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**CASH FINANCIAL SERVICES
GROUP LIMITED**
時富金融服務集團有限公司*
(incorporated in Bermuda with limited liability)
(Stock code: 510)



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

INSIDE INFORMATION

IN RELATION TO

**POSSIBLE DISPOSAL OF
CFSG SHARES BY CASH**

**INSIDE INFORMATION AND
POSSIBLE VERY SUBSTANTIAL
DISPOSAL**

IN RELATION TO

**THE DISPOSAL MANDATE
REGARDING
POSSIBLE DISPOSAL OF CFSG
SHARES BY CASH**

This joint announcement is made by CFSG and CASH pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

CASH

(1) The Disposal Mandate

As at the date of this joint announcement, CASH (through CIGL, a wholly-owned subsidiary of CASH) held the CFSG Sale Shares, being an aggregate of 1,667,821,069 CFSG Shares (representing approximately 33.62% of the issued share capital of CFSG as at the date of this joint announcement). CFSG is currently an associated company of CASH.

CASH intends to realize its share investment in CFSG in the event there is good capital gain. To allow flexibility in effecting the Possible Disposal at appropriate timing and manner, CASH would like to seek the CASH Shareholders' approval in relation to the Disposal Mandate. The Disposal Mandate involves the possible disposal of the CFSG Sale Shares in one or more transactions subject to the terms of the Disposal Mandate as set out under the paragraph headed "Terms of the Disposal Mandate" under the section headed "The Disposal Mandate" in this joint announcement.

(2) Possible Very Substantial Disposal for CASH

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Possible Disposal (assuming the Disposal Mandate will exercise in full) exceed(s) 75%, such disposal constitutes a very substantial disposal for CASH and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The CASH SGM will be convened and held for the purposes of considering and, if thought fit, approving the Possible Disposal and the Disposal Mandate. To the best knowledge of the CASH Directors, as at the date of this joint announcement, no CASH Shareholder has a material interest in the Possible Disposal and the Disposal Mandate (other than being a CASH Shareholder) and therefore no CASH Shareholder is required to abstain from voting on the resolution(s) in relation to the Possible Disposal and the Disposal Mandate to be proposed at the CASH SGM.

The CASH Circular containing, among other things, further details of the Possible Disposal, the Disposal Mandate, financial information relating to the CASH Group and a notice convening the CASH SGM is currently expected to be despatched to the CASH Shareholders on or before 30 November 2017 as CASH expects that it requires more time to collate the information to be included in the CASH Circular.

CFSG

CASH is currently the single largest substantial shareholder of CFSG. Assuming the Disposal Mandate will exercise in full, CASH will cease to hold any shareholding interest in CFSG and cease as the substantial shareholder of CFSG.

CFSG Shareholders and CASH Shareholders and investors should note that there is no assurance that CASH will proceed with the Possible Disposal after obtaining the Disposal Mandate. The timing and whether CASH will proceed with the Possible Disposal depends on a number of factors including the then prevailing market prices of CFSG and market conditions. As such, CFSG Shareholders and CASH Shareholders and investors are urged to exercise caution when dealing in the respective CFSG Shares and CASH Shares.

(1) THE DISPOSAL MANDATE

As at the date of this joint announcement, CASH (through CIGL, a wholly-owned subsidiary of CASH) held the CFSG Sale Shares, being an aggregate of 1,667,821,069 CFSG Shares (representing approximately 33.62% of issued share capital of CFSG as at the date of this joint announcement). CFSG is currently an associated company of CASH.

CASH intends to realize its share investment in CFSG in the event there is good capital gain. To allow flexibility in effecting the Possible Disposal at appropriate timing and manner, CASH would like to seek the CASH Shareholders' approval in relation to the Disposal Mandate. The Disposal Mandate involves the possible disposal of the CFSG Sale Shares in one or more transactions subject to the terms of the Disposal Mandate as set out below. The CASH Board resolved and approved the proposed terms of the Disposal Mandate on 7 November 2017.

