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CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 1049)

**Continuing Connected Transactions
- Provision of financial assistance by CFSG**

Reference is made to the announcement of the Company dated 21 March 2013 in relation to, inter alia, the adoption of new accounting standards of the Company and the consequential change of CFSG from an associated company to a subsidiary of the Group.

Reference is also made to the announcement and circular of CFSG dated 14 December 2012 and 2 January 2013 respectively, in relation to the provision of New Margin Financing Arrangement to the Connected Clients, which constituted continuing connected transactions for CFSG. The transactions were approved by the independent shareholders of CFSG at the SGM held on 22 January 2013.

Upon CFSG becoming a subsidiary of the Group, the provision of the New Margin Financing Arrangement by Celestial Securities (a subsidiary of the Company and CFSG) to each of the Connected Clients (save as CASH Companies) (being either directors or substantial shareholders of the Company or each respective associates and are regarded as connected persons of the Company) also constituted continuing connected transactions relating to financial assistance for the Company under Chapter 14A of the Listing Rules.

This announcement is made by the Company pursuant to Rule 14A.41 of the Listing Rules to comply with the reporting and announcement requirements to disclose the details of the New Margin Financing Arrangement.

Details of the provision of New Margin Financing Arrangement by CFSG to the Connected Clients are set out below. The New Margin Financing Arrangement was a renewal of the Previous Margin Financing Arrangement which had been expired after 31 December 2012.

THE NEW MARGIN FINANCING AGREEMENTS

Date : All dated 14 December 2012

Parties : Celestial Securities (a subsidiary of the Company and a wholly-owned subsidiary of CFSG) and each of the Connected Clients.

The Connected Clients are Mr Kwan Pak Hoo Bankee ^(Notes 1 and 3), Mr Law Ping Wah Bernard ^(Note 1) (the executive directors of each of the Company and CFSG), Mr Chan Chi Ming Benson ^(Note 1), Mr Cheng Man Pan Ben ^(Note 1), Ms Cheng Pui Lai Majone ^(Note 2) (the executive directors of CFSG), Mr Chan Yau Ching Bob ^(Note 2), Mr Ng Kung Chit Raymond ^(Note 2) (the executive directors of the Company), Cash Guardian ^(Notes 1 and 3) (a substantial shareholder of the Company), Libra Capital Management (HK) Limited ^(Note 1) and Cashflow Credit Limited ^(Note 1) (wholly-owned subsidiaries of the Company and the substantial shareholders of CFSG).

Notes:

- (1) Such Connected Clients have been granted margin financing facility of up to HK\$30 million for each of the three financial years ended 31 December 2012 under the Previous Margin Financing Arrangement.*
- (2) Such Connected Clients are new Connected Clients who have not been granted margin financing facility under the Previous Margin Financing Arrangement.*
- (3) The margin financing facility to be granted to each of the above Connected Clients is a stand alone facility. Each of their margin financing facility under the New Margin Financing Arrangement would not be aggregated.*

As the Connected Clients are either directors or substantial shareholders of CFSG and/or the Company, or each respective associates, each of the Connected Clients (save as CASH Companies) is a connected person of the Company under the Listing Rules.

Annual cap of the margin financing facility to be granted:

The margin financing facility being extended to each of the Connected Clients would be a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the three financial years ending 31 December 2015.

Basis for determination of the annual cap :

The annual cap of margin financing facility under the New Margin Financing Agreements was the same as under the Previous Margin Financing Agreements.

After the CFSG Board discussed with the Connected Clients, they would like to obtain the same annual cap under the Previous Margin Financing Agreements to allow them higher flexibility in trading and/or investments of securities in the coming three years. The extent of utilization of the margin financing facility under the Previous Margin Financing Agreements for certain Connected Clients was not high due to the unfavourable global and local stock market and poor investment sentiment in recent years. With gradual stabilization of the financial markets, it is expected that the Hong Kong stock market would be improved and the securities trading and initial public offering activities of the Connected Clients would be increased.

The annual cap was determined after arm's length negotiation between CFSG Group and each of the Connected Clients based on the previous amount of annual cap under the Previous Margin Financing Agreements after taking into account their respective credit assessment, financial strength, past payment record and collateral securities for the facility, the anticipated securities trading and initial public offering activities of the Connected Clients and the benefit for capturing the securities trading activities of the Connected Clients in the usual and ordinary course of the business of CFSG Group.

The CFSG Board proposed to grant the same amount of annual cap of the Previous Margin Financing Agreements to allow a buffer and more flexibility for CFSG Board to grant the margin financing facility to the Connected Clients and to continue its relationship with the Connected Clients in ordinary and usual course of business of CFSG Group with a view to contributing to the revenue and results of CFSG Group.

