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CASH FINANCIAL SERVICES GROUP LIMITED

(incorporated in Bermuda with limited liability)
(Stock code: 510)

CONTINUING CONNECTED TRANSACTIONS - PROVISION OF FINANCIAL GUARANTEES

Reference is made to the Joint Announcement issued by the Company and CASH on 5 June 2013 in relation to, inter alia, the Distribution In Specie and the Financial Guarantees.

The Board announces that, upon the Distribution Completion which has taken place on 28 June 2013, the Privateco has ceased as a subsidiary of the Company and remains as a subsidiary of CASH held under CIGL directly. The Company is currently providing the Financial Guarantees relating to the existing banking facilities granted to the Privateco Group, and the Financial Guarantees will be released and new financial guarantees will be provided by CASH subsequent to the Distribution Completion. Upon the recent discussion with the various banks, it will take the Transitional Period to complete the change of the Financial Guarantees. CASH remains as a connected person of the Company and the Privateco has become a connected person of the Company (as defined under the Listing Rules) by virtue of Rule 14A.11(4) of the Listing Rules. As the continuous provision of the Financial Guarantees relating to the existing banking facilities granted to the Privateco Group by the Company on an annual basis exceeds 5% of the applicable percentage ratios of the Company under the Listing Rules and HK\$10,000,000, the transaction constitutes a non-exempt continuing connected transaction of the Company under the Listing Rules.

This announcement is made by the Company to comply with the reporting and announcement requirements to disclose the details of the continuing connected transaction in respect of the provision of the Financial Guarantees pursuant to rule 14A.41 of the Listing Rules.

Details of the terms of the Financial Guarantees are listed below:-

THE FINANCIAL GUARANTEES

Amount of the Financial Guarantees and terms:

The maximum amount of the Financial Guarantees relating to the existing banking facilities granted to the Privateco Group provided by the Company is not exceeding HK\$267 million as at the date of this announcement.

Upon the Distribution Completion, the Company will continuously provide the Financial Guarantees (as might be necessary as per request of various banks) not exceeding HK\$267 million per annum, for the purpose of assisting the Privateco Group to maintain the banking facilities from various banks for the financial year ending 31 December 2013 during the Transitional Period before provision of new financial guarantees by CASH for the purpose of replacing the Financial Guarantees provided by the Company becoming effective.

Basis for determination of the Financial Guarantees:

The amount of the Financial Guarantees provided by the Company is determined with reference to the Financial Guarantees provided by the Company relating to the existing banking facilities granted to the Privateco Group of not exceeding HK\$267 million per annum.

Duration and terms:

The Transitional Period from the Distribution Completion up to 31 December 2013.

The provision of the Financial Guarantees by the Company to the Privateco Group will be terminated at any time during the Transitional Period upon completion of the change of the provision of the Financial Guarantees from the Company to CASH.

The maximum amount of banking facilities granted by the banks to the Privateco Group as at 31 December 2012 did not exceed approximately HK\$261.5 million. The outstanding balances of the banking facilities utilised by the Privateco Group as at 31 December 2012 was approximately HK\$131.8 million.

REASONS FOR THE TRANSACTION

As the Privateco Group intends to continue utilising such banking facilities in order to carry on its business operation, it has been requested by the banks to have the Company continuously provide the Financial Guarantees during the Transitional Period for smooth completion of the change of guarantor from the Company to CASH after the Distribution Completion. In addition, the Financial Guarantees being provided is on normal commercial terms. No director has a material interest in the transaction. In view of the above, the Board considers that the continuous provision of the Financial Guarantees upon the Distribution Completion during the Transitional Period is in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP AND THE PRIVATECO GROUP

The Company is a leading financial services conglomerate in the PRC. The Company has been providing its broad-based clients with a comprehensive range of financial products and quality services that cater for their versatile investment and wealth management needs, anytime, anywhere. Since its establishment in 1972, the Company has been building lasting businesses in the investment and financial services sector. Its comprehensive range of financial products and services includes brokerages for mobile and premium trading, investment banking and corporate finance advisory, wealth management, alternative trading, etc. As a leading technology-focused financial services provider, coupled with its professional human talents, the Company is committed to operating a state-of-the-art trading platform to meet the investment needs of clients in today's borderless world. Leveraging this advanced electronic trading platform, the Company has developed an extensive distribution network to reach its institutional, corporate and individual clients across China. The Group is currently engaged in financial services businesses including mobile and premium trading, investment banking and corporate finance advisory, wealth and asset management, alternative trading.

