders, together with the parties acting in concert with any of them will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application will be made by the Controlling Shareholders to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are either in person or by proxy by the Independent Shareholders at the SGM. Save for the Controlling Shareholders and the parties acting in concert with any of them and those who are involved in and/or interested in the Open Offer and the Whitewash Waiver, no Shareholder is required to abstain from voting in favour of the proposed resolution approving the Whitewash Waiver at the SGM. If the Whitewash Waiver is not granted by the Executive, the Open Offer will not proceed.

As at the date of this announcement, the Company does not believe that the Open Offer gives rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company and the Controlling Shareholders note that the Executive may not grant the Whitewash Waiver if the Open Offer does not comply with other applicable rules and regulations.



## DEALINGS AND INTEREST OF CONTROLLING SHAREHOLDERS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, neither the Controlling Shareholders nor any parties acting in concert with any of them:

- (a) save for the Shares as set out in the section headed “Effect on the Shareholding Structure of the Company” and the Options held by the Controlling Shareholders and the parties acting in concert with any of them below, owns, controls or has direction over any Shares and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

Name	Date of grant	Exercise period	HK\$	Number of Options	Percentage to issued
				held as at the date of this announcement	Shares as at the date of this announcement
					(%)
Kwan Pak Hoo Bankee	3/12/2015	3/12/2015 – 31/12/2019	0.315	40,000,000	0.80
	31/8/2017	1/1/2018 – 31/12/2020	0.253	49,000,000	0.99
Law Ping Wah Bernard	3/12/2015	3/12/2015 – 31/12/2019	0.315	40,000,000	0.80
	31/8/2017	1/1/2018 – 31/12/2020	0.253	49,000,000	0.99
Chan Chi Ming Benson	31/8/2017	1/1/2018 – 31/12/2020	0.253	49,000,000	0.99
Ng Hin Sing Derek	3/12/2015	3/12/2015 – 31/12/2019	0.315	16,000,000	0.32
				243,000,000	4.89

*Note: Save as disclosed above, none of the Directors has any interests in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this announcement.*

- (b) has received any irrevocable commitment to vote for or against the Open Offer and/or the Whitewash Waiver;
- (c) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (d) save for the Undertakings given by the Controlling Shareholders, details of which as set out in the section headed “Undertakings by the Controlling Shareholders”, has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Open Offer and/or the Whitewash Waiver, with any other persons;
- (e) save that the Open Offer is conditional upon obtaining of the Whitewash Waiver by the Controlling Shareholders as set out in the Undertakings from the Controlling Shareholders abovementioned, has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer and/or the Whitewash Waiver;

- (f) has dealt in any securities of the Company in the 6-month period preceding the date of this announcement; or
- (g) has entered into any derivative in respect of the securities in the Company which are outstanding.

## **INFORMATION ON THE CONTROLLING SHAREHOLDERS**

Cash Guardian, being one of the Controlling Shareholders, is a private company incorporated in the British Virgin Islands with limited liability on 18 February 1999. The entire issued share capital of Cash Guardian is beneficially owned by Hobart Assets Limited (a private company incorporated in the British Virgin Islands with limited liability on 2 February 1999), which in turn is 100% beneficially owned by Dr Kwan Pak Hoo Bankee. Dr Kwan Pak Hoo Bankee is the sole director of both Cash Guardian and Hobart Assets Limited. The principal business activity of Cash Guardian is investment holding.

## **PROPOSED CAPITAL REORGANISATION**

As at the date of this announcement, the authorised share capital of the Company is HK\$300,000,000 comprising 3,000,000,000 Shares of HK\$0.10 each, of which 831,221,677 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to implement the Capital Reorganisation which will comprise the following:

- (i) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.10 to HK\$0.01;
- (ii) immediately following the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) will be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company will be increased to HK\$30,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$30,000,000 divided into 3,000,000,000 New Shares;
- (iii) the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company; and
- (iv) the amount standing to the credit of the contributed surplus account will be applied to set off the accumulated losses of the Company and/or be applied in any other manner as may be permitted under the Bye-laws and all applicable laws and rules (including the Listing Rules) as the Board may determine.

The Capital Reorganisation is subject to passing of special resolution(s) by Shareholders. The Capital Reorganisation is not conditional upon the Open Offer and Whitewash Wavier becoming effective.

