THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Celestial Asia Securities Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of Celestial Asia Securities Holdings Limited.

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)

VERY SUBSTANTIAL DISPOSAL
IN RELATION TO THE DISPOSAL OF 36.28% SHAREHOLDING IN
CASH FINANCIAL SERVICES GROUP LIMITED
TO EVER BILLION

AND

NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of Celestial Asia Securities Holdings Limited to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 28 October 2016 (Friday) at 9:30 am is set out on pages 82 to 83 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the meeting should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

12 October 2016

* *For identification purpose only*

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In this circular, the following expressions have the following meanings unless the context requires otherwise:

"acting in concert"	has the same meaning as ascribed to it under the Takeovers Code
"Algo Group"	CASH Algo Finance Group Limited (a company incorporated in the British Virgin Islands with limited liability) and its subsidiaries, which are principally engaged in algorithmic trading business
"Amendment Agreement"	the amendment agreement dated 23 September 2016 entered into among CIGL, the Offeror and the Company to amend the Sale and Purchase Agreement in relation to the Condition relating to delivery of the Optionholders Irrevocable Undertakings
"associate(s)"	has the same meaning as ascribed to it under the Takeovers Code or the Listing Rules as the context may require
"Board"	the board of directors of the Company
"Business Day(s)"	a day (excluding Saturday, Sunday, any public holiday in Hong Kong, and any day on which typhoon warning signal No. 8 or above or the black rainstorm warning signal is hoisted during 9:00 am to 5:00 pm) on which banks in Hong Kong are open for business
"Cash Guardian"	Cash Guardian Limited (a company incorporated in the British Virgin Islands with limited liability), and is a controlled corporation and an associate of Mr Kwan Pak Hoo Bankee, Chairman of the CFSG Board and the Board, and a substantial shareholder of the Company
"Cash Guardian Irrevocable Undertaking"	the irrevocable undertaking issued by Cash Guardian and Mr Kwan Pak Hoo Bankee in favour of the Offeror dated 8 September 2016
"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, and is an indirect non-wholly-owned subsidiary of the Company
"CFSG Board"	the board of directors of CFSG
"CFSG Directors"	the directors of CFSG

"CFSG Group"	CFSG and its subsidiaries
"CFSG Independent Board Committee"	the independent committee of the CFSG Board (comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, the three independent non-executive directors of CFSG) which has been formed to advise and give recommendation to the CFSG Shareholders in respect of the Offer
"CFSG Sale Shares"	the 1,500,000,000 CFSG Shares (representing approximately 36.28% of the issued share capital of CFSG as at the Latest Practicable Date) agreed to be sold by CIGL to the Offeror under the Sale and Purchase Agreement
"CFSG Share(s)"	share(s) of HK$0.02 each in the share capital of CFSG
"CFSG Shareholders"	the shareholders of CFSG
"CIGL" or "Seller"	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of the Company, holding 1,667,821,069 CFSG Shares (representing approximately 40.34% of the issued share capital of CFSG) as at the Latest Practicable Date
"CIGL Irrevocable Undertaking"	the irrevocable undertaking issued by CIGL and the Company in favour of the Offeror dated 8 September 2016 (as amended by an amendment to the deed of the undertaking by CIGL dated 14 September 2016)
"Company" or "Guarantor"	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, and is the holding company of CFSG
"Completion Account"	the management account of the CFSG Group made up to the Completion Account Date approved and certified by any one of the CFSG Directors
"Completion Account Date"	the end of the calendar month immediately preceding the S&P Completion Date
"Completion NAV"	has the meaning as ascribed to it under the sub-heading "Specific Undertakings" in the paragraph headed "The Sale and Purchase Agreement and the Amendment Agreement" in the section of "Letter from the Board" in this circular

"Composite Offer Document"	the document proposed to be jointly issued by and on behalf of the Offeror and CFSG to all CFSG Shareholders in accordance with the Takeovers Code containing, among others, the terms and conditions of the Offer, the form of acceptance and transfer of the CFSG Shares in respect of the Share Offer, the letter of advice of the Independent Financial Adviser to the CFSG Independent Board Committee in respect of the Offer, and the letter of advice of the CFSG Independent Board Committee to the CFSG Shareholders as to whether the terms of the Offer are fair and reasonable and as to acceptance
"Condition(s)"	the condition(s) precedent to the S&P Completion
"Confident Profits"	Confident Profits Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, neither Confident Profits nor any of its subsidiaries is a direct shareholder of CFSG
"Confident Profits Group"	Confident Profits and its subsidiaries, including CFSG (China) Limited and its subsidiaries (which had ceased its financial consulting services business in the PRC since October 2015) and the Algo Group
"connected person(s)"	has the same meaning as ascribed to it under the Listing Rules
"Consideration"	the consideration payable by the Offeror for the CFSG Sale Shares pursuant to the Sale and Purchase Agreement
"Deposit"	a deposit of HK$50,000,000 paid by the Offeror to CIGL on 21 July 2016 pursuant to the Framework Agreement. Upon the S&P Completion, the Deposit will be applied towards the Consideration for the CFSG Sale Shares
"Directors"	the directors of the Company
"Disposal"	the disposal of the CFSG Sale Shares by CIGL to the Offeror as contemplated under the Sale and Purchase Agreement
"Encumbrance"	any security arrangement, claim, encumbrance, equity, mortgage, option to subscribe or acquire, charge, pledge, lien or other third party right of any kind

"First Joint Announcement"	the joint announcement dated 14 September 2016 made by the Company, CFSG and the Offeror in relation to, inter alia, the Sale and Purchase Agreement and the Offer
"Framework Agreement"	the framework agreement entered into between the Offeror and CIGL relating to the possible sale and purchase of the CFSG Sale Shares on 19 July 2016 (as amended and supplemented by a supplemental agreement dated 21 July 2016 entered into between the Offeror and CIGL), details of which were set out in the joint announcement of the Company and CFSG dated 21 July 2016
"Group"	the Company and its subsidiaries
"Group A Optionholders"	the Optionholders holding an aggregate of 108,500,000 Options as at the Latest Practicable Date
"Group B Optionholders"	the Optionholders (including Mr Kwan Pak Hoo Bankee, Chairman of the CFSG Board and the Board) holding an aggregate of 229,500,000 Options as at the Latest Practicable Date
"Guarantee Minimum NAV"	has the meaning as ascribed to it under the sub-heading "Specific Undertakings" in the paragraph headed "The Sale and Purchase Agreement and the Amendment Agreement" in the section of "Letter from the Board" in this circular
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Financial Adviser"	the independent financial adviser appointed by the CFSG Independent Board Committee to advise the CFSG Independent Board Committee in respect of the Offer
"Last Trading Day"	8 September 2016, being the last trading day prior to the trading halt of the CFSG Shares pending the publication of the First Joint Announcement
"Latest Practicable Date"	6 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Lock-up Period"	has the meaning as ascribed to it in the paragraph headed "CIGL Irrevocable Undertaking" in the section of "Letter from the Board" in this circular
"Long Stop Date"	31 December 2016 (or such other later date as may be agreed by the Offeror and CIGL)
"Model Code"	the required standards of dealings regarding securities transactions by Directors or the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
"Net2Gather"	Net2Gather (China) Holdings Limited, a company incorporated in the British Virgin Islands with limited liability, the holding company of the Group's mobile internet services business
"Offeror" or "Ever Billion" or "Purchaser"	Ever Billion Group Limited (恒億集團有限公司), a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Sunbase Holdings
"Option(s)"	the non-transferable share option(s) granted by CFSG pursuant to the share option scheme of CFSG adopted on 22 February 2008, which entitle(s) the Optionholder(s) to subscribe for the CFSG Share(s) in accordance with the terms and conditions thereof
"Optionholder(s)"	holder(s) of the Option(s)
"Optionholders Irrevocable Undertakings"	the irrevocable undertakings executed by the Optionholders holding all outstanding Options carrying subscription rights to subscribe for 338,000,000 CFSG Shares pursuant to the terms of the Sale and Purchase Agreement
"Parties"	CIGL, Ever Billion and the Company, being the parties to the Sale and Purchase Agreement and the Amendment Agreement
"PRC"	the People's Republic of China
"Pricerite Group"	CASH Retail Management (HK) Limited (a company incorporated in the British Virgin Islands with limited liability) and its subsidiaries, which are principally engaged in retail management business
"Receivables"	has the meaning as ascribed to it under the sub-heading "Specific Undertakings" in the paragraph headed "The Sale and Purchase Agreement and the Amendment Agreement" in the section of "Letter from the Board" in this circular

"Remaining Businesses"	the Group's remaining businesses on the assumption that the S&P Completion had taken place
"Remaining CFSG Shares"	the remaining 167,821,069 CFSG Shares held by CIGL following the S&P Completion
"Remaining Group"	the Group excluding the CFSG Group on the assumption that the S&P Completion had taken place
"RMB"	Renminbi, the lawful currency of the PRC
"S&P Completion"	completion of the Sale and Purchase Agreement
"S&P Completion Date"	the date of completion of the Sale and Purchase Agreement
"Sale and Purchase Agreement"	the sale and purchase agreement dated 8 September 2016 entered into among CIGL, the Offeror and the Company (as amended by the Amendment Agreement) relating to the sale and purchase of the CFSG Sale Shares
"Sale Price"	the sale price of the CFSG Sale Share, being HK$0.51 per CFSG Sale Share
"Second Joint Announcement"	the joint announcement dated 23 September 2016 made by the Company, CFSG and the Offeror in relation to the Amendment Agreement and the Offer
"Seller Parties"	CIGL, as seller and the Company, as guarantor of CIGL under the Sale and Purchase Agreement and the Amendment Agreement
"SFC"	the Securities and Futures Commission in Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company convened to be held on 28 October 2016 (Friday) at 9:30 am for seeking the Shareholders' approval in respect of the Sale and Purchase Agreement, the Amendment Agreement and the transactions contemplated thereunder
"Share Offer" or "Offer"	the conditional mandatory cash offer to be made by Huarong International Securities Limited for and on behalf of the Offeror for all issued CFSG Shares not already owned or agreed to be acquired by the Offeror or parties acting in concert with it in accordance with the Takeovers Code

"Share Offer Price"	the purchase price per CFSG Share of HK$0.51 payable in cash by the Offeror to the CFSG Shareholders under the Share Offer
"Shareholder(s)"	the shareholder(s) of the Company
"Shares"	shares of HK$0.10 each in the share capital of the Company
"Shortfall"	has the meaning as ascribed to it under the sub-heading "Specific Undertakings" in the paragraph headed "The Sale and Purchase Agreement and the Amendment Agreement" in the section of "Letter from the Board" in this circular
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"substantial shareholder"	has the meaning as ascribed to it under the Listing Rules
"Sunbase Holdings"	Sunbase International (Holdings) Limited (新恒基國際(集團)有限公司), a private company limited by shares incorporated in Hong Kong
"Takeovers Code"	the Code on Takeovers and Mergers issued by the SFC as amended from time to time
"%"	per cent

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
時富投資集團有限公司*

(Incorporated in Bermuda with limited liability)
(Stock code: 1049)

Board of Directors:
Executive:
KWAN Pak Hoo Bankee, *JP*
LAW Ping Wah Bernard
LAW Ka Kin Eugene
NG Hin Sing Derek
KWOK Lai Ling Elaine

Independent non-executive:
LEUNG Ka Kui Johnny
WONG Chuk Yan
CHAN Hak Sin

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business:
28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

12 October 2016

To the Shareholders

Dear Sir/Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE DISPOSAL OF 36.28% SHAREHOLDING IN CASH FINANCIAL SERVICES GROUP LIMITED TO EVER BILLION

INTRODUCTION

References are made to the First Joint Announcement and the Second Joint Announcement relating to, among other things, the entering into of the Sale and Purchase Agreement, the Amendment Agreement and the Offer.

The Sale and Purchase Agreement and the Amendment Agreement

Pursuant to the Sale and Purchase Agreement among the Offeror as purchaser, CIGL (a wholly-owned subsidiary of the Company) as seller and the Company as guarantor, the Offeror has conditionally agreed to purchase and CIGL has conditionally agreed to sell the CFSG Sale Shares, being 1,500,000,000 CFSG Shares, at a total consideration of HK$765,000,000 (representing the Sale Price of HK$0.51 per CFSG Sale Share). The CFSG Sale Shares represent approximately 36.28% of the issued share capital of CFSG as at the Latest Practicable Date.

* *For identification purpose only*

The S&P Completion is conditional upon fulfilment (or, where applicable, waiver) of the Conditions described under the sub-heading "Conditions precedent" in the paragraph headed "The Sale and Purchase Agreement and the Amendment Agreement" in this section. The S&P Completion shall take place on the fifth (5th) Business Day following the day on which the Conditions have been fulfilled (or, where applicable, waived) (or such later date as CIGL and the Offeror may agree in writing, and in any event, not later than the Long Stop Date). Subject to fulfilment (or, where applicable, waiver) of the Conditions under the Sale and Purchase Agreement and immediately following the S&P Completion, the Offeror and parties acting in concert will make the Share Offer at the Share Offer Price upon the terms to be set out in the Composite Offer Document to be despatched to shareholders of CFSG in accordance with the Takeovers Code.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the announcement, circular and the Shareholders' approval requirements under Chapter 14 of the Listing Rules. No particular Shareholder has material interest in the Disposal different from other Shareholders and no Shareholder is required to abstain from voting at the SGM.

Purpose of this circular

The purpose of this circular is to provide you with, among other things, (i) details of the Sale and Purchase Agreement, the Amendment Agreement and the transactions contemplated thereunder; (ii) financial information of the CFSG Group; (iii) pro forma financial information of the Remaining Group; and (iv) a notice convening the SGM together with the form of proxy and other information as required under the Listing Rules.

THE SALE AND PURCHASE AGREEMENT AND THE AMENDMENT AGREEMENT

Date

8 September 2016 (as amended by the Amendment Agreement dated 23 September 2016)

Parties

(a) CIGL as the Seller;

(b) the Offeror as the Purchaser; and

(c) the Company as guarantor.

CIGL holds 1,667,821,069 CFSG Shares, representing approximately 40.34% of the issued share capital of CFSG as at the Latest Practicable Date.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Offeror and its ultimate beneficial owners (i) are third parties independent of and not connected with CFSG, the Company and their respective connected persons; and (ii) not acting in concert with CIGL or parties acting in concert with it as at the Latest Practicable Date.

Subject matter

Pursuant to the Sale and Purchase Agreement, CIGL as seller conditionally agreed to sell, and the Offeror as purchaser conditionally agreed to purchase from CIGL, at the S&P Completion, 1,500,000,000 CFSG Shares (representing approximately 36.28% of the issued share capital of CFSG as at the Latest Practicable Date), free from all the Encumbrances and together with all rights attaching to them after the S&P Completion Date.

Consideration

The Consideration for the CFSG Sale Shares is HK$765,000,000 (representing the Sale Price of HK$0.51 per CFSG Sale Share). The Consideration will be settled in cash. The Offeror and CIGL agree to adjust downward the Sale Price if CFSG issues any dividend and bonus shares from the date of the Sale and Purchase Agreement to the S&P Completion Date. The Offeror shall pay to CIGL the Consideration (after deduction of the Deposit) on the S&P Completion Date.

The purchase price of HK$0.51 per CFSG Sale Share represents:

(a) a premium of approximately 3.0% over the closing price of HK$0.495 per CFSG Share as quoted on the Stock Exchange on the Latest Practicable Date;

(b) a premium of approximately 22.9% over the closing price of HK$0.415 per CFSG Share as quoted on the Stock Exchange on 19 July 2016, being the last trading day preceding the date of the joint announcement issued by the Company and CFSG in relation to the Framework Agreement;

(c) the closing price of HK$0.51 per CFSG Share as quoted on the Stock Exchange on 8 September 2016, being the Last Trading Day;

(d) a premium of approximately 2.0% over the average closing price of HK$0.50 per CFSG Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(e) a premium of approximately 8.9% over the average closing price of HK$0.4685 per CFSG Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;

(f) a premium of approximately 19.0% over the average closing price of HK$0.4287 per CFSG Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;

(g) a premium of approximately 34.1% over the average closing price of HK$0.3803 per CFSG Share as quoted on the Stock Exchange for the ninety (90) consecutive trading days up to and including the Last Trading Day;

(h) a premium of approximately 254.2% over the audited consolidated net asset value attributable to the CFSG Shareholders of approximately HK$0.144 per CFSG Share as at 31 December 2015 (based on the number of issued CFSG Shares as at 31 December 2015); and

(i) a premium of approximately 275.0% over the unaudited consolidated net asset value attributable to the CFSG Shareholders of approximately HK$0.136 per CFSG Share as at 30 June 2016 (based on the number of the issued CFSG Shares as at 30 June 2016).

The Consideration was determined after arm's length negotiations between CIGL and the Offeror taking into account factors including but not limited to the prevailing market price of the CFSG Shares and the audited consolidated net asset value of the CFSG Group as at 31 December 2015.

Termination Cost

Under the circumstance that (i) any of the Conditions (save for the resolution(s) approving the Sale and Purchase Agreement, the Amendment Agreement and the transactions contemplated therein is not passed by the Shareholders at the SGM) is not fulfilled due to the default of the Seller Parties for any reason, CIGL shall refund the Deposit and pay an amount equal to HK$5,000,000 as termination cost to the Offeror within three (3) Business Days upon written request by the Offeror; or (ii) any of the Conditions is not fulfilled due to the default of the Offeror, CIGL shall forfeit and retain HK$5,000,000 from the Deposit as termination cost and refund the balance of Deposit within three (3) Business Days upon written request by the Offeror.

