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**CASH FINANCIAL SERVICES
GROUP LIMITED**
*(incorporated in Bermuda with limited
liability)*
(Stock code: 510)



**CELESTIAL ASIA SECURITIES
HOLDINGS LIMITED**
*(incorporated in Bermuda with limited
liability)*
(Stock code: 1049)

JOINT ANNOUNCEMENT

IN RELATION TO

CONTINUING CONNECTED TRANSACTIONS - FINANCIAL ASSISTANCE

The CFSG Board and the CASH Board wish to seek approvals from the Independent Shareholders on the provision by Celestial Securities (a subsidiary of both CFSG and CASH) of Margin Financing Arrangement to the Connected Clients.

As the Connected Clients are either directors of the CFSG Group and/or the CASH Group and/or their respective associates, each of the Connected Clients is a connected person of CFSG and/or CASH. The granting of the margin financing facilities by Celestial Securities to the Connected Clients under the Margin Financing Arrangement would constitute continuing connected transactions relating to financial assistance for each of CFSG and CASH under Chapter 14A of the Listing Rules. As the margin financing facility on an annual basis to be provided to each of the Connected Clients under the Margin Financing Arrangement would exceed 5% of the applicable percentage ratios under the Listing Rules and HK\$10,000,000, the financial assistance contemplated will be subject to the reporting, announcement, Independent Shareholders' approval requirements and annual review requirements for each of CFSG and CASH under the Listing Rules.

An independent board committee will be formed by each of CFSG and CASH to advise the Independent Shareholders of the terms of the Margin Financing Arrangement. Each of CFSG and CASH will appoint an independent financial adviser to advise their respective Independent Board Committees and the Independent Shareholders on the terms and conditions of the Margin Financing Arrangement.

Circulars of CFSG and CASH containing, inter-alia, details of the Margin Financing Arrangement, letters from each of the independent financial adviser appointed by CFSG and CASH to advise their respective Independent Board Committees and Independent Shareholders and notices to convene the AGM for each of CFSG and CASH will be despatched to their respective shareholders on or before 17 April 2014.

In compliance with the requirements of the Listing Rules in relation to continuing connected transactions, Celestial Securities has entered into the Margin Financing Agreements with each of the Connected Clients relating to, subject to Conditions, the proposed grant of the margin financing facility under the Margin Financing Arrangement to the Connected Clients. The terms and conditions of the Margin Financing Agreements are listed below.

THE MARGIN FINANCING AGREEMENTS

Date : All dated 27 March 2014

Parties : Celestial Securities (a subsidiary of both CFSG and CASH) and each of the Connected Clients.

The Connected Clients are Mr Tsui Wing Cheong Sammy^(Notes 1 and 2), Mr Ng Hin Sing Derek^(Notes 1 and 2), Mr Kwan Pak Leung Horace^(Notes 1 and 3), Ms Chan Siu Fei Susanna^(Notes 1 and 3).

Notes:

- (1) *All of the Connected Clients have not been granted margin financing facility under the Existing Margin Financing Arrangement.*
- (2) *Mr Tsui Wing Cheong Sammy and Mr Ng Hin Sing Derek are new executive directors of CASH as appointed in second half of 2013.*
- (3) *Mr Kwan Pak Leung Horace is a director of subsidiaries of the CFSG Group and is the brother of Mr Kwan Pak Hoo Bankee, and Ms Chan Siu Fei Susanna is the spouse of Mr Kwan Pak Leung Horace and a senior management of the CFSG Group.*
- (4) *The margin financing facility to be granted to each of the Connected Clients is a stand alone facility. Each of their margin financing facility under the Margin Financing Arrangement will not be aggregated or aggregated with any margin financing facility under the Existing Margin Financing Arrangement.*

As the Connected Clients are either directors of the CFSG Group and/or the CASH Group and/or their respective associates, each of the Connected Clients is a connected person of CFSG and/or CASH.

