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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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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.

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

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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)**

**VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO THE DISPOSAL OF 40.10% SHAREHOLDING IN  
CASH FINANCIAL SERVICES GROUP LIMITED  
TO OCEANWIDE**

**AND**

**NOTICE OF SPECIAL GENERAL MEETING**

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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 8 May 2015 (Friday) at 10:00 am is set out on pages 84 to 85 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.

\* For identification purpose only

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## DEFINITIONS

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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
“Accepting Optionholders”	the Optionholders holding an aggregate of 62,500,000 Options who undertake to exercise their Options in full and sell their CFSG Shares to the Offeror at the Share Offer pursuant to the Accepting Optionholders Irrevocable Undertakings. The Accepting Optionholders have exercised their 62,500,000 Options in full on 11 March 2015
“Accepting Optionholders Irrevocable Undertaking”	the irrevocable undertakings issued by the Accepting Optionholders on 9 March 2015
“Accepting Shareholders”	the CFSG Shareholders (including Mr Kwan and Cash Guardian, holding an aggregate of 134,471,520 CFSG Shares (representing approximately 3.25% of the issued share capital of CFSG)) holding an aggregate of 399,631,746 CFSG Shares who undertake to sell their CFSG Shares to the Offeror at the Share Offer pursuant to the Accepting Shareholders Irrevocable Undertakings
“Accepting Shareholders Irrevocable Undertakings”	the irrevocable undertakings issued by the Accepting Shareholders on 6 March 2015 or 9 March 2015
“Algo Group”	CASH Algo and its subsidiaries, which are principally engaged in algorithmic trading businesses
“associate”	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”	a day (excluding Saturday, Sunday and any public holiday in Hong Kong) on which banks in Hong Kong are open for business
“CASH Algo”	CASH Algo Finance Group Limited, a company incorporated in the British Virgin Islands with limited liability
“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

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## DEFINITIONS

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“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“Celestial (China)”	Celestial (China) Asset Management Limited, a company incorporated in the British Virgin Islands with limited liability, which is mainly holding the 18% share investment in Infinity
“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
“CFSG (China)”	CFSG (China) Limited, a company incorporated in the British Virgin Islands with limited liability
“CFSG (China) Group”	CFSG (China) and its subsidiaries, which is mainly holding the China’s operation of the CFSG Group
“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 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 Special Deal as well as the Offer, respectively
“CFSG Independent Financial Adviser”	Grand Vinco Capital Limited, the independent financial adviser appointed by the CFSG Independent Board Committee to advise the CFSG Independent Board Committee in respect of the Special Deal (as well as to report on the profit forecast report of the Confident Profits Group) and the Offer
“CFSG Independent Shareholders”	the CFSG Shareholders other than (i) the Company, its associates and parties acting in concert with any of them; (ii) the Offeror, its ultimate beneficial owner and parties acting in concert with it; and (iii) any CFSG Shareholders who are interested in or involved in the Confident Profits Transfer Agreement, the Special Deal or any transactions contemplated therein

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## DEFINITIONS

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“CFSG Sale Shares”	the 1,657,801,069 CFSG Shares (representing approximately 40.10% 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 SGM”	the special general meeting of CFSG to be convened to seek CFSG Independent Shareholders’ approval in respect of the Confident Profits Transfer Agreement and the transactions contemplated thereunder
“CFSG Share(s)”	share(s) of HK\$0.02 each in the ordinary 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 1,657,801,069 CFSG Shares (representing approximately 40.10% 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
“Completion Account”	the management account of the Remaining CFSG Group made up to the Completion Account Date approved and certified by any one of the CFSG Directors and to be reviewed by the Independent Auditor
“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 in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Specific warranties” 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 CFSG 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

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## DEFINITIONS

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“Conditions”	the conditions 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 CFSG as at the Latest Practicable Date
“Confident Profits Group”	Confident Profits and its subsidiaries (including the Algo Group, the CFSG (China) Group, Think Right and Celestial (China))
“Confident Profits Transfer”	the purchase of the entire issued share capital of Confident Profits by CIGL from CFSG pursuant to the Confident Profits Transfer Agreement
“Confident Profits Transfer Agreement”	the agreement entered into between CFSG and CIGL on 9 March 2015 in relation to the Confident Profits Transfer
“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\$20,000,000 paid by Oceanwide HK to the Escrow Agent on 8 January 2015 pursuant to the Escrow Agreement
“Directors”	the directors of the Company
“Disposal”	the disposal of the CFSG Sale Shares by CIGL to the Offeror 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
“Escrow Agent”	the escrow agent appointed by the parties to the Framework Agreement for the safekeeping and timely release of the Deposit and the Consideration
“Escrow Agreement”	the escrow agreement dated 8 January 2015 entered into by and among, CIGL, Cash Guardian, Mr Kwan, 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 and timely release of the Deposit pursuant to the Escrow Agreement
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

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## DEFINITIONS

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“Framework Agreement”	the framework agreement entered into among the CIGL, Cash Guardian, Mr Kwan and Oceanwide HK on 8 January 2015 relating to the possible sale and purchase of an aggregate of 1,792,272,589 CFSG Shares (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). Details of which are set out in the announcement of the Company and CFSG dated 12 January 2015
“Group”	the Company and its subsidiaries
“Guaranteed Minimum NAV”	has the meaning as ascribed to it in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Specific warranties” 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 China
“Independent Auditor”	Deloitte Touche Tohmatsu to be jointly appointed by CIGL and the Offeror, with the members of the review team not comprising any existing members of the audit team being engaged by CFSG by way of an annual retainer
“Infinity”	Infinity Equity Management Company Limited, a company incorporated in Hong Kong with limited liability, which is engaged in business of venture capital and private equity management in the PRC
“Joint Announcement”	the joint announcement made by the Company, CFSG and the Offeror on 9 March 2015 in relation to, inter alia, the Sale and Purchase Agreement, the Offer and the Confidential Profits Transfer Agreement
“Last Trading Day”	25 February 2015, being the last trading day prior to the suspension of trading in the CFSG Shares pending the publication of the Joint Announcement
“Latest Practicable Date”	17 April 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2015 (or such other later date as may be agreed by CIGL and the Offeror)
“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
“Mr Kwan”	Mr Kwan Pak Hoo Bankee, the chairman and an executive director of each of the Company and CFSG; he is also the substantial shareholder of the Company
“New Escrow Agreement”	the 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
“Oceanwide HK”	Oceanwide Holdings (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Oceanwide Holdings
“Oceanwide Holdings”	泛海控股股份有限公司 (Oceanwide Holdings Co., Ltd.*), a joint stock company established in the PRC with limited liability whose shares are listed on the Shenzhen Stock Exchange (Stock code: 000046.SZ), and the holding company of the Offeror
“Oceanwide” or “Offeror” or “Purchaser”	Oceanwide Holdings International Finance Ltd 泛海控股國際金融有限公司, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Oceanwide HK and an indirect wholly-owned subsidiary of Oceanwide Holdings
“Offer”	the Share Offer
“Option(s)”	the non-transferable share option(s) granted by CFSG pursuant to the share option scheme of CFSG conditionally 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
“Option Offer”	the conditional mandatory cash offer to be made by Haitong International Securities Company Limited for and on behalf of the Offeror for the cancellation of all outstanding Options held by the Optionholders in accordance with the Takeovers Code

\* For identification purpose only



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## DEFINITIONS

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“Optionholder(s)”	holder(s) of the Option(s)
“Parties”	CIGL, Oceanwide and the Company, being the parties to the Sale and Purchase Agreement
“PRC”	the People’s Republic of China
“PRC Property”	the properties located in the PRC held by Think Right as more particularly set out in the Joint Announcement
“Prepayment”	has the meaning as ascribed to it in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Consideration” 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 and the completion of the Confident Profits Transfer had taken place
“Remaining CFSG Group”	the CFSG Group excluding the Confident Profits Group
“Remaining Group”	the Group excluding the Remaining CFSG Group on the assumption that the S&P Completion and the completion of the Confident Profits Transfer had taken place
“Retention Money”	has the meaning ascribed to it in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Consideration” in the section of “Letter from the Board” in this circular
“Retention Money Balance”	has the meaning as ascribed to it in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Specific warranties” in the section of “Letter from the Board” in this circular
“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 9 March 2015 entered into among CIGL, the Offeror and the Company for the sale and purchase of the CFSG Sale Shares
“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 to be held on 8 May 2015 (Friday) at 10:00 am for seeking the Shareholders’ approval in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder

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## DEFINITIONS

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“Shareholders”	the shareholders of the Company
“Shares”	shares of HK\$0.10 each in the share capital of the Company
“Share Offer”	the conditional mandatory cash offer to be made by Haitong International Securities Company Limited for and on behalf of the Offeror for all the 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\$0.37 payable in cash by the Offeror to the CFSG Shareholders under the Share Offer
“Shortfall”	has the meaning as ascribed to it in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Specific warranties” in this circular
“Special Deal”	the Confident Profits Transfer as a special deal under note 4 to Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial Shareholder”	has the meaning as ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC as amended from time to time
“Think Right”	Think Right Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is mainly holding the PRC Property
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

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## LETTER FROM THE BOARD

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### 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  
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

22 April 2015

*To the Shareholders*

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL  
IN RELATION TO THE DISPOSAL OF 40.10% SHAREHOLDING IN  
CASH FINANCIAL SERVICES GROUP LIMITED  
TO OCEANWIDE**

#### **INTRODUCTION**

On 9 March 2015, the Company made the Joint Announcement containing, among other things, the Sale and Purchase Agreement, the Offer and the Confident Profits Transfer Agreement.

#### **The Sale and Purchase Agreement**

The Offeror, the Company and CFSG jointly announced that on 9 March 2015, the Offeror as purchaser, CIGL (a wholly-owned subsidiary of the Company) as seller and the Company as guarantor, entered into the Sale and Purchase Agreement, pursuant to which the Offeror has conditionally agreed to purchase and CIGL has conditionally agreed to sell the CFSG Sale Shares, being 1,657,801,069 CFSG Shares, at a total consideration of HK\$613,386,395.53 (representing a purchase price of HK\$0.37 per CFSG Sale Share). The CFSG Sale Shares represent approximately 40.10% of the issued share capital of CFSG as at the Latest Practicable Date.

\* For identification purpose only

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## LETTER FROM THE BOARD

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The S&P Completion is conditional upon the conditions described in the paragraph headed “The Sale and Purchase Agreement” under the sub-heading “Conditions precedent” in this section of this circular. 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 other date as CIGL and the Offeror may agree in writing).

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.

An ordinary resolution will be proposed for approval by the Shareholders at the SGM. As Mr Kwan (held as to 2,840,000 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 181,245,205 Shares, representing approximately 32.70% of the total issued share capital of the Company as at the Latest Practicable Date), whom collectively held approximately 33.21% 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) both being the Accepting Shareholders and holding an aggregate of 134,471,520 CFSG Shares, representing approximately 3.25% of the issued share capital of CFSG as at the Latest Practicable Date, are regarded as having interests in the Disposal and/or the Share Offer incidental thereto. Accordingly, Mr Kwan and Cash Guardian shall therefore abstain from voting at the SGM in respect of the ordinary resolution for approving the Disposal.

### *The Offer*

As at the Latest Practicable Date, the Offeror and parties acting in concert with it are not interested in the share capital or voting rights of CFSG, other than the interest in the CFSG Sale Shares under the Sale and Purchase Agreement. Immediately after the S&P Completion, the Offeror and parties acting in concert with it will be interested in a total of 1,657,801,069 CFSG Shares, representing approximately 40.10% of the issued share capital of CFSG as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, immediately following the S&P Completion, the Offeror and the parties acting in concert with it will be required to make conditional mandatory cash offer for all the issued CFSG Shares (other than those CFSG Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

Subject to the S&P Completion, Haitong International Securities Company Limited, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Share Offer on the terms to be set out in the Composite Offer Document to be issued in accordance with the Takeovers Code on the following basis:

For each CFSG Share accepted under the Share Offer..... HK\$0.37 in cash

Subsequent to the Joint Announcement, CFSG issued an announcement on 11 March 2015 announcing that a total of 62,500,000 share options were exercised and a total of 62,500,000 new CFSG Shares were issued on 11 March 2015. As at the Latest Practicable Date, CFSG had 4,134,359,588 CFSG Shares in issue and no share option was outstanding under the existing share option scheme of CFSG. Accordingly, the Option Offer will not be made by the Offeror.

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## LETTER FROM THE BOARD

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As the Offeror and parties acting in concert with it will own 1,657,801,069 CFSG Shares subject to and immediately after the S&P Completion, 2,476,558,519 CFSG Shares will be subject to the Share Offer and the total consideration of the Share Offer would be approximately HK\$916,326,652.03 based on the Share Offer Price. The Share Offer Price of HK\$0.37 per CFSG Share is the same as the price per CFSG Sale Share paid by the Offeror to the Seller under the Sale and Purchase Agreement.

The details of the Share Offer, a letter of advice from the CFSG Independent Board Committee in relation to the Share Offer and a letter of advice from the CFSG Independent Financial Adviser appointed to advise the CFSG Independent Board Committee in respect of the Share Offer will be disclosed in the Composite Offer Document to be despatched.

### *The Confident Profits Transfer Agreement*

As disclosed in the Joint Announcement, CIGL (a wholly-owned subsidiary of the Company) and CFSG also entered into the Confident Profits Transfer Agreement. Pursuant to the Confident Profits Transfer Agreement, CFSG agreed to sell and CIGL agreed to purchase the entire issued share capital of Confident Profits, which is holding the Confident Profits Group, at a consideration of HK\$2,835,000, which is equal to the pro forma consolidated net asset value of the Confident Profits Group as at 31 December 2014 based on the combined financial information of the Confident Profits Group as set out in Appendix II on page 58 of this circular. The Confident Profits Group comprises the Algo Group, the CFSG (China) Group, Think Right and Celestial (China), and their respective principal activities are algorithmic trading businesses, holding the China's operation, holding the PRC Property, and holding the 18% share investment in Infinity's fund management business. The companies in the CFSG (China) Group mainly engage in provision of consulting services in the PRC and investment holding.

The Confident Profits Transfer (including the transactions contemplated under the Confident Profits Transfer Agreement) constitutes the Special Deal for CFSG under note 4 to Rule 25 of the Takeovers Code and therefore requires the consent of the Executive. Such consent, if granted, will be subject to (i) the CFSG Independent Financial Adviser publicly stating that in its opinion, the terms of the Special Deal are fair and reasonable; and (ii) the approval of the Special Deal by the CFSG Independent Shareholders by way of poll at the CFSG SGM.

Completion of the Confident Profits Transfer is conditional upon fulfilment of the conditions precedent, including approval by the CFSG Independent Shareholders at the CFSG SGM and the consent of the Executive in relation to the Confident Profits Transfer Agreement, and all the Conditions of the Sale and Purchase Agreement have been satisfied or other waived in accordance with the terms of the Sale and Purchase Agreement, on or before 30 June 2015 (or such other date agreed between CIGL and CFSG).

As all of the applicable percentage ratios of the Company as defined under Rule 14.07 of the Listing Rules in respect of the Confident Profits Transfer are less than 5%, the Confident Profits Transfer is exempted from the reporting, announcement requirements and shareholders' approval requirements under the Listing Rules.

Details of the Confident Profits Transfer Agreement were disclosed in the Joint Announcement.

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## LETTER FROM THE BOARD

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### **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 and the transactions contemplated thereunder; (ii) financial information of the CFSG Group; (iii) pro forma financial information of the Remaining Group; (iv) a notice convening the SGM together with the proxy form and other information as required under the Listing Rules.

