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CASH 
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
時富投資集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1049)

DISCLOSEABLE TRANSACTION
IN RELATION TO
EXTENSION OF TENANCY AGREEMENT

THE LETTER AGREEMENT

The Board announces that on 30 April 2019, Pricerite Home Limited (a subsidiary of the Company) as the Tenant entered into the Letter Agreement with the Landlords (Independent Third Parties) for extension of tenancy in respect of the Premises under the Tenancy Agreement for a term of 13 months commencing from 1 March 2019 to 31 March 2020 (both days inclusive) for operation of store of retail management business of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Upon implementation of HKFRS 16 effective from 1 January 2019, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. Under the Listing Rules, the entering into lease transaction by the Group as lessee effective from 1 January 2019 will be regarded as an acquisition of asset under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules, and will constitute a notifiable transaction for the Company under the Listing Rules depending on the size of the lease transaction.

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction contemplated under the Letter Agreement exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 30 April 2019, Pricerite Home Limited (a subsidiary of the Company) as the Tenant entered into the Letter Agreement with the Landlords (Independent Third Parties) for extension of tenancy in respect of the Premises under the Tenancy Agreement for a term of 13 months commencing from 1 March 2019 to 31 March 2020 for operation of store of retail management business of the Group.

THE LETTER AGREEMENT

Date: 30 April 2019

The Landlords: Yau Fook Hong Company Limited, The World Realty Limited, Macfarlane Estates Limited, Sublime Finance & Investments Limited and Fung Cheung Realty Limited as the Landlords.

The principal or ancillary activities carried on by the Landlords are land and building investment and developers.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlords and their ultimate beneficial owners are the Independent Third Parties.

The Tenant: Pricerite Home Limited (a subsidiary of the Company).

The Premises: Portion of Level 1, Hilton Plaza, Nos. 3-9 Sha Tin Centre Street, Shatin, New Territories, Hong Kong.

Terms: Thirteen (13) months commencing from 1 March 2019 and expiring on 31 March 2020 (both days inclusive).

The aggregate value of consideration payable: The aggregate value of consideration payable under the Letter Agreement including basic rent, insurance cost, legal costs and stamp duty, and estimated reinstatement cost by the Tenant is approximately HK\$9,354,000.

The basic rent under the Letter Agreement is determined after arm's length negotiations between the Landlords and the Tenant, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises and the existing rental under the Tenancy Agreement.

Payable term: The monthly basic rent shall be payable monthly in advance on the first day of each and every calendar month.

INFORMATION OF THE GROUP

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", "Galleon" and "W@W" in Hong Kong; (b) mobile internet services business; and (c) general investment holding. For additional information, please visit www.cash.com.hk.

Based on the audited accounts of the Company, the net losses (before taxation and extraordinary items) for the financial year ended 31 December 2017 were approximately HK\$109.3 million and the net profit (after taxation and extraordinary items) was approximately HK\$23.9 million respectively, and the audited net asset value as at 31 December 2017 was approximately HK\$508.1 million.

Based on the audited accounts of the Company, the net losses (before taxation and extraordinary items) for the financial year ended 31 December 2018 were approximately HK\$135.6 million and the net losses (after taxation and extraordinary items) was approximately HK\$204.9 million respectively, and the audited net asset value as at 31 December 2018 was approximately HK\$307.4 million.

REASONS FOR THE LETTER AGREEMENT

One of the principal businesses of the Group is operation of retail management businesses through our chain stores under multi-brand names including “Pricerite”, “TMF”, “SECO”, “Galleon and “W@W” in Hong Kong. Due to nature of its retail management business, the Group has to enter into tenancy agreements for leasing of retail shops from time to time.

The terms of the Letter Agreement, including the rental charge, were determined after arm’s length negotiations between the parties and with reference to the open market rent of comparable properties and the rental payment made by the Group under the Tenancy Agreement. The entering into of the Letter Agreement is necessary for the operation of the retail management business in the ordinary and usual course of business of the Group. Therefore, the Board considers that the terms of the Letter Agreement are fair and reasonable and entering into of the Letter Agreement is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the transaction contemplated under the Letter Agreement exceed 5% but are below 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

“Board”	board of Directors
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and the shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, the Landlords and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Landlords”	the landlords as more particular set out under the sub-heading “The Landlords” in the section “The Letter Agreement” in this announcement

“Letter Agreement”	the letter agreement dated 30 April 2019 entered into between the Tenant and the Landlords in relation to the extension of tenancy of the Premises under the Tenancy Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Premises”	the premises as more particular set out under the sub-heading “The Premises” in the section “The Letter Agreement” in this announcement
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenancy Agreement”	the existing tenancy agreement dated 24 May 2016 entered into between the Tenant and the Landlords in relation to the tenancy of the Premises which has been expired on 28 February 2019
“Tenant”	Pricerite Home Limited, a company incorporated in Hong Kong with limited liability, is a 91.07%-owned subsidiary of the Company
“%”	per cent.

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 30 April 2019

As at the date hereof, the directors of the Company are: -

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

** For identification purposes only*