Annual cap of the margin financing facility to be granted:

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

Basis for determination of the annual cap :	<p>The annual cap of margin financing facility under the Margin Financing Agreements is the same as under the Existing Margin Financing Agreements.</p> <p>After discussion with the Connected Clients, they would like to obtain the same annual cap under the Existing Margin Financing Agreements to allow them higher flexibility in trading and/or investments of securities in the coming years.</p> <p>The annual cap was determined after arm's length negotiation between Celestial Securities and each of the Connected Clients based on the amount of annual cap under the Existing Margin Financing Agreements after taking into account their respective credit assessment, financial strength, past payment record and collateral securities for the facility, the anticipated securities trading and initial public offering activities of the Connected Clients and the benefit for capturing the securities trading activities of the Connected Clients in the usual and ordinary course of the business of Celestial Securities.</p> <p>The CFSG Board and the CASH Board propose to grant the same amount of annual cap of the Existing Margin Financing Agreements to allow a buffer and more flexibility for Celestial Securities to grant the margin financing facility to the Connected Clients in its ordinary and usual course of business with a view to contributing to the revenue and results of the CFSG Group and the CASH Group.</p>
Duration, terms and conditions :	<p>Fixed term of each of the two financial years ending on 31 December 2015 (being the same expiry date as the Existing Margin Financing Agreements) and is conditional upon:</p> <ul style="list-style-type: none"> (i) CFSG having obtained approval from its Independent Shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the AGM of CFSG to be convened and held in compliance with the Listing Rules; and (ii) CASH having obtained approval from its Independent Shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the AGM of CASH to be convened and held in compliance with the Listing Rules. <p>If the conditions above are not satisfied on or before 30 June 2014 or such later date as may be agreed between Celestial Securities and the Connected Clients, the Margin Financing Arrangement will not proceed.</p>
Other terms :	<p>The margin financing facilities will be provided to the Connected Clients on normal commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients.</p> <p>Each of the margin financing facilities is repayable on demand and will be secured by listed securities held by the respective Connected Clients.</p>

Reasons for the transaction

The CFSG Board and the CASH Board considers that the Margin Financing Arrangements will enable Celestial Securities (a) more flexibility to grant such margin financing facilities, (b) to capture the securities trading activities of the Connected Clients, and (c) to earn income from the Connected Clients in its ordinary course of business and on normal commercial terms. Given that the margin financing facilities are being provided on normal commercial terms and in the ordinary course of business, the CFSG Board and the CASH Board consider that the terms of the Margin Financing Arrangement are fair and reasonable, and the provision of the Margin Financing Arrangement is in the interest of each of CFSG and CASH and their respective shareholders as a whole.

The Existing Margin Financing Arrangement

The Existing Margin Financing Arrangement are the margin financing facility extended by Celestial Securities to certain connected clients, including the existing directors and/or substantial shareholder of the CFSG Group and/or CASH Group, namely, Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard (executive directors of each of CFSG and CASH), Mr Chan Chi Ming Benson and Ms Cheng Pui Lai Majone (executive directors of CFSG), Cash Guardian Limited (a substantial shareholder of CASH and an associate of Mr Kwan Pak Hoo Bankee), and Libra Capital Management (HK) Limited and Cashflow Credit Limited (being wholly-owned subsidiaries of CASH), for the financial years ending 31 December 2015 under the existing margin financing agreements dated 14 December 2012, as approved by the independent shareholders of CFSG at a special general meeting held on 22 January 2013.

Details of the Existing Margin Financing Arrangement are set out in the announcement and circular of CFSG dated 14 December 2012 and 2 January 2013 respectively, and the announcement of CASH dated 21 March 2013.

GENERAL

The current principal activities of the CFSG Group consist of provision of (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) margin financing and money lending services and (d) corporate finance services. For additional information, please visit www.cashon-line.com.

The current principal activities of the CASH 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 names of “Pricerite” in Hong Kong and “生活經艷” (translated as Sheng Huo Jing Yan) in the PRC; (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.

As the Connected Clients are either directors of the CFSG Group and/or the CASH Group and/or their respective associates, each of the Connected Clients is a connected person of CFSG and/or CASH. The granting of the margin financing facilities by Celestial Securities to the Connected Clients under the Margin Financing Arrangement would constitute continuing connected transactions relating to financial assistance for each of CFSG and CASH under Chapter 14A of the Listing Rules. As the margin financing facility on an annual basis to be provided to each of the Connected Clients under the Margin Financing Arrangement would exceed 5% of the applicable percentage ratios under the Listing Rules and HK\$10,000,000, the financial assistance contemplated will be subject to the reporting, announcement, Independent Shareholders’ approval requirements and annual review requirements for each of CFSG and CASH under the Listing Rules.