### **THE SALE AND PURCHASE AGREEMENT**

#### **Date**

9 March 2015

#### **Parties**

- (a) CIGL as the Seller;
- (b) the Offeror as the Purchaser; and
- (c) the Company as guarantor.

CIGL holds 1,657,801,069 CFSG Shares, representing approximately 40.10% 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 is (i) a third party 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.

#### **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, 1,657,801,069 CFSG Shares (representing approximately 40.10% 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 on and after the date of the S&P Completion.

#### **Consideration**

The Consideration for the CFSG Sale Shares is HK\$613,386,395.53 (representing a purchase price of HK\$0.37 per CFSG Sale Share).

The purchase price of HK\$0.37 per CFSG Share represents:

- (a) a discount of approximately 54.5% to the closing price of HK\$0.87 per CFSG Share as quoted on the Stock Exchange on the Latest Practicable Date;

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## LETTER FROM THE BOARD

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- (b) a discount of approximately 6.3% to the closing price of HK\$0.395 per CFSG Share as quoted on the Stock Exchange on 25 February 2015, being the Last Trading Day;
- (c) a premium of approximately 0.5% over the average closing price of HK\$0.368 per CFSG Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (d) a premium of approximately 2.2% over the average closing price of HK\$0.362 per CFSG Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (e) a premium of approximately 5.1% over the average closing price of HK\$0.352 per CFSG Share as quoted on the Stock Exchange for the thirty (30) consecutive trading days up to and including the Last Trading Day;
- (f) a premium of approximately 22.5% over the average closing price of HK\$0.302 per CFSG Share as quoted on the Stock Exchange for the ninety (90) consecutive trading days up to and including the Last Trading Day; and
- (g) a premium of approximately 158.7% over the audited consolidated net asset value attributable to the CFSG Shareholders of approximately HK\$0.143 per CFSG Share (based on the number of issued CFSG Shares as at the Latest Practicable Date) as at 31 December 2014, the date on which the latest audited financial results of the CFSG Group were made up.

Although the purchase price of HK\$0.37 per CFSG Share represents a discount when compared to the closing price of the CFSG Shares as at the Latest Practicable Date and the Last Trading Day, it represents a premium of 0.5% to 22.5% over the historical trading prices of the CFSG Shares as set out in (c) to (f) above and a premium of 158.7% over the net asset value of the CFSG Shares as at 31 December 2014. Taking into consideration that (i) the Consideration was determined after arm's length negotiations between CIGL and the Offeror as at the date of the Sale and Purchase Agreement taking into account factors including but not limited to the unaudited consolidated net asset value of the CFSG Group as at 30 June 2014 and the prevailing market price of the CFSG Shares at that time; (ii) the premium over the historical prices of the CFSG Shares as set out in (c) to (f) above; and (iii) the relatively low trading volume of the CFSG Shares of around 14 million shares daily for the 90 consecutive trading days preceding the Last Trading Day, the Directors consider that the terms of the Disposal, including the purchase price of HK\$0.37 per CFSG Share, are fair and reasonable.

As provided in the Sale and Purchase Agreement, the Consideration of HK\$613,386,395.53 shall be satisfied as follows:

- (a) upon signing of the Sale and Purchase Agreement, (i) the Offeror has delivered to the Escrow Agent two cheques or cashier orders in the amount of HK\$80,000,000 and HK\$20,000,000 as the prepayment of the Consideration (the "**Prepayment**"); and (ii) CIGL has provided the Offeror with executed authority of CIGL, Cash Guardian and Mr Kwan instructing the Escrow Agent to release the Deposit to the Offeror;

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## LETTER FROM THE BOARD

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- (b) within one (1) Business Day from the date of the Sale and Purchase Agreement, the Offeror and CIGL has instructed the Escrow Agent to release the Prepayment to CIGL;
- (c) on the S&P Completion Date, simultaneously upon performance of its obligations in respect of the S&P Completion by CIGL, the Offeror shall (i) deliver to CIGL a cashier order of HK\$306,748,595.53, representing the Consideration after deducting the amount paid in (b) above, the Retention Money (as defined below) and the amount to be settled through CCASS; (ii) deliver to the Escrow Agent a cheque or cashier order in the amount of HK\$200,000,000 as retention money (the “**Retention Money**”); and (iii) settle the Consideration for 17,940,000 CFSG Sale Shares to be transferred through CCASS in the amount of HK\$6,637,800; and
- (d) within one (1) Business Day after the issue of the Completion Account, the Offeror shall instruct the Escrow Agent to deliver to CIGL a cheque or cashier order of an amount equivalent to the Retention Money Balance (as defined below) (if any) pursuant to the New Escrow Agreement.

If the S&P Completion does not take place as a result of any of the Conditions (in items (a), (c), (d) and (h) below) not being fulfilled by the Long Stop Date (or other Conditions not being fulfilled or waived by the Purchaser on or before the S&P Completion Date) or the Sale and Purchase Agreement is terminated by the Offeror by notice in writing in the event that CIGL does not comply with the obligations regarding the S&P Completion or there is any material breach of CIGL’s representations, warranties and undertakings set out in the Sale and Purchase Agreement, CIGL shall return the Prepayment (without interest) to the Offeror in full within five (5) Business Days from the date of the notice of the Offeror.

### **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 a substantial shareholder(s) of CFSG and its licensed subsidiaries in accordance with the requirements under the SFO;
- (b) save for any actions of the Offeror or any actions or no action under the instruction of the Offeror which may lead to a revocation, termination or temporary suspension in the licenses granted to the CFSG Group, the licenses held by the CFSG Group for the regulated activities under the SFO not having been revoked, terminated or suspended at the S&P Completion;
- (c) the Company having obtained all requisite approvals under the Listing Rules from the Shareholders/independent Shareholders approving (i) the Sale and Purchase Agreement and the transactions contemplated thereunder and (ii) the Confidential Profits Transfer Agreement and the transactions contemplated thereunder (if necessary);



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- (d) save for the shareholders' approval in (c) above, the Company and CFSG having obtained all requisite approvals under the Listing Rules, the Takeovers Code and/or other laws and regulations from their respective shareholders/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 and the Confident Profits Transfer Agreement and the transactions contemplated thereunder;
- (e) save for suspension in trading in the CFSG Shares for not more than ten (10) consecutive trading days or suspension in relation to the issue of any announcement(s) or documents to be despatched to its shareholders regarding the sale and purchase of the CFSG Sale Shares and the transactions contemplated under the Sale and Purchase Agreement, the CFSG Shares remaining listed on the Stock Exchange; on or prior to the S&P Completion, 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;
- (f) there being no material adverse change to the business, financial, operations or assets of the Remaining CFSG Group;
- (g) 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; and
- (h) the Confident Profits Transfer Agreement has become unconditional (other than the condition that the Sale and Purchase Agreement becoming unconditional).

The Offeror may at its discretion waive, with or without condition, any of the Conditions (except the Conditions in items (a), (c), (d) and (h)) above which cannot be waived).

If the Conditions in items (a), (c), (d) and (h) set out above have not been fulfilled by the Long Stop Date (or other Conditions not being fulfilled or waived by the Purchaser on or before the S&P Completion Date), CIGL shall return the Prepayment (without interest) to the Offeror in full in accordance with the Sale and Purchase Agreement. The Sale and Purchase Agreement shall cease to have any effect and the Parties shall not have any obligations and liabilities thereunder save for any antecedent breaches of the terms thereof.

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

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## LETTER FROM THE BOARD

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### 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) and (h) have been fulfilled (while the Conditions in items (b), (e), (f) and (g) are also satisfied or waived by the Purchaser on that date) (or such other date as the Parties may agree in writing).

### Guarantee

Pursuant to the Sale and Purchase Agreement, the Company as guarantor has irrevocably and unconditionally:

- (a) guaranteed to the Offeror of the punctual performance by CIGL of its refund obligation of the Prepayment under the Sale and Purchase Agreement; and
- (b) undertaken with the Offeror that whenever CIGL fails to refund the Prepayment in full or in part under 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 warranties

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

- (a) The net asset value of the Remaining CFSG Group (after deducting certain adjustment items, including mainly the fees and expenses arising from transactions contemplated under the Sale and Purchase Agreement and the Confident Profits Transfer Agreement and the related transactions, which shall not exceed an aggregate amount of HK\$3,700,000) as shown in the Completion Account shall not be less than HK\$589,994,000 (the “**Guaranteed Minimum NAV**”).

CIGL and the Offeror shall appoint the Independent Auditor to prepare and issue the Completion Account within forty-five (45) days from the Completion Account Date. In the event that the net asset value of the Remaining CFSG Group as shown in the Completion Account (after deducting certain adjustment items and on the assumption that the Confident Profits Transfer have been completed) (the “**Completion NAV**”) is less than the Guaranteed Minimum NAV, the shortfall amount representing the difference between the Guaranteed Minimum NAV and the Completion NAV (the “**Shortfall**”) shall be deducted from the Retention Money. The Offeror shall then instruct the Escrow Agent to deliver to CIGL a cheque or cashier order of an amount (the “**Retention Money Balance**”) equivalent to the remaining balance of the Retention Money after deducting the Shortfall within one (1) Business Day after the issue of the Completion Account. In the event that the Retention Money is insufficient to cover the Shortfall, CIGL shall pay to the Offeror the shortfall amount in immediately available fund within one (1) Business Day after the issue of the Completion Account.

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For the avoidance of doubt, no additional payment shall be required to be made by the Offeror to CIGL under the Sale and Purchase Agreement if the Completion NAV is more than the Guaranteed Minimum NAV and there will be no upward adjustment to the purchase price per CFSG Sale Share under the Sale and Purchase Agreement.

Further announcement will be made by the Company in relation to the finalised Consideration upon determination of the Completion NAV.

- (b) CIGL shall, on a reasonable efforts basis, assist the Offeror in acquiring additional CFSG Shares at HK\$0.37 per CFSG Share with an aim that the Offeror would acquire, in aggregate, not less than 51% of the enlarged issued share capital of CFSG.

As at the Latest Practicable Date, CFSG had a total of 4,134,359,588 CFSG Shares in issue. Taking into account of (a) the 1,657,801,069 CFSG Sale Shares under the Sale and Purchase Agreement; (b) 399,631,746 CFSG Shares held by the Accepting Shareholders; (c) 62,500,000 CFSG Shares held by the Accepting Optionholders who have exercised their options in full, the Offeror and parties acting in concert with it will own an aggregate of 2,119,932,815 CFSG Shares (representing approximately 51.3% of the issued share capital of CFSG as at the Latest Practicable Date) immediately after completion of the Share Offer (assuming no other CFSG Shareholders accept the Share Offer except the Accepting Shareholders and the Accepting Optionholders).

- (c) CIGL has undertaken to the Offeror that, on a reasonable effort basis, to procure the relevant responsible officers of the Remaining CFSG Group holding the regulated licences under the SFO to remain employed upon the S&P Completion and to procure each of these persons and other existing staff of Remaining CFSG Group as requested by the Offeror to execute an undertaking in favour of CFSG that he or she shall remain employed with the Remaining CFSG Group for no less than 365 days after the S&P Completion.
- (d) CIGL has undertaken to the Offeror that, for the period of 30 days after the S&P Completion or the effective date of the appointment of the CFSG Directors nominated by the Offeror (whichever is earlier), the licences granted to the Remaining CFSG Group and held by the Remaining CFSG Group for the regulated activities under the SFO shall not have been revoked, terminated or suspended, save for any revocation, termination or temporary suspension which may be led by any actions of the Offeror or any actions or no actions under the instruction of the Offeror.
- (e) CIGL has undertaken to the Offeror that, throughout 450 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 Remaining CFSG Group (including but not limited to the regulated activities under the SFO); and (ii) solicit, entice away or endeavour to solicit or entice away any employee of the Remaining 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 Remaining CFSG Group.

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## LETTER FROM THE BOARD

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- (f) the Offeror has undertaken to CIGL that it shall procure members of the Remaining CFSG Group (for those whose names contain “CASH”, “時富”, “CELESTIAL” or similar characters only) to change their English or Chinese names within 180 days after the S&P Completion Date. The new names should not contain “CASH”, “時富”, “CELESTIAL” or similar characters.
- (g) 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.
- (h) CIGL has undertaken to the Offeror that, the disposal by CFSG pursuant to the Confidential Profits Transfer Agreement shall not cause any material adverse impact to the principal business and/or financial conditions to the Remaining CFSG Group.
- (i) CIGL has undertaken to the Offeror that, CIGL shall make all necessary application and reporting to the relevant tax authority in the PRC in relation to its disposal of 40.10% of the issued share capital of CFSG to the Offeror (if any), and undertaken to indemnify the Offeror in full for any outstanding tax payment as a result of its disposal of 40.10% of the issued share capital of CFSG or non-payment of any tax liability or penalties of any members of the CFSG Group prior to the S&P Completion Date.
- (j) CIGL has undertaken to the Offeror that, as at the S&P Completion Date, the Remaining CFSG Group has no capital or financing liabilities, save for those arising out of the ordinary course of business of the CFSG Group.
- (k) CIGL has undertaken to the Offeror that, within five (5) Business Days after the S&P Completion Date, there will be no amount due between the Remaining CFSG Group and the connected persons of CFSG.
- (l) CIGL has undertaken to the Offeror that, on or before the S&P Completion Date, all guarantee provided by the CFSG Group in support of any banking facilities for the Confidential Profits Group shall have been released and will assist the Offeror in obtaining consent of the bankers of CFSG in relation to the change of control of CFSG.
- (m) CIGL has undertaken to the Offeror that, on or before the S&P Completion Date, CIGL will on a reasonable effort basis, to procure a company secretary of CFSG to enter into an employment contract with the Remaining CFSG Group for a period covering 365 days after the S&P Completion Date.
- (n) CIGL has undertaken to the Offeror that, within 180 days after the S&P Completion Date or, if earlier, until the Remaining CFSG Group has completed the relevant change of names, the CFSG Group will be entitled the right to use the existing domain names and trade-marks as specified under the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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- (o) CIGL has undertaken to the Offeror that as at the S&P Completion Date, the Remaining CFSG Group possesses the right to certain intellectual properties and certain existing contracts of the Remaining CFSG Group will be renewed.
- (p) CIGL has undertaken to indemnify the Offeror in full of any losses arising from any litigation, administration penalty or action as a result of any improper course of business of the Remaining CFSG Group for the period from 1 January 2013 to the S&P Completion Date provided that the claim is made by the Offeror to CIGL in writing within two calendar years after the S&P Completion Date.
- (q) CIGL has undertaken to the Offeror that, from the date of the Sale and Purchase Agreement until the S&P Completion Date, CIGL will procure that no remuneration adjustment or bonus issue will occur to the employees of the Remaining CFSG Group, unless otherwise agreed by the Offeror.
- (r) CIGL has undertaken to the Offeror that certain account receivables of the Remaining CFSG Group due from existing customers will be settled and certain equity securities held by the Remaining CFSG Group will be sold on or before the S&P Completion Date.

