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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**  
**TENANCY AGREEMENT**

**THE TENANCY AGREEMENT**

The Board announces that on 21 April 2022, Pricerite Home Limited (a subsidiary of the Company) as the Tenant and the Landlord (each being an Independent Third Party) entered into the Tenancy Agreement in respect of the lease of the Premises for operation of store of retail management business of the Group.

**IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to HKFRS 16 “Leases”, the Company recognises the value of the right-of-use assets on its consolidated financial statements of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction contemplated under the Tenancy Agreement is regarded as an acquisition of asset by the Tenant under Rule 14.04(1)(a) of the Listing Rules.

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

**INTRODUCTION**

The Board announces that on 21 April 2022, Pricerite Home Limited (a subsidiary of the Company) as the Tenant and the Landlord (each being an Independent Third Party) entered into the Tenancy Agreement in respect of the lease of the Premises for operation of store of retail management business of the Group.

## **THE TENANCY AGREEMENT**

- Date: 21 April 2022
- The Parties: (i) DP Properties Limited, as the Landlord.
- (ii) Pricerite Home Limited (a subsidiary of the Company), with principal activity of retailing of furniture and household goods, as the Tenant.
- The Premises: Shop Nos. 2026 & 2028 on Level 2 of D•PARK, Discovery Park, 398 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong.
- Lease term: One (1) year and three (3) months commencing from 23 April 2022 to 22 July 2023.
- The aggregate value of consideration payable: Approximately HK\$7.5 million in aggregate for the term of one year and three months, including rent, stamp duty and estimated reinstatement cost by the Tenant, subject to 8.5% of gross turnover in the Premises for that month that exceeds the base rent which may be imposed pursuant to the terms and conditions of the Tenancy Agreement, which will be satisfied by internal resources of the Group.

The rent under the Tenancy Agreement is determined after arm's length negotiations between the Parties, after taking into consideration the prevailing market rental for similar comparable premises in the nearby areas.

## **THE RIGHT-OF-USE ASSET**

The value of the right-of-use asset to be recognised by the Group under the Tenancy Agreement amounted to approximately HK\$7.4 million, which is the present value of aggregated lease payments less incentives (if any), plus initial direct costs and estimated reinstatement cost with the lease in accordance with HKFRS 16. Discount rate of 4% is applied to compute the present value of aggregate lease payments less incentives (if any) under the Tenancy Agreement.

## **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, electrical appliances, food and pets accessories through the chain stores under multi-brand names including "Pricerite", "TMF", "SECO", "Pricerite Food" and "Pricerite Pet" in Hong Kong; (b) provision of asset management services to the fund investors; and (c) general investment holding. For additional information, please visit [www.cash.com.hk](http://www.cash.com.hk).

## **INFORMATION OF THE COUNTERPARTIES**

The principal or ancillary activities carried on by the Landlord include property investment. Based on the information provided by the Landlord and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the Landlord is New World Development Company Limited (listed on Stock Exchange (stock code: 0017)).

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Landlord and its respective ultimate beneficial owner are Independent Third Parties.

## REASONS FOR AND BENEFITS FOR THE TENANCY AGREEMENT

The Group is currently leasing the Premises for its retail business. The existing tenancy of the Premises will expire on 22 April 2022. By entering into the Tenancy Agreement, the Group will be able to continue its retail business at the Premises which in turn contributes to the Group's revenue and maintains the Group's scale of operation.

The terms of the Tenancy Agreement were reached on arm's length basis with reference to the prevailing market rental of similar comparable premises in the nearby areas. Having considered the foregoing, the Board considers that the entering into of the Tenancy Agreement is in the ordinary course of business of the Group and on normal commercial terms which are fair and reasonable, and that the Tenancy Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 "Leases", the Company recognises the value of the right-of-use assets on its consolidated financial statements of financial position in connection with the lease of the Premises under the Tenancy Agreement. Accordingly, the lease transaction contemplated under the Tenancy Agreement is regarded as an acquisition of asset by the Tenant under Rule 14.04(1)(a) of the Listing Rules.

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## 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 issued by the Hong Kong Institute of Certified Public Accountants
"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 Landlord and its respective ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
"Landlord"	DP Properties Limited, being the landlord of the Premises
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Parties"	the Tenant and the Landlord
"PRC"	the People's Republic of China

“Premises”	the premises as more particular set out under the sub-heading “The Premises” in the section headed “The Tenancy Agreement” in this announcement
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	Pricerite Home Limited, a company incorporated in Hong Kong with limited liability, is an 99.01%-owned subsidiary of the Company
“Tenancy Agreement”	the tenancy agreement dated 21 April 2022 entered into between the Parties in relation to the lease of the Premises
“%”	per cent

By order of the Board  
**Lewis Li**  
*Executive Director and  
Chief Financial Officer*

Hong Kong, 21 April 2022

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

*Executive directors:*

Dr Kwan Pak Hoo Bankee, JP  
Mr Leung Siu Pong James  
Mr Li Shing Wai Lewis  
Mr Kwan Teng Hin Jeffrey

*Independent non-executive directors:*

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

*If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.*

*\* For identification purposes only*