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If you have sold all your shares in CASH Financial Services Group Limited (“Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT,
RE-ELECTION OF THE RETIRING DIRECTORS,
CONTINUING CONNECTED TRANSACTIONS
– FINANCIAL ASSISTANCE
AND
NOTICE OF ANNUAL GENERAL MEETING**

**The Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

VINCO  **城高**

Grand Vinco Capital Limited

(A wholly-owned subsidiary of Vinco Financial Group Limited)

A notice convening an annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 26 May 2014, Monday, at 9:30 am is set out on pages 45 to 49 of this circular. A letter from Vinco Capital (as defined herein) containing its advice to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) in relation to the Margin Financing Arrangement (as defined herein) is set out on pages 22 to 31 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 the form of proxy will not preclude you from attending and voting at the meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

17 April 2014

DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 26 May 2014, Monday, at 9:30 am
“Announcement”	the joint announcement made by the Company and CASH on 27 March 2014 in respect of, among other things, the Margin Financing Arrangement
“associate(s)”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose shares are listed on the main board of the Stock Exchange, and the holding company of the Company
“CASH Group”	CASH and its subsidiaries, including the Group
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands, is an associate of Mr Kwan Pak Hoo Bankee
“Celestial Securities”	Celestial Securities Limited, a company incorporated with limited liability in Hong Kong, and is a wholly-owned subsidiary of the Company. It is a licensed corporation under the SFO, which is engaged in type 1 (dealing in securities) regulated activity
“CIGL”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of CASH and the substantial Shareholder
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange

DEFINITIONS

“Conditions”	the conditions of the Margin Financing Agreements as set out in the sub-heading of “Duration and terms and conditions” under the heading of “Margin Financing Agreements”
“Connected Clients”	Mr Tsui Wing Cheong Sammy, Mr Ng Hin Sing Derek, Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna, who are either directors of the Group and/or the CASH Group and/or their respective associates, as more particularly set out in the section “Margin Financing Arrangement” in this circular
“Director(s)”	director(s) of the Company
“Existing Margin Financing Arrangement”	the existing margin financing facility extended by Celestial Securities to certain connected clients under the existing margin financing agreements dated 14 December 2012 as approved by independent shareholders of the Company on 22 January 2013, particulars of which are set out in the section of “The Existing Margin Financing Arrangement” in this circular
“Group”	the Company and its subsidiaries
“Independent Board Committee”	an independent board committee of the Company comprising the independent non-executive Directors, namely Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles to advise the Independent Shareholders on the Margin Financing Arrangement
“Independent Financial Adviser” or “Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (Stock Code: 8340), a licensed corporation to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Margin Financing Arrangement

DEFINITIONS

“Independent Shareholders”	the Shareholders, other than the relevant interested Shareholders and their respective associates required to abstain from voting on their related resolutions approving the Margin Financing Arrangement, as set out under the heading “General” in section of the “Letter from the Board” on pages 16 to 17 of this circular
“Latest Practicable Date”	14 April 2014, being the latest practicable date prior to the printing of this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Margin Financing Agreements”	the written margin financing agreements all dated 27 March 2014 on same terms and conditions as disclosed in this circular between Celestial Securities with each of the Connected Clients relating to, subject to the Conditions, the proposed granting of the margin financing facility to each of the Connected Clients
“Margin Financing Arrangement”	the granting of margin financing facility by Celestial Securities to the Connected Clients, subject to the Conditions, pursuant to the Margin Financing Agreements
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Listing Rules
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Prime Rate”	the prevailing prime lending rate being offered by The Hongkong and Shanghai Banking Corporation Limited
“Repurchase Mandate”	a general mandate to repurchase its fully paid up Shares

DEFINITIONS

“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise in full of options available to be granted by the Directors on behalf of the Company from time to time under the Share Option Scheme and any other share option scheme(s) of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares during the period up to a maximum of 20% of the issued share capital of the Company as at the date of the passing of the resolution approving the Share Issue Mandate
“Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at the special general meeting held on 22 February 2008 (which took effect on 3 March 2008)
“Share(s)”	share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meanings ascribed to it under the Listing Rules
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