Duration and terms and Conditions :

Fixed term of three financial years ending on 31 December 2015 and was conditional upon:

- (i) CFSG having obtained approval by the independent shareholders on the New Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the SGM to be convened and held in compliance with the Listing Rules.

The condition has been fulfilled upon approval of the New Margin Financing Arrangement by the independent shareholders of CFSG at the SGM held on 22 January 2013.

Other terms :

The margin financing facilities would be provided to the Connected Clients on normal commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients.

Each of the margin financing facilities is repayable on demand and will be secured by listed securities held by the respective Connected Clients.

Reasons for the transaction

The CFSG Board considered that the New Margin Financing Arrangements would (a) provide flexibility of CFSG Board to grant such margin financing facilities, (b) enable CFSG to capture the securities trading activities of the Connected Clients, and (c) allows CFSG Group to earn income from the Connected Clients in the ordinary course of business and on normal commercial terms. Given that the margin financing facilities are being provided on normal commercial terms and in the ordinary course of business, CFSG Board considered that the terms of the New Margin Financing Arrangement were fair and reasonable, and the provision of the New Margin Financing Arrangement was in the interest of CFSG and the shareholders as a whole.

The Previous Margin Financing Arrangement

The amounts of margin financing facilities granted to certain Connected Clients under the Previous Margin Financing Arrangement in the preceding two years ended 31 December 2011 and the six months ended 30 June 2012 were as follows:

Name	Year end / period end	Outstanding amount as at year/period end (HK\$'000)	Maximum outstanding amount during the year/period (HK\$'000)
Mr Kwan Pak Hoo Bankee and associates	31 December 2010	-	26,150
	31 December 2011	-	3,202
	30 June 2012	-	44
Mr Chan Chi Ming Benson and associates	31 December 2010	-	-
	31 December 2011	-	-
	30 June 2012	-	-
Mr Law Ping Wah Bernard and associates	31 December 2010	-	28,892
	31 December 2011	-	12,336
	30 June 2012	-	-
Mr Cheng Man Pan Ben and associates	31 December 2010	170	4,024
	31 December 2011	171	2,170
	30 June 2012	146	1,098
Cash Guardian	31 December 2010	-	24,799
	31 December 2011	-	4,356
	30 June 2012	-	-
Libra Capital Management (HK) Limited	31 December 2010	-	28,714
	31 December 2011	-	17,216
	30 June 2012	-	-
Cashflow Credit Limited	31 December 2010	-	-
	31 December 2011	-	-
	30 June 2012	-	-

Note: The caps of margin financing facilities for the above Connected Clients under the Previous Margin Financing Arrangement were up to HK\$30 million for each of the three financial years ended 31 December 2012.

INFORMATION ON THE GROUP AND THE CFSG GROUP

The current principal activities of the Group consist of (a) provision of mobile internet (to include content, operations and distribution activities) services and online game (sales of online game auxiliary products and licensing) services; (b) the business activities carried out via CFSG under the below paragraph; and (c) investment holding. For additional information, please visit www.cash.com.hk.

CFSG is a leading financial services conglomerate in the PRC. CFSG has been providing its broad-based clients with a comprehensive range of financial products and quality services that cater for their versatile investment and wealth management needs, anytime, anywhere. Since its establishment in 1972, CFSG has been building lasting businesses in the investment and financial services sector. Its comprehensive range of financial products and services includes brokerages for mobile and premium trading, investment banking and corporate finance advisory, wealth management, alternative trading, etc. As a leading technology-focused financial services provider, coupled with its professional human talents, CFSG is committed to operating a state-of-the-art trading platform to meet the investment needs of clients in today's borderless world. Leveraging this advanced electronic trading platform, CFSG has developed an extensive distribution network to reach its institutional, corporate and individual clients across China. CFSG also owns the largest home furnishing retail chain in Hong Kong, Pricerite, a specialist in furniture and household items.

GENERAL

Reference is made to the announcement of the Company dated 21 March 2013 in relation to, inter alia, the adoption of new accounting standards of the Company and the consequential change of CFSG from an associated company to a subsidiary of the Group.

Reference is also made to the announcement and circular of CFSG dated 14 December 2012 and 2 January 2013 respectively, in relation to the provision of New Margin Financing Arrangement to the Connected Clients, which constituted continuing connected transactions for CFSG. As each of the margin financing facilities on an annual basis to be granted would exceed 5% of the applicable percentage ratios of CFSG under the Listing Rules and HK\$10,000,000, the financial assistance to be provided by CFSG Group to the Connected Clients was subject to the reporting, announcement, the independent shareholders' approval and annual review requirements by CFSG under the Listing Rules. Particulars of the New Margin Financing Arrangement were set out in the circular of CFSG dated 2 January 2013. The New Margin Financing Arrangement was approved by the independent shareholders of CFSG at the SGM held on 22 January 2013.