Under the circumstance that non-fulfillment of the Conditions is attributable to both the Seller Parties and the Offeror, CIGL shall refund the Deposit to the Offeror within three (3) Business Days upon written request by the Offeror. The Offeror and CIGL agree, on an arm's length basis, to reach a separate agreement regarding termination cost.

Under the circumstance that the Conditions have been fulfilled or waived by the Offeror, but (i) if the S&P Completion fails to occur due to the default of the Offeror for any reason, the Deposit can be forfeited and retained by CIGL as liquidated damages; or (ii) if the S&P Completion fails to occur due to the default of the Seller Parties for any reason, CIGL shall refund the Deposit and pay an amount equal to HK$50,000,000 as liquidated damages to the Offeror within three (3) Business Days upon written request by the Offeror.

Upon receipt of the termination cost by the non-defaulting Party, the Sale and Purchase Agreement shall cease to have any effect (save for clauses continuing in effect as stipulated in the Sale and Purchase Agreement) and the Parties shall not have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

Conditions precedent

The S&P Completion is conditional upon the following Conditions being fulfilled or waived (as the case may be) in full:

(a) obtaining the approval from the SFC (which shall be unconditional, or shall attach to it only customary conditions) allowing the Offeror and/or its shareholder(s) to be substantial shareholders of CFSG and its licensed subsidiaries in accordance with the requirements under the SFO;

(b) the licenses held by the CFSG Group for the regulated activities under the SFO not having been revoked, terminated or suspended on the S&P Completion Date, except that the revocation, termination or suspension is caused by normal personnel changes, any actions of the Offeror or any actions or inactions under the instruction of the Offeror;

(c) CIGL having obtained all requisite approvals pursuant to its articles of associations and under applicable laws and regulations from its board of directors, shareholders and/or other regulatory authorities (if required) as well as all requisite consents, approvals, confirmations or waivers from third parties according to the terms of the contractual arrangements therewith (if required) in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(d) the Offeror having obtained an irrevocable undertaking from the controlling Shareholder of the Company to vote in favour of the shareholders' resolution approving the Disposal for the Company at the SGM (subject to permission of the regulatory authority);

(e) the Company having obtained all requisite approvals pursuant to its bye-laws and under the Listing Rules, the Takeovers Code and/or other laws and regulations from its board of directors, shareholders and/or independent shareholders, the Stock Exchange, the SFC and/or other regulatory authorities as well as all requisite consents, approvals, confirmations or waivers from third parties according to the terms of the contractual arrangements therewith in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(f) CFSG having obtained all requisite approvals pursuant to its bye-laws and under the Listing Rules, the Takeovers Code and/or other laws and regulations from its board of directors, shareholders and/or independent shareholders, the Stock Exchange, the SFC and/or other regulatory authorities as well as all requisite consents, approvals, confirmations or waivers from third parties according to the terms of the contractual arrangements therewith in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(g) CFSG having maintained the public float of not less than 25% in accordance with the Listing Rules and its listing status on the Stock Exchange from the date of the Sale and Purchase Agreement to the S&P Completion Date;

(h) save for suspension in trading in the CFSG Shares for not more than ten (10) consecutive trading days or suspension relating to the issue of any announcement(s) or documents to be despatched to its shareholders regarding the Sale and Purchase Agreement and the transactions contemplated thereunder, the CFSG Shares remaining listed on the Stock Exchange; on the S&P Completion Date, there being no indication from the Stock Exchange and/or the SFC in relation to delisting of the CFSG Shares on the Stock Exchange or objection to the listing status of the CFSG Shares;

(i) there being no material adverse change to the business, financial, operations or assets of the CFSG Group from the date of the Sale and Purchase Agreement to the S&P Completion Date, except for material adverse change to the business, financial, operations or assets of the CFSG Group caused by force majeure events;

(j) there being no special deals as defined under Rule 25 of the Takeovers Code and frustrating actions as defined under Rule 4 of the Takeovers Code in relation to the transactions contemplated under the Sale and Purchase Agreement;

(k) the representations, warranties and undertakings given by CIGL in the Sale and Purchase Agreement remaining true, accurate and not misleading in all material respects up to the S&P Completion Date and there being no breach of such representations, warranties and undertakings;

(l) there being no ongoing, unsettled or threatened legal proceedings against CIGL which forbid, restrict, or impose material conditions or restrictions on or in any way challenge the transactions contemplated under the Sale and Purchase Agreement; and

(m) CIGL having procured Optionholders in respect of all outstanding Options to deliver executed Optionholders Irrevocable Undertakings pursuant to the terms of the Sale and Purchase Agreement.

The Offeror may fully or partially waive, conditionally or unconditionally, any of the Conditions (except the Conditions in items (c), (d), (e) and (f) above which cannot be waived).

If the Conditions in items (a), (c), (d), (e), (f) and (m) set out above have not been fulfilled or waived (as the case may be) by the Long Stop Date (or other Conditions not being fulfilled or waived by the Offeror on or before the S&P Completion Date), the Parties shall fulfill their duties in accordance with the agreed terms as described under the paragraph headed "Termination Cost" above.

In respect of the Condition in item (e), save for the approvals from the Shareholders to be obtained at the SGM, the Company has obtained all the requisite approvals, consents, confirmations or waivers as at the Latest Practicable Date.

In respect of the Condition in item (f), CFSG has obtained all the requisite approvals, consents, confirmations or waivers as at the Latest Practicable Date.

In respect of the Condition in item (m), the Offeror has received the Optionsholders Irrevocable Undertakings as set out below in respect of all the outstanding Options and the delivery of Optionholders Irrevocable Undertakings has been satisfied as at the Latest Practicable Date.

The Optionholders Irrevocable Undertakings

Pursuant to the Amendment Agreement, CIGL would procure to deliver to the Offeror:

(a) not later than seven (7) Business Days after the issue of the First Joint Announcement, the Optionholders Irrevocable Undertakings executed by Group A Optionholders for a total of 108,500,000 Options, to the effect that, (i) they would exercise all of the Options held by them not later than the seventh (7th) day after the Offer has become unconditional in accordance with its terms, and in any event, before the Offer closes for acceptance, and pay full consideration to CFSG in respect of exercising their Options to subscribe for the CFSG Shares, and would accept the Offer for the CFSG Shares issued to them as a result of the exercise of the Options; (ii) in the event that they have exercised any Options held by them in accordance with the CFSG's share option scheme prior to the Offer having become unconditional in accordance with its terms, they would not sell, dispose or otherwise transfer any of the CFSG Shares issued to them as a result of the exercise of the Options, and would accept the Offer for the CFSG Shares issued to them as a result of the exercise of the Options; (iii) with respect to any Options held by them, they would not accept any offer for the Options held by them under the Takeovers Code or make any of the Options held by them available for acceptance under any option offer; and (iv) save for any exercise of the Options but subject to sub-paragraphs (i) and (ii) above, they would not sell, dispose or otherwise transfer their Options or CFSG Shares issued to them upon exercise of their Options prior to close or lapse of the Offer; and

(b) not later than one (1) Business Day after the issue of the First Joint Announcement, the Optionholders Irrevocable Undertakings executed by Group B Optionholders for a total of 229,500,000 Options, to the effect that, they would (i) pay full consideration to CFSG in respect of exercising their Options to subscribe for CFSG Shares if they choose to exercise their Options prior to close or lapse of the Offer, and not accept the Share Offer, dispose, transfer or otherwise make the CFSG Shares available for acceptance for the CFSG Shares allotted to them upon exercise of their Options during the offer period and can only transfer such CFSG Shares after close or lapse of the Share Offer; (ii) not accept any offer for the Options held by them under the Takeovers Code if they choose not to exercise their Options prior to close or lapse of the Offer or make any of the Options held by them available for acceptance under any option offer or the Offer; and (iii) save for any exercise of the Options but subject to sub-paragraph (i) above, not dispose or otherwise transfer their Options prior to close or lapse of the Offer.

The S&P Completion

The S&P Completion is to take place on the fifth (5th) Business Day following the day on which the Conditions in items (a), (c), (d), (e), (f) and (m) have been fulfilled or waived by the Offeror (as the case may be) (while the Conditions in items (b), (g), (h), (i), (j), (k) and (l) are also satisfied or waived by the Offeror on that date), or such other date as the Parties may agree in writing, and in any event, not later than the Long Stop Date.

Guarantee

Pursuant to the Sale and Purchase Agreement, the Company as guarantor of CIGL has irrevocably and unconditionally guaranteed the payment obligations of CIGL under the Sale and Purchase Agreement. If CIGL fails to make any payment to the Offeror pursuant to the Sale and Purchase Agreement, the Company shall immediately on demand and without deduction or withholding pay such amount as if it were the principal obligor.

Specific Undertakings

Each of CIGL and the Offeror has provided certain representations, warranties and undertakings to the other, including the following:

(a) CIGL has undertaken to the Offeror that the Guaranteed Minimum NAV, being the net asset value of the CFSG Group (after certain adjustment) as shown in the Completion Account shall not be less than HK$562,899,000 (i.e. the net asset value of the CFSG Group as at 30 June 2016 after deduction of all reasonable fees and costs incurred by CFSG in connection with the transactions contemplated under the Sale and Purchase Agreement).

In the event that the Completion NAV, being the net asset value of the CFSG Group as shown in the Completion Account, is less than the Guaranteed Minimum NAV, CIGL shall pay to CFSG 100% of the Shortfall, being the shortfall amount representing the difference between the Guaranteed Minimum NAV and the Completion NAV, within three (3) Business Days upon written request by the Offeror. CIGL agrees to issue the Completion Account not later than forty-five (45) days from the Completion Account Date.

(b) CIGL has undertaken to the Offeror that, CIGL shall make all necessary application, reporting and payment (if applicable) to the relevant tax authorities in the PRC in relation to its disposal of CFSG Sale Shares to the Offeror, and notify the Offeror in writing in respect of its communication with relevant tax authorities and provide the Offeror with proof of filings with and payment (if applicable) to the relevant tax authorities.

(c) CIGL has undertaken to the Offeror that CIGL shall (i) procure relevant obligors to pay to the CFSG Group within one-hundred-and-eighty (180) days following the S&P Completion Date the Receivables, being certain accounts receivables of approximately RMB15.8 million (equivalent of HK$18.4 million), and (ii) failing the foregoing, pay an amount equal to the Receivables to the CFSG Group within three (3) Business Days upon written request by the Offeror. The Offeror agrees to procure the CFSG Group to refund the amount equal to the Receivables to CIGL if the Receivables are paid by relevant obligors to the CFSG Group after one-hundred-and-eighty(180) days following the S&P Completion Date.

(d) CIGL has undertaken to the Offeror that on the S&P Completion Date, CIGL will procure the CFSG Group to settle all amounts due from and payable to connected persons (as defined under the Listing Rules) of CFSG.

(e) CIGL has undertaken to procure Confident Profits to refrain from altering the terms of current brokerage service agreement with Celestial Securities Limited and Celestial Commodities Limited (being wholly-owned subsidiaries of CFSG and non-wholly-owned subsidiaries of the Company held through CFSG) or terminating such agreement early before its expiration.

(f) CIGL has undertaken to the Offeror, on a reasonable efforts basis, to procure the CFSG Group to employ a principal with sponsor qualification before the S&P Completion Date. CIGL has also undertaken to indemnify the Offeror in full any direct or indirect losses incurred by the Offeror arising from suspension or termination of sponsor business, save for as a result of any actions of the Offeror or any actions or inactions under the instruction of the Offeror. In addition, CIGL has undertaken to the Offeror, on a reasonable efforts basis, to procure the CFSG Group to maintain stability of the licensed responsible officers from the date of the Sale and Purchase Agreement to the S&P Completion Date and notify the Offeror as soon as possible if any licensed responsible officer resigns.

(g) CIGL has undertaken to the Offeror that, from the date of the Sale and Purchase Agreement to the S&P Completion Date, to the best knowledge of CIGL after due and careful enquiries, CFSG Group is not subject to any SFC investigations and there does not exist any circumstances which may lead to such investigations. CIGL has also undertaken to the Offeror to indemnify in full any direct losses incurred by the Offeror arising from SFC investigations and enquiries in respect of any members of the CFSG Group before the S&P Completion Date.

(h) CIGL has undertaken to the Offeror to procure the CFSG Group to, on a reasonable efforts basis, cooperate with the Offeror for the purpose of obtaining the approval from the SFC (which shall be unconditional, or shall attach to it only customary conditions) allowing the Offeror and/or its shareholder(s) to be substantial shareholders of CFSG and its licensed subsidiaries in accordance with the requirements under the SFO.

(i) CIGL has undertaken to the Offeror to procure CFSG from the date of the Sale and Purchase Agreement to the S&P Completion Date, unless with prior consent from the Offeror, not to dilute the shareholding of the Offeror in CFSG by issuing additional CFSG Shares (other than pursuant to exercise of Options), repurchasing, subdividing or consolidating the CFSG Shares, issuing convertible securities or warrants to subscribe for CFSG Shares.

(j) CIGL has undertaken to the Offeror, on a reasonable efforts basis, to procure licensed responsible officers and core management team to remain employed with the CFSG Group for a period covering at least 365 days after the S&P Completion Date.

(k) CIGL has undertaken to the Offeror that, for the period of thirty (30) days after the S&P Completion Date or the effective date of the appointment of the CFSG Directors nominated by the Offeror (whichever is earlier), the money lender's licence and the licences held by the CFSG Group for the regulated activities shall not have been revoked, terminated or suspended, save for any personnel changes, any actions of the Offeror or any actions or inactions under the instruction of the Offeror which may lead to a revocation, termination or temporary suspension in the licenses granted to the CFSG Group.

(l) CIGL has undertaken to the Offeror that, throughout 365 days after the S&P Completion Date, it and its close associates (as defined under the Listing Rules) would not (i) directly or indirectly, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, partner, agent, employee or otherwise) any business in Hong Kong which is or may be in competition with the current businesses of the CFSG Group (including but not limited to the regulated activities under the SFO), save for the Remaining CFSG Shares and the ongoing businesses of the Company; and (ii) solicit, entice away or endeavour to solicit or entice away any employee of the CFSG Group and/or to be employed by CIGL and/or their associates; directly or indirectly, solicit or entice away any person who is or has been a customer of the CFSG Group.

(m) CIGL has undertaken to the Offeror that, from the date of the Sale and Purchase Agreement and until the S&P Completion Date, it shall, on a reasonable efforts basis, provide all necessary information or documents to CFSG, the Stock Exchange and the SFC as may be required pursuant to the Listing Rules, the Takeovers Code and relevant laws and regulations. CIGL has also undertaken to execute all applications and documents as reasonably required by the Stock Exchange, the SFC and/or other regulatory authorities.

(n) CIGL has undertaken to indemnify the Offeror in full for any losses arising from CFSG Group's tax liabilities on or before the S&P Completion Date.

(o) CIGL has undertaken to assist the Offeror, as soon as possible after the S&P Completion Date, in obtaining consent, confirmation, or waiver from the relevant banks, financial institutions, financiers and other third parties which currently provide financing to the CFSG Group or entering into supplemental agreements, in respect of the change of guarantor, security, controlling shareholders, chairman of the relevant board (if applicable) or as otherwise required by the transactions contemplated under the Sale and Purchase Agreement.

(p) CIGL has undertaken to the Offeror that, within 365 days after the S&P Completion Date or until the CFSG Group has completed the relevant change of names (whichever is earlier), the CFSG Group shall be entitled the right to use the existing domain names and trade-marks as specified under the Sale and Purchase Agreement.

(q) CIGL has undertaken to the Offeror to procure the CFSG Group, on or before the S&P Completion Date, to re-execute certain contracts with the relevant products and services providers in respect of the human resources administration system, information technology systems and insurances as specified under the Sale and Purchase Agreement and reasonably assist CFSG Group to obtain reasonable commercial terms under such contracts.

(r) CIGL has undertaken to the Offeror, no later than five (5) Business Days prior to the S&P Completion Date, to deliver to the Offeror a written confirmation confirming that the bases of the facts contained in due diligence reports issued by professional advisers of the Offeror are true and accurate.

(s) CIGL has undertaken to indemnify the Offeror in full for any losses arising from the CFSG Group's any misconducts in carrying out operations, non-compliance and any material litigation, administrative procedure, arbitration or dispute before the S&P Completion Date, save for those already disclosed to the Offeror.

(t) CIGL has undertaken to the Offeror that, from the date of the Sale and Purchase Agreement and until the S&P Completion Date, CIGL shall procure that, unless prior consent of the Offeror is obtained, no remuneration adjustment or bonus policy adjustment for the employees of the CFSG Group.

(u) The Offeror has undertaken to CIGL that it shall, on a reasonable efforts basis, procure members of the CFSG Group (for those whose names contain "CASH", "時富", "CELESTIAL" or similar characters only) to change their English or Chinese names within 365 days after the S&P Completion Date. The new names should not contain "CASH", "時富", "CELESTIAL" or similar characters.

(v) The Offeror has undertaken to CIGL that it shall, on a reasonable efforts basis, obtain and procure its shareholders to obtain the approval from the SFC (which shall be unconditional, or shall attach to it only customary conditions) allowing the Offeror and/or its shareholder(s) to be substantial shareholders of CFSG and its licensed subsidiaries in accordance with the requirements under the SFO.

(w) The Offeror has undertaken to CIGL that, from the date of the Sale and Purchase Agreement and until the S&P Completion Date, it shall, on a reasonable efforts basis, provide all necessary information or documents to CFSG, the Stock Exchange and the SFC as may be required pursuant to the Listing Rules, the Takeovers Code and relevant laws and regulations. The Offeror has also undertaken to execute all applications and documents as reasonably required by the Stock Exchange, the SFC and/or other regulatory authorities.