## LETTER FROM THE BOARD

### 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):

	As at the date of the		As at the Latest Practicable Date		As at the Latest Practicable	
	Sale and Purchase Agreement		and immediately before the S&P Completion		Date and immediately	
	No. of the CFSG Shares	Approximate %	No. of the CFSG Shares	Approximate %	No. of the CFSG Shares	Approximate %
CIGL	1,657,801,069	40.71	1,657,801,069	40.10	-	-
Cash Guardian	104,471,520	2.57	104,471,520	2.53	104,471,520	2.53
Mr Kwan ( <i>Note</i> )	30,000,000	0.74	30,000,000	0.73	30,000,000	0.73
Sub-total:	1,792,272,589	44.02	1,792,272,589	43.36	134,471,520	3.26
Directors:						
Law Ping Wah Bernard ( <i>Note</i> )	27,506,160	0.68	27,506,160	0.66	27,506,160	0.66
Ng Hin Sing Derek	24,600,066	0.60	24,600,066	0.59	24,600,066	0.59
Sub-total:	52,106,226	1.28	52,106,226	1.25	52,106,226	1.25
CIGL and parties acting in concert with it	1,844,378,815	45.30	1,844,378,815	44.61	186,577,746	4.51
CFSG Directors:						
Cheng Pui Lai Majone	29,400,000	0.72	29,400,000	0.71	29,400,000	0.71
Ng Kung Chit Raymond	29,154,000	0.72	29,154,000	0.71	29,154,000	0.71
Lo Kwok Hung John	2,095,500	0.05	2,095,500	0.05	2,095,500	0.05
Sub-total:	60,649,500	1.49	60,649,500	1.47	60,649,500	1.47
The Offeror and parties acting in concert with it	-	-	-	-	1,657,801,069	40.10
Public	2,166,831,273	53.21	2,229,331,273	53.92	2,229,331,273	53.92
Total	4,071,859,588	100.00	4,134,359,588	100.00	4,134,359,588	100.00

*Note:* Mr Kwan and Mr Law Ping Wah Bernard are also CFSG Directors.

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## LETTER FROM THE BOARD

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### USE OF PROCEEDS AND REASONS FOR THE DISPOSAL

The purchase price of the CFSG Sale Shares was arrived at after arm's length negotiations, with reference to the unaudited consolidated net asset value of the CFSG Group as at 30 June 2014 and the prevailing market price of the CFSG Shares. The Disposal enables the Company to realise its share investment in CFSG with an expected realised gain of approximately HK\$350.6 million. In addition, taking into consideration that (i) the revenue of financial services business of CFSG had remained at similar level and the segment business recorded loss position for the past three years from 2012 to 2014; (ii) the huge capital requirements for margin financing business in order to further expand the brokerage business of the CFSG Group; and (iii) the keen competition in the market and the high compliance costs imposed on the financial services business, the Board considers that it is beneficial to dispose the CFSG Group so as to enlarge the capital base and to focus its resources on developing the Remaining Businesses, in particular, the algorithmic trading business and retail management business. The Group has dedicated resources to transform from traditional brokerage business to high-technology trading business in recent years. The Group built the advanced information and communication technology infrastructure and low-latency trading platform and recruited professionals to research and develop trading strategies for algorithmic trading business. The algorithmic trading business is still in its investment stage and requires further capital and manpower for further development. For the retail management business, in view of 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 and the recent market shift toward small and medium size units, the Company believes that the demand for the Group's home furniture products, such as the readily made products series "WinSill™" and "Transformer", will be increased. The Board is confident and optimistic about the prospects of the Remaining Businesses, details of which are out under the heading "Financial and Trading Prospects of the Remaining Group" in this section.

The net proceeds to be received from the Disposal of approximately HK\$606.4 million will be used as to approximately 50% for the algorithmic trading business, as to approximately 30% for retail management business and the remaining 20% for its general working capital to strengthen the capital base of the Remaining Group upon the S&P Completion.

Based on the above, the Board is of the opinion that the terms of the Sale and Purchase Agreement including the Consideration and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Upon the S&P Completion, the Company will cease to hold any shareholding interest in CFSG and CFSG will cease to be a subsidiary of the Company. The gain on the Disposal as disclosed above will be reported in the financial year of the Remaining Group during which the S&P Completion takes place.

### 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 as well as mutual funds and insurance-linked investment products, and provision of margin financing, corporate finance, financial advisory and asset management services; and (b) algorithmic trading businesses via the Algo Group including algorithmic trading and alternative trading.

The audited consolidated net losses (before and after taxation, minority interest and extraordinary items) of the CFSG Group for the year ended 31 December 2013 were about HK\$62.6 million and HK\$59.1 million, and the audited consolidated net profits (before and after taxation, minority interest and extraordinary items) of the CFSG Group for the year ended 31 December 2014 were about HK\$71.0 million and HK\$54.3 million, respectively.

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## LETTER FROM THE BOARD

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The audited consolidated net assets value of the CFSG Group as at 31 December 2013 and 31 December 2014 were about HK\$562.2 million and HK\$596.3 million, respectively.

### 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, CIGL holds 1,657,801,069 CFSG Shares (representing approximately 40.10% of issued CFSG Shares).

The current principal activities of the Group consist of (a) financial services business carried out via the CFSG Group 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 and “生活經艷” (translated as Sheng Huo Jing Yan) in the PRC; (c) mobile internet services business including the 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.

### INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands on 14 January 2015 and is wholly-owned by Oceanwide HK, which in turn is a wholly-owned subsidiary of Oceanwide Holdings. Oceanwide Holdings is a joint stock company established in the PRC with limited liability, whose shares are listed on the Shenzhen Stock Exchange (Stock code: 000046.SZ) and is principally engaged in investment and investment management, assets management, real estate business operation and property management, self-owned property leasing, corporate management consultation and sale of building materials, decoration materials and mechanical equipment.

As at the Latest Practicable Date, the directors of the Offeror are Mr Liu Guosheng, Mr Han Xiaosheng and Mr Zheng Dong.

The Offeror does 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 audited consolidated balance sheet of the Group as at 31 December 2014, 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\$343.6 million based on the Consideration of approximately HK\$613.4 million less the carrying value attributable to the CFSG Sale Shares as at 31 December 2014 of approximately HK\$262.8 million and the related expenses of approximately HK\$7.0 million;



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- (b) revenue of the Group will be decreased by approximately HK\$198.0 million and the profit will be decreased by approximately HK\$4.0 million;
- (c)
  - (i) the total assets of the Group will be decreased by the segment assets of the CFSG Remaining Group of HK\$1,258.8 million as at 31 December 2014;
  - (ii) the total liabilities of the Group will be decreased by the segment liabilities of the CFSG Remaining Group of HK\$1,248.2 million as at 31 December 2014; and
- (d) the cash and bank balances of the Group will be decreased by approximately HK\$570.2 million, being the combined effect of (i) the decrease in the cash and bank balances of the CFSG Group of approximately HK\$973.8 million as a result of the cease in consolidation upon the Disposal; (ii) the estimated net proceeds of the Disposal of approximately HK\$406.4 million (not including the deposits of HK\$200.0 million, which was grouped under “prepayments, deposits and other receivables”) to be received; and (iii) the consideration in the amount of approximately HK\$2.8 million payable for transfer of the Confident Profits Group pursuant to the Confident Profits Transfer Agreement.

The financial information regarding the CFSG Group for the three years ended 31 December 2014 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 III to this circular.

### **FINANCIAL AND TRADING PROSPECTS OF THE REMAINING GROUP**

Upon the S&P Completion and the completion of the Confident Profits Transfer, the Remaining Businesses of the Remaining Group will be mainly (i) algorithmic trading businesses via the Algo Group; (ii) retail management business; (iii) mobile internet services businesses; and (iv) investment holding including holding the PRC Property and share investment.

#### **Algorithmic trading business – the Algo Group**

With a view to reinforcing its technology competitive advantage, the Algo Group established a 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 Algo Group successfully tested its risk control mechanism and business contingency plans. It's Algo ICT and eFinance database infrastructure for the Hong Kong market had also been implemented smoothly.

The Algo Group's next phase of expansion will be the China and US markets. In the pipeline, the Algo Group already has a number of Algo models which have successfully passed back-testing, paper trading and pilot testing. The Algo Group will put these models into production once they are ready.

On the technology front, the Algo Group will focus our innovations on two main areas: Big Data analytics and Quant Finance Cloud computing infrastructure. The Algo Group believes the building of a technically solid, secure and widely applied trading infrastructure will secure us a leading position in the innovative finance industry.

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## LETTER FROM THE BOARD

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### **Retail management business**

In 2014, the Hong Kong retail market was generally flat, with total value for both the overall market and furniture and fixtures item recording a slight drop of 0.2%. Despite the HKSAR Government's cooling measures to curb the soaring property market, Hong Kong home prices climbed to new heights. Small and medium-sized flats led the growth, aggravating the space-management problems faced by many Hong Kong families. Despite this challenging business environment, Pricerite managed to maintain growth momentum.

Looking presciently to the real estate market's focus on small and medium-sized apartments, we used our unique local knowledge and market understanding of customer needs to address the space-management challenges presented by such flats. During the year, we developed a series of "smart" multi-functional products that could easily be extended, mixed and matched, transformed and tailored to meet customers' needs. We will continue to be a leading home furnishing provider in Hong Kong's small to medium-sized property market, providing one-stop solutions for Hong Kong families.

To reinvigorate and improve the Pricerite shopping experience, we implemented a comprehensive plan to revamp our brand to better reflect our 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 launched the "Small Space: Big Universe"(小小空間: 大大宇宙), branding campaign in early 2015 to better communicate our mission and philosophy to customers.

Pricerite's online store continued to strengthen its selection, navigation and fulfilment so as to bring more convenience to customers when shopping online. With our self-operated online store covering Hong Kong and Macau and 生活經艷 online shop on T-Mall covering Mainland China, our overall online business saw a sharp increase in web traffic and doubled its revenue.

With Pricerite's dedication to providing customers with an outstanding shopping experience, excellent customer service, smart product lines and a convenient store network, Pricerite is well positioned to help customers meet the space-management challenge.

### **Mobile internet services business**

In view of keen competition and unstable local business landscape in mobile internet industry, we plan 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 our proven record and extensive distribution network in global game licensing business, we plan to solicit global distribution partners to operate and promote Chinese game titles, while we also provide 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.

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## LETTER FROM THE BOARD

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We will 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 allow us access to other valuable resources to facilitate our business development in overseas market.

Upon the S&P Completion, the capital base of the Group will be strengthened from the proceeds of the Disposal. The Board will concentrate on devoting more resources to developing and expanding the Remaining Businesses for further development of the Group in coming future.

### 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 and the transaction contemplated thereunder; (ii) financial information of the CFSG Group; (iii) pro forma financial information of the Remaining Group; (iv) a notice convening the SGM together with the proxy form and other information as required under the Listing Rules.

### THE SGM

Set out on pages 84 to 85 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 8 May 2015 (Friday).

At the SGM, an ordinary resolution for approving the Sale and Purchase 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.

As at the Latest Practicable Date, Mr Kwan (held as to 2,840,000 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 181,245,205 Shares, representing approximately 32.70% of the total issued share capital of the Company as at the Latest Practicable Date), whom collectively held approximately 33.21% 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, both being the Accepting Shareholders held as to 30,000,000 CFSG Shares and 104,471,520 CFSG Shares (representing approximately 0.7% and 2.5% of the issued share capital of CFSG respectively as at the Latest Practicable Date and that they control or are entitled to exercise control in respect of their respective CFSG Shares), are regarded as having interests in the Disposal and/or the Share Offer incidental thereto. Accordingly, Mr Kwan and Cash Guardian shall therefore abstain from voting at the SGM in respect of the ordinary resolution for approving the Disposal. To the best of the knowledge of the Directors, save as aforementioned, no other Shareholder has material interest in the transaction and no other Shareholder is required to abstain from voting at the SGM.

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## LETTER FROM THE BOARD

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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 is 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*

**(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 2012, 2013 and 2014 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](http://www.cash.com.hk)).

- Annual report of the Company for the year ended 31 December 2014 published on 22 April 2015 (pages 50 to 141);
- Annual report of the Company for the year ended 31 December 2013 published on 17 April 2014 (pages 50 to 146); and
- Annual report of the Company for the year ended 31 December 2012 published on 22 April 2013 (pages 50 to 158).

**2. Statement of Indebtedness**

As at the close of business on 28 February 2015, 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:

**Borrowings**

The Group had total outstanding borrowings of approximately HK\$481.5 million, comprising of (i) unsecured other borrowings of approximately HK\$16.2 million from certain independent third parties; and (ii) secured borrowings of approximately HK\$407.9 million, comprising secured bank borrowings of approximately HK\$251.5 million, secured trust receipt loans of approximately HK\$72.0 million, secured mortgage loans of approximately HK\$77.3 million and secured bank overdraft of approximately HK\$7.1 million; (iii) unsecured bank borrowings of approximately HK\$57.4 million, comprising unsecured bank borrowings of approximately HK\$13.7 million and unsecured trust receipt loans of approximately HK\$43.7 million. All of the Group's borrowing are made in Hong Kong dollars.

*Pledge of assets*

Bank borrowings in aggregate of approximately HK\$187.1 million were collateralised by its margin clients' securities pledged to the Group (with client's consent). Trust receipts loans in aggregate of approximately HK\$72.0 million and bank borrowings of approximately HK\$21.5 million were secured by pledged deposits of approximately HK\$40.0 million. Mortgage loans in aggregate of approximately HK\$77.3 million were secured by the Group's investment properties with a total carrying amount of approximately HK\$213.7 million as at 31 December 2014.

Save as aforesaid and apart from the aforementioned, the bank borrowings, revolving loans, margin finance loans in aggregate of approximately HK\$338.0 million were guaranteed.

**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 other material contingent liabilities, at the close of business on 28 February 2015.

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 28 February 2015.

**3. Working Capital**

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

**4. Material Adverse Changes**

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 2014, the date to which the latest published audited financial statements of the Group were made up.

**(B) FINANCIAL INFORMATION OF THE REMAINING GROUP**

As at 31 December, 2014, the financial information of the Remaining Group is as follows:

**Liquidity, foreign currency and capital commitments****Treasury policies**

The Remaining Group's operation and investments continue to be financed by its internal resources and bank borrowings. All financing methods will be considered so long as such methods are suitable and beneficial to the Remaining Group.

**Liquidity and financial resources**

The Remaining Group's cash and bank balances were approximately HK\$182.8 million, which were denominated in HK\$168.1 million, US\$0.65 million (equivalent to approximately HK\$5.1 million) and RMB7.6 million (equivalent to approximately HK\$9.6 million).

The liquidity ratio was approximately 0.72 time on 31 December 2014. The gearing ratio, which was calculated based on the interest bearing borrowings of the Remaining Group divided by the total equity, was approximately 2.4 times on 31 December 2014.

**Foreign exchange risk**

All of the Remaining Group's borrowings and cash and cash equivalents held are mainly in Hong Kong dollar, with the interest rates priced at close to banks' funding costs. By using effective instruments to hedge any adverse changes in interest rates, the Remaining Group's exposure to both foreign currency and interest rate fluctuation was insignificant. The Remaining Group did not have any material un-hedged foreign exchange exposure or interest rate mismatch.

**Capital commitments**

The Remaining Group did not have any material capital commitment.

**Contingent liabilities**

The Remaining Group had no material contingent liabilities.

**Employees and remuneration policy**

The total number of employees of the Remaining Group was 1,010 and the total amount of the Remaining Group's remuneration cost was approximately HK\$162.9 million.

In addition to salary and sales commission, other fringe benefits such as mandatory provident fund scheme, medical insurance scheme and training programs are offered to employees of the Remaining Group. Performance of the employees is normally reviewed on an annual basis with adjustment compatible to the market. Individual employees may also receive a discretionary performance bonus. Employees may also be granted discretionary share options under the share option scheme adopted by the Company.

**Significant investments**

The Remaining Group held the following significant investments:

- (a) the PRC Property with carrying value of RMB46.6 million (equivalent to approximately HK\$58.7 million);
- (b) Available-for-sale financial assets (ie the Remaining Group's 18% share investment in Infinity's management fund business) of HK\$21.0 million; and
- (c) Investments held for trading of HK\$12.1 million.