LETTER FROM THE BOARD



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

Executive Directors

KWAN Pak Hoo Bankee
CHAN Chi Ming Benson
LAW Ping Wah Bernard
CHENG Pui Lai Majone

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Independent Non-executive Directors

CHENG Shu Shing Raymond
LO Kwok Hung John
LO Ming Chi Charles

Principal Place of Business

21/F Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

17 April 2014

To Shareholders

Dear Sir/Madam,

**GENERAL MANDATES TO REPURCHASE SHARES AND TO ISSUE SHARES,
REFRESHMENT OF THE SCHEME MANDATE LIMIT,
RE-ELECTION OF THE RETIRING DIRECTORS,
CONTINUING CONNECTED TRANSACTIONS
– FINANCIAL ASSISTANCE
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with:

- (a) information on the proposal to grant to the Directors the Repurchase Mandate which is required under rule 10.06(1)(a)(iii) of the Listing Rules to be approved by Shareholders by a specific or general approval;

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- (b) information on the proposal to grant to the Directors the Share Issue Mandate;
- (c) information on the refreshment of the Scheme Mandate Limit which is required under rule 17.03(3) of the Listing Rules to be approved by the Shareholders in general meeting;
- (d) information on the re-election of the retiring Directors;
- (e) information on the Margin Financing Arrangement which is required under Chapter 14A of the Listing Rules to be approved by the Independent Shareholders in general meeting; and
- (f) the notice of the AGM at which ordinary resolutions will be proposed to approve, inter alia, the Repurchase Mandate, the Share Issue Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the Margin Financing Arrangement.

A. REPURCHASE MANDATE

Pursuant to the general mandate approved by the Shareholders at the annual general meeting of the Company held on 27 May 2013, the Directors are authorised to exercise the powers of the Company to repurchase up to 387,785,958 Shares. Under the Listing Rules, such general mandate will lapse at the conclusion of the AGM. The Company is proposing an ordinary resolution at the AGM for granting the general mandate to the Directors to repurchase Shares up to 10% of the issued Shares of the Company as at the date of passing the resolution.

This circular contains all the information in relation to the Repurchase Mandate required pursuant to the Listing Rules which is set out as follows:

1. Reason for Share Repurchase

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

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The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2013. However, the Directors will not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

2. Share Capital

As at the Latest Practicable Date, the Company has 3,877,859,588 Shares in issue or issued share capital of HK\$77,557,191.76.

Assuming that no further Shares will be issued or purchased prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 387,785,958 Shares (representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution) representing share capital of HK\$7,755,719.16 being repurchased by the Company. Such Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein or the revocation of the Repurchase Mandate by an ordinary resolution of the Shareholders.

3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Directors propose that the repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

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4. Marketing Prices

The highest and lowest prices at which the Shares have been traded as quoted on the Stock Exchange during each of the previous twelve months were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
March	0.101	0.085
April	0.094	0.078
May	0.113	0.082
June	0.101	0.078
July	0.086	0.074
August	0.088	0.076
September	0.103	0.077
October	0.103	0.084
November	0.112	0.080
December	0.098	0.085
2014		
January	0.098	0.082
February	0.104	0.082
March	0.103	0.088
April (up to the Latest Practicable Date)	0.105	0.090

5. Share Repurchases Made by the Company

During the previous 6 months prior to the date of this circular, the Company had not repurchased, sold or redeemed any of the listed securities of the Company.

6. General

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Bermuda.

