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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.

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CASH 
CELESTIAL ASIA SECURITIES HOLDINGS LIMITED
時富投資集團有限公司*
(Incorporated in Bermuda with limited liability)
(Stock code: 1049)

**MAJOR TRANSACTION
IN RELATION TO
DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN
CASH FINANCIAL SERVICES GROUP LIMITED
AND
NOTICE OF SPECIAL GENERAL MEETING**

A notice convening a 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 1 June 2017 (Thursday) at 10:00 am is set out on pages 26 and 27 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.

16 May 2017

* For identification purpose only

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DEFINITIONS

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

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday, Sunday and any public holiday in Hong Kong or any day on which a typhoon signal no. 8 or above or a black rainstorm signal is issued in Hong Kong at any time between 9:00 am and 5:00 pm) on which banks in Hong Kong are open for general banking business
“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 a non-wholly-owned subsidiary of the Company as at the Latest Practicable Date
“CFSG Board”	the board of directors of CFSG
“CFSG Directors”	the directors of CFSG
“CFSG Group”	CFSG and its subsidiaries
“CFSG SGM”	a special general meeting of CFSG convened to be held on 1 June 2017 (Thursday) at 9:30 am to approve, if thought fit, the Share Subscription and the granting of the Specific Mandate
“CFSG Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of CFSG
“CFSG Shareholders”	the shareholders of CFSG
“CIGL”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, which 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
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange, and is the holding company of CFSG as at the Latest Practicable Date

DEFINITIONS

“Completion”	completion of the Share Subscription in accordance with the Subscription Agreement, as particularly described in the paragraph headed “Completion” under the section headed “The Subscription Agreement” in this circular
“Condition(s)”	the conditions precedent for Completion, details of which are set out in the paragraph headed “Conditions precedent to Completion” under the section headed “The Subscription Agreement” in this circular
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Deemed Disposal”	the deemed disposal of the shareholding interest of the Company in CFSG as a result of the dilution of shareholding interest of the Company in CFSG upon the allotment and issue of the Subscription Shares, which constituted a major transaction for the Company under the Listing Rules
“Director(s)”	director(s) of the Company
“Deposit”	the deposit in the sum of HK\$25,000,000 paid by the Subscriber to CFSG within seven (7) calendar days of the date of the Subscription Agreement
“Group”	the Company and its subsidiaries, including the CFSG Group as at the Latest Practicable Date
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Joint Announcement”	the joint announcement made by the Company and CFSG on 6 April 2017 in relation to the Share Subscription and the Deemed Disposal
“Last Trading Day”	29 March 2017, being the last trading day immediately prior to the suspension of trading in the CFSG Shares pending the release of, among other things, the Joint Announcement
“Latest Practicable Date”	12 May 2017, 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
“Long Stop Date”	31 July 2017 (or such other date as may be agreed by CFSG and the Subscriber)

DEFINITIONS

“Model Code”	the required standard 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
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company convened to be held on 1 June 2017 (Thursday) at 10:00 am to approve, if thought fit, the Deemed Disposal, notice of which is set out on pages 26 to 27 of this circular
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement
“Shareholder(s)”	the shareholder(s) of the Company
“Specific Mandate”	a specific mandate to allot and issue the Subscription Shares pursuant to the Subscription Agreement to be sought from the CFSG Shareholders at the CFSG SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Ever Billion Group Limited (恆億集團有限公司), a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Sunbase Holdings
“Subscription Agreement”	the conditional share subscription agreement dated 29 March 2017 entered into between CFSG and the Subscriber in relation to the Share Subscription
“Subscription Price”	the subscription price of HK\$0.28 per Subscription Share
“Subscription Shares”	826,000,000 new CFSG Shares to be subscribed for by the Subscriber pursuant to the Subscription Agreement
“Sunbase Holdings”	Sunbase International (Holdings) Limited (新恆基國際(集團)有限公司), a private company limited by shares incorporated in Hong Kong
“%”	per cent