Terms of the Disposal Mandate

The Disposal Mandate to be sought from the CASH Shareholders will be on the following terms:

- Maximum number of CFSG Shares to be sold : Not more than the CFSG Sale Shares, being an aggregate of 1,667,821,069 CFSG Shares (representing approximately 33.62% of the issued share capital of CFSG as at the date of this joint announcement).
- Minimum disposal price : Not less than HK\$0.31, being the conversion price of the Convertible Bonds. The minimum disposal price represents:-
- (i) a premium of approximately 25.51% over the last closing price of HK\$0.247 per CFSG Share as quoted on the Stock Exchange on the date of this joint announcement;
 - (ii) a premium of approximately 24.50% over the average closing price of HK\$0.249 per CFSG Share as quoted on the Stock Exchange for the last five trading days up to and including 6 November 2017;
 - (iii) a premium of approximately 24.00% over the average closing price of HK\$0.250 per CFSG Share as quoted on the Stock Exchange for the last ten trading days up to and including 6 November 2017;
 - (iv) a premium of approximately 24.00% over the average closing price of HK\$0.250 per CFSG Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including 6 November 2017; and
 - (v) a discount of approximately 7.46% to the average closing price of HK\$0.335 per CFSG Share as quoted on the Stock Exchange for the 12 months ended on 6 November 2017.

The minimum disposal price of HK\$0.31 was determined after taking into account the conversion price of the Convertible Bonds of HK\$0.31 and the prevailing share price performance of CFSG Shares and market sentiment.

Assuming the Disposal Mandate will be exercised in full, the aggregate consideration of the Possible Disposal will be HK\$517,024,531.

In the event that the CFSG Sale Shares are to be disposed through block trade(s), the actual sale price(s) of the relevant CFSG Sale Shares will be the higher of (i) the lowest closing price of CFSG Share as quoted on the Stock Exchange during the previous twelve (12) months, and (ii) a discount of not more than 20% to the average closing price of CFSG Shares as quoted on the Stock Exchange for the last five trading days immediately before the placing or brokerage agreement.

CASH considers that the minimum disposal price will allow flexibility for the CASH Board to accommodate fluctuation in market conditions in the exercise of the Disposal Mandate and at the same time reflect the lowest acceptable price to dispose of the CFSG Shares, and is thus fair and reasonable as far as CASH and the CASH Shareholders are concerned.

The CASH Board considers that the terms of the Disposal Mandate, including the minimum disposal price per CFSG Sale Share, are fair and reasonable and in the interests of CASH Shareholders.

- Settlement of consideration : By cash
- Mandate period : the Disposal Mandate to be sought from the CASH Shareholders is to be valid for a period of twelve (12) months from the date on which the Disposal Mandate is approved by the CASH Shareholders.
- Scope of authority : the CASH Board be authorized and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal, including but not limited to (a) the timing; (b) the number of batches of disposals, the number of CFSG Sale Shares to be sold in each disposal; (c) the manner of disposal (subject to the parameters set out under the sub-heading “Manner of disposal” below); (d) the target buyer(s) (subject to the restriction as set out under the sub-heading “Potential buyer(s)” below); and (e) the sale price (subject to the minimum disposal price as set out under the sub-heading “Minimum disposal price” above).
- Potential buyer(s) : the persons to whom the CFSG Sale Shares will be disposed and the ultimate beneficial owner of such persons will, to the best of the CASH Directors’ knowledge, information and belief having made all reasonable enquiries, be third parties who are independent of CASH and its connected persons.

Manner of disposal : the CASH Board be authorized and empowered to determine and decide with full discretion the manner of disposal, whether by way of sale in the open market or through block trade(s). If the CASH Board decides to dispose of the CFSG Sale Shares by block trade(s) through placing agent, broker or otherwise, the selling price will be determined based on the prevailing market price of the CFSG Shares and the number of CFSG Sale Shares to be sold after arm's length negotiation with such placing agent or broker subject to the restrictions as set out under the sub-heading "Minimum disposal price" above. CASH may appoint placing agent or broker (including Celestial Securities and/or Celestial Capital, being licensed corporations under SFO and wholly-owned subsidiaries of CFSG) to identify buyer (s) for the CFSG Sale Shares and the terms and conditions of the placing or brokerage agreement shall be negotiated on an arms' length basis. In the event that CASH Group appoints Celestial Securities and/or Celestial Capital as placing agent or broker, CFSG and CASH will comply with the relevant requirements under the Listing Rules and will make further announcement(s) if necessary. As at the date of this joint announcement, the CASH Board has not appointed or identified any placing agent or broker.