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, CIGL (the substantial Shareholder) and the parties acting in concert with it (has the meaning ascribed thereto under the Takeovers Code) which include Cash Guardian (a company controlled by Mr Kwan Pak Hoo Bankee, the Chairman of the Company), Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard

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and Mr Ng Hin Sing Derek and their associates collectively were interested in 1,768,140,815 Shares, representing approximately 45.59% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of CIGL and the parties acting in concert with it together with their associates in the Company would be increased to approximately 50.66% of the issued share capital. In this case, such increase may give rise to an obligation of CIGL to make a mandatory general offer under rules 26 and 32 of the Takeovers Code. However, the Directors have no intention to exercise the Repurchase Mandate to such an extent that it will trigger the mandatory general offer under rules 26 and 32 of the Takeovers Code. The number of Shares held by the public will still be maintained at above 25% of the total number of Shares in issue in the event of exercise of the Repurchase Mandate in full.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

B. SHARE ISSUE MANDATE

At the annual general meeting of the Company held on 27 May 2013, a general mandate was given by the Company to the Directors to exercise the powers of the Company to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution and such general mandate was extended by adding to it the aggregate nominal amount of any Shares repurchased by the Company under the authority to repurchase Shares granted on that date. Such general mandate will also lapse at the conclusion of the AGM.

The Board proposes to seek Shareholder's approval at the AGM to grant to the Directors the Share Issue Mandate. As at the Latest Practicable Date, the Company has an aggregate of 3,877,859,588 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the Share Issue Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Company will be allowed under the Share Issue Mandate to issue and allot up to 775,571,917 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date. At the AGM, an ordinary resolution will also be proposed for authorising an extension of the limit of the Share Issue Mandate so granted by adding to it the number of Shares repurchased by the Company under the Repurchase Mandate, if grant.

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C. REFRESHMENT OF THE SCHEME MANDATE LIMIT

Pursuant to rule 17.03(3) of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the Shares in issue from time to time.

Pursuant to rule 17.03(3) of the Listing Rules, the Scheme Mandate Limit may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by the Shareholders. The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting from time to time.

The current share option scheme of the Company is the Share Option Scheme (which was adopted on 22 February 2008 and took effect on 3 March 2008). As at the Latest Practicable Date, 3,877,859,588 Shares were in issue and a total of 497,000,000 options with rights to subscribe up to 497,000,000 Shares, representing 12.81% of the issued share capital of the Company as at the Latest Practicable Date, have been granted under the Share Option Scheme and remained outstanding.

At the last annual general meeting of the Company held on 27 May 2013, the Scheme Mandate Limit was refreshed by the Shareholders and the Company is allowed to grant options entitling holders thereof to subscribe for up to 387,785,958 Shares. Since the latest refreshment of the Scheme Mandate Limit and up to the Latest Practicable Date, a total of 261,000,000 options have been granted and the Scheme Mandate Limit has been utilised as to around 67.3%. None of the 261,000,000 options granted was exercised, cancelled or lapsed during the period.

Since over 67.3% of the Scheme Mandate Limit as refreshed in the last annual general meeting of the Company has been utilised, the Directors would like to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so as to obtain a higher limit and to retain the flexibility to make new grant of options under the Share Option Scheme as the Board may consider appropriate from time to time. It will allow the Company to attract potential employees to join the Group and to provide incentives to and to retain the existing employees of the Group which is in the interests of the Group.

The refreshment of the Scheme Mandate Limit is conditional upon (i) approval by the Shareholders by an ordinary resolution at the AGM; (ii) approval by the shareholders of CASH, being the holding company of the Company, by an ordinary resolution at its annual general meeting; and (iii) the Stock Exchange granting approval for the listing of and permission to deal in the option Share(s) to be issued pursuant to the exercise of options to be granted under the Scheme Mandate Limit. Options previously granted under the share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the scheme(s) or exercised options) will not be counted in the Scheme Mandate Limit as refreshed.

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Assuming no further allotment and issue of Shares and/or repurchase of Shares up to the date of the AGM, the Scheme Mandate Limit (upon the approval of the refreshment by the Shareholders at the AGM) will allow the Company to grant options entitling holders thereof to subscribe for up to 387,785,958 Shares, being 10% of the Shares then in issue as at the date of the AGM.

Application will be made to the Stock Exchange by the Company for the approval of the listing of and permission to deal in the Shares, representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit, which may be issued pursuant to the exercise of the options under the Share Option Scheme and any other share option scheme(s) of the Company.

