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CASH 時富
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

RENEWAL OFFER LETTER

RENEWAL OFFER LETTER

On 17 May 2024, the Board announces that the Tenant accepted and signed the Renewal Offer Letter issued by the Landlord in relation to the renewal of the tenancy of the Premises.

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 Renewal Offer Letter. Accordingly, the lease transaction contemplated under the Renewal Offer Letter 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) calculated based on the unaudited value of the right-of-use of the Premises under the Renewal Offer Letter exceeds 5% but is less than 25%, the entering into of the Renewal Offer Letter constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 17 May 2024 (after trading hours), the Board announces that, the Tenant, a subsidiary of the Company, accepted and signed the Renewal Offer Letter issued by the Landlord (being an Independent Third Party) in relation to the renewal of the tenancy of the Premises for operation of store of retail management business of the Group.

RENEWAL OFFER LETTER

Date of acceptance: 17 May 2024

The Parties: (i) MegaBox Development Company 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: Unit 8 on Level 5 of MegaBox, Enterprise Square Five, 38 Wang Chiu Road, Kowloon Bay, Hong Kong.

Lease term: Six (6) months from 18 May 2024 to 17 November 2024 (both days inclusive).

The aggregate value of consideration payable: Approximately HK\$8.9 million in aggregate for the term of 6 months, including basic rent, stamp duty and estimated reinstatement cost by the Tenant, subject to 9% of the monthly gross sales turnover in the Premises, whichever is higher pursuant to the terms and conditions of the Renewal Offer Letter, which will be satisfied by internal resources of the Group.

The rent under the Renewal Offer Letter 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.

Deposit: HK\$5,215,386.00.

The unaudited value of the right-of-use asset to be recognised by the Group under the Renewal Offer Letter amounted is approximately HK\$8.9 million, which represents the present value of aggregated lease payments for the term of six months and the deposit, plus initial direct costs and estimated reinstatement cost and discounted using the incremental borrowing rate in accordance with HKFRS 16. Incremental borrowing rate of the lease liability is determined with reference to the prevailing interest rate of the Group's external borrowings.

INFORMATION OF THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are (a) the 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 Home", "TMF", "SECO", "Pricerite Food" and "Pricerite Pet" in Hong Kong; (b) the provision of investment management services to fund investors (the "Investment Management Business"); and (c) the other financial services businesses (other than the Investment Management Business) provided through CASH Financial Services Group Limited (a 64.47%-owned listed subsidiary of the Company). For additional information, please visit 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 Kerry Properties Limited (listed on Stock Exchange (stock code: 683)).

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 RENEWAL OFFER LETTER

The Group is currently leasing the Premises for its retail business. The existing tenancy of the Premises will expire on 17 May 2024. By accepting and signing the Renewal Offer Letter, 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 Renewal Offer Letter 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 accepting and signing of the Renewal Offer Letter is in the ordinary course of business of the Group and on normal commercial terms which are fair and reasonable, and that the Renewal Offer Letter 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 Renewal Offer Letter. Accordingly, the lease transaction contemplated under the Renewal Offer Letter 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) calculated based on the unaudited value of the right-of-use of the Premises under the Renewal Offer Letter exceeds 5% or but is less than 25%, the entering into of the Renewal Offer Letter constitutes a discloseable transaction for 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 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"	MegaBox Development Company Limited, as the landlord
"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 “Renewal Offer Letter” in this announcement
“Renewal Offer Letter”	the Renewal Offer Letter issued by the Landlord and accepted and signed by the Tenant on 17 May 2024 in relation to the renewal of the tenancy of the Premises
“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
“%”	per cent

By order of the Board
Morton Cheung
*Executive Director and
Chief Financial Officer*

Hong Kong, 17 May 2024

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

Executive directors:

Dr Kwan Pak Hoo Bankee, *BBS, JP*
Mr Leung Siu Pong James
Mr Kwan Teng Hin Jeffrey
Mr Cheung Tsz Yui Morton

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*