(x) The Offeror has undertaken to CIGL that, it will not communicate with the relevant PRC tax authorities for any matters contemplated under the Sale and Purchase Agreement without the prior notice to CIGL.

(y) The Offeror has undertaken to CIGL that, on a reasonable efforts basis, it shall maintain stability of the operating team and management structure of CFSG as permitted by relevant laws and regulations and will not unreasonably lay off employees and reduce salaries within 365 days after the S&P Completion Date.

In respect of the undertaking (a) above, the Company considers that it is appropriate, fair and reasonable to provide the undertaking to the Purchaser so as to facilitate the Disposal after taking into consideration that (i) the results of CFSG is consolidated in the results of the Group and CFSG is accounted for as a subsidiary of the Company; (ii) the Company, as a controlling shareholder and management shareholder, controls the operation and business management of CFSG; (iii) it is a commercial term agreed between the Company and the Purchaser to ensure that there will not be reduction in net asset value of CFSG during the period from 1 July 2016 to the S&P Completion Date; and (iv) the Company, being the seller, can benefit from the Disposal.

Pursuant to the terms of the brokerage service agreement dated 23 October 2015 as referred to in undertaking (e) above, Celestial Securities Limited and Celestial Commodities Limited (being wholly-owned subsidiaries of CFSG and non-wholly-owned subsidiaries of the Company held through CFSG respectively) will provide the brokerage services for trading of securities, futures and options contracts in Hong Kong and/or any other overseas exchanges, to the Confident Profits Group from time to time, for a term of three years from 1 January 2016 to 31 December 2018 at the annual caps of up to HK$100 million for the year ending 31 December 2016, HK$200 million for the year ending 31 December 2017 and HK$300 million for the year ending 31 December 2018. Details of the terms of the said agreement were set out in the circular of CFSG dated 13 November 2015.

The maximum indemnification liability of CIGL under the Sale and Purchase Agreement is HK$765,000,000 or equal to the adjusted consideration as agreed by the Parties pursuant to the terms of the Sale and Purchase Agreement. Nonetheless, CIGL will not be liable for a single indemnification event resulting in a loss not exceeding HK$200,000.

CIGL IRREVOCABLE UNDERTAKING

On 8 September 2016, CIGL and the Company issued the CIGL Irrevocable Undertaking (as amended by an amendment to the deed of undertaking by CIGL dated 14 September 2016) in favour of the Offeror pursuant to which CIGL has irrevocably and unconditionally undertaken to the Offeror that (i) during the Lock-up Period, being the period commencing on the date of the CIGL Irrevocable Undertaking until the one hundred and eightieth (180th) day after the first anniversary of the S&P Completion Date, except with the prior written consent of the Offeror, CIGL will not sell, offer to sell, contract or agree to sell, or otherwise transfer or dispose of, or agree to transfer or dispose of, either directly or indirectly, conditionally or unconditionally, any of the Remaining CFSG Shares; enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any of the Remaining CFSG Shares; or enter into any transaction with the same economic effect as any aforesaid transactions; (ii) subject to the S&P Completion, CIGL will exercise the voting rights attaching to the Remaining CFSG Shares in any general meeting of CFSG in accordance with the instruction of the Offeror during the period from the close of the Offer or the lapse of the Offer as a result of the Offer not becoming unconditional (as the case may be) until (and including) the expiry of the Lock-up Period; and (iii) subject to the S&P Completion, not to accept the Share Offer with respect to the Remaining CFSG Shares. In the event that the Offer does not become unconditional in accordance with its terms, the undertaking in paragraph (iii) above shall terminate and cease to be of any effect. The Company has irrevocably and unconditionally undertaken to and covenanted with the Offeror that it will guarantee CIGL to comply with its undertakings under the CIGL Irrevocable Undertaking. As a result, according to the CIGL Irrevocable Undertaking, subject to the S&P Completion, CIGL will become a concert party of the Offeror.

CASH GUARDIAN IRREVOCABLE UNDERTAKING

On 8 September 2016, Cash Guardian, the controlling shareholder of the Company, and Mr Kwan Pak Hoo Bankee issued the Cash Guardian Irrevocable Undertaking in favour of the Offeror pursuant to which Cash Guardian and Mr Kwan Pak Hoo Bankee have irrevocably and unconditionally undertaken to and covenanted with the Offeror that they shall vote in favour of the Shareholders' resolution approving the Disposal, subject to permission of relevant regulatory authorities, if applicable.

SHAREHOLDING STRUCTURE OF CFSG

The following table sets out the shareholding structure of CFSG (based on information received by CFSG and notified pursuant to Part XV of the SFO as at the date of the Sale and Purchase Agreement, and the Latest Practicable Date) immediately before and after the S&P Completion (assuming that there are no changes other than those contemplated in the Sale and Purchase Agreement and the Amendment Agreement):

	As at the date of the Sale and Purchase Agreement		**As at the Latest Practicable Date and immediately before the S&P Completion**		**Immediately after the S&P Completion**	
	No. of the CFSG Shares	*Approximate %*	*No. of the CFSG Shares*	*Approximate %*	*No. of the CFSG Shares*	*Approximate %*
CIGL and parties acting in concert with it *(Note 1)*	1,667,821,069	40.34	1,667,821,069	40.34	167,821,069	4.06
CFSG Director: Lo Kwok Hung John *(Note 2)*	1,255,500	0.03	1,255,500	0.03	1,255,500	0.03
The Offeror and parties acting in concert with it	–	–	–	–	1,500,000,000	36.28
Public	2,465,283,019	59.63	2,465,283,019	59.63	2,465,283,019	59.63
Total	**4,134,359,588**	**100.00**	**4,134,359,588**	**100.00**	**4,134,359,588**	**100.00**

Note 1: The 167,821,069 Remaining CFSG Shares are subject to the Lock-up Period as set out under the paragraph headed "CIGL Irrevocable Undertaking" above.

Note 2: Mr Lo Kwok Hung John is an independent non-executive director of CFSG.

USE OF PROCEEDS AND REASONS FOR THE DISPOSAL

The Sale Price of the CFSG Sale Shares was arrived at after arm's length negotiations, with reference to the prevailing market price of the CFSG Shares after taking into account the audited consolidated net asset value of the CFSG Group as at 31 December 2015. The Disposal enables the Company to realise a large portion of its share investment in CFSG with an expected gain of approximately HK$590,487,000, which is calculated based on the gross proceeds of approximately HK$765,000,000 and the remaining interests in CFSG of approximately HK$85,589,000 (based on the closing price of CFSG on the Last Trading Day) less the carrying value of assets and liabilities attributable to the CFSG Group as at 30 June 2016 of approximately HK$253,102,000 and the estimated related costs of approximately HK$7,000,000.

The Company plans to continue to operate the Remaining Businesses and in particular further expanding and developing the retail management business and algorithmic trading business. The net proceeds to be received from the Disposal of approximately HK$758,000,000 will be used as to around 70% of approximately HK$530.6 million to develop and expand the retail management business and as to around 30% of approximately HK$227.4 million for algorithmic trading business of the Group as well as for general working capital to strengthen the capital base of the Group.

Out of the 70% of net proceeds for retail management business, it is intended that around HK$450 million will be applied for repayment of bank loans and other borrowings and payables arising from the business of retail management while the remaining balance of around HK$80.6 million will be used for capital expenditure for sustaining growth of retail management business, including but not limited to, the expansion of network of Pricerite's chain stores, renovation and layout revamp of existing Pricerite's chain stores, product development in home furnishing section, enhancement of logistics facilities in the PRC and Hong Kong, expansion and development of online retailing business and upgrade of retail information technology system etc.

Algorithmic trading, also called automated trading, black-box trading, or Algo trading, is the use of electronic platforms for entering trading orders with an algorithm which executes pre-programmed trading instructions whose variables may include timing, price, or quantity of the order, or in many cases initiating the order by a "robot", without human intervention. Different Algo trading strategies produce different revenue profiles that suit different investment needs. The Company has developed a variety of trading strategies for different investors. The business model of the Group's algorithmic trading mainly focuses on (i) Algo proprietary trading for individual investors with pre-built and tested Algo trading models for subscriptions; (ii) Algo professional advisory services for corporate and professional investors with tailored Algo trading strategies for specific needs and requirements; and (iii) Algo innovative trading services for self-directed investors which provide outstanding investment returns to stakeholders.

The algorithmic trading business is still in its investment and development stage and will require sufficient working capital for its development and expansion, mainly in aspects of research and development and reinforcement of technology competitive advantage. The Company plans to apply the net proceed of HK$227.4 million as to (i) around HK$50 million for infrastructure development, research and development, marketing and reinforcement of technology competitive advantage; (ii) HK$50 million for development of the existing five Algo trading teams including recruitment and training of talents; (iii) HK$100 million to be deposited and maintained in brokerage accounts for algorithmic trading activities and for investment in new Algo trading teams depending on global and local stock market situation and trading results of the existing Algo teams; and (iv) the remaining balance of HK$27.4 million for general working capital of the Group. The Company plans to apply the funds in 4 stages on a quarterly basis in year 2017 depending on beta testing results of the Algo trading teams. The Directors consider that the use of proceeds on the algorithmic trading business is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Save for the Disposal, as at the Latest Practicable Date, the Company does not have any intention or negotiation to enter into any agreement, arrangement or understanding regarding any potential acquisition(s)/disposal(s).

In view of the prevalent unstable economy and financial market conditions, the expected realised gain, the purpose of use of proceeds for development and expansion of the existing businesses and for general working capital purpose, the Board considers that the Disposal is in the interests of the Company and the Shareholders as a whole.

The Board considers that the Disposal, the Sale Price and the terms of which have been determined on an arm's length basis, are fair and reasonable and in the best interest of the Shareholders as a whole.

Upon the S&P Completion, the shareholding interest in CFSG held by the Company will reduce from approximately 40.34% to 4.06%. CFSG will cease to be a subsidiary of the Company after the Disposal.

INFORMATION ON CFSG AND THE CFSG GROUP

The financial service businesses of the CFSG Group consist of financial service businesses which comprise (a) online and traditional brokerage of securities, futures and options contracts as well as mutual funds and insurance-linked investment products, (b) principal investments of securities, futures and options, (c) provision of margin financing and money lending services, and (d) provision of corporate finance services. For additional information, please visit www.cashon-line.com.

Based on the audited accounts of CFSG, the net profits (before and after taxation and extraordinary items) for the financial year ended 31 December 2014 were approximately HK$71.0 million and approximately HK$54.3 million respectively, and the audited net asset value as at 31 December 2014 was approximately HK$596.3 million.

Based on the audited accounts of CFSG, the net profits (before and after taxation and extraordinary items) for the financial year ended 31 December 2015 were approximately HK$11.8 million and approximately HK$13.4 million respectively. The audited net asset value as at 31 December 2015 was approximately HK$595.6 million. The unaudited net asset value as at 30 June 2016 was approximately HK$562.8 million.

INFORMATION ON CIGL AND THE GROUP

CIGL, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of the Company. Its principal activity is investment holding. As at the Latest Practicable Date, it holds 1,667,821,069 CFSG Shares (representing approximately 40.34% of the issued CFSG Shares). The current principal activities of the Group consist of (a) the financial services business carried out via CFSG as aforementioned; (b) sales of furniture and household items and electrical appliances through the chain stores under the brand name of "Pricerite" in Hong Kong; (c) provision of mobile internet (to include content, operations and distribution activities) services and online game (sales of online game auxiliary products and licensing) services; and (d) investment holding. For additional information, please visit www.cash.com.hk.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands on 12 June 2009 and is wholly-owned by Sunbase Holdings. Sunbase Holdings is a private company limited by shares incorporated in Hong Kong, whose principal business includes investment management and capital operations, urban services and property management, infrastructures and urban commercial complex investments and operations, new energy and energy-based resources, bulk commodity operations and international trade, life biotechnology and modern elderly health and care, culture, sports and tourism industries. Sunbase Holdings is owned as to 66.7% by Mr Gao Gunter and 33.3% by Ms Yang Linda, respectively.

As at the Latest Practicable Date, the sole director of the Offeror is Mr Gao Gunter.

Save for the Offeror's interest in the CFSG Sale Shares pursuant to the Sale and Purchase Agreement, the Remaining CFSG Shares pursuant to the CIGL Irrevocable Undertaking executed by CIGL and the Optionholders Irrevocable Undertakings executed by Optionholders in respect of all outstanding Options, the Offeror, its ultimate beneficial owners and the parties acting in concert with it do not hold any CFSG Shares or any other securities of CFSG as at the Latest Practicable Date.

EFFECTS OF THE DISPOSAL ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

Based on the unaudited consolidated balance sheet of the Group as at 30 June 2016, the Disposal will have the following effect to the Group:

(a) an accounting profit (after expenses) or excess of the Consideration over the net book value of the CFSG Sale Shares of approximately HK$590.5 million based on the Consideration of the Disposal of approximately HK$765.0 million and the remaining interests in CFSG of approximately HK$85.6 million (based on the closing price of CFSG on the Last Trading Day) less the carrying value of assets and liabilities attributable to the CFSG Sale Shares as at 30 June 2016 of approximately HK$253.1 million and the related expenses of approximately HK$7.0 million;

(b) revenue of the Group will decrease by approximately HK$90.2 million and the loss will decrease by approximately HK$35.0 million;

(c) (i) the total assets of the Group will decrease by the segment assets of the CFSG Group of HK$2,076.1 million as at 30 June 2016;

(ii) the total liabilities of the Group will decrease by the segment liabilities of the CFSG Group of HK$1,578.2 million as at 30 June 2016; and

(d) the cash and bank balances of the Group will decrease by approximately HK$416.5 million, being the combined effect of (i) the decrease in the cash and bank balances of the CFSG Group of approximately HK$1,174.5 million as a result of the cease in consolidation upon the Disposal; and (ii) the estimated net proceeds of the Disposal of approximately HK$758.0 million.

The financial information regarding the CFSG Group for the three years ended 31 December 2015 and the six months ended 30 June 2016 have been set out in Appendix II to this circular. For further information regarding the financial implication of the Disposal on the Group, please refer to the unaudited pro forma financial information prepared pursuant to and in compliance with Rule 4.29 of the Listing Rules and set out in Appendix IV to this circular.

FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP

Upon the S&P Completion, the Remaining Businesses of the Remaining Group will be mainly (i) retail management business; (ii) mobile internet services business; (iii) algorithmic trading business via the Algo Group; and (iv) investment holding.

Retail management business – Pricerite Group

During the first half of 2016, especially in the first quarter, Pricerite Group's business had been inevitably affected by the weak consumer spending caused by the deteriorating local economic sentiment accompanied by the weakening local property market. Since October 2015, the prices of residential properties had dropped from its peak before hitting the bottom recently. In the meantime, retail sales also dropped by 10.5% in value in 6 months to June 2016 year-on-year. Nevertheless, thanks to the solid labour market conditions with unemployment rate being held steady at 3.4% in three months to June 2016, the overall weakening consumer sentiment had therefore started abating late in the second quarter. To confront with the hardship of retail industry, Pricerite Group has continued to implement stringent cost control measures to contain the rising operating overheads. In view of more and more shops having been closed down across the city because of the prevailing difficult business environments and bleak economic outlook, Pricerite Group has embarked on arduous negotiations with its landlords to mitigate the pressure on rental costs of its retail outlets. While Pricerite Group successfully negotiated for a rental reduction for some outlets, the outcome for the negotiations with several landlords of large shopping malls was another story. Having failed to bargain for better rental costs and more favourable terms with these landlords, Pricerite Group would consider closing down some of the underperforming shops upon the expiration of leases. On the other hand, its furniture design team had continued to explore a series of innovative space-saving ideas on its products that are perfectly fitted into small and medium sized apartments chased by the young home-seekers. Pricerite Group has also expanded and strengthened its Tailor Made Furniture (TMF) services in its chain stores to achieve better profit margins. All these have been demonstrating its leading position in the market and its commitment to providing smart and stylish home solutions tailored for young families to enjoy a more comfortable living space even in small and medium sized apartments. Additionally, Pricerite Group has refined the sales mix in its chain stores to further improve the sales performance and profit margins. As such, some bulky electrical appliances which were less profitable were being pulled off the shelves at its stores and replaced by household products and DIY furniture with higher profit margins. At the same time, Pricerite Group has been steering the development of its own online retail platform and advancement of information technology to enhance efficiency.

Mobile internet services business – Net2Gather

Net2Gather solicits global distribution partners to operate and promote Chinese mobile game titles, and to provide full-fledged services to the Chinese game developers to facilitate game distribution in overseas markets at the same time. Furthermore, Net2Gather will continue to seek investment opportunities to form strategic partnership with game development teams, operating and distribution platforms in order to enhance its product offerings and distribution capabilities.

Algorithmic trading business – the Algo Group

Built upon its technology-focused heritage, Algo trading business has been a pioneer in quantitative finance in Hong Kong. In addition to serving its existing algo strategies, the Algo Group also opens up its infrastructure to professional quant traders to access Hong Kong, the USA, and China equity and commodities markets. For those quant traders who are willing to share their trading strategies, the Algo Group can be a joint development partner providing capital, operational resources and other business support.

The Algo Group also provides an Algo incubation service to assist algo traders, quant strategists, and academia who want to research, develop, test and launch their trading ideas. The Algo Group can help to develop and program the trading strategies, execute trades, provide funding, control risks, as well as support legal, operational and administrative matters.

During the first half of 2016, the Algo trading business made certain achievements in terms of advanced financial technology, effective risk management and innovative global talents which are essential elements for the long-term growth and success of the algorithmic trading business.