D. RE-ELECTION OF THE RETIRING DIRECTORS

The following Directors shall retire and, being eligible, offer themselves for re-election at the AGM:

- (i) Mr Chan Chi Ming Benson and Mr Law Ping Wah Bernard, being executive Directors, shall retire at least once in every 3 years at the annual general meeting of the Company in accordance with the Company's bye-laws and corporate governance code; and
- (ii) Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, being independent non-executive Directors, shall retire at the annual general meeting of the Company in each year in accordance with their terms of office of directorship.

The re-election of each of the Directors is subject to a separate resolution as set out in the notice of the AGM in this circular.

Out of the Directors proposed for re-election at the AGM, Mr Cheng Shu Shing Raymond has been the independent non-executive Director since September 2002 for serving the Company for more than nine years. The Board is satisfied that Mr Cheng is person of integrity and stature, independent in character and judgment. Mr Cheng has never held any executive or management position in the Group. There is no evidence that the independence of Mr Cheng, especially in terms of exercising independent judgment and objective challenges to the management, has been or will be in any way compromised or affected by his length of service to the Board. Furthermore, Mr Cheng has confirmed his independence with reference to the factors set out in Rule 3.13 of the Listing Rules. Consequently, the Board recommends the re-election of Mr Cheng as independent non-executive Director at the AGM for another one-year term of office until the conclusion of the next annual general meeting.

Particulars of Directors proposed to be re-elected at the AGM are set out in appendix I of this circular.

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E. THE MARGIN FINANCING ARRANGEMENT

1. Introduction

On 27 March 2014, the Board made the Announcement that, among other things, the proposed Margin Financing Arrangement with each of the Connected Clients.

The Board wishes to seek approvals from the Independent Shareholders for the Margin Financing Arrangement with the Connected Clients at the AGM. Separate resolutions for approving the Margin Financing Arrangement with each of the Connected Clients will be proposed at the AGM. The relevant interested Shareholder(s) and their respective associates will abstain from voting on the resolutions approving their related Margin Financing Agreements at the AGM.

The Independent Board Committee has been established to consider the terms of the Margin Financing Arrangement. Vinco Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the terms and conditions of the Margin Financing Arrangement.

2. The Margin Financing Agreements

The terms and conditions of the Margin Financing Agreements are listed below.

Date: All dated 27 March 2014

Parties: Celestial Securities (a subsidiary of the Company) and each of the Connected Clients.

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

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Notes:

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

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

Annual cap of the margin financing facility to be granted:

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

Basis for determination of the annual cap:

The annual cap of margin financing facility under the Margin Financing Agreements is the same as under the Existing Margin Financing Agreements.

After discussion with the Connected Clients, they would like to obtain the same annual cap under the Existing Margin Financing Agreements to allow them higher flexibility in trading and/or investments of securities in the coming years.

LETTER FROM THE BOARD

The annual cap was determined after arm's length negotiation between Celestial Securities and each of the Connected Clients based on the amount of annual cap under the Existing Margin Financing Agreements after taking into account their respective credit assessment, financial strength, past payment record and collateral securities for the facility, the anticipated securities trading and initial public offering activities of the Connected Clients and the benefit for capturing the securities trading activities of the Connected Clients in the usual and ordinary course of the business of Celestial Securities.

The Board proposes to grant the same amount of annual cap of the Existing Margin Financing Agreements to allow a buffer and more flexibility for Celestial Securities to grant the margin financing facility to the Connected Clients in its ordinary and usual course of business with a view to contributing to the revenue and results of the Group.

Duration, terms and conditions:

Fixed term of each of the two financial years ending on 31 December 2015 (being the same expiry date as the Existing Margin Financing Agreements) and is conditional upon:

- (i) the Company having obtained approval from the Independent Shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the AGM to be convened and held in compliance with the Listing Rules; and
- (ii) CASH having obtained approval from its independent shareholders on the Margin Financing Arrangement and the margin financing facility to be extended to each of the Connected Clients at the annual general meeting of CASH to be convened and held in compliance with the Listing Rules.

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If the conditions above are not satisfied on or before 30 June 2014 or such later date as may be agreed between Celestial Securities and the Connected Clients, the Margin Financing Arrangement will not proceed.