## Effect of the Capital Reorganisation

Assuming that no further Shares will be issued and allotted or repurchased prior to the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	<b>As at the date of this announcement</b>	<b>Immediately upon the Capital Reorganisation taking effect</b>
Nominal or par value	HK\$0.10 each Share	HK\$0.01 each New Share
Amount of the authorised share capital	HK\$300,000,000	HK\$30,000,000
Number of authorised shares	3,000,000,000 Shares	3,000,000,000 New Shares
Number of issued shares	831,221,677 Shares	831,221,677 New Shares
Amount of the issued share capital	HK\$83,122,167.70	HK\$8,312,216.77

As at the date of this announcement, 831,221,677 Shares have been issued and are fully paid or credited as fully paid. Accordingly, assuming that the nominal or par value of each of the Shares will be reduced from HK\$0.10 to HK\$0.01, upon the Capital Reorganisation taking effect, the authorised share capital of the Company will be HK\$30,000,000 divided into 3,000,000,000 New Shares of a nominal or par value of HK\$0.01 each, of which 831,221,677 New Shares are issued and are fully paid or credited as fully paid and the remainder are unissued. The Company's issued and paid up share capital of HK\$83,122,167.70 will be reduced by HK\$74,809,950.93 to HK\$8,312,216.77.

## Conditions for the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of a special resolution approving the Capital Reorganisation by the Shareholders at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation;
- (iii) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Subject to the above conditions being fulfilled, the Capital Reorganisation is expected to become effective on the next business day immediately following the date of passing of the special resolution approving the Capital Reorganisation.

### **Status of the New Shares**

The New Shares shall rank *pari passu* in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares contained in the Memorandum of Association and Bye-laws of the Company. The Capital Reorganisation will not result in any change in the rights of the Shareholders.

An application will be made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Board lot size**

The existing board lot of 6,000 Shares will remain unchanged upon the Capital Reorganisation taking effect.

### **Free exchange of share certificates**

Subject to the Capital Reorganisation having taken effect, Shareholders may, during business hours from Thursday, 17 January 2019 to Thursday, 28 February 2019 (both days inclusive), submit their Existing Share Certificates for the Shares (in brown colour) to the Company's Branch Share Registrar in Hong Kong, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificates for the New Shares (in purple colour) at the expense of the Company. Details of such free exchange of share certificates will be announced as soon as the effective date of the Capital Reorganisation is ascertained.

Thereafter, Existing Share Certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time prescribed in the Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

It is expected that New Share Certificates for New Shares will be available for collection within a period of ten (10) Business Days after the submission of the Existing Share Certificates.

Nevertheless, Existing Share Certificates will continue to be good evidence of legal title and will be valid for delivery, trading and settlement purposes after the Capital Reorganisation has taken effect.

## **Reasons for the Capital Reorganisation**

As noted, the credit arising from the Capital Reduction will be credited to the contributed surplus account of the Company and the amount standing to the credit of the contributed surplus account will be applied to set off the accumulated losses of the Company and be applied in any other manner as may be permitted under the Bye-laws and all applicable laws and rules (including the Listing Rules) as the Board may determine.

As at 31 December 2017, the accumulated losses of the Company amounted to HK\$448,981,000, and it is expected that the credit arising from the Capital Reorganisation will reduce the accumulated losses of the Company by HK\$74,809,950.93. The Directors will be more flexible in application of the funds in contributed surplus account to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future.

In addition, the Board considers that the Capital Reorganisation will enable the nominal or par value of the Shares to be reduced from HK\$0.10 to HK\$0.01 each, thus giving greater flexibility to the Company to raise funds, should the Board consider it prudent or advisable to do so, through the issue of New Shares in the future given that the Company is not permitted, pursuant to its Memorandum of Association and Bye-laws, to issue new Shares below their nominal or par value. It is important for Shareholders to note that, at this stage, there can be no assurance that a dividend will be declared or paid in the future, or that the Company will look to raise funds through the issue of New Shares, even if the Capital Reorganisation takes effect.

Save for the expenses to be incurred by the Company in implementing the Capital Reorganisation, the Board considers that the Capital Reorganisation will have no impact on the underlying assets, business operations, management or financial position of the Group or the proportionate interests of the Shareholders in the Company and their respective voting rights. Further, the Capital Reorganisation does not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid up capital of the Company. The Board considers that the Capital Reorganisation will not have any material adverse effect on the financial position of the Company.

In view of the above, the Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders at a whole.