LETTER FROM THE BOARD



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

LAW Ping Wah Bernard

LAW Ka Kin Eugene

KWOK Lai Ling Elaine

NG Hin Sing Derek

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

16 May 2017

To Shareholders

Dear Sir/Madam,

**MAJOR TRANSACTION
IN RELATION TO
DEEMED DISPOSAL OF SHAREHOLDING INTEREST IN
CASH FINANCIAL SERVICES GROUP LIMITED**

AND

NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

On 6 April 2017, the Board and the CFSG Board made the Joint Announcement relating to the Share Subscription and the Deemed Disposal.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal due to the Share Subscription exceed 25% and all of such ratios are less than 75%, the Deemed Disposal constituted a major transaction for the Company and is subject to the announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As no Shareholder has material interest in the Deemed Disposal, no Shareholder is required to abstain from voting at the SGM.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to give you further information on the Share Subscription and the Deemed Disposal, financial information of the Group and the notice of the SGM, at which an ordinary resolution will be proposed to approve the Deemed Disposal.

THE SUBSCRIPTION AGREEMENT

Date

29 March 2017

Parties

- (a) CFSG (a non-wholly-owned subsidiary of the Company), as issuer; and
- (b) Ever Billion Group Limited, as Subscriber.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are independent of the Company and connected persons of the Company as at the Latest Practicable Date.

The Subscription Shares

On 29 March 2017, CFSG entered into the Subscription Agreement with the Subscriber, pursuant to which CFSG conditionally agreed to allot and issue, and the Subscriber conditionally agreed to subscribe for, 826,000,000 Subscription Shares at the Subscription Price of HK\$0.28 per Subscription Share.

The Subscription Shares represent (a) approximately 19.98% of the existing issued share capital of CFSG as at the Latest Practicable Date; and (b) approximately 16.65% of the issued share capital of CFSG as enlarged by the allotment and issue of the Subscription Shares upon Completion (assuming that there will be no other change in the issued share capital of CFSG between the Latest Practicable Date and Completion).

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought from the CFSG Shareholders at the CFSG SGM. The Subscription Shares (when allotted, issued and fully paid) will rank pari passu with the CFSG Shares in issue on the date of allotment and issue of the Subscription Shares. An application has been made by CFSG to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price of HK\$0.28 per Subscription Share represents:

- (a) a discount of approximately 18.84% to the closing price of HK\$0.345 per CFSG Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 19.31% to the average closing price of HK\$0.347 per CFSG Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (c) a discount of approximately 22.65% to the average closing price of HK\$0.362 per CFSG Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (d) a discount of approximately 6.67% to the closing price of HK\$0.300 per CFSG Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (e) a premium of approximately 113.74% over the consolidated net asset value of CFSG of approximately HK\$0.131 per CFSG Share as at 31 December 2016 (based on the audited consolidated net asset value of CFSG as at 31 December 2016 as set out in the latest published annual accounts and the number of issued CFSG Shares as at 31 December 2016).

The Subscription Price was determined and negotiated upon arm's length basis between the Subscriber and CFSG, with reference to the recent market prices of the CFSG Shares and the net asset value of CFSG.

Pursuant to the sale and purchase agreement dated 8 September 2016 (as amended from time to time) ("Sale and Purchase Agreement") entered into among CIGL, the Company and the Subscriber, the Subscriber proposed to acquire from CIGL 36.28% shareholding in CFSG at the purchase price of HK\$0.51 per Share ("Previous Price"), but the said agreement was terminated on 29 March 2017. Both the Previous Price of HK\$0.51 and the Subscription Price of HK\$0.28 were determined by the parties to the agreements after arm's length negotiation upon normal commercial terms with reference to, among other things, the recent market prices of the CFSG Shares and the latest net asset value of CFSG. At the date of entering into of the Sale and Purchase Agreement on 8 September 2016, the closing price of the CFSG Share was HK\$0.51 (being the same as the Previous Price). At the date of entering into of the Subscription Agreement dated 29 March 2017, the closing price of the CFSG Share was HK\$0.345 (the Subscription Price was fixed at around 18.84% discount to the market price). In view of the decrease in share price of CFSG, the CFSG Board considered that it is not appropriate to apply the same Previous Price in September 2016 in determining the Subscription Price in March 2017. Also, the Subscriber and CFSG have taken into account the factors, including but not limited to, that the Subscriber can only acquire a substantial stake of over 10% interest in CFSG under the Subscription Agreement instead of a controlling stake of over 30% interest in CFSG under the Sale and Purchase Agreement in arriving at the Subscription Price. Also, CFSG is from time to time in negotiation with potential investors for fund raising opportunities but no definitive offer price has been proposed by such potential investors except the finalised terms of the Subscription Agreement with the Subscriber.