Other terms:

The margin financing facilities will be provided to the Connected Clients on normal commercial terms and at commercial rates which are in line with the rates offered to other independent margin clients.

The interest rates charged to the Connected Clients are determined by reference to the rates offered in the market by other security brokers for services of similar nature and taking into account the credit assessment results of the respective Connected Clients. The range of the interest rate for margin loan facilities charged will be from around Prime Rate to 3% over the Prime Rate per annum, which is subject to change in order to align with the prevailing market practice.

The grant of margin financing facility to clients follows a strict in-house policy in compliance with the rules and regulations of the Securities and Futures Commission, which is applicable to all Connected Clients and independent clients. A thorough credit check will be performed on each client before margin loan facility is granted, including credit assessment on the client's financial strength, repayment ability, past payment history and securities collateral provided. Our Risk Management and Credit Control Department closely monitors the approval of the credit facility to ensure that the interest rates and terms of the margin financing facilities provided to the Connected Clients are on normal commercial terms or on terms no less favourable to the Group than those offered to other independent clients.

Each of the margin financing facilities is repayable on demand and will be secured by all listed securities held by the Connected Clients in their respective securities accounts maintained in Celestial Securities.

LETTER FROM THE BOARD

3. Reasons for the transaction

The Board considers that the Margin Financing Arrangements will enable Celestial Securities (a) more flexibility to grant such margin financing facilities, (b) to capture the securities trading activities of the Connected Clients, and (c) to earn income from the Connected Clients in its ordinary course of business and on normal commercial terms. Given that the margin financing facilities are being provided on normal commercial terms and in the ordinary course of business, and a written standard procedure of credit check for all margin clients are in place to ensure the terms of margin financing facilities provided to the Connected Clients are no less favourable to the Group than those offered to other independent clients, the Board considers that the terms of the Margin Financing Arrangement are fair and reasonable, and the provision of the Margin Financing Arrangement is in the interest of the Company and the Shareholders as a whole.

4. The Existing Margin Financing Arrangement

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

Details of the Existing Margin Financing Arrangement are set out in the announcement and circular of the Company dated 14 December 2012 and 2 January 2013 respectively.

5. General

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

As the Connected Clients are either directors of the Group and/or the CASH Group and/or their respective associates, each of the Connected Clients is a connected person of the Company. The granting of the margin financing facilities by Celestial Securities to the Connected Clients under the Margin Financing Arrangement would constitute continuing

LETTER FROM THE BOARD

connected transactions relating to financial assistance for the Company under Chapter 14A of the Listing Rules. As the margin financing facility on an annual basis to be provided to each of the Connected Clients under the Margin Financing Arrangement would exceed 5% of the applicable percentage ratios under the Listing Rules and HK\$10,000,000, the financial assistance contemplated will be subject to the reporting, announcement, the Independent Shareholders' approval requirements and annual review requirements for the Company under the Listing Rules.

The Margin Financing Arrangement with each of the Connected Clients is subject to separate resolution as set out in the notice of the AGM in this circular, and all the resolutions will be taken by poll at the AGM. The relevant interested Shareholder(s) and their respective associates will abstain from voting on the resolutions approving their related Margin Financing Agreements at the AGM. Specifically, Mr Tsui Wing Cheong Sammy and his associates will abstain from voting on the resolution 6(i) approving his related Margin Financing Arrangement; Mr Ng Hin Sing Derek and his associates will abstain from voting on the resolution 6(ii) approving his related Margin Financing Arrangement; Mr Kwan Pak Hoo Bankee (including CASH, CIGL, Cash Guardian), Mr Kwan Pak Leung Horace, Ms Chan Siu Fei Susanna and their respective associates will abstain from voting on the resolutions 6(iii) and (iv) approving the Margin Financing Arrangement with Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna. As at the Latest Practicable Date, Mr Kwan Pak Hoo Bankee and his associates (including CASH, CIGL, Cash Guardian) collectively held 1,740,634,589 Shares (representing approximately 44.88% of the issued Shares), and Mr Ng Hin Sing Derek and his associates held 66 Shares (representing approximately 0.00% of the issued Shares). Save as disclosed, Mr Tsui Wing Cheong Sammy, Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna and their respective associates did not hold any Shares as at the Latest Practicable Date. All of the Connected Clients and their respective associates control or are entitled to exercise control over the voting right in respect of their respective Shares. In addition, Mr Kwan Pak Hoo Bankee had abstained from voting on the board resolution approving the Margin Financing Arrangement with Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna.