In terms of business development, one of its new strategies was launched to production in the second quarter, which has achieved stable returns and is well-cushioned against risks. The Algo Group will continue to drive the development of new strategies, while strictly maintains the existing ones by regular re-testing, tuning and optimization. Collaboration with the academia remains an important channel of research and talent development. Besides on-going research projects and internship programs, the Algo Group works with top universities across the greater China to prepare for a new round of Inter-University Algo Trading Contest. Moreover, with a view to construct a well-diversified portfolio, further assessment in new products and markets will be conducted to manage volatility, as well as to enhance overall performance.

GENERAL

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

This circular containing, among other things, (i) details of the Sale and Purchase Agreement, the Amendment Agreement and the transactions contemplated thereunder; (ii) financial information of the CFSG Group; (iii) pro forma financial information of the Remaining Group; and (iv) a notice convening the SGM together with the form of proxy and other information as required under Listing Rules.

THE SGM

Set out on pages 82 to 83 of this circular is a notice convening the SGM to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong at 9:30 am on 28 October 2016 (Friday).

At the SGM, an ordinary resolution for approving the Sale and Purchase Agreement, the Amendment Agreement and the transactions contemplated thereunder will be proposed for the Shareholders' approval. The resolution will be voted by way of poll at the SGM.

No particular Shareholder has material interest in the Disposal different from other Shareholders and no Shareholder is required to abstain from voting at the SGM.

As at the Latest Practicable Date, Mr Kwan Pak Hoo Bankee (held as to 4,260,000 Shares, representing approximately 0.51% of the total issued share capital of the Company as at the Latest Practicable Date) and Cash Guardian (held as to 281,767,807 Shares, representing approximately 33.9% of the total issued share capital of the Company as at the Latest Practicable Date), whom collectively held approximately 34.41% of the total issued share capital of the Company as at the Latest Practicable Date and that they control or are entitled to exercise control in respect of their respective Shares, have executed the Cash Guardian Irrevocable Undertaking, pursuant to which they have irrevocably and unconditionally undertaken and covenanted that, subject to permission of relevant regulatory authorities (if applicable), they shall vote in favour of the Shareholders' resolution approving the Disposal at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

RECOMMENDATION

The Directors are of the view that the Disposal pursuant to the Sale and Purchase Agreement and the Amendment Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution as set out in the notice of the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
On behalf of the Board
Bankee P. Kwan
Chairman & CEO

(A) FINANCIAL INFORMATION OF THE GROUP

1. Financial Information of the Group

Details of the published financial information of the Group for each of the three years ended 31 December 2013, 2014 and 2015 were disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.cash.com.hk).

- Annual report of the Company for the year ended 31 December 2015 (pages 68 to 162);
- Annual report of the Company for the year ended 31 December 2014 (pages 50 to 141); and
- Annual report of the Company for the year ended 31 December 2013 (pages 50 to 146).

2. Statement of Indebtedness

As at the close of business on 31 August 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had the following indebtedness:

Bank borrowings

The Group had total outstanding bank borrowings of approximately HK$322.9 million, comprising of (i) secured and guaranteed borrowings of approximately HK$258.7 million, comprising secured and guaranteed bank borrowings of approximately HK$198.3 million, secured and guaranteed trust receipt loans of approximately HK$60.4 million; (ii) secured and unguaranteed borrowings of approximately HK$7.1 million, comprising secured and unguaranteed mortgage loan of approximately HK$6.3 million, secured and unguaranteed obligations under finance leases of approximately HK$0.8 million; and (iii) unsecured and guaranteed bank borrowings of approximately HK$57.1 million, comprising unsecured and guaranteed bank borrowings of approximately HK$1.6 million and unsecured and guaranteed trust receipt loans of approximately HK$55.5 million. The aforesaid guarantees were granted by the Company and/or its subsidiaries.

Pledge of assets

Bank borrowings in aggregate of approximately HK$70.0 million were collateralised by its margin clients' securities pledged to the Group. Trust receipts loans in aggregate of approximately HK$60.4 million and bank borrowings of approximately HK$128.3 million were secured by pledged deposits of approximately HK$64.0 million. Mortgage loan in aggregate of approximately HK$6.3 million was secured by the Group's property.

The Group also had outstanding obligations under finance leases of approximately HK$0.8 million as at 31 August 2016, which were secured by motor vehicles of the Group and unguaranteed.

As at 31 August 2016, deposits of HK$3.2 million were pledged to a bank for facilities of HK$15.0 million which have not been drawn.

Contingent liabilities

As at 31 August 2016, the Group had no litigations/claims as stated in the paragraph "Litigation" in Appendix V to this circular. Accordingly, the Group had no contingent liabilities as at 31 August 2016.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantee or material contingent liabilities, at the close of business on 31 August 2016.

The Board has confirmed that, save as disclosed above, there has not been any material change in the indebtedness or contingent liabilities of the Group since 31 August 2016.

3. Working Capital

The Directors are of the opinion that, after taking into account the financial resources and banking facilities available to the Group, its internally generated funds and the net proceeds from the Disposal, in absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of publication of this circular.

4. Material Adverse Change

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position of the Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

Set out below are the financial information of the CFSG Group which comprises the consolidated statements of financial position of the CFSG Group as at 31 December 2013, 2014 and 2015 and 30 June 2016 ("Relevant Periods") and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the CFSG Group for each of the periods then ended and certain explanatory notes ("Financial Information"). The Financial Information has been reviewed by the independent auditors of the Company, Deloitte Touche Tohmatsu, in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants. Based on their review, nothing has come to their attention that causes them to believe that the Financial Information of the CFSG Group is not prepared, in all material respects, in accordance with accounting policies used in the preparation of the financial statements of the Group as set out in the annual report of the Company for the year ended 31 December 2015, and the basis of preparation set out in Note 2 to the Financial Information of the CFSG Group.

UNAUDITED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three years ended 31 December 2015 and six months ended 30 June 2016

	Year ended 31 December			Six months ended 30 June	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Continuing operations					
Revenue	194,565	198,063	252,290	148,177	90,202
Other income	8,717	6,238	3,807	2,153	937
Other gains and losses	65,166	84,706	130,533	128,700	(11)
Salaries, commission and related benefits	(157,340)	(174,622)	(231,983)	(157,235)	(59,260)
Depreciation	(26,160)	(11,702)	(11,955)	(6,668)	(5,017)
Finance costs	(9,794)	(13,579)	(8,630)	(6,011)	(2,481)
Other operating and administrative expenses	(136,916)	(115,695)	(120,676)	(63,393)	(44,792)
Change in fair value of investment properties	(5,083)	37,088	(1,726)	–	(14,600)
Share of (loss) profit of associate	(9)	60,463	95	95	–
(Loss) profit before taxation	(66,854)	70,960	11,755	45,818	(35,022)
Income tax credit (expense)	4,439	(16,633)	1,655	(3,500)	2,409
(Loss) profit for the year/period from continuing operations	(62,415)	54,327	13,410	42,318	(32,613)
Discontinued operations					
Profit for the year/period from discontinued operations	3,270	–	–	–	–
(Loss) profit for the year/period	(59,145)	54,327	13,410	42,318	(32,613)
Other comprehensive income (expense)					
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	5,772	(2,772)	(3,665)	(4)	(63)
Reclassification of translation reserve upon disposal of subsidiaries	–	–	(10,941)	(10,941)	–
Total comprehensive (expense) income for the year/period	(53,373)	51,555	(1,196)	31,373	(32,676)

	Year ended 31 December			Six months ended 30 June	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Loss) profit for the year/period attributable to the owners of CFSG					
– from continuing operations	(62,412)	32,675	13,606	42,514	(32,613)
– from discontinued operations	3,270	–	–	–	–
	(59,142)	32,675	13,606	42,514	(32,613)
(Loss) profit for the year/period attributable to non-controlling interests					
– from continuing operations	(3)	21,652	(196)	(196)	–
	(59,145)	54,327	13,410	42,318	(32,613)
Total comprehensive (expense) income attributable to:					
Owners of CFSG	(55,199)	30,770	(1,000)	31,569	(32,676)
Non-controlling interests	1,826	20,785	(196)	(196)	–
	(53,373)	51,555	(1,196)	31,373	(32,676)

UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
At 31 December 2013, 2014, 2015 and 30 June 2016

	At 31 December			At 30 June
	2013	**2014**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property and equipment	33,860	38,136	19,445	16,807
Investment properties	57,112	213,666	188,583	16,131
Goodwill	2,661	–	–	–
Intangible assets	9,752	9,752	9,752	9,752
Other assets	34,052	4,792	5,039	5,070
Rental and utility deposits	4,267	2,088	612	612
Available-for-sale financial assets	21,031	21,031	8,415	8,415
Interest in an associate	158,154	1,434	–	–
Loans receivable	1,480	–	–	–
Deferred tax assets	1,000	–	–	–
	323,369	290,899	231,846	56,787
Current assets				
Accounts receivable	608,324	706,440	696,502	649,130
Loans receivable	23,951	42,561	1,831	2,310
Loan to an associate	10,296	–	–	–
Other assets	29,084	7,317	5,240	8,187
Prepayments, deposits and other receivables	47,089	13,579	17,930	35,768
Tax recoverable	3,582	16	29	29
Investments held for trading	54,735	44,545	18,872	43,605
Financial assets designated at fair value through profit or loss	–	–	13,161	12,926
Bank deposits subject to conditions	17,155	17,155	–	25,000
Bank balances – trust and segregated accounts	784,704	792,117	946,810	866,814
Bank balances (general accounts) and cash	167,505	172,100	370,467	282,728
	1,746,425	1,795,830	2,070,842	1,926,497
Assets classified as held for sale	–	–	–	157,852
	1,746,425	1,795,830	2,070,842	2,084,349

	At 31 December			At 30 June
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current liabilities				
Accounts payable	1,032,388	1,108,306	1,429,827	1,283,717
Financial liabilities held for trading	19,701	1,055	–	1,084
Accrued liabilities and other payables	115,285	67,103	53,719	50,244
Taxation payable	7,395	16,478	3,039	3,039
Bank borrowings – amount due within one year	233,625	171,734	121,340	205,548
Amount due to a fellow subsidiary	47,621	26,350	1,829	60
Loan from a non-controlling shareholder	27,437	–	–	–
Financial liabilities designated at fair value through profit or loss	–	–	13,161	12,926
	1,483,452	1,391,026	1,622,915	1,556,618
Net current assets	262,973	404,804	447,927	527,731
Non-current liabilities				
Deferred tax liabilities	1,569	7,860	5,786	3,377
Bank borrowings – amount due after one year	22,575	91,516	78,412	18,242
	24,144	99,376	84,198	21,619
Net assets	562,198	596,327	595,575	562,899
Capital and reserves				
Share capital	77,558	81,437	82,687	82,687
Reserves	448,526	509,304	512,888	480,212
Equity attributable to owners of CFSG	526,084	590,741	595,575	562,899
Non-controlling interests	36,114	5,586	–	–
Total equity	562,198	596,327	595,575	562,899

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three years ended 31 December 2015 and six months ended 30 June 2016

	Attributable to equity holders of CFSG								
	Share capital	Share premium	Contributed surplus	Share-based payment reserve	Translation reserve	Retained earnings (accumulated losses)	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000* *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	77,558	459,940	176,788	7,814	13,399	151,626	887,125	34,288	921,413
Loss for the year	–	–	–	–	–	(59,142)	(59,142)	(3)	(59,145)
Exchange differences arising on translation of foreign operations	–	–	–	–	3,943	–	3,943	1,829	5,772
Total comprehensive income (expenses) for the year	–	–	–	–	3,943	(59,142)	(55,199)	1,826	(53,373)
Amount transferred to retained earnings as a result of expiration of share options	–	–	–	(7,814)	–	7,814	–	–	–
Amount transfer from contributed surplus to retained earnings	–	–	(159,000)	–	–	159,000	–	–	–
Special dividend by way of distribution in specie of shares in a subsidiary	–	–	–	–	–	(305,842)	(305,842)	–	(305,842)
Released upon distribution in specie of shares in a subsidiary	–	–	–	–	(831)	831	–	–	–
Amount transfer from share premium to contributed surplus	–	(100,000)	100,000	–	–	–	–	–	–
At 31 December 2013	77,558	359,940	117,788	–	16,511	(45,713)	526,084	36,114	562,198
Profit for the year	–	–	–	–	–	32,675	32,675	21,652	54,327
Exchange differences arising on translation of foreign operations	–	–	–	–	(1,905)	–	(1,905)	(867)	(2,772)

	Attributable to equity holders of CFSG								
	Share capital	Share premium	Contributed surplus	Share-based payment reserve	Translation reserve	Retained earnings (accumulated losses)	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000* *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total comprehensive (expenses) income for the year	–	–	–	–	(1,905)	32,675	30,770	20,785	51,555
Recognition of equity-settled share based payments	–	–	–	15,335	–	–	15,335	–	15,335
Issue of ordinary shares upon exercise of share options	3,879	22,639	–	(7,966)	–	–	18,552	–	18,552
Effect of share options lapsed	–	–	–	(1,518)	–	1,518	–	–	–
Dividend paid to non-controlling shareholders	–	–	–	–	–	–	–	(51,313)	(51,313)
At 31 December 2014	81,437	382,579	117,788	5,851	14,606	(11,520)	590,741	5,586	596,327
Profit (loss) for the year	–	–	–	–	–	13,606	13,606	(196)	13,410
Exchange differences arising on translation of foreign operations	–	–	–	–	(3,665)	–	(3,665)	–	(3,665)
Reclassification upon disposal of subsidiaries	–	–	–	–	(10,941)	–	(10,941)	–	(10,941)
Total comprehensive (expenses) income for the year	–	–	–	–	(14,606)	13,606	(1,000)	(196)	(1,196)
Issue of ordinary shares upon exercise of share options	1,250	7,522	–	(2,938)	–	–	5,834	–	5,834
Effect of cancelled share options	–	–	–	(2,913)	–	2,913	–	–	–
Purchase of non-controlling interest	–	–	–	–	–	–	–	(4,855)	(4,855)
Derecognition upon disposal of a non-wholly owned subsidiary	–	–	–	–	–	–	–	(535)	(535)
At 31 December 2015	82,687	390,101	117,788	–	–	4,999	595,575	–	595,575

	Attributable to equity holders of CFSG								
	Share capital	Share premium	Contributed surplus	Share-based payment reserve	Translation reserve	Retained earnings (accumulated losses)	Total	Non-controlling interests	Total
	HK$'000	*HK$'000*	*HK$'000* *(Note)*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 31 December 2015	82,687	390,101	117,788	–	–	4,999	595,575	–	595,575
Loss for the period	–	–	–	–	–	(32,613)	(32,613)	–	(32,613)
Exchange differences arising on translation of foreign operations	–	–	–	–	(63)	–	(63)	–	(63)
Total comprehensive expenses for the period	–	–	–	–	(63)	(32,613)	(32,676)	–	(32,676)
At 30 June 2016	82,687	390,101	117,788	–	(63)	(27,614)	562,899	–	562,899
At 1 January 2015	81,437	382,579	117,788	5,851	14,606	(11,520)	590,741	5,586	596,327
Profit (loss) for the period	–	–	–	–	–	42,514	42,514	(196)	42,318
Exchange differences arising on translation of foreign operations	–	–	–	–	(4)	–	(4)	–	(4)
Reclassification upon disposal of subsidiaries	–	–	–	–	(10,941)	–	(10,941)	–	(10,941)
Total comprehensive (expenses) income for the period	–	–	–	–	(10,945)	42,514	31,569	(196)	31,373
Issue of ordinary shares upon exercise of share options	1,250	7,522	–	(2,938)	–	–	5,834	–	5,834
Effect of cancelled share options	–	–	–	(2,913)	–	2,913	–	–	–
Purchase of non-controlling interest	–	–	–	–	–	–	–	(4,855)	(4,855)
Derecognition upon disposal of a non-wholly owned subsidiary	–	–	–	–	–	–	–	(535)	(535)
At 30 June 2015	82,687	390,101	117,788	–	3,661	33,907	628,144	–	628,144

Note: The contributed surplus of the CFSG Group represents the difference between the nominal amount of the shares issued by CFSG and the aggregate of the nominal amount of the issued share capital and the reserves of CASH on-line Limited, the then holding company of the CFSG Group prior to the group reorganisation, pursuant to the group reorganisation after deducting the expenses in connection with the listing of the CFSG Shares and the acquisition of subsidiaries, and the net amount arising from the capital reduction, reduction of share premium account and amounts transferred to eliminate accumulated losses.