LETTER FROM THE BOARD

Having considered the terms of the Subscription Agreement and in view of the above, the Directors consider that the Subscription Price is fair and reasonable under the current market conditions and the Share Subscription is on normal commercial terms, fair and reasonable.

The total Subscription Price payable by the Subscriber to CFSG for the Subscription Shares is HK\$231,280,000.

The Subscription Shares have a nominal value of HK\$16,520,000 and a market value of HK\$284,970,000, based on the closing price of HK\$0.345 per CFSG Share on the Last Trading Day. After deducting expenses relating to the Share Subscription of approximately HK\$1,300,000, the net price per Subscription Share is approximately HK\$0.278.

Payment terms

The Subscriber has paid/shall pay the total Subscription Price of HK\$231,280,000 in cash in the following manner:

- (a) the Subscriber has paid to CFSG a sum of HK\$25,000,000 as Deposit within seven (7) calendar days of the date of the Subscription Agreement, and the Deposit will automatically be deemed as part of the total Subscription Price upon Completion; and
- (b) the Subscriber shall pay the remaining balance of the total Subscription Price of HK\$206,280,000 to CFSG at the date of Completion.

Conditions precedent to Completion

Completion is conditional upon the following conditions being fulfilled or waived (as the case may be):

- (a) the passing of the resolution(s) at the CFSG SGM by the CFSG Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder, including the granting of the Specific Mandate to CFSG Directors to allot and issue the Subscription Shares, pursuant to the requirements of the Listing Rules;
- (b) the passing of the resolution(s) at the SGM by the Shareholders to approve the Subscription Agreement and the transactions contemplated thereunder pursuant to the requirements of the Listing Rules;
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Subscription Shares;
- (d) dealings in CFSG Shares on the Stock Exchange not having been revoked or withdrawn during the period from the date of the Subscription Agreement to the date of Completion, except where: (1) dealings in CFSG Shares have not been suspended for ten (10) consecutive trading days or more; (2) the suspension of dealings in CFSG Shares relates to the Subscription Agreement or the transactions contemplated thereunder; or (3) the suspension of dealings in CFSG Shares relates to the transactions of CFSG or its subsidiaries contemplated under Chapter 14/Chapter 14A of the Listing Rules;

LETTER FROM THE BOARD

- (e) CFSG not having received written notice from the Stock Exchange indicating that the listing of CFSG Shares on the Stock Exchange would be suspended, revoked or withdrawn immediately after Completion due to the Subscription Agreement and/or the transactions contemplated thereunder;
- (f) the representations, warranties and undertakings given by CFSG under the Subscription Agreement remaining true and accurate in all material respects; and
- (g) the representations, warranties and undertakings given by the Subscriber under the Subscription Agreement remaining true and accurate in all material respects.

CFSG shall use its best endeavour to fulfill all the Conditions (save for Condition (g)). The Subscriber shall use its best endeavour to fulfill Condition (g). The Subscriber may waive all the Conditions (save for Conditions (a), (b) and (c) above) in whole or in part. CFSG may waive Condition (g) above in whole or in part.

If any of the Conditions is not fulfilled or waived (as applicable) on or before the Long Stop Date, the Subscription Agreement shall lapse and all the rights and obligations under the Subscription Agreement shall cease, save for any rights or obligations which may accrue prior to the date of such lapse.