The Independent Board Committee has been established to consider the terms of the Margin Financing Arrangement. Vinco Capital has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the terms and conditions of the Margin Financing Arrangement.

F. AGM

Notice of the AGM containing the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the Share Issue Mandate, the refreshment of the Scheme Mandate Limit, the re-election of the retiring Directors and the Margin Financing Arrangement is set out on pages 45 to 49 of this circular for your consideration and approval. Save as the resolutions 6(i) to (iv) relating to Margin Financing Arrangement which the relevant interested Shareholders and their respective associates will abstain from voting, there is no abstained voting requirement for the other resolutions at the AGM. All the resolutions will be voted by way of poll at the AGM.

LETTER FROM THE BOARD

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

G. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the correspondence address of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong during normal business hours from the date of this circular up to and including the date of the AGM:

- (a) the memorandum of association and the bye-laws of the Company;
- (b) the annual report of the Company for the year ended 31 December 2013;
- (c) the Margin Financing Agreements;
- (d) the Existing Margin Financing Agreements;
- (e) the letter from the Independent Board Committee, the text of which is set out on pages 20 to 21 of this circular;
- (f) the letter from Vinco Capital, the text of which is set out on pages 22 to 31 of this circular; and
- (g) the letter of consent from Vinco Capital as referred to in paragraph headed “Expert, qualification and consent” in appendix II.

H. 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.

LETTER FROM THE BOARD

I. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the Share Issue Mandate, the refreshment of the Scheme Mandate Limit and the re-election of the retiring Directors are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

In relation to the Margin Financing Arrangement, the Directors (including all the independent non-executive Directors forming the Independent Board Committee) are of the opinion that the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and the Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole, and the Directors (including all the independent non-executive Directors forming the Independent Board Committee) therefore recommend the Independent Shareholders to vote in favour of the resolutions relating to the Margin Financing Arrangement at the AGM.

Your attention is also drawn to the letters from the Independent Board Committee and Vinco Capital and their respective recommendations set out on pages 20 to 31 of this circular.

On behalf of the Board
Bankee P. Kwan
Chairman



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

17 April 2014

To the Independent Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS
– FINANCIAL ASSISTANCE**

We refer to the circular dated 17 April 2014 of the Company (“Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed to form an Independent Board Committee to consider the terms of the Margin Financing Arrangement and to advise the Independent Shareholders whether, in our opinion, the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and the Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole. Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Margin Financing Arrangement.

We wish to draw your attention to the letter from the Board set out on pages 5 to 19 of the Circular which contains, inter alia, information on the Margin Financing Arrangement and the letter from Vinco Capital set out on pages 22 to 31 of the Circular which contains its advice in respect of the terms of the Margin Financing Arrangement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of Vinco Capital, we consider that the terms of the Margin Financing Arrangement are fair and reasonable so far as the Independent Shareholders are concerned and the Margin Financing Arrangement is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM to approve the Margin Financing Arrangement.

Yours faithfully
Independent Board Committee
Cheng Shu Shing Raymond
Lo Kwok Hung John
Lo Ming Chi Charles
Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the continuing connected transactions under the Margin Financing Arrangement which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited
Units 4909-4910, 49/F., The Center
99 Queen's Road Central, Hong Kong

17 April 2014

*To the Independent Board Committee and the Independent Shareholders of
CASH Financial Services Group Limited*

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS – FINANCIAL ASSISTANCE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Margin Financing Arrangement, details of which are set out in the Letter from the Board contained in the circular issued by the Company to the Shareholders dated 17 April 2014 (the "Circular"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Reference is made to the Announcement in relation to, among other things, the proposed Margin Financing Arrangement with each of the Connected Clients. Given that the Group intended to provide Margin Financing Arrangement to the Connected Clients, Celestial Securities, a subsidiary of the Company, entered into the Margin Financing Agreements on 27 March 2014 pursuant to which Celestial Securities has conditionally extend the margin financing facility to each of the Connected Clients a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the two financial years ending 31 December 2015.

