

CASH RETAIL MANAGEMENT (HK) LIMITED
(Incorporated in the BVI with limited liability)

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5 July 2013

To the Privateco Shareholders

Dear Sir/Madam,

**VOLUNTARY CONDITIONAL CASH OFFER
BY CELESTIAL CAPITAL LIMITED ON BEHALF OF
CELESTIAL INVESTMENT GROUP LIMITED
FOR ALL THE SHARES IN THE CAPITAL OF CASH RETAIL MANAGEMENT (HK) LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
CELESTIAL INVESTMENT GROUP LIMITED)**

INTRODUCTION

References are made to the Joint Announcements, the CASH Circular and the CFSG Circular.

On 18 June 2013, the resolution in respect of, among other things, the Privateco Offer was approved at the special general meeting of CASH. On 21 June 2013, the resolution in respect of, among other things, the Distribution In Specie was approved at the special general meeting of CFSG. On 28 June 2013, the Distribution Completion took place. Accordingly, the pre-conditions of the Privateco Offer as set out in the Joint Announcements, the CASH Circular and the CFSG Circular had been fulfilled as at the Latest Practicable Date. It was announced in the Joint Announcements, the CASH Circular and the CFSG Circular that, after the completion of the Distribution In Specie and subject to the satisfaction of the pre-conditions of the Privateco Offer, Celestial Capital would, on behalf of CIGL and pursuant to the Takeovers Code, make the Privateco Offer (i.e. a voluntary conditional cash offer to acquire all the Privateco Shares (other than those already owned or agreed to be acquired by CIGL)) on the basis of HK\$0.011 in cash for each Privateco Share held.

The purpose of this Composite Document is to provide you with, among other things, information on the Privateco Offer, the Offeror, the Privateco Group, the letter from Celestial Capital and the letter from Vinco Capital containing its advice to the Independent Privateco Shareholders in respect of the Privateco Offer.

THE PRIVATECO OFFER

Principal terms

The Privateco Offer was approved by the shareholders of CASH at the special general meeting of CASH held on 18 June 2013.

In its letter contained in this Composite Document, Celestial Capital, the financial adviser to CIGL and on behalf of CIGL, is making the Privateco Offer to acquire all the Privateco Shares (other than those already owned or agreed to be acquired by CIGL), which is conditional and in compliance with the Takeovers Code, on the following basis:

for each Privateco Share held HK\$0.011 in cash.

As at the Latest Practicable Date, there were 3,877,859,588 Privateco Shares in issue. CIGL is interested in 1,657,801,069 Privateco Shares, representing approximately 42.75% of the issued share capital of the Privateco as at the Latest Practicable Date. Accordingly, 2,220,058,519 Privateco Shares (representing approximately 57.25% of the share capital of Privateco in issue) are subject to the Privateco Offer.

As a result of the Distribution In Specie, the CIGL Concert Party Group is interested in an aggregate of 1,758,522,749 Privateco Shares, representing approximately 45.35% of the issued share capital of the Privateco as at the Latest Practicable Date. The Privateco Offer is conditional upon valid acceptances being received which would result in the CIGL Concert Party Group holding more than 50% of the issued share capital of the Privateco. **Privateco Shareholders are reminded that, subject to the level of valid acceptance being received of the Privateco Offer, the Privateco Offer may or may not become unconditional.**

The offer price of HK\$0.011 per Privateco Share under the Privateco Offer has been determined based on the unaudited net asset value of the Privateco Group as at 31 March 2013 of approximately HK\$42.6 million (being the consolidated net asset value of the Privateco Group as at 31 December 2012 of approximately HK\$154.3 million less the dividend of approximately HK\$111.7 million declared and paid by the Privateco to its then holding company on 31 March 2013). On the basis that 3,877,859,588 Privateco Shares are in issue upon the completion of the Distribution In Specie and based on the offer price under the Privateco Offer of HK\$0.011 per Privateco Share, the entire issued share capital of the Privateco is valued at approximately HK\$42,656,455.47. The Privateco Offer will be financed by the internal resources of the CASH Group. The CASH Group will use part of the proceeds raised from the rights issue (as announced by CASH on 23 April 2013 and completed on 13 June 2013) to replenish its general working capital.