During the year ended 31 December 2014, (a) the fair value of the PRC Property increased by HK\$2.0 million, which was due to appreciation of the properties; (b) the fair value of the available-for-sale financial assets decreased by HK\$3.5 million due to the provision made for the impairment for the financial assets; and (c) the fair value of investments held for trading decreased by HK\$2.4 million, and such investments recorded a net loss of HK\$4.0 million during the year.

**Material acquisitions and disposal of subsidiaries and associates**

On 24 January 2014, the Company announced the disposal of entire equity interest in an associated company of the Company (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). Details of the transaction are disclosed in the announcement of the Company dated 24 January 2014.

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

**Future plans for material investments or capital assets**

The Remaining Group did not have any future plans for material investments or capital assets.

**(C) MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP**

Upon the S&P Completion and the completion of the Confident Profits Transfer, the Remaining Group will be engaged in (i) algorithmic trading businesses and financial consulting services business in PRC via the Confident Profits Group; (ii) retail management business; (iii) mobile internet services businesses; and (iv) investment holding including holding the PRC Property and share investment.

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 2012, 2013 and 2014.

**Business and financial review for the year ended 31 December 2012****Confident Profits Group***Business review*

The global economic conditions in 2012 continued to deteriorate as a result of the unresolved Eurozone debt crisis, the worry about the market impact of US “Fiscal Cliff” and the slowdown in China’s economy. The Hong Kong financial market was inexorably beleaguered by this unfavourable investment sentiment. Facing these harsh business environments, coupled with severe price competition and escalating operating costs, the Confident Profits Group had made a strategic decision to weather the hard times by promoting its new business innovation, thus transforming traditional financial service business into a technology-driven financial services house. As such, the Group diverted some of its resources in building the information and communication technology infrastructure and low-latency trading platform and recruited professionals to research and develop algorithmic trading strategies for its new algorithmic trading business.

*Operating results*

Overall, for the year ended 31 December 2012, the Confident Profits Group recorded revenue of approximately HK\$0.74 million and a loss for the year of approximately HK\$20.8 million.



**Retail Management Business – CRMG***Business review*

Impacted by the global economic crises, Hong Kong continued to undergo economic downturn in 2012. However, CRMG managed to achieve steady growth in both revenue and gross profit amid unfavourable economic environment. During the year under review, CRMG strengthened its store network by adding a flagship store in Mongkok and a district store in Tseung Kwan O, bringing together 34 outlets in total. These two stores have been successfully in attracting new and young customers with encouraging sales performance. The accomplishments were mainly attributable to the brand-new store image, cozy and friendly shopping environment and enhanced merchandises offered in the new stores. Furthermore, CRMG dedicatedly renewed a number of existing stores through the long-term rejuvenation program, targeting to highlight its market position as the home-furnishing specialty store providing a true “one-stop shopping” experience for the busy customers in urban city nowadays. At the store level, CRMG also deployed advanced technology to facilitate product presentation by applying QR code, tablet PCs and videos to feature merchandisers. During 2012, CRMG adopted a new branding and launched a marketing campaign namely Living Smart 生活智慧 with a clear objective to providing smart and flexible solutions to urban household living in cramped apartments. To deliver its Living Smart 生活智慧 concept, home-furnishing and household tips and smart product recommendations are highlighted in its marketing communications and in-store materials. Furthermore, in response to the increasing demand in space optimisation, a new product range of “transformable furniture”, namely Hiddenbed, was introduced. In addition, Tailor Made Furniture (TMF) and Tailor Size Furniture (TSF), both launched in 2011, continued to grow satisfactorily during the year under review. In China, its retail brand 生活經艷 (translated as Sheng Huo Jing Yan) has gradually built up the brand awareness amongst its target customers, mainly young and mid-income professionals in Guangzhou.

*Operating results*

Rising operating costs posed the biggest challenge to CRMG’s business. The skyrocketing rental cost coupled with the inflationary pressure in all aspects, added to CRMG’s operating costs and further eroded into its profit margin. Worse still, measures imposed by the government to curb the overheated property market had hit the property market hard, which directly dragged CRMG’s furniture sales. The Hong Kong property market had been slowing down and reported a remarkable drop in residential property’s transactions. Notwithstanding the challenging business environment, CRMG managed to maintain the same revenue level as the previous year. During the year ended 31 December 2012, CRMG enhanced its competitiveness and continued to launch various business initiatives. New products and services had been introduced into the market. In particular, the Tailor Made Furniture (TMF) and Tailor Size Furniture (TSF) services, both launched in 2011, had achieved encouraging results for the year ended 31 December 2012. In addition, CRMG has stepped up its cost rationalisation measures to maintain the cost leadership approach. Despite the gloomy economic outlook, CRMG’s Hong Kong operations remained profitable. Nonetheless, CRMG’s retailing business in mainland China was still in its early investment phase which has yet to make any profit contribution to CRMG. Overall, for the year ended 31 December 2012, CRMG recorded revenue of approximately HK\$1,095.7 million and profit for the year of approximately HK\$12.6 million.

**Mobile internet services business – Net2Gather***Business review*

During the year ended 31 December 2012, Net2Gather has completed the development of two new client-end Massively Multiplayer Online Role-playing Games (MMORPGs), known as “Tales of Ocean Fantasy” and “Superhero”. Net2Gather has launched the commercial operation of “Tales of Ocean Fantasy” in Mainland China. For “Superhero”, which has been named the Best Self-Developed Online Games (Superhero) in China’s prestigious Golden Plume Awards, several rounds of user acceptance tests and a public closed-beta test were completed. Net2Gather has launched several new updates and enhancements of contents of “King of Pirates”, our well-received self-developed MMORPG. During the year ended 31 December 2012, Net2Gather has launched commercial operations of “King of Pirates” in Brazil, Portugal and Indonesia, and released continuous game updates in several countries and regions. Net2Gather continued to leverage its publishing network to secure game license deals of its newly-developed MMORPGs. Net2Gather has reached game licensing agreement with several leading online gaming operators in Taiwan, Singapore, Malaysia, Australia and New Zealand to publish “Tales of Ocean Fantasy”. Localisation and adaptation of game contents were in progress. Commercial operations were expected to be launched from second half of 2013.

The first self-developed mobile social game “MoMo Island” was launched on China Apple app store at end of 2012. Net2Gather has also identified several overseas markets for publishing and expected to reach licensing partnerships with overseas mobile gaming publishers and platforms. During 2012 Net2Gather had successfully signed up content provider agreements for the provision of IPTV games to China Telecom operating companies at Shanghai, Jiangsu and Guangdong. They have combined over 8 million subscribers.

*Operating results*

In view of the prolonged unstable global economic situation and the slowdown of China’s economic growth, coupled with the intensive competition amongst the industry players, the online game market in China had been undergoing an adjustment period. As a result, Net2Gather treaded carefully in adjusting the pace of our business expansion and carried out thorough organisational and operational reengineering. Net2Gather has decisively implemented stringent cost control measures over its operations and adhered to a prudent strategy for its online game business. During the year under review, Net2Gather’s mobile internet business had already conducted several rounds of closed beta and user acceptance tests for its two new proprietary online games, known as “Tales of Ocean Fantasy” and “Superhero”. Despite facing a tough operating environment, Net2Gather launched its “Tales of Ocean Fantasy” in rather low profile in March 2012. However, the performance of “Tales of Ocean Fantasy” was not satisfactory and Net2Gather had decided to postpone the commercial operation of “Superhero” which was originally scheduled to be launched in 2013. Net2Gather continued to leverage its extensive publishing network and partnership to secure license deals in several countries and regions. Overall, for the year ended 31 December 2012, Net2Gather’s mobile internet business recorded revenue of HK\$9.2 million and a net loss of HK\$173.1 million (including impairment loss recognised in respect of goodwill and intangible assets amounting to HK\$83.4 million and HK\$24.0 million respectively).

## The Remaining Group

### *Business review and result*

- Recorded revenue of HK\$1,105.6 million which was increased as compared with previous year. The increase in revenue was due to the mild growth in revenue recorded by CRMG..
- Taking into account the operating profit of CRMG and the operating losses of Net2Gather and Confident Profits Group, the Remaining Group recorded a net loss of HK\$235.1 million for the year ended 31 December 2012.

### *Capital structure, liquidity, financial resources and treasury policy*

As at 31 December 2012, the Remaining Group had net liabilities of approximately HK\$48.7 million. The Remaining Group had total bank borrowings of approximately HK\$188.8 million. The amounts of borrowings that would be repayable within 1 year, more than 1 year but not exceeding 2 years, more than 2 years but not exceeding 5 years and more than 5 years were HK\$111.7 million, HK\$30.1 million, HK\$8.2 million and HK\$38.8 million respectively. The above bank loans of approximately HK\$161.4 million were secured by the Remaining Group's investment properties of carrying amounts of approximately HK\$68.8 million, corporate guarantees, financial instruments and the shares of CIGL.

The Remaining Group's borrowings as at 31 December 2012 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 2012, the Remaining Group's cash and bank balances amounted to approximately HK\$55.2 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 2012 was approximately 0.38 times. The gearing ratio as at 31 December 2012, 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 2012, 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 2012, 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 2012. 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 3 December 2012, the Remaining Group announced a discloseable transaction in relation to the subscription of 20% equity interest in Infinity (which is engaged in business of venture capital and private equity management in the PRC) by the Remaining Group at the consideration of US\$2,670,000 (equivalent to approximately HK\$20,639,000) in cash. Completion of the subscription took place on 3 January 2013.

On 7 December 2012, the Remaining Group announced a major transaction relating to disposal of property in Hong Kong at a consideration of HK\$66,000,000 in cash. The disposal was completed on 6 February 2013.

Save as aforesaid, the Remaining Group did not make any significant investments, material acquisitions or disposals during the year ended 31 December 2012.

*Capital commitments and contingent liabilities*

The Remaining Group did not have any material capital commitments nor contingent liabilities as at 31 December 2012.

*Material Investments*

As at 31 December 2012, the Remaining Group was holding a portfolio of investments held for trading with market values of approximately HK\$80.8 million. The net gain derived from investments held for trading of HK\$52.5 million was recorded for the year.

*Employee information*

At 31 December 2012, the Remaining Group had 1,108 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\$206.0 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 year ended 31 December 2012.

**Business and financial review for the year ended 31 December 2013****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 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\$47.2 million.

**Retail Management Business – CRMG***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, CRMG 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, CRMG 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, CRMG 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, CRMG had introduced more models to cater for different needs of small families. Being a leading home furnishing retailer, CRMG strived to continuously improve product safety and product healthiness. In 2013, CRMG 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 CRMG'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, CRMG had continued to step up its cost rationalisation measures and improved our operational efficiency and in the meantime, CRMG 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, CRMG 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 CRMG. For the year ended 31 December 2013, CRMG 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 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 CRMG.
- Taking into account the operating profit of CRMG and the operating losses of Net2Gather and Confident Profits Group, the Remaining Group recorded a net loss of HK\$113.1 million for the year ended 31 December 2013.

*Capital structure, liquidity, financial resources and treasury policy*

As at 31 December 2013, the Remaining Group had net liabilities of approximately HK\$81.4 million. The Remaining Group had total bank borrowings of approximately HK\$226.2 million. The amounts of borrowings that would be repayable within 1 year, more than 1 year but not exceeding 2 years, more than 2 years but not exceeding 5 years and more than 5 years were HK\$198.4 million, HK\$6.4 million, HK\$3.5 million and HK\$17.9 million respectively. The above bank loans of approximately HK\$186.6 million were secured by the Remaining Group's investment properties of carrying amounts of approximately HK\$57.1 million, 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\$192.4 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 0.45 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 Remaining Group and CFSG jointly announced the distribution in specie by CFSG of all the shares in 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 Remaining Group 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. Since then, CRMG ceased as a subsidiary of CFSG and became a 42.75% directly-owned subsidiary of the Remaining Group immediately after completion of distribution in specie. The Privateco Offer was closed on 31 July 2013 and the Remaining Group has acquired a total of 48.19% equity interest in CRMG at a total consideration of approximately HK\$20.6 million under the Privateco Offer. The Remaining Group was interested in a total of 90.94% equity interest in CRMG immediately after the Privateco Offer. 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 and available-for-sale financial assets of approximately HK\$21.0 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****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\$50.3 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.

**Retail Management Business – CRMG***Business review*

To reinvigorate and improve the Pricerite shopping experience, CRMG 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. CRMG opened new stores in Tin Shui Wai, Aberdeen and Lam Tin, and in line with our revamped brand image, seven stores were revitalised. Its Megabox flagship store was expanded to over 40,000 square feet, the largest store delivering our new “Pricerite the HOUSE” concept or “everything under one roof”. Since the launch of its tailor-made furniture and home interior design services, CRMG had seen a promising market response, with rapidly growing demand. To further enhance its service quality, CRMG 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, CRMG 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, CRMG introduced different multi-functional home furnishing solutions such as WinSill™ and other “transformational furniture”.

*Operating results*

CRMG’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 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 the 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, CRMG 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, CRMG 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, CRMG 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, CRMG 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, CRMG had determined to close down all its retailing business except for e-commerce business in PRC. For the year ended 31 December 2014, CRMG 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 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 CRMG.
- Taking into account (1) the operating profit of CRMG; (2) the operating loss of Net2Gather; (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\$39.6 million for the year ended 31 December 2014.

### *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\$185.7 million. The amounts of borrowings that would be repayable within 1 year, more than 1 year but not exceeding 2 years, more than 2 years but not exceeding 5 years and more than 5 years were HK\$164.2 million, HK\$1.2 million, HK\$3.7 million and HK\$16.6 million respectively. The above bank loans of approximately HK\$169.5 million were secured by the Remaining Group's investment properties of carrying amounts of approximately HK\$58.7 million, 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\$182.8 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 0.72 time. 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 2.4 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 jointed 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 and available-for-sale financial assets of approximately HK\$21.0 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.

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 2012, 2013 and 2014 (“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 2014, and the basis of preparation set out in Note 2 to the Financial Information of the CFSG Group.