## EXPECTED TIMETABLE OF THE OPEN OFFER AND THE CAPITAL REORGANISATION

Set out below is the expected timetable of the Open Offer and the Capital Reorganisation:

<b>Event</b>	<b>(Hong Kong dates and time)</b>
Publication of a reduction notice in relation to the Capital Reduction in Bermuda	Tuesday, 18 December 2018 – Tuesday, 1 January 2019
Expected despatch date of circular with notice and form of proxy for the SGM*	Monday, 24 December 2018
Latest time for lodging transfer of shares to qualify for attendance and voting at the SGM	4:30 pm on Thursday, 10 January 2019
Closure of register of members of the Company for attending the SGM (both dates inclusive)	Friday, 11 January 2019 – Wednesday, 16 January 2019
Latest time for lodging forms of proxy for the purpose of the SGM	9:30 am on Monday, 14 January 2019
Record date for attendance and voting at the SGM	Wednesday, 16 January 2019
<b>Expected date and time of the SGM</b>	<b>9:30 am on Wednesday, 16 January 2019</b>
Announcement of the poll results of the SGM	Wednesday, 16 January 2019

*The following events are conditional on the fulfilment of the conditions of the Capital Reorganisation:*

Expected effective date of the Capital Reorganisation	Thursday, 17 January 2019
First day of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares	Thursday, 17 January 2019
Dealings in the New Shares commence	9:00 am on Thursday, 17 January 2019

Last day of dealings in Shares on a cum-entitlement basis	Thursday, 17 January 2019
First day of dealings in Shares on an ex-entitlement basis	Friday, 18 January 2019

Latest time for lodging transfer of Shares in order to be qualified for the Open Offer	4:30 pm on Monday, 21 January 2019
Register of members of the Company closes (both dates inclusive)	Tuesday, 22 January 2019 – Friday, 25 January 2019
Record Date	Friday, 25 January 2019
Register of members of the Company re-opens	Monday, 28 January 2019
Despatch of the Prospectus Documents	Monday, 28 January 2019
Latest time for acceptance of, and payment of Offer Shares and application for excess Offer Shares	4:00 pm on Monday, 18 February 2019
Announcement of the results of the Open Offer and excess application	Tuesday, 26 February 2019
Completion of the Open Offer and despatch of share certificates for Offer Shares or/and refund cheques	Wednesday, 27 February 2019
Dealings in Offer Shares commence	9:00 am on Thursday, 28 February 2019
Last day for free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares	4:30 pm on Thursday, 28 February 2019

All times and dates stated above refer to Hong Kong local times and dates unless otherwise specific. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

*\* Assuming consent from the Executive for delay despatch of the Circular to a date of more than 21 days after the date of this announcement is granted.*

## **EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES**

The latest time for acceptance and payment for Offer Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning signal:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 28 February 2019. Instead the latest time for acceptance and payment for the Offer Shares and application for excess Offer Shares will be extended to 5:00 pm on the same Business Day; and
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 pm on Monday, 28 February 2019. Instead the latest time of acceptance and payment for the Offer Shares and application for excess Offer Shares will be rescheduled to 4:00 pm on the following Business Day which does not have either of those warnings in force at any time between 9:00 am and 4:00 pm

If the latest time for acceptance and payment for the Offer Shares and application for excess Offer Shares does not take place on Monday, 28 February 2019, the dates mentioned in the section headed “Expected Timetable of the Open Offer and the Capital Reorganisation” in this announcement may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

## **GENERAL**

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Open Offer and the Whitewash Waiver. The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Open Offer and the Whitewash Waiver, and an announcement will be made upon its appointment.

The SGM will be held to approve the Open Offer, and the transactions contemplated thereunder, as well as the Whitewash Waiver and the Capital Reorganisation. As at the date of this announcement, the Controlling Shareholders, together with the parties acting in concert with any of them, was interested in a total of 313,379,429 Shares, representing approximately 37.70% of the entire issued share capital of the Company. The Controlling Shareholders and parties acting in concert with any of them, as well as those who are involved in and/or interested in the Open Offer and the Whitewash Waiver will abstain from voting at the SGM in respect of the resolutions for the Open Offer and the Whitewash Waiver. As no Shareholder has any material interest in the Capital Reorganisation, no Shareholder as at the date of this announcement is required to abstain from voting on the special resolution relating to Capital Reorganisation to be proposed at the SGM.

A circular containing, among others, (i) further details of the Open Offer, the Whitewash Waiver and the Capital Reorganisation; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; and (iv) a notice convening the SGM, is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (ie on or before 20 December 2018). Given that additional time will be required for finalising certain information to be included in the Circular, including but not limited to the indebtedness information of the Group, and it is expected that such information will not be ready on or before the aforesaid deadline, the Company will apply to the Executive for its consent to delay the despatch of the Circular. Further announcement will be made by the Company in this regard as and when appropriate.

Subject to, among others, the Open Offer, the Whitewash Waiver and the Capital Reorganisation being approved at the SGM and the Whitewash Waiver being granted by the Executive, the Prospectus Documents or the Prospectus, whichever is appropriate, will be dispatched to the Qualifying Shareholders and, for information only, the Excluded Shareholders in due course.

The Prospectus Documents setting out details of the Open Offer are expected to be despatched to the Qualifying Shareholders on or about Monday, 28 January 2019. The Company will send the Prospectus to the Excluded Shareholders for information only.



## WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional, among others, conditions precedent as set out in section headed “Conditions of the Open Offer” in this announcement above. Accordingly, the Open Offer may or may not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

## DEFINITIONS

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders to apply for the Offer Shares
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks are open for business in Hong Kong other than a Saturday, Sunday, public holiday and a day on which a tropical typhoon signal no. 8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.10 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction and the Diminution and Increase
“Cash Guardian”	Cash Guardian Limited, being a company 100% beneficially owned and controlled by Dr Kwan Pak Hoo Bankee (Chairman of the Board, the Director and chief executive officer of the Company)
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited

“Circular”	the circular to be issued by the Company in relation to, among others, the Open Offer, the Whitewash Waiver, the Capital Reorganisation and the notice of the SGM
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	Cash Guardian and Dr Kwan Pak Hoo Bankee (Chairman of the Board, the Director and chief executive officer of the Company), and as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company
“Diminution and Increase”	subject to and conditional upon the Capital Reduction taking effect, the proposed cancellation of all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) in its entirety and forthwith upon such cancellation, the proposed increase in the authorised share capital of the Company to HK\$30,000,000 divided into 3,000,000,000 New Shares
“Director(s)”	the director(s) of the Company
“EAF(s)”	application form(s) for excess Offer Shares
“Excluded Shareholders”	those Overseas Shareholders whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Open Offer to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or of his any delegate(s)
“Existing Share Certificate(s)”	the certificates for the Shares
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

“Independent Board Committee”	the independent committee of the Board comprising Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, established to give recommendations to the Independent Shareholders on the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company for the purpose of giving recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver
“Independent Shareholder(s)”	the Shareholders other than the Controlling Shareholders and persons acting in concert with any of them, and those who are involved in or interested in the Open Offer and the Whitewash Waiver and required under the Listing Rules and/or Takeovers Code (as the case may be) to abstain from voting in the SGM
“Last Trading Day”	28 November 2018, being the last trading day for the Shares on the Stock Exchange prior to the date of this announcement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2019 or such later date as the Board may determine and resolve
“New Share(s)”	the ordinary shares of HK\$0.01 each in the capital of the Company upon the Capital Reorganisation taking effect
“New Share Certificate(s)”	the certificates for the New Shares
“Offer Share(s)”	a maximum of 831,221,677 Shares proposed to be offered to the Qualifying Shareholders under the Open Offer for subscription on the basis of one (1) Offer Share for every one (1) existing Share held on the Record Date and payable in full on acceptance pursuant to the terms and subject to the conditions to be set out in the Prospectus
“Open Offer”	the proposed offer for subscription by the Qualifying Shareholders for the Offer Shares at the Subscription Price on the terms and subject to the conditions precedent set out in the section headed “Conditions of the Open Offer” in this announcement and to be set out in the Prospectus

“Option(s)”	share option(s) granted or to be granted by the Board under the share option scheme of the Company
“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus, the Application Form and the EAF in respect of the Offer Shares to be issued by the Company in relation to the Open Offer
“Prospectus Posting Date”	Monday, 28 January 2019 or such later date as may be agreed between the Controlling Shareholders and the Company for the despatch of the Prospectus Documents
“Qualifying Shareholder(s)”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	25 January 2019, the record date for ascertaining entitlements to the Application Form and the EAFs
“Registrars”	Tricor Standard Limited, the branch registrars of the Company, and whose principle place of business is situated at 22/F Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for considering and, if thought fit, approving, among others, the Open Offer and the transactions contemplated thereunder, as well as the Whitewash Waiver and the Capital Reorganisation
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Capital Reorganisation becoming effective, or the New Share(s), being ordinary share(s) of HK\$0.01 each in the share capital of the Company upon the Capital Reduction becoming effective (as the case may be)
“Shareholder(s)”	Holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscription Price”	the subscription price of HK\$0.10 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Controlling Shareholders to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Controlling Shareholders and any parties acting in concert with any of them as a result of the issue of the Offer Shares subject to the terms and conditions as set out in this announcement
“Undertakings”	undertakings from the Controlling Shareholders to take up or procure the taking up of Offer Shares as detailed in the section headed “Undertakings by the Controlling Shareholders” of this announcement
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

Note: All times and dates in this announcement refer to Hong Kong local times and dates.

On behalf of the Board  
**Bankee P. Kwan**  
*Chairman & CEO*

Hong Kong, 29 November 2018

As at the date hereof, the Board comprises:-

*Executive Directors:*

Dr Kwan Pak Hoo Bankee, JP  
Mr Law Ping Wah Bernard  
Mr Chan Chi Ming Benson  
Mr Ng Hin Sing Derek

*Independent non-executive Directors:*

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

*The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, 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.*

*\* For identification purpose only*