Save for the 3,877,859,588 Privateco Shares in issue, as at the Latest Practicable Date, the Privateco had no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of the Privateco Shares and the Privateco had no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code).

The Privateco Shares to be acquired under the Privateco Offer shall be fully paid and free from all options, liens, charges, claims, agreements, equities, security interest and encumbrances, rights of pre-emption and any other third-party rights of any nature and together with all rights attaching to them, including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Privateco Offer is made, being the date of posting of this Composite Document.

Further details of the Privateco Offer including, among other things, the terms and conditions of and the procedures for acceptance and settlement for the Privateco Offer are set out in the letter from Celestial Capital in this Composite Document, Appendix I to this Composite Document and the accompanying Form of Acceptance and Transfer.

Information on the Privateco

The Privateco is a company incorporated in the BVI and is an indirect non-wholly-owned subsidiary of CASH held through CIGL as at the Latest Practicable Date upon the Distribution Completion.

The Privateco Group is principally engaged in the Distributed Businesses, being the retail management businesses including, among others, retailing of furniture, household goods and electrical appliances through the chain stores under the brand names of "Pricerite" in Hong Kong and "生活經艷" (translated as Sheng Huo Jing Yan) in the PRC.

As at the respective dates of the Joint Announcements, the Privateco had 50,000 authorised Privateco Shares of US\$1.00 each, of which 100 Privateco Shares of US\$1.00 each (representing 100% of the issued equity interest in the Privateco) were issued to CFSG.

As at the Latest Practicable Date, subsequent to completion of both the Privateco Capital Re-organisation and the Distribution In Specie (detailed steps of which are set out in the paragraph headed "2. Share capital" in Appendix IV to this Composite Document): (i) the Privateco had an authorised share capital of HK\$4,000,000 divided into 4,000,000,000 Privateco Shares of HK\$0.001 each; (ii) there were a total of 3,877,859,588 Privateco Shares of HK\$0.001 in issue, among which 1,657,801,069 Privateco Shares were held by CIGL and 2,220,058,519, which are subject of the Privateco Offer, were held by other Privateco Shareholders.

The financial information on the Privateco Group for the three years ended 31 December 2012 is set out in Appendix II to this Composite Document.

Before the Distribution Completion, the Privateco was a wholly-owned subsidiary of CFSG. Upon the Distribution Completion which took place on 28 June 2013, the Privateco has ceased to be a subsidiary of CFSG and has become a non-wholly-owned subsidiary of CASH held through CIGL and an unlisted public company under the laws of Hong Kong.

INTENTION OF CIGL REGARDING THE PRIVATECO GROUP

Your attention is drawn to the letter from Celestial Capital in this Composite Document which sets out the intention of CIGL regarding the future plan of the Privateco Group. The Privateco Board is of the view that CIGL's future plan in respect of the Privateco Group is in the best interest of the Privateco and the Privateco Shareholders as a whole.

RECOMMENDATION

As the Privateco Board does not have any non-executive directors or any independent non-executive directors, no independent committee of the Privateco Board can be formed to give a recommendation to the Independent Privateco Shareholders in connection with the Privateco Offer. In these circumstances, Vinco Capital has been appointed to advise the Independent Privateco Shareholders as to whether the terms of the Privateco Offer are, or are not, fair and reasonable so far as the Independent Privateco Shareholders are concerned and whether the Independent Privateco Shareholders are recommended to accept the Privateco Offer.

Your attention is drawn to the letter from Vinco Capital to the Independent Privateco Shareholders, set out on pages 17 to 29 of this Composite Document, which sets out its recommendation in relation to the Privateco Offer and the principal factors considered by it in arriving at its recommendation.

ADDITIONAL INFORMATION

Your attention is also drawn to the section headed "Expected timetable" on page 1 of this Composite Document, the accompanying Form of Acceptance and Transfer, Appendix I with respect to the procedures for acceptance and settlement, the acceptance period, the despatch of share certificates of the Privateco Shares and the share transfer arrangement during and after the close of the Privateco Offer, and the additional information set out in the appendices which form part of this Composite Document.

Yours faithfully,
For and on behalf of the Board of
CASH Retail Management (HK) Limited



Bankee P. Kwan

Director