Upon CFSG becoming a subsidiary of the Group, the provision of the New Margin Financing Arrangement by Celestial Securities (a subsidiary of the Company and CFSG) to each of the Connected Clients (save as CASH Companies) (being either directors or substantial shareholders of the Company or each respective associates and are regarded as connected persons of the Company) also constituted continuing connected transactions relating to financial assistance for the Company under Chapter 14A of the Listing Rules. As each of the margin financing facilities on an annual basis to be granted would exceed 5% of the applicable percentage ratios of the Company under the Listing Rules and HK\$10,000,000, the financial assistance to be provided by CFSG Group to the Connected Clients was subject to all applicable reporting, annual review and disclosure requirements in respect of such continuing connected transactions by the Company in accordance with Rule 14A.41 of the Listing Rules.

This announcement is made by the Company pursuant to Rule 14A.41 of the Listing Rules to comply with the reporting and announcement requirements to disclose the details of the New Margin Financing Arrangement.

DEFINITIONS

“associate”	has the same meaning ascribed in the Listing Rules
“CFSG Board”	the board of directors of CFSG
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange. It is the holding company of CFSG
“CASH Companies”	Libra Capital Management (HK) Limited and Cashflow Credit Limited, being wholly-owned subsidiaries of the Company, are connected persons of CFSG
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands, with principal activity of investment holding. It is a controlled corporation and an associate of Mr Kwan Pak Hoo Bankee (an executive director of each of the Company and CFSG). It is a substantial shareholder of the Company
“Celestial Securities”	Celestial Securities Limited, a company incorporated with limited liability in Hong Kong, and is a subsidiary of the Company and a wholly-owned subsidiary of CFSG. It is a licensed corporation under the Securities and Futures Ordinance, which is engaged in type 1 (dealing in securities) regulated activity
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange. It is a subsidiary of the Company as at the date of this announcement
“CFSG Group	CFSG and its subsidiaries
“CIGL”	Celestial Investment Group Limited, a substantial shareholder of CFSG, and is holding 42.75% equity interest in CFSG. It is a wholly-owned subsidiary of the Company
“Conditions”	the conditions as set out in the sub-heading of “Duration and terms and Conditions” under the heading of “The New Margin Financing Agreements”
“Connected Clients”	Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard (the executive directors of each of the Company and CFSG), Mr Chan Chi Ming Benson, Mr Cheng Man Pan Ben, Ms Cheng Pui Lai Majone (the executive directors of CFSG), Mr Chan Yau Ching Bob, Mr Ng Kung Chit Raymond (the executive directors of the Company), Cash Guardian (a substantial shareholder of the Company), and CASH Companies (wholly-owned subsidiaries of the Company and the substantial shareholders of CFSG)
“connected person(s)”	has the meanings ascribed to it under the Listing Rules
“Group	the Company and its subsidiaries, including CFSG Group

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Margin Financing Agreements”	the written margin financing agreements all dated 14 December 2012 on same terms and conditions as disclosed in this announcement entered into between Celestial Securities with each of the Connected Clients relating to, subject to Conditions, the proposed renewal and the granting of the margin financing facility to the Connected Clients
“New Margin Financing Arrangement”	the renewal and the granting of margin financing facility by CFSG Group to the Connected Clients for the three financial years ending 31 December 2015 under the New Margin Financing Agreements (particulars of which are set out in a circular of CFSG dated 2 January 2013), as approved by the independent shareholders of CFSG at the SGM held on 22 January 2013
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Previous Margin Financing Agreements”	the written margin financing agreements all dated 25 November 2009 entered into between Celestial Securities with certain Connected Clients relating to the grant of the Previous Margin Financing Arrangement to certain Connected Clients
“Previous Margin Financing Arrangement”	the margin financing facility previously extended by CFSG Group to certain Connected Clients for the three financial years ended 31 December 2012 under the Previous Margin Financing Agreements (particulars of which are set out in a circular of CFSG dated 15 December 2009), as approved by the independent shareholders of CFSG on 31 December 2009
“SGM”	the special general meeting of CFSG held on 22 January 2013 approving the New Margin Financing Arrangement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“%”	per cent

By Order of the Board
Suzanne S W Luke
Company Secretary

Hong Kong, 21 March 2013

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Dr Chan Yau Ching Bob
Mr Law Ping Wah Bernard
Mr Ng Kung Chit Raymond

Independent non-executive directors:

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