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three years ended 31 December 2015 and six months ended 30 June 2016

	Year ended 31 December			Six months ended 30 June	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Operating activities					
(Loss) profit for the year/period	(59,145)	54,327	13,410	42,318	(32,613)
Adjustments for:					
Income tax	(3,439)	16,633	(1,655)	3,500	(2,409)
Write-down on inventories	1,140	–	–	–	–
Depreciation of property and equipment	35,691	11,702	11,955	6,668	5,017
Interest expense	12,483	13,579	8,630	6,011	2,481
Change in fair value of investment properties	5,083	(37,088)	1,726	–	14,600
Loss on disposal/written off of property and equipment	6,607	467	–	–	–
Allowance (written back) on bad and doubtful loans receivable	1,000	(2,700)	(4,519)	(4,519)	–
Impairment on intangible assets	300	–	–	–	–
Share-based payment expenses	–	15,335	–	–	–
(Written back) allowance of bad and doubtful accounts receivable and other receivables, net	(2,048)	(2,631)	1,431	–	–
Gain on disposal of a commercial property/an investment property	–	(18,002)	(1,881)	–	–
Gain on disposal of available-for-sale financial assets	–	–	(14,381)	(14,381)	–
Gain on disposal of subsidiaries	–	–	(11,909)	(11,909)	–
Impairment on goodwill	–	2,661	–	–	–
Share of loss (profit) of an associate	9	(60,463)	(95)	(95)	–

	Year ended 31 December			Six months ended 30 June	
	2013	2014	2015	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Operating cash flows before movements in working capital	(2,319)	(6,180)	2,712	27,593	(12,924)
Decrease in inventories	841	–	–	–	–
Decrease (increase) in accounts receivable	313,756	(95,485)	(224,246)	(462,251)	47,372
Decrease (increase) in loans receivable	35,065	(14,430)	45,249	39,630	(479)
(Increase) decrease in prepayments, deposits and other receivables	(36,250)	35,689	(4,410)	(39,773)	(17,838)
Decrease (increase) in investments held for trading	58,887	10,190	21,266	40,138	(24,733)
Increase in financial assets designated at fair value through profit or loss	–	–	(13,161)	–	–
(Increase) decrease in bank balances – trust and segregated accounts	(2,411)	(7,413)	(154,693)	(158,725)	79,996
Increase (decrease) in financial liabilities held for trading	19,701	(18,646)	1,073	1,073	1,084
(Decrease) increase in accounts payable	(407,588)	75,918	321,521	417,831	(146,110)
(Decrease) increase in accrued liabilities and other payables	(11,043)	(24,096)	96,374	(6,663)	(3,475)
Increase in financial liabilities designated at fair value through profit or loss	–	–	13,161	–	–
Cash (used in) from operations	(31,361)	(44,453)	104,846	(141,147)	(77,107)
Income taxes refunded	681	3,426	–	–	–
Income taxes paid	(426)	(120)	(434)	(41)	–
Net cash (used in) from operating activities	(31,106)	(41,147)	104,412	(141,188)	(77,107)

	Year ended 31 December			Six months ended 30 June	
	2013	2014	2015	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Investing activities					
Acquisition of available-for-sale financial assets	(21,031)	–	–	–	–
Settlement of consideration on disposals of investment properties in prior year	6,458	–	–	–	–
(Placement) refund of statutory and other deposits	(2,705)	4,602	1,830	(14,850)	(2,978)
Deposit paid for purchase of properties	(23,411)	–	–	–	–
Purchases of property and equipment	(18,574)	(16,547)	(3,988)	(4,445)	(2,379)
Proceeds on disposal of investment properties	7,986	–	22,961	–	–
Proceeds on disposal of a commercial property	–	133,592	–	–	–
Proceeds on disposal of property and equipment	–	97	–	–	–
Net proceeds on disposal of available-for-sale financial assets	–	–	26,997	26,997	–
Purchases of investment properties	–	(96,844)	–	–	–
Purchase of a commercial property	–	(92,253)	–	–	–
Capital distributed from an associate	–	214,704	1,529	1,529	–
Repayment of loan to an associate	–	10,296	–	–	–
Net cash outflow from disposal of subsidiaries	–	–	(10,186)	(10,186)	–
Decrease (increase) in bank deposits subject to conditions	–	–	17,155	17,155	(25,000)
Net cash (used in) generated from investing activities	(51,277)	157,647	56,298	16,200	(30,357)

	Year ended 31 December			Six months ended 30 June	
	2013	2014	2015	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Financing activities					
Distribution in species of shares in a subsidiary	(86,157)	–	–	–	–
Proceeds on issue of shares	–	18,552	5,834	5,834	–
Increase (decrease) in bank borrowings	67,020	(17,036)	(77,512)	117,002	24,038
(Repayment to) advance from a fellow subsidiary	(7,328)	(21,271)	124,368	123,348	(1,769)
Purchase of non-controlling interest	–	–	(4,855)	(4,855)	–
Dividends paid to non-controlling shareholders	–	(51,313)	–	–	–
Interest paid on bank borrowings	(12,476)	(13,579)	(8,630)	(6,011)	(2,481)
Interest paid on obligations under finance leases	(7)	–	–	–	–
Repayment of obligations under finance leases	(263)	–	(160)	–	–
Repayment of loan from non-controlling interests	–	(27,437)	–	–	–
Net cash (used in) from financing activities	(39,211)	(112,084)	39,045	235,318	19,788
Net (decrease) increase in cash and cash equivalents	(121,594)	4,416	199,755	110,330	(87,676)
Cash and cash equivalents at beginning of year/period	291,250	167,505	172,100	172,100	370,467
Effect of change in foreign exchange rate	(2,151)	179	(1,388)	554	(63)
Cash and cash equivalents at end of year/period	167,505	172,100	370,467	282,984	282,728
Bank balances (general accounts) and cash	167,505	172,100	370,467	282,984	282,728

NOTES TO THE UNAUDITED FINANCIAL INFORMATION

For the three years ended 31 December 2015 and six months ended 30 June 2016

1. GENERAL

CASH Financial Services Group Limited ("CFSG") was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

CFSG and its subsidiaries (collectively referred to as the "CFSG Group") are principally engaged in the provision of online and traditional brokerage of securities, futures and options as well as mutual funds and insurance-linked investment products; principal investments of securities and options; provision of margin financing and money lending services; and provision of corporate finance services. CFSG Group was also engaged in sales of furniture and household goods and electrical appliances, such operation was discontinued during the year ended 31 December 2013 upon the occurrence of the distribution in specie.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The unaudited financial information of CFSG Group for the three years ended 31 December 2015 and the six months ended 30 June 2016 ("Unaudited Financial Information") has been prepared in accordance with rule 14.68(2)(a)(i) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and solely for the purpose of inclusion in the circular to be issued by Celestial Asia Securities Holdings Limited (the "Company") in connection with the proposed disposal of 36.28% of the entire issued share capital of CFSG owned by the Company pursuant to disposal agreement dated 8 September 2016 (as amended by an amendment agreement dated 23 September 2016) entered into among the Company, Celestial Investment Group Limited ("CIGL") and Ever Billion Group Limited (the "Disposal Agreement").

The Unaudited Financial Information has been prepared in accordance with the relevant accounting policies of CFSG Group adopted in the preparation of its consolidated financial statements for the year ended 31 December 2015, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 "Presentation of Financial Statements" nor a set of condensed financial statements as defined in Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. It should be read in connection with CFSG Group's relevant published annual consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Upon the S&P Completion, the Remaining Group will be engaged in (i) retail management business; (ii) mobile internet services businesses; (iii) algorithmic trading business via the Algo Group; and (iv) investment holding.

Set out below is the management discussion and analysis of the operating results and business review of the Remaining Group for the year ended 31 December 2013, 2014 and 2015 and six months ended 30 June 2016.

BUSINESS AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2013

The Remaining Group

Business review and result

- Recorded revenue of HK$1,112.7 million which was increased as compared with previous year. The increase in revenue was due to the mild growth in revenue recorded by Pricerite.

- Taking into account the operating profit of Pricerite and the operating losses of Net2Gather and Confident Profits Group, the Remaining Group recorded a net loss of HK$108.6 million for the year ended 31 December 2013.

Retail management business – Pricerite Group

Business review

In 2013, Hong Kong economy underwent moderate growth in consumption, stable expansion in income and employment conditions. However, the stagnant real estate market, especially towards the second half of the year, severely affected the consumption of furniture and home products. Despite the above, Pricerite had achieved steady growth in both revenue and gross profit, mainly by strategic initiatives and proper execution throughout the year. In view of the small apartments and crowded living space in town, Pricerite continued to implement its LIVING SMART strategic plan by offering customer unique smart solutions, specially for young couples and individuals, to improve their quality of living. During the year ended 31 December 2013, Pricerite had revamped its flagship stores in Causeway Bay, Yuen Long and expanded Shatin flagship store, to showcase the LIVING SMART solutions. The "tailor-made furniture (TMF)" centre had been expanded to include most of its stores to demonstrate different space optimization ideas, such as raised floor, pull-down wall bed and table. To help customers to have healthier, more savings and convenient lifestyle, its merchandising team and product development team had worked closely with its suppliers to introduce assorted innovative products and solutions to deepen and broaden LIVING SMART product portfolio. As the exclusive retailer of Hiddenbed in Hong Kong, a leading space saving furniture brand, Pricerite had introduced more models to cater for different needs of small families. Being a leading home furnishing retailer, Pricerite strived to continuously improve product safety and product healthiness. In 2013, Pricerite had led and set the industry standard by accrediting all office chairs, folding chairs and stools with international standards. The sales performance in customized furniture continued to grow rapidly with the expansion of its tailor-made furniture (TMF) centres with a team of specialists. In Guangzhou, 生活經艷 had explored offline to online business opportunities and has launched its online shop in T-Mall in 2013.

Operating results

Rising operating costs posed the biggest challenge to Pricerite's retail management business. The newly enacted and lifted statutory minimum wage, inflationary pressure and appreciation of Renminbi were driving up our operating costs. Furthermore, in order to dampen residential price growth, the Hong Kong government has rolled out additional measures such as Buyers Stamp Duty, extension of the two-year-old Special Stamp Duty and Double Stamp Duty. Such measures had hit the property market hard and inevitably dragged our furniture sales. During the year ended 31 December 2013, total number of transactions for residential property dropped remarkably by about 38% as compared with the previous year. To cope with these challenges, Pricerite had continued to step up its cost rationalisation measures and improved our operational efficiency and in the meantime, Pricerite had adopted a new branding campaign namely "Living Smart". New innovative products focusing on living space optimisation were introduced to the market. The Tailor Made Furniture (TMF) service was well received and posted a strong revenue growth of 29% as compared with the previous year. In addition, as online shopping had become increasing popular, Pricerite had already pursued strategies to focus on developing its e-commerce business. During the year ended 31 December 2013, the e-commerce business had achieved an encouraging growth and reported a threefold increase in sales as compared with 2012. Despite the challenging business environment, the retailing business in Hong Kong managed to maintain the revenue level as the previous year. The operating performance of the retailing business in the mainland China was not satisfactory and has yet to make any profit contribution to Pricerite. For the year ended 31 December 2013, Pricerite recorded revenue of HK$1,108.6 million and a net segment profit of HK$10.7 million.

Mobile internet services business – Net2Gather

Business review

During the year ended 31 December 2013, Net2Gather completed restructuring of online gaming business and ceased the development and operation of several game titles in China due to the weaker than expected operating performance and unsatisfactory results in user acceptance tests. Net2Gather continued to launch content updates of "King of Pirates" for our overseas license partners.

Operating results

In view of the keen competition and unstable global economic situation, Net2Gather had treaded carefully in adjusting the pace of its business expansion and carried out a thorough organisational and operational reengineering in order to preserve its financial resources to get through the difficult time. During the year ended 31 December 2013, Net2Gather continued to implement stringent cost control measures over its operations and adhered to a prudent strategy for its online game business. In the meantime, Net2Gather would put its best effort to explore ways to align its mobile internet services business with the new market landscape in e-commerce business in China and new initiatives of business development would be in place to enhance its competitiveness. Overall, for the year ended 31 December 2013, Net2Gather's mobile internet services business recorded revenue of HK$3.3 million and a net segment loss of HK$66.5 million (including an impairment loss recognised in respect of intangible assets amounting to HK$37.3 million).

The Confident Profits Group

Business review

Throughout 2013, the general investment risk appetite was affected by the related speculation of the time-frame on the trim of US quantitative easing stimulus and the worry about further macro-economic measures in the PRC property market and liquidity of the banking sectors. In the midst of the uncertainties in economic outlook, the sluggish trading volumes and diminishing net commission income resulting from the escalating cut-throat competition among local brokers, the Confident Profits Group, riding on its most advanced information and communication technology infrastructure and platform, had successfully recruited a team of top-notch expertise from different professional areas to develop diverse algorithmic trading strategies for its institutional, corporate and individual investors for their versatile investment and wealth management needs. In the same time, the Confident Profits Group had also strengthened its presence in several major cities on the mainland in order to increase its income and diversify revenue sources through the provision of financial consulting services to the Confident Profits Group's mainland clients to meet their different wealth and investment needs.

Operating results

Overall, for the year ended 31 December 2013, the Confident Profits Group recorded revenue of approximately HK$0.80 million and a loss for the year of approximately HK$44.1 million.

The Remaining Group – Financial position and other information

Capital structure, liquidity, financial resources and treasury policy

As at 31 December 2013, the Remaining Group had net liabilities of approximately HK$84.2 million. The Remaining Group had total bank borrowings of approximately HK$202.5 million. The amounts of borrowings that would be repayable within 1 year and more than 1 year but not exceeding 2 years were HK$197.3 million and HK$5.3 million respectively. The above bank loans of approximately HK$162.9 million were secured by the Remaining Group's corporate guarantees and the pledged deposits of HK$73.4 million.

The Remaining Group's borrowings as at 31 December 2013 carried variable interest at Hong Kong Prime Rate and HIBOR plus a spread. The bank borrowings were mostly denominated in Hong Kong dollars.

As at 31 December 2013, the Remaining Group's cash and bank balances amounted to approximately HK$190.7 million. The Remaining Group derives its revenue mainly in Hong Kong dollars and maintains its house funds mainly in Hong Kong dollars.

The liquidity ratio of the Remaining Group as at 31 December 2013 was approximately 0.48 times. The gearing ratio as at 31 December 2013, which represents the ratio of interest bearing borrowings of the Remaining Group divided by the total equity, was not disclosed hereto as the ratio does not give additional value in view of the Remaining Group's deficit equity.

For the year ended 31 December 2013, the Remaining Group financed its liquidity requirements mainly through cash flows generated from operating activities and cash inflows from financing activities which principally came from banking facilities granted to the Remaining Group.

Foreign exchange fluctuation and hedge

As at 31 December 2013, the Remaining Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches.

More than 99% of financial assets and financial liabilities of the Remaining Group were denominated in the Remaining Group entity's functional currency. No foreign currency sensitivity was disclosed as in the opinion of the directors of the Remaining Group, the foreign currency exposure was considered insignificant during the year ended 31 December 2013. No financial instruments for hedging purposes were used. No foreign currency net investments were hedged by currency borrowings and other hedging instruments.

Significant investments, material acquisitions and disposals

On 15 May 2013, the Company and CFSG jointly announced the distribution in specie by CFSG of all the shares in CASH Retail Management (HK) Limited ("CRMG", the holding company of the retail management business) and the voluntary conditional cash offer by the Remaining Group to acquire all the issued shares in CRMG at an offer price of HK$0.011 ("Privateco Offer"). The distribution in specie and the Privateco Offer were approved by the shareholders of the Company and CFSG at their respective special general meetings held on 18 June 2013 and 21 June 2013. The distribution in specie was completed on 28 June 2013 and the Privateco Offer was closed on 31 July 2013. The Company received 42.75% equity interest in CRMG under the distribution in specie and acquired a total of 48.19% equity interest in CRMG at a total consideration of approximately HK$20.6 million under the Privateco Offer. Since then, CRMG ceased as a subsidiary of CFSG and became a subsidiary of the Company. As at 31 December 2013, the Remaining Group was interested in a total of 90.98% equity interest in CRMG.

Save as aforesaid, the Remaining Group did not make any significant investments, material acquisitions or disposals during the year ended 31 December 2013.

Capital commitments and contingent liabilities

The Remaining Group did not have any material capital commitments nor contingent liabilities as at 31 December 2013.

Material Investments

As at 31 December 2013, the Remaining Group was holding a portfolio of investments held for trading with market values of approximately HK$26.5 million. The net gain derived from investments held for trading of HK$36.1 million was recorded for the year.

Employee information

At 31 December 2013, the Remaining Group had 944 employees. Its employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund scheme, it also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. The total amount of remuneration cost of employees of the Remaining Group for the year under review was approximately HK$148.9 million. It continued to organise training to employees in areas such as product knowledge, customer service, selling techniques, team building, communication, languages, presentation, coaching and quality management.

Future plans for material investments and acquisition of capital assets

The Remaining Group did not have any future plans for material investments nor addition of capital assets during the year ended 31 December 2013.

BUSINESS AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2014

The Remaining Group

Business review and result

- Recorded revenue of HK$1,173.6 million which was increased as compared with previous year. The increase in revenue was due to the mild growth in revenue recorded by Pricerite.

- Taking into account (1) the operating profit of Pricerite; (2) the operating loss of Net2Gather; and (3) the Confident Profits Group's share of profit of an associate of HK$60.5 million less its operating loss, the Remaining Group recorded a net profit of HK$38.8 million for the year ended 31 December 2014.

Retail management business – Pricerite Group

Business review

To reinvigorate and improve the Pricerite shopping experience, Pricerite implemented a comprehensive plan to revamp its brand to better reflect its strength and commitment to smart home solutions tailored for young families living in small and medium-sized apartments, and to help customers add style and personality to their living space. Pricerite opened new stores in Tin Shui Wai, Aberdeen and Lam Tin, and in line with its revamped brand image, seven stores were revitalised. Its Megabox flagship store was expanded to over 40,000 square feet, the largest store delivering its new "Pricerite the HOUSE" concept or "everything under one roof". Since the launch of its tailor-made furniture and home interior design services, Pricerite had seen a promising market response, with rapidly growing demand. To further enhance its service quality, Pricerite expanded its service team and formally named its Tailor Made Furniture service centres "家匠TMF" to convey the flexibility and singular precision of customised home furnishing solutions. During the year, Pricerite expanded its "家匠TMF" centres to 21 Pricerite stores and tripled its TMF specialist team, making "家匠TMF" one of the largest service providers of tailor-made furniture and home interior design solutions in the city. During the year ended 31 December 2014, Pricerite introduced different multi-functional home furnishing solutions such as WinSillTM and other "transformational furniture".