The Privateco Group is engaged in retail management businesses including retailing of furniture and household items through the chain stores under the brand names of "Pricerite" in Hong Kong and "生活經艷" in the PRC.

GENERAL

Reference is made to the Joint Announcement issued by the Company and CASH on 5 June 2013 in relation to, inter alia, the Distribution In Specie and the Financial Guarantees.

The Board announces that, upon the Distribution Completion which has taken place on 28 June 2013, the Privateco has ceased as a subsidiary of the Company and remains as a subsidiary of CASH held under CIGL directly. The Company is currently providing the Financial Guarantees relating to the existing banking facilities granted to the Privateco Group, and the Financial Guarantees will be released and new financial guarantees will be provided by CASH subsequent to the Distribution Completion. Upon the recent discussion with the various banks, it will take the Transitional Period to complete the change of the Financial Guarantees. Upon the Distribution Completion which has taken place on 28 June 2013, CASH remains as a connected person of the Company and the Privateco has become a connected person of the Company (as defined under the Listing Rules) by virtue of Rule 14A.11(4) of the Listing Rules. As the continuous provision of the Financial Guarantees relating to the existing banking facilities granted to the Privateco Group by the Company on an annual basis exceeds 5% of the applicable percentage ratios of the Company under the Listing Rules and HK\$10,000,000, the transaction constitutes a non-exempt continuing connected transaction of the Company under the Listing Rules.

This announcement is made by the Company to comply with the reporting and announcement requirements to disclose the details of the continuing connected transaction in respect of the provision of the Financial Guarantees pursuant to rule 14A.41 of the Listing Rules.

DEFINITION

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

"Board"

board of directors of the Company

"CASH" Celestial Asia Securities Holdings Limited (Stock code: 1049), a company

> incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange. It is the holding company of the Company

"Company" CASH Financial Services Group Limited (Stock code: 510), a company

> incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange. It is currently beneficially owned as to 42.75% equity interests by Celestial Investment Group Limited (a whollyowned subsidiary of CASH) and accounted as a non-wholly-owned

subsidiary of CASH

"Directors" the directors of the Company

"Distribution Completion" completion of the Distribution In Specie which has taken place on 28 June

2013

"Distribution In Specie" the distribution in specie of Privateco Shares by the Company to the

Oualifying Shareholders on the Record Date

"Financial Guarantees" the financial guarantees provided by the Company pursuant to guarantee

> agreements previously entered into by the Company, pursuant to which the Company has agreed to provide financial guarantees to the banks in respect of the existing banking facilities granted to the Privateco Group for a total

amount of not exceeding HK\$267 million per annum

"Group" the Company and its subsidiaries

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"Joint Announcement" the joint announcement made by the Company and CASH on 5 June 2013

in relation to, inter alia, the Distribution In Specie and the Financial

Guarantees

"Listing Rules" the Rules Governing the Listing of Securities on the Stock Exchange

"Privateco" CASH Retail Management (HK) Limited, a company incorporated in

> British Virgin Islands with limited liability, is the holding company for retail management businesses. It has ceased as a subsidiary of the Company and remains as a subsidiary of CASH held under CIGL directly

"Privateco Group" the Privateco and its subsidiaries

"Privateco Shares" shares of the Privateco

"Qualifying the Shareholder(s), who are qualified for the Distribution In Specie, whose Shareholder(s)"

names appeared on the register of members of the Company at the close of

business on the Record Date

"Record Date" 27 June 2013, being the record date for the purpose of ascertaining the

entitlements of the Shareholders to the Distribution In Specie as set out in

the Joint Announcement

"Share(s)" ordinary share(s) of HK\$0.02 each in the share capital of the Company

"Shareholder(s)" the holder(s) of the Shares

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"Transitional Period" the transitional period from the Distribution Completion up to 31 December

2013 for the completion of change of the provision of the Financial

Guarantees to the Privateco Group from the Company to CASH

Hong Kong, 28 June 2013

By Order of the Board Suzanne W S Luke Company Secretary

As at the date hereof, the Board comprises:-

Executive directors: Independent non-executive directors:

Mr Kwan Pak Hoo Bankee Mr Cheng Shu Shing Raymond Mr Chan Chi Ming Benson Mr Lo Kwok Hung John Mr Law Ping Wah Bernard Mr Lo Ming Chi Charles

Mr Cheng Man Pan Ben

Ms Cheng Pui Lai Majone