INFORMATION OF THE CFSG GROUP

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

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

Based on the audited accounts of CFSG, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2016 were approximately HK\$53.4 million and HK\$51.2 million respectively, and the audited net asset value as at 31 December 2016 was approximately HK\$543.2 million. The unaudited net asset value of CFSG as at 30 June 2017 was approximately HK\$735.6 million.

REASONS FOR THE POSSIBLE DISPOSAL AND THE DISPOSAL MANDATE AND USE OF SALE PROCEEDS

The Possible Disposal will realize profits with cash inflow from realization of the investment of CASH in CFSG and to capture return at appropriate times and price(s), subject to favorable prevailing share prices and market sentiment.

The Disposal Mandate will give flexibility to the CASH Directors to observe the price performance of the CFSG Sale Shares and to act promptly, effectively and efficiently with reference to the changing market conditions and economic situation so as to maximize the gains and return for CASH Group.

The Possible Disposal enables CASH to realize its share investment in CFSG with an expected realized gain of approximately HK\$18 million, which is calculated based on the gross proceeds of approximately HK\$517 million (based on the minimum disposal price of HK\$0.31 per CFSG Sale Share and assuming the Disposal Mandate will be exercised in full) less the carrying value attributable to the CFSG Sale Shares as at 30 June 2017 of approximately HK\$492 million and the estimated related costs of approximately HK\$7 million. However, the actual amount of the proceeds, accounting gain or loss and the effects on the net assets and earnings of the CASH Group in relation to the Possible Disposal will depend on the actual sale price(s) of the relevant CFSG Sale Shares and the actual number of the CFSG Sale Shares to be disposed of by CASH. The net proceeds from the Possible Disposal will be utilized as to around HK\$200 million (around 39.2%) for partial repayment of bank loans and other borrowings and payables arising from retail management business, as to around HK\$100 million (around 19.6%) for development of retail management business and as to the remaining HK\$210 million (around 41.2%) for general working capital of the CASH Group to strengthen the capital base of the CASH Group.

In view of our business expansion plan to support long-term sustainable growth and marketing development of retail management business, it is intended that the sale proceeds of HK\$100 million will be mainly applied for expansion of store network, renovation and re-design of store layout, development of new multi-brands, product development in furniture, household and home items, broadening management team and hiring expertise from various fields, including retail management, merchandising, branding and marketing, information technology and e-commerce, advertising and marketing campaigns, and development of e-commerce business and online shops (www.pricerite.com.hk and www.tmf.hk).

In consideration of the above, the CASH Board considers that the Possible Disposal, if successfully completed, represents a good opportunity to realize its share investment in CFSG with an expected gain of not less than approximately HK\$18 million, provide funding for development of retail management business and to enhance the cash flow position of the CASH Group. Having considered the terms of the Disposal Mandate, the CASH Directors consider that the Possible Disposal is on normal commercial terms, fair and reasonable and in the interests of CASH and the CASH Shareholders as a whole.

(2) POSSIBLE VERY SUBSTANTIAL DISPOSAL FOR CASH

CIGL, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of CASH. Its principal activity is investment holding. The current principal activities of the CASH Group consist of (a) financial services business carried out via CFSG as aforementioned; (b) retail management business including sales of furniture and household items and electrical appliances through the chain stores under multi-brand name including “Pricerite” and “TMF” in Hong Kong; (c) mobile internet service business; and (d) general investment holding. For additional information, please visit www.cash.com.hk.

As at the date of this joint announcement, CASH (through CIGL, a wholly-owned subsidiary of CASH) held the CFSG Sale Shares, being an aggregate of 1,667,821,069 CFSG Shares (representing approximately 33.62% shareholding interest in CFSG as at the date of this joint announcement). CFSG is currently an associated company of CASH.

Upon exercise in full of the Disposal Mandate, CASH will cease to hold any shareholding interest in CFSG and cease as substantial shareholder of CFSG. CASH Group will continue to be principally engaged in retail management business, mobile internet services business and general investment holding.

As one or more of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Possible Disposal (if the Disposal Mandate will exercise in full) exceed(s) 75%, such disposal constitutes a very substantial disposal for CASH and is subject to the announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

(3) CASH SGM

The CASH SGM will be convened and held for the purposes of considering and, if thought fit, approving the Possible Disposal and the Disposal Mandate. To the best knowledge of the CASH Directors, as at the date of this joint announcement, no CASH Shareholder has a material interest in the Possible Disposal and the Disposal Mandate (other than being a CASH Shareholder) and therefore no CASH Shareholder is required to abstain from voting on the resolution(s) in relation to the Possible Disposal and the Disposal Mandate to be proposed at the CASH SGM.