An independent board committee will be formed by each of CFSG and CASH to advise the Independent Shareholders of the terms of the Margin Financing Arrangement. Each of CFSG and CASH will appoint an independent financial adviser to advise their respective Independent Board Committees and the Independent Shareholders on the terms and conditions of the Margin Financing Arrangement.

Circulars of CFSG and CASH containing, inter-alia, details of the Margin Financing Arrangement, letters from each of the independent financial adviser appointed by CFSG and CASH to advise their respective Independent Board Committees and Independent Shareholders and notices to convene the AGM for each of CFSG and CASH will be despatched to their respective shareholders on or before 17 April 2014.

DEFINITIONS

“AGM”	in respect of CASH, an annual general meeting of CASH; and in respect of CFSG, an annual general meeting of CFSG to be convened and held to approve, among other things, the Margin Financing Arrangement
“Associate”	has the same meaning ascribed in the Listing Rules
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), the controlling shareholder of CFSG, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“CASH Board”	the board of directors of CASH
“CASH Directors”	the directors of CASH
“CASH Group”	CASH and its subsidiaries, including the CFSG Group
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange. It is a non-wholly-owned subsidiary of CASH
“CFSG Board”	the board of directors of CFSG
“CFSG Directors”	the directors of CFSG
“CFSG Group”	CFSG and its subsidiaries
“Celestial Securities”	Celestial Securities Limited, a company incorporated with limited liability in Hong Kong, and is a wholly-owned subsidiary CFSG and a non-wholly-owned subsidiary of CASH (held through CFSG). It is a licensed corporation under the Securities and Futures Ordinance, which is engaged in type 1 (dealing in securities) regulated activity
“Conditions”	the conditions of the Margin Financing Agreements as set out in the sub-heading of “Duration and terms and conditions” under the heading of “Margin Financing Agreements”

“Connected Clients”	Mr Tsui Wing Cheong Sammy, Mr Ng Hin Sing Derek, Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna, who are either directors of the CFSG Group and/or the CASH Group and/or their respective associates, as more particularly set out in the section “Margin Financing Agreements” in this announcement
“Existing Margin Financing Arrangement”	the existing margin financing facility extended by Celestial Securities to certain connected clients under the existing margin financing agreements dated 14 December 2012 as approved by independent shareholders of CFSG on 22 January 2013, particulars of which are set out in the section of “The Existing Margin Financing Arrangement” in this announcement
“Independent Board Committee”	in respect of CASH, an independent board committee of the CASH Board; and in respect of CFSG, an independent board committee of the CFSG Board, to be established to advise the Independent Shareholders on the Margin Financing Arrangement
“Independent Shareholders”	in respect of CASH, the independent shareholders of CASH; and in respect of CFSG, the independent shareholders of CFSG
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Margin Financing Agreements”	the written margin financing agreements all dated 27 March 2014 on same terms and conditions as disclosed in this announcement between Celestial Securities with each of the Connected Clients relating to, subject to Conditions, the proposed granting of the margin financing facility to each of the Connected Clients
“Margin Financing Arrangement”	the granting of margin financing facility by Celestial Securities to the Connected Clients, subject to Conditions, pursuant to the Margin Financing Agreements
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial shareholder”	has the meanings ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“%”	per cent

On behalf of the CFSG Board
Benson Chan
Executive Director & CEO

On behalf of the CASH Board
Bernard Law
Executive Director & CFO

Hong Kong, 27 March 2014

As at the date hereof, the CFSG Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Chan Chi Ming Benson
Mr Law Ping Wah Bernard
Ms Cheng Pui Lai Majone

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Mr Lo Kwok Hung John
Mr Lo Ming Chi Charles

As at the date hereof, the CASH Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Tsui Wing Cheong Sammy
Mr Law Ping Wah Bernard
Mr Ng Hin Sing Derek

Independent non-executive directors:

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