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three years ended 31 December 2014

	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000
<b>Continuing operations</b>			
Revenue	185,449	194,565	198,063
Other income	5,872	8,717	6,238
Other gains and losses	91,862	65,166	84,706
Salaries, commission and related benefits	(156,100)	(157,340)	(174,622)
Depreciation	(32,204)	(26,160)	(11,702)
Finance costs	(6,237)	(9,794)	(13,579)
Other operating and administrative expenses	(135,603)	(136,916)	(115,695)
Change in fair value of investment properties	(3,068)	(5,083)	37,088
Share of profit (loss) of associate	14,045	(9)	60,463
	<u>(35,984)</u>	<u>(66,854)</u>	<u>70,960</u>
Income tax (expense) credit	(2,126)	4,439	(16,633)
	<u>(38,110)</u>	<u>(62,415)</u>	<u>54,327</u>
<b>Discontinued operations</b>			
Profit for the year from discontinued operations	4,586	3,270	–
	<u>(33,524)</u>	<u>(59,145)</u>	<u>54,327</u>
Other comprehensive income (expense)			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations	80	5,772	(2,772)
	<u>(33,444)</u>	<u>(53,373)</u>	<u>51,555</u>
Total comprehensive (expense) income for the year			
(Loss) profit for the year attributable to the owners of CFSG			
– from continuing operations	(43,285)	(62,412)	32,675
– from discontinued operations	4,586	3,270	–
	<u>(38,699)</u>	<u>(59,142)</u>	<u>32,675</u>
Profit (loss) for the year attributable to non-controlling interests			
– from continuing operations	5,175	(3)	21,652
	<u>(33,524)</u>	<u>(59,145)</u>	<u>54,327</u>
Total comprehensive (expense) income attributable to:			
Owners of CFSG	(38,619)	(55,199)	30,770
Non-controlling interests	5,175	1,826	20,785
	<u>(33,444)</u>	<u>(53,373)</u>	<u>51,555</u>

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

At 31 December 2012, 2013 and 2014

	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000
Non-current assets			
Property and equipment	81,315	33,860	38,136
Investment properties	68,832	57,112	213,666
Goodwill	2,661	2,661	–
Intangible assets	321,059	9,752	9,752
Other assets	37,020	34,052	4,792
Rental and utility deposits	34,091	4,267	2,088
Available-for-sale financial assets	–	21,031	21,031
Interest in an associate	152,939	158,154	1,434
Loan to an associate	10,296	–	–
Loans receivable	–	1,480	–
Deferred tax assets	6,700	1,000	–
	<u>714,913</u>	<u>323,369</u>	<u>290,899</u>
Current assets			
Inventories	56,785	–	–
Accounts receivable	920,032	608,324	706,440
Loans receivable	61,496	23,951	42,561
Loan to an associate	–	10,296	–
Other assets	–	29,084	7,317
Prepayments, deposits and other receivables	38,351	47,089	13,579
Tax recoverable	3,536	3,582	16
Investments held for trading	123,206	54,735	44,545
Bank deposits subject to conditions	90,555	17,155	17,155
Bank balances – trust and segregated accounts	782,293	784,704	792,117
Bank balances (general accounts) and cash	291,250	167,505	172,100
	<u>2,367,504</u>	<u>1,746,425</u>	<u>1,795,830</u>
Current liabilities			
Accounts payable	1,590,760	1,032,388	1,108,306
Financial liabilities at fair value through profit or loss	–	19,701	1,055
Accrued liabilities and other payables	89,427	115,285	67,103
Taxation payable	14,031	7,395	16,478
Obligations under finance leases – amount due within one year	263	–	–
Bank borrowings – amount due within one year	356,914	233,625	171,734
Amount due to a fellow subsidiary	–	47,621	26,350
Loan from a non-controlling shareholder	27,437	27,437	–
	<u>2,078,832</u>	<u>1,483,452</u>	<u>1,391,026</u>
Net current assets	<u>288,672</u>	<u>262,973</u>	<u>404,804</u>
Total assets less current liabilities	<u>1,003,585</u>	<u>586,342</u>	<u>695,703</u>



**APPENDIX II****FINANCIAL INFORMATION OF THE CFSG GROUP**

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current liabilities			
Deferred tax liabilities	55,841	1,569	7,860
Bank borrowings – amount due after one year	26,331	22,575	91,516
	<u>82,172</u>	<u>24,144</u>	<u>99,376</u>
Net assets	<u>921,413</u>	<u>562,198</u>	<u>596,327</u>
Capital and reserves			
Share capital	77,558	77,558	81,437
Reserves	809,567	448,526	509,304
Equity attributable to owners of CFSG	887,125	526,084	590,741
Non-controlling interests	34,288	36,114	5,586
Total equity	<u>921,413</u>	<u>562,198</u>	<u>596,327</u>

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three years ended 31 December 2014

	Attributable to equity holders of the Company								
	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	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2012	78,382	461,665	176,788	28,151	13,319	169,426	927,731	33,363	961,094
Loss for the year	-	-	-	-	-	(38,699)	(38,699)	5,175	(33,524)
Exchange differences arising on translation of foreign operations	-	-	-	-	80	-	80	-	80
Other comprehensive income for the year (net of tax)	-	-	-	-	80	-	80	-	80
Total comprehensive income (expenses) for the year	-	-	-	-	80	(38,699)	(38,619)	5,175	(33,444)
Share-based compensation	-	-	-	562	-	-	562	-	562
Amount transferred to retained earnings as a result of expiration of share option	-	-	-	(20,899)	-	20,899	-	-	-
Dividends to non-controlling interest	-	-	-	-	-	-	-	(4,250)	(4,250)
Share repurchased and cancelled	(824)	(1,725)	-	-	-	-	(2,549)	-	(2,549)
At 31 December 2012	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
Other comprehensive income for the year (net of tax)	-	-	-	-	3,943	-	3,943	1,829	5,772

**APPENDIX II**
**FINANCIAL INFORMATION OF THE CFSG GROUP**

	Attributable to equity holders of the Company								
	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	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
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 option	-	-	-	(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)
Other comprehensive expense for the year (net of tax)	-	-	-	-	(1,905)	-	(1,905)	(867)	(2,772)
Total comprehensive income (expenses) 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 option 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

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three years ended 31 December 2014

	2012 HK\$'000	2013 HK\$'000	2014 HK\$'000
Operating activities			
(Loss) profit for the year	(33,524)	(59,145)	54,327
Adjustments for:			
Income tax	10,126	(3,439)	16,633
Write-down on inventories	5,348	1,140	–
Depreciation of property and equipment	56,629	35,691	11,702
Interest expense	10,277	12,483	13,579
Change in fair value of investment properties	3,068	5,083	(37,088)
Impairment loss on property and equipment	4,664	–	–
Loss on disposal/written off of property and equipment	621	6,607	467
Allowance (written back) on bad and doubtful loans receivable	9,700	1,000	(2,700)
Impairment on intangible assets	–	300	–
Share-based payment expenses	562	–	15,335
Written back of bad debt on accounts receivable and other receivables, net	(1)	(2,048)	(2,631)
Gain on disposal of a commercial property	–	–	(18,002)
Impairment on goodwill	–	–	2,661
Share of (profit) loss of an associate	(14,045)	9	(60,463)
Operating cash flows before movements in working capital	53,425	(2,319)	(6,180)
(Increase) decrease in rental and utility deposits	(127)	2,760	2,179
(Increase) decrease in inventories	(2,710)	841	–
(Increase) decrease in accounts receivable	(105,745)	313,756	(95,485)
(Increase) decrease in loans receivable	(26,704)	35,065	(14,430)
Decrease (increase) in prepayments, deposits and other receivables	1,799	(39,010)	33,510
(Increase) decrease in investments held for trading	(96,245)	58,887	10,190
Increase in bank balances - trust and segregated accounts	(87,768)	(2,411)	(7,413)
Increase (decrease) in financial liabilities at fair value through profit or loss	–	19,701	(18,646)
Increase (decrease) in accounts payable	204,620	(407,588)	75,918
Decrease in accrued liabilities and other payables	(56,063)	(11,043)	(24,096)
Cash used in operations	(115,518)	(31,361)	(44,453)
Income taxes refunded	1,651	681	3,426
Income taxes paid	(4,852)	(426)	(120)
Net cash used in operating activities	(118,719)	(31,106)	(41,147)

**APPENDIX II****FINANCIAL INFORMATION OF THE CFSG GROUP**

	<b>2012</b>	<b>2013</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Investing activities			
Acquisition of available-for-sale financial assets	–	(21,031)	–
Settlement of consideration on disposals of investment properties in prior year	–	6,458	–
Increase in bank deposits subject to conditions	(10,515)	–	–
(Placement) refund of statutory and other deposits	(6,529)	(2,705)	4,602
Deposit paid for purchase of properties	(23,014)	(23,411)	–
Purchases of property and equipment	(28,816)	(18,574)	(16,547)
Proceeds on disposal of investment properties	8,149	7,986	133,592
Proceeds on disposal of property and equipment	–	–	97
Purchases of investment properties	–	–	(96,844)
Purchase of a commercial property	–	–	(92,253)
Capital distributed from an associate	–	–	214,704
Repayment of loan to an associate	–	–	10,296
	<hr/>	<hr/>	<hr/>
Net cash (used in) generated from investing activities	(60,725)	(51,277)	157,647
	<hr/>	<hr/>	<hr/>
Financing activities			
Distribution in species of shares in a subsidiary	–	(86,157)	–
Proceeds on issue of shares	–	–	18,552
Increase in bank borrowings	75,648	28,920	7,050
Advance of loan payable	–	38,100	14,014
Payment on repurchase of shares	(2,549)	–	–
Repayment of loan payable	–	–	(38,100)
Repayment to a fellow subsidiary	–	(7,328)	(21,271)
Dividends paid to non-controlling shareholders	(4,250)	–	(51,313)
Interest paid on bank borrowings	(10,259)	(12,476)	(8,533)
Interest paid on obligations under finance leases	(18)	(7)	–
Repayment of obligations under finance leases	(289)	(263)	–
Interest paid to other borrowings	–	–	(5,046)
Repayment of loan from non-controlling interests	–	–	(27,437)
	<hr/>	<hr/>	<hr/>
Net cash from (used in) financing activities	58,283	(39,211)	(112,084)
	<hr/>	<hr/>	<hr/>
Net (decrease) increase in cash and cash equivalents	(121,161)	(121,594)	4,416
Cash and cash equivalents at beginning of year	414,079	291,250	167,505
Effect of change in foreign exchange rate	(1,668)	(2,151)	179
	<hr/>	<hr/>	<hr/>
Cash and cash equivalents at end of year	291,250	167,505	172,100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Bank balances (general accounts) and cash	291,250	167,505	172,100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE UNAUDITED FINANCIAL INFORMATION**

*For the three years ended 31 December 2014*

**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 (“**Stock Exchange**”).

CFSG and its subsidiaries (collectively refer to as “**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 and its subsidiaries were also engaged in sales of furniture and household goods and electrical appliances which 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 financial information of CFSG for the three years ended 31 December 2014 (the “**Relevant Periods**”) (“**Unaudited Financial Information**”) has been prepared in accordance with paragraph 68(2)(a)(i) of Chapter 14 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 the entire issued share capital of CFSG owned by the Company pursuant to the disposal agreement dated 9 March 2015 entered into between Celestial Investment Group Limited (“**CIGL**”) and Oceanwide Holdings International Finance Limited (the “**Disposal Agreement**”).

Confident Profits Limited (“**Confident Profits**”) is wholly-owned subsidiary of CFSG throughout the Relevant Periods and as at the date of this report. Confident Profits Group (as defined in the Circular) are principally engaged in algorithmic trading, properties investments in the People’s Republic of China (the “**PRC**”) and provision of consulting services in the PRC. Pursuant to the agreement entered into between CFSG and CIGL on 9 March 2015 (the “**Confident Profits Transfer Agreement**”), CFSG agreed to dispose of and CIGL agreed to acquire the entire issued share capital of Confident Profits owned by CFSG. The assets and liabilities, results and cash flows of Confident Profits Group are included in the consolidated financial information of CFSG for each of the three years ended 31 December 2012, 2013 and 2014 set out above. The financial information of Confident Profits Group set out in note 3 is on a combined basis as if the current Confident Profits Group has been in existence throughout each of the three years ended 31 December 2012, 2013 and 2014.

Pursuant to the Disposal Agreement, CFSG and its subsidiaries, excluding Confident Profits Group (hereinafter referred collectively as the “**Disposal Companies**”), are to be disposed. For the purpose of this report, the assets and liabilities, results and cash flows of Confident Profits Group are excluded from the consolidated assets and liabilities, results and cash flows of CFSG Group to arrive at the combined financial information of the Disposal Companies set out in note 3.

The Unaudited Financial Information has been prepared using accounting policies which are in accordance with the relevant accounting policies of CFSG adopted in the preparation of its consolidated financial statements for the year ended 31 December 2014, 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.

## 3. COMBINED FINANCIAL INFORMATION OF THE DISPOSAL COMPANIES

## Combined statement of profit or loss and other comprehensive income of Disposal Companies for the year ended 31 December 2012

	CFSG Group for the year ended 31 December 2012 HK\$'000	Confident Profits Group for the year ended 31 December 2012 HK\$'000	Intragroup reclassification HK\$'000	Disposal Companies for the year ended 31 December 2012 HK\$'000
<b>Continuing operations</b>				
Revenue	185,449	735	(28,247)	212,961
Other income	5,872	3,960		1,912
Other gains and losses	91,862	59,882	27,805	4,175
Salaries, commission and related benefits	(156,100)	(50,448)		(105,652)
Depreciation	(32,204)	(19,249)		(12,955)
Finance costs	(6,237)	(2,748)	442	(3,931)
Other operating and administrative expenses	(135,603)	(21,712)		(113,891)
Change in fair value of investment properties	(3,068)	(3,068)		–
Share of profit of associate	14,045	14,045		–
Loss before taxation	(35,984)	(18,603)		(17,381)
Income tax (expense) credit	(2,126)	(2,188)		62
Loss for the year from continuing operations	(38,110)	(20,791)		(17,319)
<b>Discontinued operations</b>				
Profit for the year from discontinued operations	4,586	–		4,586
Loss for the year	(33,524)	(20,791)		(12,733)
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	80	–		80
Total comprehensive expense for the year	<u>(33,444)</u>	<u>(20,791)</u>		<u>(12,653)</u>
(Loss) profit for the year attributable to the owners of CFSG				
– from continuing operations	(43,285)	(25,966)		(17,319)
– from discontinued operations	4,586	–		4,586
	(38,699)	(25,966)		(12,733)
Profit for the year attributable to non-controlling interests				
– from continuing operations	5,175	5,175		–
	<u>(33,524)</u>	<u>(20,791)</u>		<u>(12,733)</u>
Total comprehensive (expense) income attributable to:				
Owners of CFSG	(38,619)	(25,966)		(12,653)
Non-controlling interests	5,175	5,175		–
	<u>(33,444)</u>	<u>(20,791)</u>		<u>(12,653)</u>

Combined statement of profit or loss and other comprehensive income of Disposal Companies for the year ended 31 December 2013

	CFSG Group for the year ended 31 December 2013 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2013 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2013 <i>HK\$'000</i>
<b>Continuing operations</b>				
Revenue	194,565	795	(19,794)	213,564
Other income	8,717	6,499		2,218
Other gains and losses	65,166	36,719	18,847	9,600
Salaries, commission and related benefits	(157,340)	(36,757)	41	(120,624)
Depreciation	(26,160)	(13,978)		(12,182)
Finance costs	(9,794)	(2,862)	479	(7,411)
Other operating and administrative expenses	(136,916)	(34,886)	427	(102,457)
Change in fair value of investment properties	(5,083)	(5,083)		–
Share of loss of associate	(9)	(9)		–
Loss before taxation	(66,854)	(49,562)		(17,292)
Income tax credit	4,439	2,363		2,076
Loss for the year from continuing operations	(62,415)	(47,199)		(15,216)
<b>Discontinued operations</b>				
Profit for the year from discontinued operations	3,270	–		3,270
Loss for the year	(59,145)	(47,199)		(11,946)
Other comprehensive income				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	5,772	5,621		151
Total comprehensive expense for the year	<u>(53,373)</u>	<u>(41,578)</u>		<u>(11,795)</u>
(Loss) profit for the year attributable to the owners of CFSG				
– from continuing operations	(62,412)	(47,196)		(15,216)
– from discontinued operations	3,270	–		3,270
	(59,142)	(47,196)		(11,946)
Loss for the year attributable to non-controlling interests				
– from continuing operations	(3)	(3)		–
	<u>(59,145)</u>	<u>(47,199)</u>		<u>(11,946)</u>
Total comprehensive (expense) income attributable to:				
Owners of CFSG	(55,199)	(43,404)		(11,795)
Non-controlling interests	1,826	1,826		–
	<u>(53,373)</u>	<u>(41,578)</u>		<u>(11,795)</u>



Combined statement of profit or loss and other comprehensive income of Disposal Companies for the year ended 31 December 2014