Operating results

Pricerite's Hong Kong retail management business was still facing rising operating costs as last year. The labour market conditions remained tight throughout 2014 which resulted in increases in salaries and wages. The 4.4% rise in the overall consumer prices for 2014 coupled with the skyrocketing rental cost had been keeping pressures on operating costs for the Remaining Group's retailing business. Hong Kong's overall retail sales dropped 0.2% in 2014 whereas consumer durable goods increased by 4.1%. Market concerns about the expected rise in interest rate and various government's measures of dampening the housing demand certainly affected the property market for the first half of 2014. Whereas entering into the second half of year, the optimism about the property market rose to the new high due to the publication of official figures indicating the high short supply of land and the strong pent-up demand immediately following the government's policy to relax the property cooling measure by allowing an extension of the period for qualifying for the exemption from extra stamp duty. In response to the recent market shift toward small and medium size units, Pricerite introduced more readily made products series, such as "WinSill™" and "Transformer". The "WinSill™" furniture series better utilise the space of window bays and "Transformer" furniture series that have multiple functions can make better use of space by allowing a piece of furniture to be changed and reversed from one form (e.g. a table) to another (a bed) so as to serve different functions. On the other hand, Pricerite has strengthened its Tailor Made Furniture (TMF) services by setting up more TMF centres in its store network. The TMF services provide total home solutions to meet the living needs of its customers, especially those who have some special design and home-furnishing requirements for their flats and apartments. In addition, Pricerite started extending its overseas product sourcing to Japan and south-east Asian countries in the face of the recent devaluation of these currencies against Hong Kong dollar, in order to let its customers enjoy higher quality products at better prices. Furthermore, Pricerite also placed more resources on e-commerce business to counteract the increase in rental cost as one of its cost-leadership strategies. In order to devote more resources to high growth business sectors, Pricerite had determined to close down all its retailing business except for e-commerce business in the PRC. For the year ended 31 December 2014, Pricerite recorded revenue of HK$1,172.0 million and a net segment profit of HK$19.2 million.

Mobile internet services business – Net2Gather

Business review

In view of keen competition and unstable local business landscape in mobile internet industry, Net2Gather planned to explore the potentials of game licensing business in overseas markets. Global app markets are generally better regulated and offer stronger intellectual property rights protection than the Chinese market. However, cultural differences, language barrier, poor localization capabilities and lack of expertise of target markets may undermine global expansion and distribution strategies of Chinese mobile game developers. Capitalizing on its proven record and extensive distribution network in global game licensing business, Net2Gather planned to solicit global distribution partners to operate and promote Chinese game titles, while Net2Gather also provided full-fledged services to the Chinese game developers to facilitate game distribution in overseas market, including localization, game feature enhancements, technical implementation and porting to particular distribution platforms, etc. Net2Gather would also continue to explore investment opportunities to form strategic partnerships with complementary mobile game businesses, particularly game development teams and distribution platforms, to enhance our product offerings and distribution capabilities, and allowed it access to other valuable resources to facilitate its business development in overseas market.

Operating results

Despite a persistent strong growth in the mobile internet gaming market, market competition has become more intense than before with many small to medium-sized developers entering the market, flushing the market with numerous game titles. In view of the keen competition, Net2Gather had taken proactive role in looking for the blue ocean of the market. Net2Gather would continue to implement stringent cost control measures over its operations and adhere to a prudent strategy for its online game business. In the meantime, Net2Gather would dedicate its best effort to explore new business initiatives in mobile internet industry other than the gaming sector. Net2Gather would also continue to solicit partnerships and investment opportunities in other fast-growing e-commerce business models of the mobile internet market. Overall, for the year ended 31 December 2014, Net2Gather recorded revenue of HK$1.5 million and a net segment loss of HK$0.4 million.

The Confident Profits Group

Business review

With a view to reinforcing its technology competitive advantage, the Confident Profits Group established its quant-finance research and incubation centre, the Quant Finance Lab (QFL), in the Hong Kong Science and Technology Parks in June 2014. This new facility has strengthened its capability to attract quant-finance talents from around the world for the development of Algo models and Information Communication Technologies (ICT). During the year ended 31 December 2014, the Confident Profits Group successfully tested its risk control mechanism and business contingency plans. Its Algo ICT and eFinance database infrastructure for the Hong Kong market had also been implemented smoothly.

Operating results

For the year ended 31 December 2014, the Confident Profits Group recorded revenue of HK$17,000 and a net segment profit of HK$51.7 million. The turnaround profit was due to the gain recorded by its associate company on the disposal of its entire registered shares of its subsidiary which owned and managed an investment property in the PRC. Accordingly, during the year, the Confident Profits Group reported its share of profit of an associate of HK$60.5 million.

The Remaining Group – Financial position and other information

Capital structure, liquidity, financial resources and treasury policy

As at 31 December 2014, the Remaining Group had net assets of approximately HK$77.5 million. The Remaining Group had total bank borrowings of approximately HK$163.1 million which would be repayable within 1 year. The above bank loans of approximately HK$146.9 million were secured by the Remaining Group's corporate guarantees and the pledged deposits of HK$47.0 million.

The Remaining Group's borrowings as at 31 December 2014 carried variable interest at Hong Kong Prime Rate and HIBOR plus a spread. The bank borrowings were mostly denominated in Hong Kong dollars.

As at 31 December 2014, the Remaining Group's cash and bank balances amounted to approximately HK$179.9 million. The Remaining Group derives its revenue mainly in Hong Kong dollars and maintains its house funds mainly in Hong Kong dollars.

The liquidity ratio of the Remaining Group as at 31 December 2014 was approximately 0.81 times. The gearing ratio as at 31 December 2014, which represents the ratio of interest bearing borrowings of the Remaining Group divided by the total equity, was 2.1 times.

For the year ended 31 December 2014, the Remaining Group financed its liquidity requirements mainly through cash flows generated from operating activities and cash inflows from financing activities which principally came from banking facilities granted to the Remaining Group.

Foreign exchange fluctuation and hedge

As at 31 December 2014, the Remaining Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches.

More than 99% of financial assets and financial liabilities of the Remaining Group were denominated in the Remaining Group entity's functional currency. No foreign currency sensitivity was disclosed as in the opinion of the directors of the Remaining Group, the foreign currency exposure was considered insignificant during the year ended 31 December 2014. No financial instruments for hedging purposes were used. No foreign currency net investments were hedged by currency borrowings and other hedging instruments.

Significant investments, material acquisitions and disposals

On 24 January 2014, the Remaining Group and CFSG jointly announced the disposal of entire equity interest in an associated company of the Remaining Group (held through CFSG) which held a commercial property in Shanghai (The Point Jingan, Jing'An District) at a consideration of RMB652,787,527 (equivalent to approximately HK$840,800,000).

Save as aforesaid, the Remaining Group did not make any significant investments, material acquisitions or disposals during the year ended 31 December 2014.

Capital commitments and contingent liabilities

The Remaining Group did not have any material capital commitments or contingent liabilities as at 31 December 2014.

Material Investments

As at 31 December 2014, the Remaining Group was holding a portfolio of investments held for trading with market values of approximately HK$12.1 million. The net gain derived from investments held for trading of HK$57.8 million was recorded for the year.

Employee information

At 31 December 2014, the Remaining Group had 1,010 employees. Its employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund scheme, it also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. The total amount of remuneration cost of employees of the Remaining Group for the year under review was approximately HK$162.9 million. It continued to organise training to employees in areas such as product knowledge, customer service, selling techniques, team building, communication, languages, presentation, coaching and quality management.

Future plans for material investments and acquisition of capital assets

The Remaining Group did not have any future plans for material investments nor addition of capital assets during the year ended 31 December 2014.

BUSINESS AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 DECEMBER 2015

The Remaining Group

Business review and result

- Recorded revenue of HK$1,382.3 million which was increased as compared with previous year. The increase in revenue was due to the mild growth in revenue recorded by Pricerite.

- Taking into account the operating profit of Pricerite and the operating losses of Net2Gather and the Confident Profits Group, the Remaining Group recorded a net profit of HK$4.8 million for the year ended 31 December 2015.

Retail management business – Pricerite Group

Business review

The sales registration in the private residential property market saw a decline in the second half of 2015, which composed of a significant decline in second hand property registration compared to a modest decline for first hand registration. The decline was brought by property cooling policies, the uncertain economy and adjustment of the US interest rate. However, the demand for mid to small and more affordable flats remains strong and the government was still catching up to enhance supply of land. Pricerite had a strategic focus on offering smart home solutions, especially to optimise living space. Pricerite uniquely addressed the compressed living space and space management challenges encountered by most families in Hong Kong. Pricerite had added smart and multifunctional design features to help customers optimise living space.

To tackle the challenges, Pricerite had continued to intensify its cost rationalisation measures and to improve its operational efficiency. In the meantime, Pricerite had reformulated its sales mix strategy in response to the fast growing demand for small and medium sized apartments by the young home-seekers. The furniture design team had developed a series of new space-saving solutions and products that are more easily fitted into the small sizes of these starter homes. At the same time, Pricerite had introduced more high quality and trendy Japanese and Korean household products which further reinforce its space-saving philosophy. To gain greater market recognition, Pricerite had been implementing comprehensive marketing plans to strengthen its branding to reflect the leading position in the market and the commitment to providing smart and lively home solutions tailored for young families living in small and medium sized apartments.

Operating results

Pricerite's retailing management business reported revenue of HK$1,390.3 million. Overall, the retailing management business recorded a net profit before taxation of HK$32.7 million for 2015. Despite the encouraging results in 2015, Pricerite remained very cost-cautious about the operations against the backdrop of a deteriorating business environment.

Mobile internet services business – Net2Gather

Business review

Net2Gather has formed strategic partnerships and built a mobile game portfolio with over 40 development teams to secure global game licensing rights, whereas Net2Gather has solicited overseas distribution partners to launch selected game titles in respective regions. Net2Gather has provided full-fledged services to facilitate game distributions in iOS AppStore, Google Play and other third-party distribution platforms outside of Mainland China. Net2Gather has successfully formed licensing agreements and launched commercial operations of "EDEN Online" with two leading mobile gaming operators in Southeast Asia and North America respectively. The game has topped the list of most popular role playing games in iOS AppStore and Google Play charts. Net2Gather has also reached a licensing agreement with another leading mobile gaming operator in Southeast Asia to publish a casual game, "Candy Craze".

Operating results

Net2Gather had implemented new mobile gaming business strategy to explore the development of overseas game licensing business. The commercial operation of "EDEN Online" was scheduled in Q4 2015, so that it was expected the revenue would be recognized in later months after settlement with app stores and publishers. Overall, for the year ended 31 December 2015, Net2Gather's mobile internet services business recorded revenue of HK$0.4 million and a net segment loss of HK$2.3 million.

The Confident Profits Group

Business review

The year 2015 was certainly a tale of two halves. In the first half of the year, the world market reached recent highs in both volume and volatility. Under such conditions, its Algo portfolio performed exceptionally well. The second half of the year was met with many great concerns such as the Renminbi deprecation, the possibility of the Federal Reserve hiking interest rates, and general market sluggish conditions, all of which affected investors' sentiment but we still maintained above average performance thanks to its well-positioned strategies in such difficult times. Overall, its performance was remarkable despite such volatile conditions.

Its previous business ventures have flourished throughout the year. The incubated and tested strategies from 2014 have launched and their performances have been encouraging. Strategies will continue to undergo tuning, optimization and re-testing in the upcoming year. They have also continued to seek new business partners to help connect them with new quantitative strategists. They have increased our exposure by hosting the first Inter-University Algo Trading Contest featuring four of Hong Kong's most prominent universities. They hope to give back to the community by giving aspiring students a chance to join and experience the real life challenges of the financial world while developing and seeking new quantitative skills and talent.

The financial consulting services business of the CFSG (China)'s group in the PRC had ceased operation since October 2015.

Operating results

For the year ended 31 December 2015, the Algo Group did not generate any revenue and a net segment loss of HK$5.3 million.

The Remaining Group – Financial position and other information

Capital structure, liquidity, financial resources and treasury policy

As at 31 December 2015, the Remaining Group had net assets of approximately HK$195.7 million. The Remaining Group had total bank borrowings of approximately HK$197.2 million which would be repayable within 1 year. The above bank loans of approximately HK$197.2 million were secured by the Remaining Group's corporate guarantees and the pledged deposits of HK$44.0 million.

The Remaining Group's borrowings as at 31 December 2015 carried variable interest at Hong Kong Prime Rate and HIBOR plus a spread. The bank borrowings were mostly denominated in Hong Kong dollars.

As at 31 December 2015, the Remaining Group's cash and bank balances amounted to approximately HK$310.2 million. The Remaining Group derives its revenue mainly in Hong Kong dollars and maintains its house funds mainly in Hong Kong dollars.

The liquidity ratio of the Remaining Group as at 31 December 2015 was approximately 1.03 times. The gearing ratio as at 31 December 2015, which represents the ratio of interest bearing borrowings of the Remaining Group divided by the total equity, was 1.0 time.

For the year ended 31 December 2015, the Remaining Group financed its liquidity requirements mainly through cash flows generated from operating activities and cash inflows from financing activities which principally came from banking facilities granted to the Remaining Group.

Foreign exchange fluctuation and hedge

As at 31 December 2015, the Remaining Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches.

More than 99% of financial assets and financial liabilities of the Remaining Group were denominated in the Remaining Group entity's functional currency. No foreign currency sensitivity was disclosed as in the opinion of the directors of the Remaining Group, the foreign currency exposure was considered insignificant during the year ended 31 December 2015. No financial instruments for hedging purposes were used. No foreign currency net investments were hedged by currency borrowings and other hedging instruments.

Significant investments, material acquisitions and disposals

In March 2015, the Remaining Group signed a sale and purchase agreement with an independent third party relating to the proposed disposal of around 40% shareholding interest in CFSG (a non-wholly-owned subsidiary of the Company) at a purchase price of HK$0.37 per share, which triggered a possible mandatory conditional cash offers for shares in CFSG. The resolution for approving the agreement was not passed at the special general meeting of the Company held in May 2015, and the transaction was terminated on 15 May 2015.

In May 2015, the Remaining Group disposed of the licence of The Chinese Gold & Silver Exchange Society to an independent third party at a consideration of HK$13 million.

In June 2015, the Remaining Group acquired algorithmic trading and alternative trading business from CFSG at a consideration of HK$1.55 million as determined based on the unaudited net asset value of the business unit as at 30 April 2015.

Save as aforesaid, the Remaining Group did not make any significant investments, material acquisitions or disposals during the year ended 31 December 2015.

Capital commitments and contingent liabilities

The Remaining Group did not have any material capital commitments or contingent liabilities as at 31 December 2015.

Material Investments

As at 31 December 2015, the Remaining Group was holding a portfolio of investments held for trading with market values of approximately HK$50.0 million. The net loss derived from investments held for trading of HK$37.8 million was recorded for the year.

Employee information

At 31 December 2015, the Remaining Group had 970 employees. Its employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund scheme, it also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. The total amount of remuneration cost of employees of the Remaining Group for the year under review was approximately HK$193.8 million. It continued to organise training to employees in areas such as product knowledge, customer service, selling techniques, team building, communication, languages, presentation, coaching and quality management.

Future plans for material investments and acquisition of capital assets

The Remaining Group did not have any future plans for material investments nor addition of capital assets during the year ended 31 December 2015.

BUSINESS AND FINANCIAL REVIEW FOR THE SIX MONTHS ENDED 30 JUNE 2016

The Remaining Group

Business review and result

- Recorded revenue of HK$687.2 million which was increased as compared with the same period in 2015. The increase in revenue was due to the mild growth in revenue recorded by Pricerite.

- Taking into account the operating profit of Pricerite and the operating losses of Net2Gather and the Confident Profits Group, the Remaining Group recorded a net profit of HK$1.0 million for the six months ended 30 June 2016.

Retail management business – Pricerite Group

Business review

During the first half of 2016, especially in the first quarter, Pricerite Group's business had been inevitably affected by the weak consumer spending caused by the deteriorating local economic sentiment accompanied by the weakening local property market. Since October 2015, the prices of residential properties had dropped from its peak before hitting the bottom recently. In the meantime, retail sales also dropped by 10.5% in value in 6 months to June 2016 year-on-year. Nevertheless, thanks to the solid labour market conditions with unemployment rate being held steady at 3.4% in three months to June 2016, the overall weakening consumer sentiment had therefore started abating late in the second quarter. To confront with the hardship of retail industry, Pricerite Group has continued to implement stringent cost control measures to contain the rising operating overheads. In view of more and more shops having been closed down across the city because of the prevailing difficult business environments and bleak economic outlook, Pricerite Group has embarked on arduous negotiations with its landlords to mitigate the pressure on rental costs of its retail outlets. While Pricerite Group successfully negotiated for a rental reduction for some outlets, the outcome for the negotiations with several landlords of large shopping malls was another story. Having failed to bargain for better rental costs and more favourable terms with these landlords, Pricerite Group would consider closing down some of the underperforming shops upon the expiration of leases. On the other hand, its furniture design team had continued to explore a series of innovative space-saving ideas on its products that are perfectly fitted into small and medium sized apartments chased by the young home-seekers. Pricerite Group has also expanded and strengthened its Tailor Made Furniture (TMF) services in its chain stores to achieve better profit margins. All these have been demonstrating its leading position in the market and its commitment to providing smart and stylish home solutions tailored for young families to enjoy a more comfortable living space even in small and medium sized apartments. Additionally, Pricerite Group has refined the sales mix in its chain stores to further improve the sales performance and profit margins. As such, some bulky electrical appliances which were less profitable were being pulled off the shelves at its stores and replaced by household products and DIY furniture with higher profit margins. At the same time, Pricerite Group has been steering the development of its own online retail platform and advancement of information technology to enhance efficiency.

Operating results

The Group's retailing management business recorded revenue of HK$686.8 million and a net profit of HK$7.7 million for the six months ended 30 June 2016.