Unless otherwise agreed by CFSG and the Subscriber, in the event that the Conditions are not fulfilled for reasons attributable to CFSG, the Subscriber shall, upon termination of the Subscription Agreement, have the right to require CFSG to refund the Deposit in full without interest to the Subscriber within five (5) Business Days after the termination, and pay an additional amount equivalent to the amount of the Deposit as compensation for the loss incurred by the Subscriber as a result of the termination of the Subscription Agreement. In the event that Completion does not take place due to the default of the Subscriber in making payment to CFSG in accordance with the terms of the Subscription Agreement, CFSG shall forfeit and retain the Deposit (including interests accrued) as compensation for the loss incurred by CFSG as a result of the termination of the Subscription Agreement. Subject to the foregoing sentence, in the event that Completion does not take place on or before the Long Stop Date for reasons other than the non-fulfillment of Condition (g) above, CFSG shall refund the Deposit in full to the Subscriber within ten (10) Business Days of the Long Stop Date.

As at the Latest Practicable Date, none of the Conditions has been fulfilled or waived.

Completion

Subject to the Conditions having been fulfilled or waived (as applicable), Completion will take place on the third (3rd) Business Day following the day on which the last of Conditions (a), (b) and (c) above has been fulfilled (or such other date as may be agreed by CFSG and the Subscriber in writing).

On the date of Completion, the Subscriber shall pay to CFSG the total Subscription Price minus the Deposit (being HK\$206,280,000) and the Subscription Shares shall be allotted and issued to the Subscriber.

LETTER FROM THE BOARD

Intended use of proceeds from the Share Subscription

The gross proceeds of the Share Subscription will amount to HK\$231,280,000. The net proceeds of the Share Subscription (after deducting estimated expenses relating to the Share Subscription of approximately HK\$1,300,000) are estimated to be approximately HK\$229,980,000, representing approximately HK\$0.278 per Subscription Share. It is the intention of CFSG to deploy the net proceeds to support the CFSG Group's expanding share margin financing portfolio and facilitate correspondingly growth in its securities brokerage business in line with anticipation of recent market development and opportunities. CFSG also intends to apply the net proceeds of approximately HK\$230 million as to around HK\$130 million to support the margin financing business and as to the remaining HK\$100 million as general working capital for daily operation and business development.

Some of CFSG's principal subsidiaries are the licensing companies under the SFO, which need to keep adequate liquid capitals to meet the requirement under Financial Resources Rules ("FRR"). The amounts of these required liquid capitals will fluctuate daily according to the amounts of borrowings drawn down by the aforesaid licensing companies and margin financing provided by these companies to their clients for their trading activities, which in turn, will depend on the market sentiment. Furthermore, as CFSG plans to increase the amount of margin financing by HK\$130 million to cope with the business development, the required liquid capital under FRR will therefore increase correspondingly. As such, CFSG has to keep a reasonably comfortable level of cash and bank balances to comply with the FRR and the net proceeds of HK\$100 million will be used as general working capital to maintain the required liquid capitals for these licensing companies and for their daily dealing settlement purpose.

SHAREHOLDING STRUCTURE OF CFSG

The table below 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 Latest Practicable Date) immediately before and after Completion (assuming that there is no other change to the issued share capital of CFSG other than those contemplated in the Subscription Agreement).

	Before Completion		After Completion	
	No. of CFSG Shares	Approximate shareholding %	No. of CFSG Shares	Approximate shareholding %
CIGL	1,667,821,069	40.34	1,667,821,069	33.62
CFSG Director: Lo Kwok Hung John	1,255,500	0.03	1,255,500	0.03
The Subscriber	–	–	826,000,000	16.65
Public	<u>2,465,283,019</u>	<u>59.63</u>	<u>2,465,283,019</u>	<u>49.70</u>
Total	<u>4,134,359,588</u>	<u>100.00</u>	<u>4,960,359,588</u>	<u>100.00</u>