	CFSG Group for the year ended 31 December 2014 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2014 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2014 <i>HK\$'000</i>
<b>Continuing operations</b>				
Revenue	198,063	17	(19,374)	217,420
Other income	6,238	3,950		2,288
Other gains and losses	84,706	58,394	18,106	8,206
Salaries, commission and related benefits	(174,622)	(40,834)		(133,788)
Depreciation	(11,702)	(688)		(11,014)
Finance costs	(13,579)	(4,651)	578	(9,506)
Other operating and administrative expenses	(115,695)	(25,649)	690	(90,736)
Change in fair value of investment properties	37,088	2,018		35,070
Share of profit of associate	60,463	60,463		–
Profit before taxation	70,960	53,020		17,940
Income tax expense	(16,633)	(2,701)		(13,932)
Profit for the year from continuing operations	54,327	50,319		4,008
<b>Discontinued operations</b>				
Profit for the year from discontinued operations	–	–		–
Profit for the year	54,327	50,319		4,008
Other comprehensive expense				
<i>Item that may be reclassified subsequently to profit or loss:</i>				
Exchange differences arising on translation of foreign operations	(2,772)	(2,728)		(44)
Total comprehensive income for the year	<u>51,555</u>	<u>47,591</u>		<u>3,964</u>
Profit for the year attributable to the owners of CFSG				
– from continuing operations	32,675	28,667		4,008
– from discontinued operations	–	–		–
	32,675	28,667		4,008
Profit for the year attributable to non-controlling interests				
– from continuing operations	21,652	21,652		–
	<u>54,327</u>	<u>50,319</u>		<u>4,008</u>
Total comprehensive income attributable to:				
Owners of CFSG	30,770	26,806		3,964
Non-controlling interests	20,785	20,785		–
	<u>51,555</u>	<u>47,591</u>		<u>3,964</u>

## Combined assets and liabilities of Disposal Companies as at 31 December 2012

	CFSG Group as at 31 December 2012 <i>HK\$'000</i>	Confident Profits Group as at 31 December 2012 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies as at 31 December 2012 <i>HK\$'000</i>
<b>Non-current assets</b>				
Property and equipment	81,315	20,403		60,912
Investment properties	68,832	68,832		–
Goodwill	2,661	–		2,661
Intangible assets	321,059	–		321,059
Other assets	37,020	–		37,020
Rental and utility deposits	34,091	–		34,091
Interest in an associate	152,939	152,939		–
Loan to an associate	10,296	10,296		–
Deferred tax assets	6,700	–		6,700
	<u>714,913</u>	<u>252,470</u>		<u>462,443</u>
<b>Current assets</b>				
Inventories	56,785	–		56,785
Accounts receivable	920,032	–	(7,569)	927,601
Loans receivable	61,496	31,356		30,140
Prepayments, deposits and other receivables	38,351	11,977	(3,588)	29,962
Amounts due from fellow subsidiaries	–	–	(389,158)	389,158
Tax recoverable	3,536	–		3,536
Investments held for trading	123,206	80,811		42,395
Bank deposits subject to conditions	90,555	–		90,555
Bank balances – trust and segregated accounts	782,293	–		782,293
Bank balances (general accounts) and cash	291,250	14,555		276,695
	<u>2,367,504</u>	<u>138,699</u>		<u>2,629,120</u>
<b>Current liabilities</b>				
Accounts payable	1,590,760	–	(3,588)	1,594,348
Accrued liabilities and other payables	89,427	34,449	(7,569)	62,547
Taxation payable	14,031	3,600		10,431
Amounts due to fellow subsidiaries	–	389,158	(389,158)	–
Obligations under finance leases – amount due within one year	263	263		–
Bank borrowings – amount due within one year	356,914	27,271		329,643
Loan from a non-controlling shareholder	27,437	27,437		–
	<u>2,078,832</u>	<u>482,178</u>		<u>1,996,969</u>
Net current assets (liabilities)	<u>288,672</u>	<u>(343,479)</u>		<u>632,151</u>
Total assets less current liabilities	<u>1,003,585</u>	<u>(91,009)</u>		<u>1,094,594</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	55,841	4,525		51,316
Bank borrowings – amount due after one year	26,331	26,331		–
	<u>82,172</u>	<u>30,856</u>		<u>51,316</u>
Net assets (liabilities)	<u><u>921,413</u></u>	<u><u>(121,865)</u></u>		<u><u>1,043,278</u></u>

## Combined assets and liabilities of Disposal Companies as at 31 December 2013

	CFSG Group as at 31 December 2013 <i>HK\$'000</i>	Confident Profits Group as at 31 December 2013 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies as at 31 December 2013 <i>HK\$'000</i>
<b>Non-current assets</b>				
Property and equipment	33,860	2,244		31,616
Investment properties	57,112	57,112		–
Goodwill	2,661	–		2,661
Intangible assets	9,752	–		9,752
Other assets	34,052	–		34,052
Rental and utility deposits	4,267	–		4,267
Available-for-sale financial assets	21,031	21,031		–
Interest in an associate	158,154	158,154		–
Loans receivable	1,480	–		1,480
Deferred tax assets	1,000	–		1,000
	<u>323,369</u>	<u>238,541</u>		<u>84,828</u>
<b>Current assets</b>				
Accounts receivable	608,324	70,796	(12,257)	549,785
Loans receivable	23,951	1,508	(5,333)	27,776
Loan to an associate	10,296	10,296		–
Other assets	29,084	–		29,084
Prepayments, deposits and other receivables	47,089	2,806	(1,416)	45,699
Tax recoverable	3,582	–		3,582
Amounts due from fellow subsidiaries	–	–	(432,253)	432,253
Investments held for trading	54,735	26,192		28,543
Bank deposits subject to conditions	17,155	–		17,155
Bank balances – trust and segregated accounts	784,704	–		784,704
Bank balances (general accounts) and cash	167,505	7,104		160,401
	<u>1,746,425</u>	<u>118,702</u>		<u>2,078,982</u>
<b>Current liabilities</b>				
Accounts payable	1,032,388	–	(12,188)	1,044,576
Financial liabilities at fair value through profit or loss	19,701	19,701		–
Accrued liabilities and other payables	115,285	12,450	(6,818)	109,653
Taxation payable	7,395	3,600		3,795
Bank borrowings – amount due within one year	233,625	1,101		232,524
Amount due to a fellow subsidiary	47,621	432,253	(432,253)	47,621
Loan from a non-controlling shareholder	27,437	27,437		–
	<u>1,483,452</u>	<u>496,542</u>		<u>1,438,169</u>
Net current assets (liabilities)	<u>262,973</u>	<u>(377,840)</u>		<u>640,813</u>
Total assets less current liabilities	<u>586,342</u>	<u>(139,299)</u>		<u>725,641</u>
<b>Non-current liabilities</b>				
Deferred tax liabilities	1,569	1,569		–
Bank borrowings – amount due after one year	22,575	22,575		–
	<u>24,144</u>	<u>24,144</u>		<u>–</u>
Net assets (liabilities)	<u><u>562,198</u></u>	<u><u>(163,443)</u></u>		<u><u>725,641</u></u>

## Combined assets and liabilities of Disposal Companies as at 31 December 2014

	CFSG Group as at 31 December 2014 <i>HK\$'000</i>	Confident Profits Group as at 31 December 2014 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies as at 31 December 2014 <i>HK\$'000</i>
Non-current assets				
Property and equipment	38,136	6,356		31,780
Investment properties	213,666	58,666		155,000
Intangible assets	9,752	–		9,752
Other assets	4,792	–		4,792
Rental and utility deposits	2,088	–		2,088
Available-for-sale financial assets	21,031	21,031		–
Interest in an associate	1,434	1,434		–
	<u>290,899</u>	<u>87,487</u>		<u>203,412</u>
Current assets				
Accounts receivable	706,440	128,816	(30,577)	608,201
Loans receivable	42,561	1,508		41,053
Other assets	7,317	–		7,317
Prepayments, deposits and other receivables	13,579	7,542	(4,793)	10,830
Tax recoverable	16	–		16
Amounts due from fellow subsidiaries	–	–	(188,524)	188,524
Investments held for trading	44,545	12,093		32,452
Bank deposits subject to conditions	17,155	–		17,155
Bank balances – trust and segregated accounts	792,117	–		792,117
Bank balances (general accounts) and cash	172,100	7,555		164,545
	<u>1,795,830</u>	<u>157,514</u>		<u>1,862,210</u>
Current liabilities				
Accounts payable	1,108,306	–	(26,540)	1,134,846
Accrued liabilities and other payables	67,103	22,285	(8,830)	53,648
Taxation payable	16,478	5,641		10,837
Financial liabilities at fair value through profit or loss	1,055	1,055		–
Bank borrowings – amount due within one year	171,734	1,111		170,623
Amount due to a fellow subsidiary	26,350	188,524	(188,524)	26,350
	<u>1,391,026</u>	<u>218,616</u>		<u>1,396,304</u>
Net current assets (liabilities)	<u>404,804</u>	<u>(61,102)</u>		<u>465,906</u>
Total assets less current liabilities	<u>695,703</u>	<u>26,385</u>		<u>669,318</u>
Non-current liabilities				
Deferred tax liabilities	7,860	2,074		5,786
Bank borrowings – amount due after one year	91,516	21,476		70,040
	<u>99,376</u>	<u>23,550</u>		<u>75,826</u>
Net assets	<u><u>596,327</u></u>	<u><u>2,835</u></u>		<u><u>593,492</u></u>

## Combined statement of cash flows of Disposal Companies for the year ended 31 December 2012

	CFSG Group for the year ended 31 December 2012 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2012 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2012 <i>HK\$'000</i>
Operating activities				
Loss for the year	(33,524)	(20,791)		(12,733)
Adjustments for:				
Income tax	10,126	2,188		7,938
Write-down on inventories	5,348	–		5,348
Depreciation of property and equipment	56,629	19,249		37,380
Interest expense	10,277	2,748		7,529
Change in fair value of investment properties	3,068	3,068		–
Impairment loss on property and equipment	4,664	–		4,664
Loss on disposal/written off of property and equipment	621	570		51
Allowance on bad and doubtful loans receivable	9,700	700		9,000
Written back of bad debt on accounts receivable and other receivables, net	(1)	–		(1)
Share-based compensation	562	–		562
Share of profit of an associate	(14,045)	(14,045)		–
Operating cash flows before movements in working capital	53,425	(6,313)		59,738
Increase in rental and utility deposits	(127)	–		(127)
Increase in inventories	(2,710)	–		(2,710)
Increase in accounts receivable	(105,745)	–		(105,745)
Increase in loans receivable	(26,704)	(20,588)		(6,116)
Decrease (increase) in prepayments, deposits and other receivables	1,799	(3,618)		5,417
Increase in investments held for trading	(96,245)	(72,400)		(23,845)
Increase in bank balances – trust and segregated accounts	(87,768)	–		(87,768)
Increase in accounts payable	204,620	–		204,620
(Decrease) increase in accrued liabilities and other payables	(56,063)	(59,497)		3,434
Cash generated (used in) from operations	(115,518)	(162,416)		46,898
Income taxes refunded	1,651	–		1,651
Income taxes paid	(4,852)	(4,653)		(199)
Net cash (used in) from operating activities	(118,719)	(167,069)		48,350

	CFSG Group for the year ended 31 December 2012 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2012 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2012 <i>HK\$'000</i>
Investing activities				
Increase in bank deposits subject to conditions	(10,515)	–		(10,515)
Placement of statutory and other deposits	(6,529)	–		(6,529)
Deposits paid for purchase of properties	(23,014)	–		(23,014)
Purchases of property and equipment	(28,816)	–		(28,816)
Proceeds on disposal of investment properties	8,149	8,149		–
Advance to fellow subsidiaries	–	–	109,116	(109,116)
Net cash (used in) from investing activities	<u>(60,725)</u>	<u>8,149</u>		<u>(177,990)</u>
Financing activities				
Increase in bank borrowings	75,648	19,382		56,266
Payment on repurchase of shares	(2,549)	–		(2,549)
Advance from a fellow subsidiary	–	109,116	(109,116)	–
Dividends paid to non-controlling interest	(4,250)	(4,250)		–
Interest paid on bank borrowings	(10,259)	(2,730)		(7,529)
Interest paid on obligations under finance leases	(18)	(18)		–
Repayment of obligations under finance leases	(289)	(289)		–
Net cash from financing activities	<u>58,283</u>	<u>121,211</u>		<u>46,188</u>
Net decrease in cash and cash equivalents	(121,161)	(37,709)		(83,452)
Cash and cash equivalents at beginning of year	414,079	52,264		361,815
Effect of change in foreign exchange rate	(1,668)	–		(1,668)
Cash and cash equivalents at end of year	<u>291,250</u>	<u>14,555</u>		<u>276,695</u>
Bank balances (general accounts) and cash	<u>291,250</u>	<u>14,555</u>		<u>276,695</u>

## Combined statement of cash flows of Disposal Companies for the year ended 31 December 2013

	CFSG Group for the year ended 31 December 2013 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2013 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2013 <i>HK\$'000</i>
Operating activities				
Loss for the year	(59,145)	(47,199)		(11,946)
Adjustments for:				
Income tax	(3,439)	(2,363)		(1,076)
Write-down on inventories	1,140	–		1,140
Depreciation of property and equipment	35,691	13,978		21,713
Interest expense	12,483	2,862		9,621
Change in fair value of investment properties	5,083	5,083		–
Loss on disposal/written off of property and equipment	6,607	6,312		295
Allowance on bad and doubtful loans receivable	1,000	399		601
Impairment on intangible assets	300	–		300
Written back of bad debt on accounts receivable and other receivables, net	(2,048)	–		(2,048)
Share of loss of an associate	9	9		–
	<hr/>	<hr/>		<hr/>
Operating cash flows before movements in working capital	(2,319)	(20,919)		18,600
Decrease in rental and utility deposits	2,760	–		2,760
Decrease in inventories	841	–		841
Decrease (increase) in accounts receivable	313,756	(70,796)		384,552
Decrease in loans receivable	35,065	29,449		5,616
(Increase) decrease in prepayments, deposits and other receivables	(39,010)	29,713		(68,723)
Decrease in investments held for trading	58,887	54,619		4,268
Increase in bank balances – trust and segregated accounts	(2,411)	–		(2,411)
Increase in financial liabilities at fair value through profit or loss	19,701	19,701		–
Decrease in accounts payable	(407,588)	–		(407,588)
(Decrease) increase in accrued liabilities and other payables	(11,043)	(49,554)		38,511
	<hr/>	<hr/>		<hr/>
Cash generated used in operations	(31,361)	(7,787)		(23,574)
Income taxes refunded	681	–		681
Income taxes paid	(426)	(593)		167
	<hr/>	<hr/>		<hr/>
Net cash used in operating activities	(31,106)	(8,380)		(22,726)

	CFSG Group for the year ended 31 December 2013 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2013 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2013 <i>HK\$'000</i>
Investing activities				
Acquisition of available-for-sale investments	(21,031)	(21,031)		–
Settlement of consideration on disposals of investment properties in prior year	6,458	6,458		–
Placement of statutory and other deposits	(2,705)	–		(2,705)
Deposit paid for purchase of properties	(23,411)	–		(23,411)
Purchases of property and equipment	(18,574)	(2,122)		(16,452)
Proceeds on disposal of investment properties	7,986	7,986		–
Advance to fellow subsidiaries	–	–	43,095	(43,095)
Net cash used in investing activities	<u>(51,277)</u>	<u>(8,709)</u>		<u>(85,663)</u>
Financing activities				
Distribution in species of shares in a subsidiary	(86,157)	–		(86,157)
Increase (decrease) in bank borrowings	28,920	(29,926)		58,846
Advance of loan payable	38,100	–		38,100
(Repayment to) advance from a fellow subsidiary	(7,328)	43,095	(43,095)	(7,328)
Interest paid on bank borrowings	(12,476)	(2,855)		(9,621)
Interest paid on obligations under finance leases	(7)	(7)		–
Repayment of obligations under finance leases	(263)	(263)		–
Net cash (used in) from financing activities	<u>(39,211)</u>	<u>10,044</u>		<u>(6,160)</u>
Net decrease in cash and cash equivalents	(121,594)	(7,045)		(114,549)
Cash and cash equivalents at beginning of year	291,250	14,555		276,695
Effect of change in foreign exchange rate	(2,151)	(406)		(1,745)
Cash and cash equivalents at end of year	<u><u>167,505</u></u>	<u><u>7,104</u></u>		<u><u>160,401</u></u>
Bank balances (general accounts) and cash	<u><u>167,505</u></u>	<u><u>7,104</u></u>		<u><u>160,401</u></u>