Mobile internet services business – Net2Gather

Business review

Net2Gather solicits global distribution partners to operate and promote Chinese mobile game titles, and to provide full-fledged services to the Chinese game developers to facilitate game distribution in overseas markets at the same time. Furthermore, Net2Gather will continue to seek investment opportunities to form strategic partnership with game development teams, operating and distribution platforms in order to enhance its product offerings and distribution capabilities.

Operating results

Net2Gather's mobile internet services business recorded revenue of HK$0.4 million and a segment loss of HK$1.3 million for the six months ended 30 June 2016.

The Confident Profits Group

Business review

Built upon its technology-focused heritage, Algo trading business has been a pioneer in quantitative finance in Hong Kong. In addition to serving its existing algo strategies, the Algo Group also opens up its infrastructure to professional quant traders to access Hong Kong, the USA, and China equity and commodities markets. For those quant traders who are willing to share their trading strategies, the Algo Group can be a joint development partner providing capital, operational resources and other business support.

The Algo Group also provides an Algo incubation service to assist algo traders, quant strategists, and academia who want to research, develop, test and launch their trading ideas. The Algo Group can help to develop and program the trading strategies, execute trades, provide funding, control risks, as well as support legal, operational and administrative matters.

During the first half of 2016, the algo trading business made certain achievements in terms of advanced financial technology, effective risk management and innovative global talents which are essential elements for the long-term growth and success of the algorithmic trading business.

In terms of business development, one of its new strategies was launched to production in the second quarter, which has achieved stable returns and is well-cushioned against risks. The Algo Group will continue to drive the development of new strategies, while strictly maintains the existing ones by regular re-testing, tuning and optimization. Collaboration with the academia remains an important channel of research and talent development. Besides on-going research projects and internship programs, the Algo Group works with top universities across the greater China to prepare for a new round of Inter-University Algo Trading Contest. Moreover, with a view to construct a well-diversified portfolio, further assessment in new products and markets will be conducted to manage volatility, as well as to enhance overall performance.

Operating results

The Algo Group did not generate any revenue and a segment loss of HK$0.6 million for the six months ended 30 June 2016.

The Remaining Group – Financial position and other information

Capital structure, liquidity, financial resources and treasury policy

As at 30 June 2016, the Remaining Group had net assets of approximately HK$196.5 million. The Remaining Group had total bank borrowings of approximately HK$186.5 million which would be repayable within 1 year. The above bank loans of approximately HK$186.5 million were secured by the Remaining Group's corporate guarantees and the pledged deposits of HK$39.0 million.

The Remaining Group's borrowings as at 30 June 2016 carried variable interest at Hong Kong Prime Rate and HIBOR plus a spread. The bank borrowings were mostly denominated in Hong Kong dollars.

As at 30 June 2016, the Remaining Group's cash and bank balances amounted to approximately HK$176.7 million. The Remaining Group derives its revenue mainly in Hong Kong dollars and maintains its house funds mainly in Hong Kong dollars.

The liquidity ratio of the Remaining Group as at 30 June 2016 was approximately 1.02 times. The gearing ratio as at 30 June 2016, which represents the ratio of interest bearing borrowings of the Remaining Group divided by the total equity, was 0.95 time.

For the six months ended 30 June 2016, the Remaining Group financed its liquidity requirements mainly through cash flows generated from operating activities and cash inflows from financing activities which principally came from banking facilities granted to the Remaining Group.

Foreign exchange fluctuation and hedge

As at 30 June 2016, the Remaining Group did not have any material un-hedged foreign exchange exposure or interest rate mismatches.

More than 99% of financial assets and financial liabilities of the Remaining Group were denominated in the Remaining Group entity's functional currency. No foreign currency sensitivity was disclosed as in the opinion of the directors of the Remaining Group, the foreign currency exposure was considered insignificant during the six months ended 30 June 2016. No financial instruments for hedging purposes were used. No foreign currency net investments were hedged by currency borrowings and other hedging instruments.

Significant investments, material acquisitions and disposals

The Remaining Group did not make any significant investments, material acquisitions or disposals during the six months ended 30 June 2016.

Capital commitments and contingent liabilities

The Remaining Group did not have any material capital commitments or contingent liabilities as at 30 June 2016.

Material Investments

As at 30 June 2016, the Remaining Group was holding a portfolio of investments held for trading with market values of approximately HK$77.2 million. The net gain derived from investments held for trading of HK$30.5 million was recorded for the period.

Employee information

At 30 June 2016, the Remaining Group had 887 employees. Its employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund scheme, it also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. The total amount of remuneration cost of employees of the Remaining Group for the period under review was approximately HK$110.0 million. It continued to organise training to employees in areas such as product knowledge, customer service, selling techniques, team building, communication, languages, presentation, coaching and quality management.

Future plans for material investments and acquisition of capital assets

The Remaining Group did not have any future plans for material investments nor addition of capital assets during the six months ended 30 June 2016.

(A) THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

In connection with proposed disposal of its 36.28% interest in CASH Financial Services Group Limited and its subsidiaries ("CFSG Group") ("Disposal") by Celestial Asia Securities Holdings Limited ("Company") and its subsidiaries ("Group") (exclusion of the CFSG Group hereinafter referred to as the "Remaining Group"), the unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the proposed Disposal on the Group's financial position as at 30 June 2016 and the Group's financial performance and cash flows for the year ended 31 December 2015 as if the Disposal had taken place at 30 June 2016 and 1 January 2015 respectively.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2016 which has been extracted from the published interim report of the Company for the six months ended 30 June 2016.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on audited consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows of the Group for the year ended 31 December 2015 as extracted from the published annual report of the Company for the year ended 31 December 2015.

The unaudited pro forma financial information of the Remaining Group has been prepared by the Directors of the Company in accordance with paragraph 29 of Chapter 4 of the Listing Rules and is solely for the purpose to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2016; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January 2015.

The unaudited pro forma financial information of the Remaining Group is prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments of the proposed Disposal that are (i) directly attributable to the transactions; and (ii) factually supportable, is summarised in the accompanying notes.

The unaudited pro forma financial information of the Remaining Group has been prepared by the directors of the Company based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the unaudited pro forma financial information of the Remaining Group may not purport to predict what the financial position of the Remaining Group with the Disposal would have been upon completion of the Disposal as at 30 June 2016 or at any future dates or the financial results and cash flows for the year ended 31 December 2015 or for any future periods.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and the financial information of the CFSG Group as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

Unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2016

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Non-current assets					
Property and equipment	75,975	(16,807)			59,168
Investment properties	16,131	(16,131)			–
Goodwill	60,049		(20,606)		39,443
Intangible assets	53,212	(9,752)			43,460
Available-for-sale financial assets	8,415	(8,415)		30,858	30,858
Rental and utility deposits	48,239	(612)			47,627
Other assets	5,070	(5,070)			–
Deferred tax assets	6,206				6,206
	273,297				226,762
Current assets					
Inventories – finished goods held for sale	58,027				58,027
Accounts receivable	780,280	(649,130)			131,150
Loans receivable	8,183	(2,310)			5,873
Other assets	8,187	(8,187)			–
Prepayment, deposits and other receivables	57,424	(35,768)			21,656
Tax recoverable	4,477	(29)			4,448
Investments held for trading	120,782	(43,605)			77,177
Financial assets designated at fair value through profit or loss	12,926	(12,926)			–
Amount due from Disposal Group	–	60			60
Bank deposits subject to conditions	64,000	(25,000)			39,000
Bank balances – trust and segregated accounts	866,814	(866,814)			–
Bank balances (general accounts) and cash	420,383	(282,728)		758,000	895,655
	2,401,483				1,233,046
Properties held for resale	157,852	(157,852)			–
	2,559,335				1,233,046

	The Group	Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	
Current liabilities					
Accounts payable	1,456,710	(1,283,717)			172,993
Accrued liabilities and other payables	134,423	(50,244)			84,179
Taxation payable	25,960	(3,039)			22,921
Obligations under finance leases – amount due within one year	298				298
Financial liabilities at fair value through profit or loss	1,084	(1,084)			–
Financial liabilities designated at fair value through profit or loss	12,926	(12,926)			–
Borrowings – amount due within one year	392,086	(205,548)			186,538
	2,023,487				466,929
Net current assets	535,848				766,117
Total assets less current liabilities	809,145				992,879
Non-current liabilities					
Deferred tax liabilities	10,025	(3,377)			6,648
Obligations under finance leases – amount due after one year	833				833
Borrowings – amount due after one year	18,242	(18,242)			–
	29,100				7,481
Net assets	780,045				985,398
Capital and reserves					
Share capital	83,122				83,122
Reserves	393,761			536,339	930,100
Equity attributable to the owners of the Company	476,883				1,013,222
Non-controlling interests	303,162		(330,986)		(27,824)
Net assets	780,045				985,398

Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group for the year ended 31 December 2015

	The Group		Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 5)	*(Note 6)*	*(Note 7)*	*(Note 8)*	*(Note 9)*	
Continuing operations						
Revenue	1,634,613	(252,290)				1,382,323
Cost of inventories and services	(791,344)					(791,344)
Other income	9,867	(3,807)				6,060
Other gains and losses	177,248	(130,533)	11,909			58,624
Salaries, allowances and commission	(419,553)	231,983				(187,570)
Other operating, administrative and selling expenses	(527,752)	120,676				(407,076)
Depreciation of property and equipment	(39,616)	11,955				(27,661)
Finance costs	(15,775)	8,630				(7,145)
Fair value change on investment properties	(1,726)	1,726				–
Share of results of an associate	95	(95)				–
Profit before taxation	26,057					26,211
Income tax expense	(7,852)	(1,655)				(9,507)
Profit for the year from continuing operations	18,205					16,704
Discontinuing operations						
Profit for the year from discontinued operation	–			536,006		536,006
Profit for the year	18,205					552,710
Other comprehensive expenses:						
Item that may be subsequent reclassified to profit or loss:						
Fair value changes in available-for-sale investments	–				6,713	6,713
Exchange differences arising on translation of foreign operations	(5,179)	3,665				(1,514)
Reclassification of translation reserve upon disposal of subsidiaries	–	10,941	(10,941)	14,606		14,606
Total comprehensive income for the year	13,026					572,515
Profit for the year attributable to:						
Owners of the Company	15,229	(12,571)	11,909	536,006		550,573
Non-controlling interests	2,976	(839)				2,137
	18,205					552,710
Total comprehensive income for the year attributable to:						
Owners of the Company	12,245	(160)	968	550,612	6,713	570,378
Non-controlling interests	781	1,356				2,137
	13,026					572,515

Unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2015

	The Group		Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 5)	*(Note 6)*	*(Note 7)*	*(Note 8)*	*(Note 11)*	
OPERATING ACTIVITIES						
Profit before taxation	26,057	(11,755)	11,909	536,006		562,217
Adjustments for:						
Write back of allowance on bad and doubtful loans receivable	(4,519)	4,519				–
Write back of bad debts on accounts receivable, net	1,432	(1,431)				1
Depreciation of property and equipment	39,616	(11,955)				27,661
Share-based payments	854					854
Write-down on inventories	6,500					6,500
Fair value change on investment properties	1,726	(1,726)				–
Interest expense	15,775	(8,630)				7,145
Loss on disposal of property and equipment	97					97
Gain on disposal of a commercial property	(1,881)	1,881				–
Gain on disposal of available-for-sale financial assets	(14,381)	14,381				–
Gain on disposal of an intangible assets	(12,094)					(12,094)
Gain on disposal of subsidiaries	–	11,909	(11,909)	(536,006)		(536,006)
Share of results of an associate	(95)	95				–
Operating cash flows before movements in working capital	59,087					56,375
Increase in inventories	(13,486)					(13,486)
(Increase) decrease in accounts receivable	(68,022)	224,246				156,224
Decrease (increase) in loans receivable	44,452	(45,249)				(797)
Increase in prepayments, deposits and other receivables	(5,271)	4,410				(861)
Increase in listed investments held for trading	(24,326)	(21,266)				(45,592)
Increase in financial assets designated at fair value through profit or loss	(13,161)	13,161				–

	The Group		Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 5)	*(Note 6)*	*(Note 7)*	*(Note 8)*	*(Note 11)*	
Increase in bank balances – trust and segregated accounts	(154,693)	154,693				–
Increase in accounts payable	351,220	(321,521)				29,699
Increase (decrease) in accrued liabilities and other payables	53,965	(96,374)				(42,409)
Decrease in financial liabilities held for trading	(1,055)	(1,073)				(2,128)
Increase in financial liabilities at fair value through profit or loss	13,161	(13,161)				–
Net cash from operations	241,871					137,025
Income taxes refunded	1,167					1,167
Income tax paid	(4,991)	434				(4,557)
NET CASH FROM OPERATING ACTIVITIES	238,047					133,635
INVESTING ACTIVITIES						
Decrease in bank deposits under condition	20,155	(17,155)				3,000
Purchase of property and equipment	(45,349)	3,988				(41,361)
Refund of statutory and other deposits	1,830	(1,830)				–
Net proceeds from disposal of an intangible asset	12,094					12,094
Net proceeds from disposal of available-for-sale financial assets	26,997	(26,997)				–
Proceeds from disposal of investment properties	22,961	(22,961)				–
Capital distributed from an associate	1,529	(1,529)				–
Net cash inflow of acquisition of subsidiaries	–				10,186	10,186
Net cash inflow upon disposal of subsidiaries	–	10,186	(10,186)	585,900		585,900
Advance to CFSG	–	(124,368)				(124,368)
NET CASH FROM INVESTING ACTIVITIES	40,217					445,451

	The Group		Pro forma adjustments			The Remaining Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 5)	*(Note 6)*	*(Note 7)*	*(Note 8)*	*(Note 10)*	
FINANCING ACTIVITIES						
Proceeds on issue of share of CFSG	5,834	(5,834)				–
Purchase of non-controlling interest of a non-wholly owned subsidiary of CFSG	(4,855)	4,855				–
(Decrease) increase in borrowings	(29,401)	77,512				48,111
Repayments of obligations under finance leases	(385)	160				(225)
Purchase of additional interest in CFSG	(2,966)					(2,966)
Interest paid on obligations under finance lease	(83)					(83)
Interest paid on borrowings	(15,692)	8,630				(7,062)
Proceeds on issue of shares of the Company	110,829					110,829
Expenses directly attributable to issue of shares	(2,362)					(2,362)
NET CASH FROM FINANCING ACTIVITIES	60,919					146,242
NET INCREASE IN CASH AND CASH EQUIVALENTS	339,183					725,328
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	300,299					300,299
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	(2,850)	1,388				(1,462)
CASH AND CASH EQUIVALENT AT END OF THE YEAR	636,632					1,024,165

Notes:

(1) Figures are extracted from the unaudited condensed consolidated statement of financial position of the Group as set out in the interim report of the Company for the six months ended 30 June 2016 issued on 22 August 2016.

(2) The adjustment represents the exclusion of the assets and liabilities of CFSG Group as at 30 June 2016, assuming the Disposal had taken place on 30 June 2016. The assets and liabilities of the CFSG Group are extracted from the consolidated statement of financial position of the CFSG Group set out in Appendix II to this Circular.

(3) The adjustment represents the exclusion of the goodwill amounting to HK$20,606,000, that are arisen from the acquisition of CFSG in previous years, and non-controlling interests of CFSG Group amounting to HK$330,986,000 as at 30 June 2016.

(4) The adjustments reflect the cash consideration received amounting to HK$765,000,000, which is based on the Consideration stated in the Sale and Purchase Agreement, recognition of retained interests as available-for-sale investments of HK$30,858,000, reclassification of cumulative exchange loss in respect of the net assets of the CFSG Group from equity to profit or loss of HK$63,000 and pro forma gain on disposal of CFSG Group of HK$536,276,000. The calculation of the pro forma gain on disposal of CFSG Group are stated as follows, assuming the Disposal had taken place on 30 June 2016:

	HK$'000
Calculation of pro forma gain on disposal of the CFSG Group:	
Net assets of the CFSG Group as at 30 June 2016 *(note a)*	562,899
Goodwill attributable to CFSG as at 30 June 2016 *(note b)*	20,606
	583,505
Less: Cumulative exchange loss in respect of the net assets of CFSG Group attributable to the owners of the Company reclassified from equity to profit or loss	63
Less: Non-controlling interests attributable to CFSG Group *(note b)*	(330,986)
Less: Recognition of available-for-sale investments *(note c)*	(30,858)
Less: Cash consideration	(765,000)
Add: Estimated professional fees and other expenses directly attributable to the Disposal *(note d)*	7,000
Gain on disposal of CFSG	(536,276)
Cash received upon the Disposal	765,000
Less: estimated professional fees and other expenses directly attributable to the Disposal *(note d)*	(7,000)
Cash received upon the Disposal as at 30 June 2016	758,000

Notes:

(a) The amount represented the net assets of the CFSG Group as at 30 June 2016 as extracted from the consolidated statement of financial position of the CFSG Group set out in Appendix II to this Circular.

(b) The amount represented the items described in note (3) above.

(c) The amount represented the recognition of the remaining interests in CFSG of HK$30,858,000, which is determined by 167,821,069 shares of CFSG and adjusted share price of HK$0.18 per share of CFSG which is based on the quoted share price of HK$0.35 per share of CFSG at 30 June 2016 with an adjustment of discount in respect of the Lock-up Period with reference to the volatility of 103.7% on the share price of CFSG.

(d) The adjustment represents the recognition of the estimated transactions costs of approximately HK$7,000,000 for the Disposal, including but not limited to legal and professional fees, directly attributable to the Disposal estimated by the Directors.

(5) Figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group as set out in the annual report of the Company for the year ended 31 December 2015 issued on 24 March 2016.