LETTER FROM THE BOARD

MAJOR TRANSACTION AND DEEMED DISPOSAL FOR THE COMPANY

As at the Latest Practicable Date, the Company (through CIGL, a wholly-owned subsidiary of the Company) held an aggregate of 1,667,821,069 CFSG Shares, representing approximately 40.34% shareholding interest in CFSG. Upon Completion and after the allotment and issue of the Subscription Shares, the shareholding interest of the Company in CFSG will be diluted from approximately 40.34% to 33.62%, representing a decrease of approximately 6.72%. Accordingly, such dilution of shareholding interest in CFSG is regarded as a deemed disposal by the Company of its shareholding interest in CFSG pursuant to Rule 14.29 of the Listing Rules. CFSG will cease to be a subsidiary of the Company upon Completion and its results will no longer be consolidated to the financial statements of the Company.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal due to the Share Subscription exceed 25% and all of such ratios are less than 75%, the Deemed Disposal constituted a major transaction for the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL

The Board considers that the Share Subscription provides a good opportunity for CFSG to introduce a new strategic investor with a strong capital base and serves as an appropriate means of raising capital and improving the working capital of the CFSG Group which is beneficial to the growth and development of business of CFSG in future. In addition, the Share Subscription only reduces the Company's interest in CFSG by approximately 6.72% to 33.62% which still continues having substantial interests in CFSG, and such benefits will outweigh the dilution effect.

To the knowledge of the CFSG Directors, as at the Latest Practicable Date, CIGL intends to keep its shareholding as a long term investment, and will continue to review and monitor the investment, and is open to all available options with respect to the investment, including but not limited to disposal in the event that there is good capital gain in the future.

Upon completion of the Deemed Disposal, a gain of approximately HK\$330,797,000 (details are set out under the heading "Effects of the Deemed Disposal on the earnings, assets and liabilities of the Group" below) will be recognised in the income statement of the Company and will represent an increase to its existing net asset value.

Having considered the terms of the Subscription Agreement, the Directors consider that the Deemed Disposal is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

INFORMATION ON THE SUBSCRIBER

The Subscriber 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 investment 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.

The Subscriber had been a party to the Sale and Purchase Agreement dated 8 September 2016 (as disclosed on page 6 of this circular, but the said agreement was terminated on 29 March 2017). Details of the termination are set out in the joint announcement of the Company, CFSG and the Subscriber dated 31 March 2017.

INFORMATION ON THE CFSG GROUP

The financial service businesses of the CFSG Group 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 2015 were approximately HK\$11.8 million and HK\$13.4 million respectively, and the audited net asset value as at 31 December 2015 was approximately HK\$595.6 million.

Based on the audited accounts of CFSG, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2016 were approximately HK\$53.4 million and HK\$51.2 million respectively, and the audited net asset value as at 31 December 2016 was approximately HK\$543.2 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. The current principal activities of the Group consist of (a) the financial services business carried out via CFSG as aforementioned; (b) retail management business including sales of furniture and household items and electrical appliances through the chain stores under the brand names of “Pricerite” in Hong Kong; (c) mobile internet services business including 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.

LETTER FROM THE BOARD

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

Earnings

The Deemed Disposal is expected to accrue to the Company a gain of approximately HK\$330,797,000, which is calculated based on the fair value of the Company's shareholding interest in CFSG of approximately HK\$575,398,000 (based on the closing price of CFSG Shares on the Last Trading Day) less the carrying value of such shareholding interest as at 31 December 2016 of approximately HK\$244,601,000.

Assets and liabilities

- (i) Upon Completion, CFSG will cease to be a subsidiary of the Group and will become an associate of the Group. As a matter of accounting treatment, assets and liabilities of CFSG will no longer be consolidated in the Group's financial statement and the Group's share of interest in CFSG will be treated as "Investments in Associate". This "Investments in Associate" which represents the Group's share of CFSG's net asset value will be classified as non-current assets in the Group's financial statement. Furthermore, the Deemed Disposal is expected to accrue to the Company a gain due to the increase in fair value of the Company's shareholding interest of CFSG and this gain will also be included when calculating the "Investments in Associate". Because of the above two factors, the non-current assets of the Company will therefore increase by approximately HK\$575,398,000.
- (ii) The total assets of the Group will decrease by the segment assets and goodwill of the CFSG Group of approximately HK\$1,731,500,000 as at 31 December 2016.
- (iii) The total liabilities of the Group will decrease by the segment liabilities of the CFSG Group of approximately HK\$1,167,700,000 as at 31 December 2016.