## Combined statement of cash flows of Disposal Companies for the year ended 31 December 2014

	CFSG Group for the year ended 31 December 2014 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2014 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2014 <i>HK\$'000</i>
Operating activities				
Profit for the year	54,327	50,319		4,008
Adjustments for:				
Income tax	16,633	2,701		13,932
Depreciation of property and equipment	11,702	684		11,018
Interest expense	13,579	6,855		6,724
Change in fair value of investment properties	(37,088)	(2,020)		(35,068)
Loss (gain) on disposal/written off of property and equipment	467	(52)		519
Written back on bad and doubtful loans receivable	(2,700)	–		(2,700)
Impairment loss on goodwill	2,661	–		2,661
Written back of bad debt on accounts receivable and other receivables, net	(2,631)	–		(2,631)
Gain on disposal of a commercial property	(18,002)	–		(18,002)
Share-based compensation	15,335	–		15,335
Share of profit of an associate	(60,463)	(60,463)		–
Operating cash flows before movements in working capital	(6,180)	(1,976)		(4,204)
Decrease in rental and utility deposits	2,179	–		2,179
Increase in accounts receivable	(95,485)	(58,020)		(37,465)
Increase in loans receivable	(14,430)	–		(14,430)
Decrease in prepayments, deposits and other receivables	33,510	(4,736)		38,246
Decrease in investments held for trading	10,190	14,099		(3,909)
Increase in bank balances – trust and segregated accounts	(7,413)	–		(7,413)
Increase in accounts payable	75,918	–		75,918
Decrease in financial liabilities at fair value through profit or loss	(18,646)	(18,646)		–
Decrease in accrued liabilities and other payables	(24,096)	9,280		(33,376)
Cash (used in) generated from operations	(44,453)	(59,999)		15,546
Income taxes refunded	3,426	–		3,426
Income taxes paid	(120)	(155)		35
Net cash used in operating activities	(41,147)	(60,154)		19,007

	CFSG Group for the year ended 31 December 2014 <i>HK\$'000</i>	Confident Profits Group for the year ended 31 December 2014 <i>HK\$'000</i>	Intragroup reclassification <i>HK\$'000</i>	Disposal Companies for the year ended 31 December 2014 <i>HK\$'000</i>
Investing activities				
Refund of statutory and other deposits	4,602	–		4,602
Purchases of property and equipment	(16,547)	(4,848)		(11,699)
Proceeds on disposal of investment properties	133,592	–		133,592
Proceeds on disposal of property, plant and equipment	97	93		4
Purchase of investment properties	(96,844)	–		(96,844)
Purchase of a commercial property	(92,253)	–		(92,253)
Repayment from fellow subsidiaries	–	–	(73,729)	73,729
Capital distributed from an associate	214,704	214,704		–
Repayment of loan to associate	10,296	10,296		–
Net cash from investing activities	<u>157,647</u>	<u>220,245</u>		<u>11,131</u>
Financing activities				
Proceeds on issue of shares	18,552	–		18,552
Increase (decrease) in bank borrowings	7,050	(1,089)		8,139
Advance of loan payable	14,014	–		14,014
Repayment of loan payable	(38,100)	–		(38,100)
Repayment to a fellow subsidiary	(21,271)	(73,729)	73,729	(21,271)
Dividends paid to non-controlling interest	(51,313)	(51,313)		–
Interest paid on bank borrowings	(8,533)	(3,284)		(5,249)
Interest paid on other borrowings	(5,046)	(3,571)		(1,475)
Repayment of loan from non-controlling interest	(27,437)	(27,437)		–
Net cash used in financing activities	<u>(112,084)</u>	<u>(160,423)</u>		<u>(25,390)</u>
Net increase (decrease) in cash and cash equivalents	4,416	(332)		4,748
Cash and cash equivalents at beginning of year	167,505	7,104		160,401
Effect of change in foreign exchange rate	179	783		(604)
Cash and cash equivalents at end of year	<u>172,100</u>	<u>7,555</u>		<u>164,545</u>
Bank balances (general accounts) and cash	<u>172,100</u>	<u>7,555</u>		<u>164,545</u>

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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*The following are the unaudited pro forma financial information of the Remaining Group and the text of the accountants' report thereon from the reporting accountants Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, prepared for the purpose of inclusion in this circular.*

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE  
COMPILATION OF PRO FORMA FINANCIAL INFORMATION****TO THE DIRECTORS OF CELESTIAL ASIA SECURITIES HOLDINGS LIMITED**

We have completed our assurance engagement to report on the compilation of pro forma financial information of Celestial Asia Securities Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated statement of financial position as at 31 December 2014, the pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2014, the pro forma consolidated statement of cash flows for the year ended 31 December 2014 and related notes as set out in Appendix III of the circular issued by the Company dated 22 April 2015 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information is set out in Section A of Appendix III.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of 40.10% of the issued share capital of CASH Financial Services Group Limited and its subsidiaries on the Group's financial position as at 31 December 2014 and the Group's financial performance and cash flows for the year ended 31 December 2014 as if the transaction had taken place at 31 December 2014 and 1 January 2014 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's audited financial statements for the year ended 31 December 2014, on which an audit report been published.

**Directors' Responsibilities for the Pro Forma Financial Information**

The Directors are responsible for compiling the 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 (the "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").

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## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

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### Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the 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 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 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 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 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 pro forma financial information.

The purpose of 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 31 December 2014 or 1 January 2014 would have been as presented.

A reasonable assurance engagement to report on whether the 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 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 pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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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 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 pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

**Deloitte Touche Tohmatsu**  
*Certified Public Accountants*  
Hong Kong  
22 April 2015

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## **APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**

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

In connection with proposed disposal of its 40.10% interest in CASH Financial Services Group Limited and its subsidiaries excluding Confident Profits Limited and its subsidiaries (the “Disposal Companies”) (the “Disposal”) by Celestial Asia Securities Holdings Limited (the “Company”) and its subsidiaries (the “Group”) (exclusion of the Disposal Companies 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 31 December 2014 and the Group’s financial performance and cash flows for the year ended 31 December 2014 as if the Disposal had taken place at 31 December 2014 and 1 January 2014 respectively.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2014 which has been extracted from the published annual report of the Company for the year ended 31 December 2014.

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 the audited consolidated statements of profit or loss and other comprehensive income, the consolidated statement of cash flows of the Group for the year ended 31 December 2014 as extracted from the published annual report of the Company for the year ended 31 December 2014.

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 31 December 2014; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January 2014.

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 results and cash flows, or financial position of the Remaining Group with the Disposal would have been upon completion of the Disposal in any future periods or on any future dates.

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 Disposal Companies as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**(B)      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**1.      Unaudited pro forma consolidated statements of financial position**

	The Group	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (1)</i>	<i>Note (2)</i>	<i>Note (3)</i>	<i>Note (4)</i>	<i>Note (5)</i>	<i>Note (6)</i>	
<b>NON-CURRENT ASSETS</b>							
Property, plant and equipment	74,486	(31,780)					42,706
Investment properties	213,666	(155,000)					58,666
Goodwill	60,049		(20,606)				39,443
Intangible assets	53,212	(9,752)					43,460
Interest in an associate	1,434						1,434
Available-for-sale financial assets	21,031						21,031
Rental and utility deposits	44,160	(2,088)					42,072
Other assets	4,792	(4,792)					–
Deferred tax assets	6,200						6,200
	<u>479,030</u>						<u>255,012</u>
<b>CURRENT ASSETS</b>							
Inventories – finished goods held for sale	56,396						56,396
Accounts receivable	707,859	(608,201)			30,577		130,235
Loans receivables	44,442	(41,053)					3,389
Other assets	7,317	(7,317)					–
Prepayments, deposits and other receivables	40,662	(10,830)		200,000	4,793		234,625
Tax recoverable	1,111	(16)					1,095
Amount due from fellow subsidiaries	–	(188,524)			188,524		–
Investments held for trading	44,545	(32,452)					12,093
Bank deposits subject to conditions	64,155	(17,155)					47,000
Bank balances – trust and segregated accounts	792,117	(792,117)					–
Bank balances (general accounts) and cash	300,299	(164,545)		406,386		(2,835)	539,305
	<u>2,058,903</u>						<u>1,024,138</u>

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	The Group	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (1)</i>	<i>Note (2)</i>	<i>Note (3)</i>	<i>Note (4)</i>	<i>Note (5)</i>	<i>Note (6)</i>	
<b>CURRENT LIABILITIES</b>							
Accounts payable	1,287,188	(1,134,846)			26,540		178,882
Financial liabilities at fair value through profit or loss	1,055						1,055
Accrued liabilities and other payables	100,752	(53,648)			8,830		55,934
Taxation payable	16,493	(10,837)					5,656
Borrowings – amount due within one year	334,868	(170,623)					164,245
Amounts due to fellow subsidiaries	–	(26,350)			26,350		–
Amounts due to Purchaser	–				162,174		162,174
	<u>1,740,356</u>						<u>567,946</u>
<b>NET CURRENT ASSETS</b>	<u>318,547</u>						<u>456,192</u>
Total assets less current liabilities	<u>797,577</u>						<u>711,204</u>
<b>NON-CURRENT LIABILITIES</b>							
Deferred tax liabilities	14,509	(5,786)					8,723
Borrowings – amount due after one year	91,516	(70,040)					21,476
	<u>106,025</u>						<u>30,199</u>
	<u>691,552</u>						<u>681,005</u>
<b>CAPITAL AND RESERVES</b>							
Share capital	55,415						55,415
Reserves	311,211			344,169		(4,274)	651,106
Equity attributable to the owners of the Company	366,626						706,521
Non-controlling interests	324,926		(351,881)			1,439	(25,516)
<b>NET ASSETS</b>	<u>691,552</u>						<u>681,005</u>



**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

**2.      Unaudited pro forma consolidated statements of profit or loss and other comprehensive income**

	The Group	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (1)</i>	<i>Note (7)</i>	<i>Note (8)</i>	<i>Note (9)</i>	<i>Note (10)</i>	
<b>Continuing operations</b>						
Revenue	1,371,608	(217,420)	19,374			1,173,562
Cost of inventories and services	(671,176)					(671,176)
Other income	13,200	(2,288)				10,912
Other gains and losses	84,121	(8,206)	(18,106)			57,809
Salaries, allowances and commission	(328,699)	133,788				(194,911)
Other operating, administrative and selling expenses	(449,711)	90,736	(690)			(359,665)
Depreciation of property, plant and equipment	(31,682)	11,014				(20,668)
Finance costs	(17,647)	9,506	(578)			(8,719)
Fair value change on investment properties	37,088	(35,070)				2,018
Share of results of an associate	60,463					60,463
Impairment loss recognised in respect of goodwill	(2,661)					(2,661)
Profit before taxation	64,904					46,964
Income tax expense	(21,302)	13,932				(7,370)
Profit for the year from continuing operations	43,602					39,594
<b>Discontinued operation</b>						
Profit from discounted operation	–			275,029		275,029
Profit for the year	43,602					314,623
Other comprehensive income for the year <i>Item that may be subsequent reclassified to profit or loss:</i>						
Exchange differences arising on translation of foreign operations	(3,044)	44				(3,000)
Total comprehensive income for the year	<u>40,558</u>					<u>311,623</u>
Profit for the period attributable to:						
Owners of the Company	2,422	(1,772)		275,029	15,978	291,657
Non-controlling interests	41,180	(2,236)			(15,978)	22,966
	<u>43,602</u>					<u>314,623</u>
Total comprehensive income for the year attributable to:						
Owners of the Company	1,375	(1,753)		275,029	14,942	289,593
Non-controlling interests	39,183	(2,211)			(14,942)	22,030
	<u>40,558</u>					<u>311,623</u>

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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**3. Unaudited pro forma consolidated statements of cash flows**

	The Group	Pro forma adjustment	Pro forma adjustment	Pro forma adjustment	The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (1)</i>	<i>Note (7)</i>	<i>Note (9)</i>	<i>Note (8)</i>	
OPERATING ACTIVITIES					
Profit before taxation	64,904	(17,940)	275,029		321,993
Adjustments for:					
Write back of allowance on bad and doubtful loans receivable	(2,700)	2,700			–
Write bank of bad debts on accounts receivable, net	(2,631)	2,631			–
Depreciation of property, plant and equipment	31,682	(11,018)			20,664
Share-based payments	18,939	(15,335)			3,604
Write-down on inventories	4,518				4,518
Impairment loss recognised in respect of goodwill	2,661	(2,661)			–
Impairment loss recognised in respect of available-for-sale financial assets	3,500				3,500
Fair value change on investment properties	(37,088)	35,068			(2,020)
Interest expense	17,647	(6,724)			10,923
Loss on disposal of property and equipment	480	(519)			(39)
Gain on disposal of a commercial property	(18,002)	18,002			–
Share of results of an associate	(60,463)				(60,463)
Gain on disposal of subsidiaries	–		(275,029)		(275,029)
Operating cash flows before movements in working capital	23,447				27,651
Increase in inventories	(7,672)				(7,672)
Increase in accounts receivable	(96,532)	(37,465)			(59,067)
Increase in loans receivable	(16,311)	14,430			(1,881)
Decrease in prepayments, deposits and other receivables	26,789	(40,425)			(13,636)
Decrease in listed investments held for trading	10,482	3,909			14,391
Increase in bank balances – trust and segregated accounts	(7,413)	7,413			–
Increase in accounts payable	89,658	(75,918)			13,740
Decrease in accrued liabilities and other payables	(28,013)	33,376			5,363
Decrease in financial liabilities at fair value through profit or loss	(18,646)				(18,646)
Net cash used in operations	(24,211)				(39,757)
Income taxes refunded	6,075	(3,426)			2,649
Income taxes paid	(5,714)	(35)			(5,749)

**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

	<b>The Group</b>	<b>Pro forma adjustment</b>	<b>Pro forma adjustment</b>	<b>Pro forma adjustment</b>	<b>The Remaining Group</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Note (1)</i>	<i>Note (7)</i>	<i>Note (9)</i>	<i>Note (8)</i>	
NET CASH USED IN OPERATING ACTIVITIES	(23,850)				(42,857)
INVESTING ACTIVITIES					
Decrease in bank deposits under condition	26,400				26,400
Proceeds from disposal of property, plant and equipment	107	(4)			103
Purchase of property, plant and equipment	(46,166)	11,699			(34,467)
Refund of statutory and other deposits	4,602	(4,602)			-
Proceeds from disposal of investment properties	133,592	(133,592)			-
Purchase of investment properties	(96,844)	96,844			-
Purchase of a commercial property	(92,253)	92,253			-
Repayment from fellow subsidiaries	-	(73,729)		95,000	21,271
Capital distributed from an associate	214,704				214,704
Repayment of loan to an associate	10,296				10,296
Disposal of subsidiaries	-		245,985		245,985
NET CASH GENERATED FROM INVESTING ACTIVITIES	154,438				484,292
FINANCING ACTIVITIES					
Proceeds on issue of share of CFSG	18,552	(18,552)			-
Decrease in borrowings	(32,307)	(8,139)			(40,446)
Advance of loan payable	-	(14,014)			(14,014)
Repayment of loan payable	-	38,100			38,100
Repayments of obligations under finance leases	(54)				(54)
Dividends paid to non-controlling shareholders of CFSG	(51,313)				(51,313)
Interest paid on obligations under finance lease	(6)				(6)
Interest paid on borrowings	(17,641)	6,724			(10,917)
Advance to fellow subsidiaries	-	21,271		(95,000)	(73,729)
Repayment of loan from non-controlling interests	(27,437)				(27,437)
NET CASH USED IN FINANCING ACTIVITIES	(110,206)				(179,816)
NET INCREASE IN CASH AND CASH EQUIVALENTS	20,382				261,619
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	279,450				279,450
EFFECT OF CHANGES IN FOREIGN EXCHANGE RATE	467	604			1,071
CASH AND CASH EQUIVALENT AT END OF THE YEAR	300,299				542,140

## APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP

*Notes:*

- (1) The consolidated statement of financial position of the Group as at 31 December 2014 and its consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows for the year ended 31 December 2014 were extracted from the published annual report of the Company for the year ended 31 December 2014.
- (2) The adjustment represents the exclusion of the assets and liabilities of Disposal Companies as at 31 December 2014, assuming the Disposal had been taken place on 31 December 2014. The assets and liabilities of the Disposal Companies are extracted from the combined statement of financial position of the Disposal Companies 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 by the Company in previous years, and non-controlling interests that related to the Disposal Companies amounting to HK\$351,881,000 per below.
- (4) The adjustments reflect the cash consideration received amounting to HK\$613,386,000 (including an amount of HK\$200 million withheld as Retention Money), reclassification of cumulative exchange loss in respect of the net assets of Disposal Companies reclassified from equity to profit or loss of HK\$583,000 and pro forma gain on disposal of CFSG of HK\$343,586,000. The calculation of the pro forma gain on disposal of Disposal Companies are stated as follows, assuming the Disposal had been taken placed on 31 December 2014:

	<i>HK\$'000</i>
Calculation of pro forma gain on disposal of the Disposal Companies:	
Net assets of the Disposal Companies as at 31 December 2014	
<i>(note a)</i>	593,492
Goodwill attributable to CFSG as at 31 December 2014 <i>(note b)</i>	20,606
Non-controlling interests attributable to Disposal Companies	
<i>(note b)</i>	(351,881)
	262,217
Less: Cumulative exchange loss in respect of the net assets of Disposal Companies reclassified from equity to profit or loss on Disposal	583
Less: cash consideration received and receivable <i>(note c)</i>	(613,386)
Add: estimated professional fees and other expenses directly attributable to the Disposal <i>(note d)</i>	7,000
	(343,586)
Net cash inflow upon Disposal:	
Cash received upon the Disposal	413,386
Less: estimated professional fees and other expenses directly attributable to the Disposal <i>(note d)</i>	(7,000)
	406,386

*Notes:*

- (a) The amount represented the net assets of the Disposal Companies as at 31 December 2014 as extracted from the combined statement of financial position of the Disposal Companies set out in Appendix II to this Circular. The net asset value of the Disposal Companies as at 31 December 2014 is larger than the Guaranteed Minimum NAV, there is no adjustment on the consideration.

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**APPENDIX III                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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- (b) The amount represented the items described in note (3) above.
  - (c) HK\$200,000,000 cash consideration is delivered to the Escrow Agent as Retention Money and recognised as other receivable and remaining HK\$413,386,000 cash consideration is recognised as bank balances as at 31 December 2014.
  - (d) This adjustment represents the recognition of estimated transaction 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 of the Company.
- (5) The adjustment reflects the adjustments of the intra-group balances upon the Disposal. The amount of HK\$162,174,000 represented the amounts due to the Purchaser by the Group which is repayable within 5 days upon the Disposal.
- (6) The adjustment represented (i) the proceeds from the Confident Profits Transfer of HK\$2,835,000, which is the net assets value of Confident Profits as at 31 December 2014 based on the Confident Profits Transfer Agreement; (ii) the difference of HK\$4,274,000 between the decrease in the non-controlling interests attributable to Confident Profits amounting to HK\$1,439,000 and the consideration paid to be recognised in equity; and (iii) the elimination of non-controlling interests attributable to Confident Profits of HK\$1,439,000.
- (7) The adjustment represents the exclusion of the results and cash flows of Disposal Companies for the year ended 31 December 2014, assuming the Disposal had been taken place on 1 January 2014. The results and cash flows the Disposal Companies are extracted from the combined statement of profit or loss and other comprehensive income and combined statement of cash flows of the Disposal Companies set out in Appendix II to this Circular.

The adjustments of HK\$1,772,000 and HK\$2,236,000 included in the unaudited pro forma consolidated statements of profit or loss and other comprehensive income represent the exclusion of the results of Disposal Companies attributable to the owners of the Company and non-controlling interests, respectively.

The adjustments of HK\$1,753,000 and HK\$2,211,000 included in the unaudited pro forma consolidated statements of profit or loss and other comprehensive income represent the exclusion of the total comprehensive income of Disposal Companies attributable to the owners of the Company and non-controlling interests, respectively.

- (8) The adjustment reflects the adjustments of the intra-group transactions between the Remaining Group and the Disposal Companies.

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**APPENDIX III      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE REMAINING GROUP**

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(9)	The adjustments reflect the disposal of Disposal Companies by the Group, assuming the Disposal had been taken placed on 1 January 2014:	<i>HK\$'000</i>
	Calculation of pro forma gain on disposal of the Disposal Companies:	
	Net assets of the Disposal Companies as at 1 January 2014	
	<i>(note a)</i>	725,641
	Goodwill attributable to CFSG as at 1 January 2014 <i>(note b)</i>	20,606
	Non-controlling interests attributable to Disposal Companies	
	<i>(note b)</i>	(415,429)
		330,818
	Less: Cumulative exchange loss in respect of the net assets of Disposal Companies reclassified from equity to profit or loss on disposal of CFSG	539
	Less: total consideration received and receivable <i>(note c)</i>	(613,386)
	Add: estimated professional fees and other expenses directly attributable to the Disposal <i>(note d)</i>	7,000
	Pro forma gain on disposal of CFSG included in profit for the year from discontinued operation	(275,029)
	Net cash inflow upon Disposal:	
	Cash received upon the Disposal	413,386
	Less: estimated professional fees and other expenses directly attributable to the Disposal <i>(note d)</i>	(7,000)
	Less: bank balances of Disposal Companies as at 1 January 2014	(160,401)
	Cash received upon the Disposal as at 1 January 2014	245,985

*Notes:*

- (a) The amount represented the net assets of the Disposal Companies as at 31 December 2013 as extracted the combined statement of financial position of the Disposal Companies set out in Appendix II to this Circular. The net asset value of the Disposal Companies as at 1 January 2014 is larger than the Guaranteed Minimum NAV, there is no adjustment on the consideration.
- (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\$415,429,000.
- (c) HK\$200,000,000 cash consideration is delivered to the Escrow Agent as Retention Money and recognised as other receivable and remaining HK\$413,386,000 cash consideration is recognised as bank balances as at 1 January 2014.
- (d) This adjustment represents the recognition of estimated transaction 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 of the Company.
- (10) The adjustments reflect the adjustment on the profit of HK\$15,978,000, based on the profit for the year of Confident Profits Group attributable to owners of CFSG amounting to HK\$28,667,000 and average proportion of ownership interests held by non-controlling shareholders of CFSG during the year ended 31 December 2014, and total comprehensive income of HK\$14,942,000, based on the total comprehensive income for the year of Confident Profits Group attributable to owners of CFSG amounting to HK\$26,806,000 and average proportion of ownership interests held by non-controlling shareholders of CFSG during the year ended 31 December 2014, from the non-controlling interests to the owners of the Company, assuming the Confident Profits Transfer had been taken placed on 1 January 2014.
- The amounts stated above are difference from the profit for the year and total comprehensive income attributable to the non-controlling interests of HK\$21,652,000 and HK\$20,785,000, respectively, as set out in note 3 of Appendix II on the statement of profit or loss and other comprehensive income of the Confident Profits Group for the year ended 31 December 2014 as the amounts stated in note 3 of Appendix II represent the profit for the year and total comprehensive income attributable to the non-controlling interests of Marvel Champ Investments Limited, a non-wholly owned subsidiary of CFSG.
- (11) No cash payment is considered for the preparation of the pro forma statement of cash flows for acquisition of Confident Profits Group as at 1 January 2014 as Confident Profits Group was recorded a net liabilities of HK\$163,443,000.
- (12) The adjustments to the unaudited pro forma consolidated statements of profit or loss and other comprehensive income and unaudited pro forma consolidated statement of cash flows are not expected to have a continuing effect on the Remaining Group.

## 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		
		Personal	Corporate interest	Shareholding (%)
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	2,840,000	181,245,205*	33.21
Law Ping Wah Bernard	Beneficial owner	18,230,208	–	3.29
		<u>21,070,208</u>	<u>181,245,205</u>	<u>36.50</u>

\* The Shares were held by Cash Guardian. Mr Kwan 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 – 31/8/2016	0.620	5,000,000	0.90
Law Ping Wah Bernard	2/9/2014	2/9/2014 – 31/8/2016	0.620	5,000,000	0.90
Ng Hin Sing Derek	2/9/2014	2/9/2014 – 31/8/2016	0.620	4,000,000	0.72
				<u>14,000,000</u>	<u>2.52</u>

*Notes:*

- (1) Mr Kwan 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

*Long positions in the CFSG Shares*

Name	Capacity	Number of the CFSG Shares		
		Personal	Corporate interest	Shareholding (%)
Kwan Pak Hoo Bankee <i>(Note (2))</i>	Beneficial owner and interest in a controlled corporation	30,000,000	104,471,520 <i>(Note (1))</i>	3.25
Law Ping Wah Bernard <i>(Note (2))</i>	Beneficial owner	27,506,160	–	0.66
Ng Hin Sing Derek <i>(Note (2))</i>	Beneficial owner	24,600,066	–	0.59
		<u>82,106,226</u>	<u>104,471,520</u>	<u>4.50</u>



*Notes:*

- (1) The CFSG Shares were held by Cash Guardian, which was 100% beneficially owned by Mr Kwan. Pursuant to the SFO, Mr Kwan was deemed to be interested in all the CFSG Shares held by Cash Guardian.
- (2) All of the above Directors were the Accepting Shareholders and they have issued the Accepting Shareholders Irrevocable Undertakings to undertake to sell all their respective CFSG Shares to the Offeror at the Share Offer Price at the Share Offer.

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 <i>(Notes (1) &amp; (2))</i>	Interest in a controlled corporation	181,245,205	32.70
Cash Guardian <i>(Notes (1) &amp; (2))</i>	Interest in a controlled corporation	181,245,205	32.70
Mr Wang Shui Ming <i>(Note (3))</i>	Beneficial owner, interest in a controlled corporation and other interest	31,257,284	5.64

*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. Pursuant to the SFO, Mr Kwan and Hobart Assets Limited were deemed to be interested in the Shares held by Cash Guardian.
- (2) Mr Kwan (a Director whose interests are not shown in the above table) was interested and/or deemed be interested in a total of 184,085,205 Shares (33.21%), which were held as to 181,245,205 Shares by Cash Guardian and as to 2,840,000 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 6,223,484 in his personal name, as to 14,864,100 held by Mingtak Holdings Limited (a 100%-owned controlled corporation of Mr Wang), and 10,169,700 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.

**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 the Directors, namely Mr Kwan (including Cash Guardian), Mr Law Ping Wah Bernard, Mr Ng Hin Sing Derek as the Accepting Shareholders have issued the Accepting Shareholders Irrevocable Undertakings to undertaking to sell their respective 134,471,520 CFSG Shares, 27,506,160 CFSG Shares and 24,600,066 CFSG Shares to the Offeror at the Share Offer, none of the Directors had any direct or indirect interest in any assets which have, since 31 December 2014 (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 and Mr Law Ping Wah Bernard in the new margin financing agreements dated 14 December 2012 (item 5(a) below) and Mr Ng Hin Sing Derek in the new margin financing agreement dated 27 March 2014 (item 5(c) 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 margin financing agreements all dated 14 December 2012 entered into between Celestial Securities Limited (a wholly-owned subsidiary of CFSG) with each of the connected clients (being either directors or substantial Shareholder of the Group and/or their respective associates as at the date of the margin financing agreements), namely Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Chan Chi Ming Benson, Mr Cheng Man Pan Ben, Ms Cheng Pui Lai Majone, Dr Chan Yau Ching Bob, Mr Ng Kung Chit Raymond, Cash Guardian, Libra Capital Management (HK) Limited and Cashflow Credit Limited (wholly-owned subsidiaries of the Company) in relation to the granting of margin financing facility to each of the connected clients for a sum of up to HK\$30 million for each of the three financial years ending 31 December 2015;
- (b) the underwriting agreement dated 23 April 2013 entered into between the Company and Celestial Securities 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\$0.30 per share;
- (c) the margin financing agreements all dated 27 March 2014 entered into between Celestial Securities Limited (a wholly-owned subsidiary of CFSG) with each of the connected clients (being either directors or substantial Shareholder of the Group and/or their respective associates as at the date of the margin financing agreements), namely Mr Ng Hin Sing Derek, Mr Kwan Pak Leung Horace, Ms Chan Siu Fei Susanna, Mr Tsui Wing Cheong Sammy in relation to the granting of margin financing facility to each of the connected clients for a sum of up to HK\$30 million for each of the three financial years ending 31 December 2015;
- (d) the provisional sale and purchase agreement and a supplement agreement both dated 14 November 2013 and the formal sale and purchase agreement dated 28 November 2014 entered into between Victory Glory Investments Limited (a wholly-owned subsidiary of CFSG) as vendor and Liaison Office Of The Central People's Government In The Hong Kong Special Administrative Region (a representative branch of the Central Government of China in Hong Kong), an independent third party, as purchaser in relation to the disposal of the property at "22/F of Rykadan Capital Tower, No.135-137 Hoi Bun Road, Kwun Tong, Kowloon" at the consideration of HK\$135,000,000;
- (e) the Framework Agreement;
- (f) the Sale and Purchase Agreement;
- (g) the Escrow Agreement; and
- (h) the New Escrow 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:

<b>Name</b>	<b>Qualification</b>
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 2014, 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 (PE)*, 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 audited consolidated financial statements of the Group for the two financial years ended 31 December 2014;
- (c) the review report of the CFSG Group, the text of which is set out in Appendix II to this circular;
- (d) the review report on unaudited pro forma financial information of the Remaining Group from Deloitte Touche Tohmatsu, the text of which is set out in Appendix III 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.

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## NOTICE OF THE SGM

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### 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 8 May 2015 (Friday) at 10:00 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 9 March 2015 (“Sale and Purchase Agreement”, a copy of which has been produced to the SGM marked “A” 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 the seller), Oceanwide Holdings International Finance Ltd (as the purchaser) and the Company (as guarantor) in relation to the proposed disposal of a total of 1,657,801,069 shares of HK\$0.02 each in CASH Financial Services Group Limited (時富金融服務集團有限公司\*) (“CFSG”, a non-wholly-owned subsidiary of the Company) (“CFSG Sale Shares”) at a price of HK\$0.37 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 (“Directors”) be and are hereby authorised on behalf of the Company to do all such things and sign, seal, execute, perfect and deliver the Sale and Purchase Agreement 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, 22 April 2015

\* For identification purpose only

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## NOTICE OF THE SGM

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*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, if he is holder of more than one share, 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 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.