(6) The adjustment represents the exclusion of the results and cash flows of CFSG Group for the year ended 31 December 2015, assuming the Disposal had been taken place on 1 January 2015. The results and cash flows the CFSG Group are extracted from the consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the CFSG Group set out in Appendix II to this Circular.

(7) The adjustment represents the exclusion of the gain on disposal of subsidiaries of HK$11,909,000 and reclassification of translation reserve upon disposal of subsidiaries of HK$10,941,000. On 30 June 2015, CFSG disposed certain subsidiaries to the Remaining Group with the gain on disposal of subsidiaries and the reclassification of translation reserve upon disposal of subsidiaries eliminated on consolidation.

(8) The adjustments reflect the disposal of CFSG Group by the Group, assuming the Disposal had taken place on 1 January 2015:

	HK$'000
Calculation of pro forma gain on the Disposal:	
Net assets of the CFSG Group as at 1 January 2015 *(note a)*	596,327
Goodwill attributable to CFSG as at 1 January 2015 *(note b)*	20,606
	616,933
Add: Cumulative exchange gain in respect of the net assets of CFSG Group attributable to the owners of the Company reclassified from equity to profit or loss	(14,606)
Less: Non-controlling interests attributable to CFSG Group *(note b)*	(350,442)
Less: Recognition of available-for-sale investments *(note c)*	(29,891)
Less: Cash consideration *(note d)*	(765,000)
Add: Estimated professional fees and other expenses directly attributable to the Disposal *(note e)*	7,000
Gain on disposal of CFSG	(536,006)
Cash received upon the Disposal	765,000
Less: estimated professional fees and other expenses directly attributable to the Disposal *(note e)*	(7,000)
Less: Bank balances (general accounts) and cash of CFSG Group as at 1 January 2015	(172,100)
Cash received upon the Disposal as at 1 January 2015	585,900

Notes:

(a) The amount represented the net assets of the CFSG Group as at 31 December 2014 as extracted the consolidated statement of financial position of the CFSG Group set out in Appendix II to this Circular.

(b) The amount represents the exclusion of the goodwill amounting to HK$20,606,000, that are arisen from the acquisition of CFSG by the Company in previous years, and non-controlling interests of CFSG amounting to HK$350,442,000 as at 31 December 2014.

(c) The amount represented the recognition of the remaining interests in CFSG of HK$29,891,000, which is determined by 167,821,069 shares of CFSG and adjusted share price of HK$0.18 per share of CFSG which is based on the quoted share price of HK$0.27 per share of CFSG at 1 January 2015 with an adjustment of discount in respect of the Lock-up Period with reference to the volatility of 71.9% on the share price of CFSG.

(d) The amount represented the Consideration stated in the Sale and Purchase Agreement.

(e) The adjustment represents the recognition of the estimated transactions costs of approximately HK$7,000,000 for the Disposal, including but not limited to legal and professional fees, directly attributable to the Disposal estimated by the Directors.

(9) The adjustment represented the fair value gain on remaining interests in CFSG recognised as available-for-sale financial assets during the year ended 31 December 2015, assuming the Disposal had taken place on 1 January 2015. The adjusted share price of CFSG is HK$0.18 at January 2015 (as disclosed in note (8)(c)) and HK$0.22 per share of CFSG which is based on the quoted share price of HK$0.22 per share of CFSG at 31 December 2015 with an adjustment of discount in respect of the Lock-up Period with reference to the volatility of 117.8% on the share price of CFSG.

(10) Upon the completion of the Disposal, the net assets of the CFSG Group and the fair value of the available-for-sale investments representing the remaining interests in CFSG as at the completion date may be different from those as at 30 June 2016 or 1 January 2015 which are presented in this unaudited pro forma financial information. Accordingly, the actual gain on disposal of the CFSG Group may be different from the gains presented in this unaudited pro forma financial information.

(11) The adjustment represented net cash inflow of the Company from acquiring certain subsidiaries from CFSG on 30 June 2015 as mentioned in note (7).

(12) No adjustment has been made to reflect any trading results, cash flows or other transactions of the Group entered into subsequent to 30 June 2016 or 31 December 2015 respectively for the preparation of the unaudited pro forma consolidated statement of financial position of the Remaining Group as at 30 June 2016 or the unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Remaining Group and the unaudited pro forma consolidated statement of cash flows of the Remaining Group for the year ended 31 December 2015.

(B) INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

Deloitte.
德勤

TO THE DIRECTORS OF CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Celestial Asia Securities Holdings Limited ("Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company ("Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of financial position as at 30 June 2016, the unaudited pro forma statement of profit or loss and other comprehensive income and the unaudited pro forma statement of cash flows for the year ended 31 December 2015 and related notes as set on pages 62 to 70 of the circular issued by the Company dated 12 October 2016 ("Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information as described on page 61 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of 36.28% of the issued share capital of CASH Financial Services Group Limited and its subsidiaries on the Group's financial position as at 30 June 2016 and the Group's financial performance and cash flows for the year ended 31 December 2015 as if the transaction had taken place at 30 June 2016 and 1 January 2015 respectively. As part of this process, information about the Group's consolidated financial position as at 30 June 2016 has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2016, on which no review report has been published, and the Group's financial performance and cash flows for the year ended 31 December 2015 has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31 December 2015, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 "Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements" issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 or 1 January 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
12 October 2016

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(A) The Company

(a) Long positions in the Shares

		Number of Shares		
Name	**Capacity**	**Personal**	**Corporate interest**	**Shareholding** *(%)*
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	4,260,000	281,767,807*	34.41
Law Ping Wah Bernard	Beneficial owner	27,345,312	–	3.29
		31,605,312	281,767,807	37.70

* The Shares were held by Cash Guardian (which was 100% beneficially owned by Mr Kwan Pak Hoo Bankee and he was a director of Cash Guardian). Mr Kwan Pak Hoo Bankee was deemed to be interested in all these Shares as a result of his interests in Cash Guardian as disclosed in the paragraph headed "Substantial Shareholders" below.

(b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Option period	Exercise price per Share *HK$*	Number of options outstanding	Percentage to issued Shares *(%)*
Kwan Pak Hoo Bankee	2/9/2014	2/9/2014 – 31/8/2018	0.478	6,480,000	0.77
	18/12/2015	18/12/2015 – 31/12/2019	0.460	8,000,000	0.96
Law Ping Wah Bernard	2/9/2014	2/9/2014 – 31/8/2018	0.478	6,480,000	0.77
	18/12/2015	18/12/2015 – 31/12/2019	0.460	4,800,000	0.57
Law Ka Kin Eugene	18/12/2015	18/12/2015 – 31/12/2019	0.460	4,800,000	0.57
Ng Hin Sing Derek	2/9/2014	2/9/2014 – 31/8/2018	0.478	5,184,000	0.62
	18/12/2015	18/12/2015 – 31/12/2019	0.460	4,800,000	0.57
				40,544,000	4.83

Notes:

(1) Mr Kwan Pak Hoo Bankee is also the substantial Shareholder.

(2) The options are held by the Directors in the capacity of beneficial owners.

(B) Associated corporation (within the meaning of SFO)

CFSG

(a) Long positions in the ordinary shares of HK$0.02 each

Name	Capacity	Number of shares Corporate interest	Shareholding *(%)*
Kwan Pak Hoo Bankee	Interest in a controlled corporation	1,667,821,069*	40.34

* The shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by the Company). The Company was beneficially owned as to approximately 34.41% by Mr Kwan Pak Hoo Bankee, details of which were disclosed in the "Substantial Shareholders" below. Pursuant to the SFO, Mr Kwan Pak Hoo Bankee was deemed to be interested in all the shares held by CIGL in CFSG.

(b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Option period	Exercise price per share *HK$*	Number of options outstanding	Percentage to issued shares *(%)*
Kwan Pak Hoo Bankee	3/12/2015	3/12/2015 – 31/12/2019	0.315	40,000,000	0.96
Law Ping Wah Bernard	3/12/2015	3/12/2015 – 31/12/2019	0.315	40,000,000	0.96
Law Ka Kin Eugene	3/12/2015	3/12/2015 – 31/12/2019	0.315	20,000,000	0.48
Ng Hin Sing Derek	3/12/2015	3/12/2015 – 31/12/2019	0.315	16,000,000	0.38
				116,000,000	2.78

Notes:

(1) Mr Kwan Pak Hoo Bankee is also the substantial shareholder.

(2) The options are held by the Directors in the capacity of beneficial owners.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company or their associates had any interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital:

Name	Capacity	Number of Shares	Shareholding *(%)*
Hobart Assets Limited *(Notes (1) & (2))*	Interest in a controlled corporation	281,767,807	33.89
Cash Guardian *(Notes (1) & (2))*	Interest in a controlled corporation	281,767,807	33.89
Mr Wang Shui Ming *(Note (3))*	Beneficial owner, interest in a controlled corporation and other interest	77,404,926	9.31

Notes:

(1) This refers to the same number of the Shares held by Cash Guardian, a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Mr Kwan Pak Hoo Bankee. Mr Kwan Pak Hoo Bankee was a director of Cash Guardian and Hobart Assets Limited. Pursuant to the SFO, Mr Kwan Pak Hoo Bankee and Hobart Assets Limited were deemed to be interested in the Shares held by Cash Guardian.

(2) Mr Kwan Pak Hoo Bankee (a Director whose interests are not shown in the above table) was interested and/or deemed be interested in a total of 286,027,807 Shares (34.41%), which were held as to 281,767,807 Shares by Cash Guardian and as to 4,260,000 Shares in his personal name. Detail of his interest is set out in the section "Directors' interests in securities" above.

(3) The Shares were held as to 19,631,226 in his personal name, as to 42,114,150 held by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang), and 15,659,550 held by him as nominee under a power of attorney. Pursuant to the SFO, Mr Wang was deemed to be interested in all such Shares.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

Competing interest

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Other interests

Save for Cash Guardian and Mr Kwan Pak Hoo Bankee issued the Cash Guardian Irrevocable Undertaking pursuant to which Cash Guardian and Mr Kwan Pak Hoo Bankee have irrevocably and unconditionally undertaken and covenanted with the Offeror that they shall vote in favour of the Shareholders' resolution approving the Disposal in the SGM, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2015 (being the date to which the latest published audited accounts of the Company were made up), been (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

Save for the interests of Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Law Ka Kin Eugene and Mr Ng Hin Sing Derek in the margin financing agreement dated 24 November 2015 (item 5(i) below) as disclosed under the paragraph headed of "Material Contracts" in this Appendix, none of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which is significant in relation to the business of the Group.

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any other company in the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

5. MATERIAL CONTRACTS

The following contracts are contracts that are or may be material, not being contracts entered into during the ordinary course of business, and has been entered into by the Group within two years preceding the Latest Practicable Date:

(a) the framework agreement entered into among CIGL, Cash Guardian, Mr Kwan Pak Hoo Bankee and Oceanwide Holdings (Hong Kong) Co., Limited ("Oceanwide HK") on 8 January 2015 relating to the possible sale and purchase of an aggregate of 1,792,272,589 shares of CFSG (representing approximately 44.01% interest in CFSG as at the date of the framework Agreement) (as amended and supplemented by the supplemental agreement dated 18 February 2015 and the second supplemental agreement dated 6 March 2015 entered into between CIGL and Oceanwide HK);

(b) the escrow agreement dated 8 January 2015 entered into by and among, CIGL, Cash Guardian, Mr Kwan Pak Hoo Bankee, Oceanwide HK and the escrow agent in respect of the appointment of the escrow agent, the safekeeping of the deposit of HK$20,000,000 under the framework agreement dated 9 January 2015 and timely release of the deposit pursuant to the escrow agreement;

(c) the sale and purchase agreement dated 9 March 2015 entered into among CIGL, Oceanwide Holdings International Finance Ltd ("Oceanwide") and the Company for the sale and purchase of 1,657,801,069 shares of CFSG. The sale and purchase agreement was terminated on 15 May 2015;

(d) the new escrow agreement dated 9 March 2015 entered into by and among CIGL, Oceanwide and the escrow agent in respect of the appointment of the escrow agent, the safekeeping of the prepayment and the retention money and timely release of the prepayment and the retention money balance pursuant to the new escrow agreement;

(e) the notice from Oceanwide dated 15 May 2015 to the Company and CIGL (and agreed and confirmed by the Company and CIGL on the same day) pursuant to the sale and purchase agreement dated 9 March 2015 requesting for the return of the prepayment to Oceanwide;

(f) the underwriting agreement dated 31 July 2015 entered into between the Company and Celestial Capital Limited (as underwriter and a wholly-owned subsidiary of CFSG) in relation to the underwriting for a two-for-one rights issue of the Company at the subscription price of HK$0.40 per share. The gross proceeds and net proceeds of the Rights Issue were approximately HK$110.8 million and approximately HK$107.8 million respectively;

(g) the brokerage services agreement dated 23 October 2015 entered into between Celestial Securities Limited and Celestial Commodities Limited (wholly-owned subsidiaries of CFSG) as service providers and Confident Profits Limited (a subsidiary of the Company) as client in relation to provision of the brokerage services for three financial years ending 31 December 2018;

(h) the margin financing agreement dated 23 October 2015 entered into between Celestial Securities Limited (a wholly-owned subsidiary of CFSG) and Confident Profits Limited (a subsidiary of the Company) in relation to provision of margin financing facility to Confident Profits Group for a sum of up to HK$30 million for each of the three financial years ending 31 December 2018;

(i) the margin financing agreements all dated 24 November 2015 entered into between Celestial Securities Limited (a wholly-owned subsidiary of CFSG) with each of the connected clients, namely Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard (executive Directors of the Company and CFSG), Ms Cheng Pui Lai Majone, Mr Lam Man Michael (executive directors of CFSG), Mr Ng Kung Chit Raymond (then executive director of CFSG), Mr Law Ka Kin Eugene, Mr Ng Hin Sing Derek (executive Directors of the Company), Mr Kwan Pak Leung

Horace, Ms Chan Siu Fei Susanna, Cash Guardian (a controlled corporation and/or associates of Mr Kwan Pak Hoo Bankee), Libra Capital Management (HK) Limited and Cashflow Credit Limited (wholly-owned subsidiaries of the Company, being the substantial shareholders of CFSG) in relation to the granting of margin financing facility to each of the aforesaid connected clients for a sum of up to HK$30 million for each of the three financial years ending 31 December 2018;

(j) the legally binding memorandum of understanding dated 4 May 2016 and the formal sale and purchase agreement dated 10 June 2016 entered into between Max Luck Associates Limited (a wholly-owned subsidiary of CFSG) as vendor and Ultimate Luck Global Limited (an independent third party) as purchaser in relation to the disposal of the entire issued share capital of Cheer Wise Investments Limited (a subsidiary of the Company held through CFSG) and the loans due by Cheer Wise Investments Limited to the Group to an independent third party at an aggregate consideration of HK$140,500,000 in cash. The sole asset of Cheer Wise Investments Limited is holding a commercial property and carparks in Kwun Tong; and

(k) the Framework Agreement, the Sale and Purchase Agreement and the Amendment Agreement.

6. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualifications of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, Deloitte Touche Tohmatsu was not interested beneficially in the shares in any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2015, being the date up to which the latest published audited consolidated accounts of the Company were made up.

As at the Latest Practicable Date, Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of the circular with the inclusion of and reference to its name in the form and context in which it appears.

7. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

8. MISCELLANEOUS

(a) The secretary of the Company is Ms Luke Wing Sheung Suzanne, *FCIS FCS*, a fellow member of The Institute of Chartered Secretaries and Administrators.

(b) The head office and the principal place of business of the Company in Hong Kong are at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The principal share registrars and transfer office of the Company in Bermuda are Codan Services Limited at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The branch share registrars and transfer office of the Company in Hong Kong is Tricor Standard Limited at 22/F Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours for a period of 14 days from the date of this circular:

(a) the memorandum of association and bye-laws of the Company;

(b) the annual reports of the Group for the two financial years ended 31 December 2015;

(c) the review report of the CFSG Group, the text of which is set out in Appendix II to this circular;

(d) the assurance report on unaudited pro forma financial information of the Remaining Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix IV to this circular;

(e) the material contracts referred to in the paragraph headed "Material contracts" in this Appendix; and

(f) the written consent referred to in the paragraph headed "Expert's qualification and consent" in this Appendix.

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
時富投資集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting ("SGM") of Celestial Asia Securities Holdings Limited ("Company") will be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 28 October 2016 (Friday) at 9:30 am for the purpose of considering and, if thought fit, passing the following resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the sale and purchase agreement dated 8 September 2016 as amended by the amendment agreement dated 23 September 2016 ("Agreements", copies of which have been produced to the SGM marked "A" and "B" respectively and signed by the chairman of the meeting for the purpose of identification) entered into among Celestial Investment Group Limited (a wholly-owned subsidiary of the Company) (as seller), Ever Billion Group Limited (as purchaser) and the Company (as guarantor) in relation to the proposed disposal of a total of 1,500,000,000 shares of HK$0.02 each in CASH Financial Services Group Limited ("CFSG", a non-wholly-owned subsidiary of the Company) ("CFSG Sale Shares") at a price of HK$0.51 per CFSG Sale Share ("Disposal"), details of which are set out in this circular, and all the transactions contemplated thereby be and are hereby approved, confirmed and ratified; and

(b) the director of the Company be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver the Agreements and all such other agreements, documents as they may in their discretion consider necessary, desirable or expedient, for the purposes of or in connection with the implementation and/or give effect to any matters relating to the Disposal and the transactions contemplated thereunder."

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 12 October 2016

* *For identification purpose only*

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
28/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the SGM is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy needs not be a member of the Company. A form of proxy is also enclosed for the SGM.

2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the SGM or any adjournment thereof.