FINANCIAL AND TRADING PROSPECT OF THE GROUP

Financial services business – CFSG

In 2016, the Hang Seng Index ended 2016 at 22,000.56. This represented a year-on-year increase of 0.4%, as the prospect of hikes to the US interest rate re-emerged and president-elect Trump's unconventional approach to politics began to weigh on the market mood. The average daily turnover in 2016 was HK\$66.9 billion, a decrease of 37% compared with HK\$105.6 billion the previous year.

LETTER FROM THE BOARD

During the year, CFSG continued to invest in systems and platforms to enhance the investment experience of clients and help them grasp the transient market opportunities amid the doldrums. In line with this approach, we became the first in Hong Kong to utilise financial technology (FinTech) for investment by launching our FinTech Investment Platform. Leveraging big data analysis and rigorous risk management systems, FinTech offers novel solutions to augment investment performance and investor experience. In addition, we established our Sector Trading Platform, which allows clients to place a single order to simultaneously buy or sell a group of securities in the same sector. We will continue to maintain this technology-based strategic approach to trading and investment to keep on growing our client-focused businesses.

Together with internationalisation of the RMB, Mainland China's launch of the "One Belt One Road" initiative and closer ties between Mainland and Hong Kong financial markets, Hong Kong's financial system and experience should still foster opportunities for the city to serve as a fund-raising and international asset management platform.

In 2017, CFSG will leverage our proven strategy to focus on both IPOs and corporate transactions and services to take us and our clients forward. CFSG will seek to extend our wealth management business by deepening relationships with existing partners in both Mainland China and Japan while building our product offerings and geographical reach. Meanwhile, FinTech continues to offer exciting possibilities for an innovative company such as ours. In 2017, our FinTech Investment Platform will be further enhanced to provide a new user interface delivering advanced strategies and other enhanced function. More customisations (such as allotment of investment capital for each strategy and setting risk control criteria) will be made available and we will seek to expand market share in the China region.

In volatile times, a balance between expansion and external risks alongside effective and leading-edge cost management are crucial and will be rigorously pursued. It is also part of the Group's long-term strategy to bring in synergistic value investors to develop our business further in Mainland China and Hong Kong.

Retail management business – CRMG

In 2016, Hong Kong retailers were buffeted by the sluggish global economy and on-going slowdown in inbound tourism. Total retail sales value for the year dropped by 8.1%. The weak economic environment and Hong Kong government's property cooling measures affected registered sales in the private residential property market and customer sentiment for large-ticket spending, producing an overall decline in local consumption power. However, demand for residential flats continued, along with an increasing supply of micro apartments.

LETTER FROM THE BOARD

Despite the sluggish retail market in 2016, the Group remained committed to developing the home furnishing business in Hong Kong with a mission to become an innovative group for quality home furnishing, lifestyle products and services. Riding on the existing solid foundation of our retail management business, the Group has started investing for the transformation and expansion of our local furniture and household retailing business, so as to better cater the needs of different customer segments for quality home furnishing solutions. Given that creating a stylish comfortable home in a limited space poses a challenge for most local families, especially those who have just wedded, CRMG pursued its total smart home solutions strategic approach to build its multi-brand business, providing a wide range of products and services to help customers optimise their living area and improve their quality of life. This, combined with insightful local market knowhow and dedicated effort, led to CRMG's offerings being well received by the market, bringing single-digit sales growth in 2016 despite the difficult business environment.

Amid the uncertainties in the economic environment and retail industry, CRMG will make every effort to build on our outstanding services, offer innovative product selections and sustain our efficient store network in 2017. With our distinctive focus on smart home solutions for local households, CRMG is well positioned to lead the home furnishing retail market and provide enhanced value to customers. We are confident that, with our in-depth knowledge about the competitive landscape across various market segments and understanding clearly customers' needs, CRMG will become the local leader offering a suite of brands in home furnishing retailing market in Hong Kong.