The CASH Circular containing, among other things, further details of the Possible Disposal, the Disposal Mandate, financial information relating to the CASH Group and a notice convening the CASH SGM is currently expected to be despatched to the CASH Shareholders on or before 30 November 2017 as CASH expects that it requires more time to collate the information to be included in the CASH Circular.

(4) CFSG

CASH is currently the single largest substantial shareholder of CFSG. Assuming the Disposal Mandate will exercise in full, CASH will cease to hold any shareholding interest in CFSG and cease as substantial shareholder of CFSG.

CFSG Shareholders and CASH Shareholders and investors should note that there is no assurance that CASH will proceed with the Possible Disposal after obtaining the Disposal Mandate. The timing and whether CASH will proceed with the Possible Disposal depends on a number of factors including the then prevailing market prices and market conditions. As such, CFSG Shareholders and CASH Shareholders and investors are urged to exercise caution when dealing in the respective CFSG Shares and CASH Shares.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the following meanings:

“CASH”	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 single largest substantial shareholder of CFSG as at the date of this joint announcement
“CASH Board”	the board of directors of CASH
“CASH Circular”	the circular containing, among other things, further details of the Possible Disposal and Disposal Mandate and a notice convening the CASH SGM which is currently expected to be despatched to the CASH Shareholders on or before 30 November 2017
“CASH Directors”	the directors of CASH
“CASH Group”	CASH and its subsidiaries
“CASH SGM”	the special general meeting of CASH to be convened to consider and approve, among other things, the Possible Disposal and the Disposal Mandate
“CASH Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of CASH
“CASH Shareholders”	the shareholders of CASH
“Celestial Capital”	Celestial Capital Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of CFSG, and a licensed corporation under the SFO which is engaged in types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities
“Celestial Securities”	Celestial Securities Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of CFSG, and a licensed corporation under the SFO which is engaged in type 1 (dealing in securities) regulated activity
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the Main Board of the Stock Exchange, and is an associated company of CASH as at the date of this joint announcement

“CFSG Board”	the board of directors of CFSG
“CFSG Directors”	the directors of CFSG
“CFSG Group”	CFSG and its subsidiaries
“CFSG Sale Shares”	an aggregate of 1,667,821,069 CFSG Shares (representing approximately 33.62% of the issued share capital of CFSG as at the date of this joint announcement), being all the CFSG Shares held by CASH (through CIGL, a wholly-owned subsidiary of CASH) as at the date of this joint announcement
“CFSG Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of CFSG
“CFSG Shareholders”	the shareholders of CFSG
“CIGL”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of CASH, being the beneficial owner of the CFSG Sale Shares as at the date of this joint announcement
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Convertible Bonds”	the convertible bonds with an aggregate principal amount of HK\$620,000,000 at the initial conversion price of HK\$0.31 per CFSG Share issued by CFSG to bondholders on 27 July 2017
“Disposal Mandate”	the specific mandate proposed by the CASH Board to seek approval from the CASH Shareholders to allow the CASH Board to dispose of up to 1,667,821,069 CFSG Sale Shares on the terms as set out under the sub-paragraph headed “Terms of the Disposal Mandate” under the paragraph headed “The Disposal Mandate” of this joint announcement
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Possible Disposal”	the proposed disposal of the CFSG Sale Shares pursuant to the Disposal Mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

On behalf of the CFSG Board

Bernard Law

*Executive Director and
Chief Financial Officer*

On behalf of the CASH Board

Bankee P. Kwan

*Executive Director and
Chairman*

Hong Kong, 7 November 2017

As at the date hereof, the CFSG Board comprises:

Executive directors:

Mr Kwan Pak Hoo Bankee, JP
Mr Chan Chi Ming Benson
Mr Law Ping Wah Bernard
Mr Kwan Teng Hin Jeffrey
Mr Ho Tsz Cheung Jack

Independent non-executive directors:

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

As at the date hereof, the CASH Board comprises:

Executive directors:

Mr Kwan Pak Hoo Bankee, JP
Mr Law Ping Wah Bernard
Mr Law Ka Kin Eugene
Ms Kwok Lai Ling Elaine
Mr Ng Hin Sing Derek

Independent non-executive directors:

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

* *For identification purposes only*