Mobile internet services business – Net2Gather

In 2016, we have formed strategic partnerships and built a mobile game portfolio with over 60 mobile game development teams. We have provided fullfledged services to facilitate the game publishing processes in iOS AppStore, Google Play and other third-party distribution platforms in respective regions. Apart from the launch of "EDEN Online", we have formed a regional distribution partnership with a PRC gaming publisher. We will continue to explore collaboration and investment opportunities with game development teams and distribution partners, to enhance our product offerings and distribution capabilities in the mobile gaming market.

GENERAL

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal due to the Share Subscription exceed 25% and all of such ratios are less than 75%, the Deemed Disposal constituted a major transaction for the Company and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE SGM

Set out on pages 26 to 27 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 10:00 am on 1 June 2017 (Thursday).

At the SGM, an ordinary resolution for approving the Deemed Disposal will be proposed for the Shareholders' approval.

LETTER FROM THE BOARD

The resolution will be voted by way of poll at the SGM. As no Shareholder has material interest in the Deemed Disposal, no Shareholder is required to abstain from voting on the resolution to approve the Deemed Disposal.

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 Deemed Disposal 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

1. FINANCIAL INFORMATION OF THE GROUP

Details of the published financial information of the Group for each of the three years ended 31 December 2014, 2015 and 2016 were disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cash.com.hk)

- Annual report of the Company for the year ended 31 December 2016 (pages 70 to 162);
- Annual report of the Company for the year ended 31 December 2015 (pages 68 to 162); and
- Annual report of the Company for the year ended 31 December 2014 (pages 50 to 141).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2017, 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 and other borrowings

The Group had total outstanding borrowings of approximately HK\$414.5 million, comprising of (i) secured and guaranteed borrowings of approximately HK\$268.8 million, comprising secured and guaranteed bank borrowings of approximately HK\$213.9 million and secured and guaranteed trust receipt loans of approximately HK\$54.9 million; (ii) secured and unguaranteed obligations under finance leases of approximately HK\$0.5 million; and (iii) unsecured and guaranteed borrowings of approximately HK\$145.2 million, comprising unsecured and guaranteed bank borrowings of approximately HK\$67.7 million and unsecured and guaranteed trust receipt loans of approximately HK\$77.0 million and unsecured and guaranteed bank overdrafts of approximately HK\$0.5 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\$54.9 million and bank borrowings of approximately HK\$143.9 million were secured by pledged bank deposits of the Group.

The Group also had outstanding obligations under finance leases of approximately HK\$0.5 million as at 31 March 2017, which were secured by motor vehicles of the Group and unguaranteed.

As at 31 March 2017, bank deposits of the Group were pledged to a bank for facilities of HK\$15.0 million which have not been drawn.

Contingent liabilities

As at 31 March 2017, the Group had no litigations/claims as stated in the paragraph “Litigation of the Group” in Appendix II to this circular. Accordingly, the Group had no contingent liabilities as at 31 March 2017.

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 acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantee or other material contingent liabilities, at the close of business on 31 March 2017.

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 March 2017.

3. WORKING CAPITAL

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

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

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Corporate interest	
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
		<u>31,605,312</u>	<u>281,767,807</u>	<u>37.70</u>

* The Shares were held by Cash Guardian Limited (which was 100% beneficially owned by Mr Kwan Pak Hoo Bankee and he was a director of Cash Guardian Limited). Mr Kwan Pak Hoo Bankee was deemed to be interested in all these Shares as a result of his interests in Cash Guardian Limited as disclosed in the "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
				<u>40,544,000</u>	<u>4.83</u>

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	<u>1,667,821,069*</u>	<u>40.34</u>

- * 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
				<u>116,000,000</u>	<u>2.78</u>

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, 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 Limited (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 Shares held by Cash Guardian Limited, 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 Limited 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 Limited.
- (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 Limited 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 these 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.

4. 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.

5. 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)).

6. INTEREST OF DIRECTORS IN THE GROUP'S ASSETS

Since 31 December 2016 (being the date to which the latest published audited accounts of the Company were made up), each of the Directors 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.

7. INTEREST OF DIRECTORS IN CONTRACTS

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 agreements dated 24 November 2015 (item (e)) 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.

8. LITIGATION OF THE GROUP

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.

9. 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 notice from Oceanwide Holdings International Finance Ltd (“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;
- (b) the underwriting agreement dated 31 July 2015 entered into between the Company and Celestial Capital Limited (as underwriter and non-wholly-owned subsidiary of the Company held through 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;
- (c) the brokerage services agreement dated 23 October 2015 entered into between Celestial Securities Limited and Celestial Commodities Limited (non-wholly-owned subsidiaries of the Company held through 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;
- (d) the margin financing agreement dated 23 October 2015 entered into between Celestial Securities Limited (a non-wholly-owned subsidiary of the Company held through 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;
- (e) the margin financing agreements all dated 24 November 2015 entered into between Celestial Securities Limited (a non-wholly-owned subsidiary of the Company held through 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 (executive director of CFSG), Mr Ng Kung Chit Raymond, Mr Lam Man Michael (then executive directors 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 Limited (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;

- (f) 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 non-wholly-owned subsidiary of the Company held through 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. The sole asset of Cheer Wise Investments Limited was an investment property, including car parks in Kwun Tong;
- (g) the framework agreement dated 19 July 2016 entered into between Ever Billion Group Limited (“Offeror”) and CIGL relating to the possible sale and purchase of 1,500,000,000 shares in CFSG (“CFSG Sale Shares”, representing approximately 36.28% of the issued share capital of CFSG as at the date of the framework agreement) (as amended and supplemented by a supplemental agreement dated 21 July 2016 entered into between the Offeror and CIGL);
- (h) the Sale and Purchase Agreement dated 8 September 2016 entered into among CIGL, the Offeror and the Company (as amended by the amendment agreement dated 23 September 2016, the second amendment agreement dated 30 December 2016, the third amendment agreement dated 23 January 2017 and the fourth amendment agreement dated 28 February 2017) relating to the sale and purchase of the CFSG Sale Shares;
- (i) the termination agreement dated 29 March 2017 entered into among CIGL, the Offeror and the Company in relation to the termination of the Sale and Purchase Agreement; and
- (j) the Subscription Agreement.

10. MISCELLANEOUS

- (a) The secretary of the Company is Ms Luke Wing Sheung Suzanne, 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 Conyers Corporate Services (Bermuda) 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours on any day up to the holding of the SGM:

- (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 2016;
- (c) the material contracts referred to in paragraph headed “Material contracts” in this appendix.

NOTICE OF THE SGM



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 1 June 2017 (Thursday) at 10:00 am for the purpose of considering and, if thought fit, passing the following resolution of the Company:

ORDINARY RESOLUTION

“**THAT**, the subscription agreement dated 29 March 2017 (“Subscription Agreement”, copy of which has been produced to the SGM and marked “A” and signed by the chairman of the meeting for the purpose of identification) entered into between CASH Financial Services Group Limited (“CFSG”, a non-wholly-owned subsidiary of the Company) and Ever Billion Group Limited (“Subscriber”), whereby CFSG agreed to allot and issue and the Subscriber agreed to subscribe for 826,000,000 new shares in CFSG (“Subscription Shares”) at the subscription price of HK\$0.28 per Subscription Share, subject to the terms and conditions as set out in the Subscription Agreement and described in the circular of the Company dated the same date of this notice, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and that any one director of the Company be and is hereby authorised to do all such acts and things and execute and deliver all such documents as may be necessary, desirable or expedient to carry out or to give effect to the transactions contemplated under the Subscription Agreement.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 16 May 2017

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

* *For identification purpose only*

NOTICE OF THE SGM

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 need 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 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.
3. In order to qualify for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the branch share registrar of the Company, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 pm on 25 May 2017.