LETTER FROM VINCO CAPITAL

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

The Independent Board Committee, comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John, and Mr Lo Ming Chi Charles, all being the independent non-executive Directors has been formed to advise the Independent Shareholders of the terms of the Margin Financing Arrangement. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Margin Financing Arrangement.

In our capacity as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders for the purposes of the Listing Rules, our role is to give an independent opinion as to whether the Margin Financing Arrangement was entered into in the ordinary course of business of the Group, on normal commercial terms, and the terms of the Margin Financing Arrangement are fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

LETTER FROM VINCO CAPITAL

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the Margin Financing Arrangement, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Margin Financing Agreements and the transactions contemplated thereunder and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the terms of the Margin Financing Arrangement, we have taken into consideration the following principal factors and reasons:

Background to and reasons for the entering of the Margin Financing Arrangement

Information of the Group

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

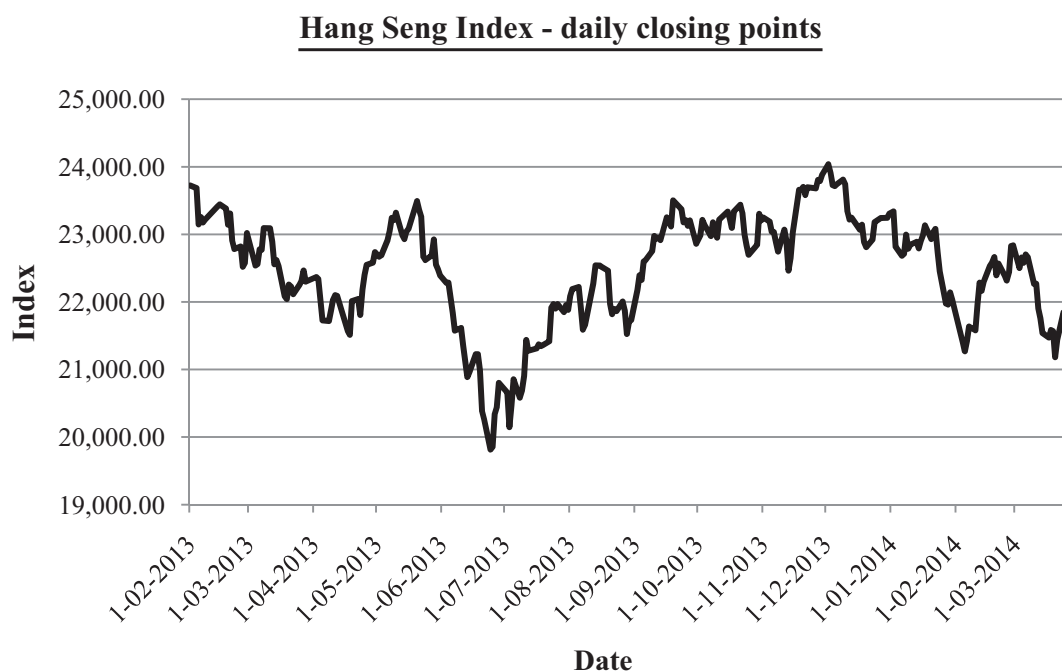
Reasons for entering into the Margin Financing Agreements

Under the proposed Margin Financing Agreements, the Connected Clients would be granted margin financing facilities under a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the two financial years ending 31 December 2015. As stated in the Letter from the Board, the Directors consider that the Margin Financing Arrangement will enable Celestial Securities (a) more flexibility to grant such margin financing facilities, (b) to capture the securities trading activities of the Connected Clients, and (c) to earn income from the Connected Clients in its ordinary course of business and on normal commercial terms.

LETTER FROM VINCO CAPITAL

Regarding the financial services provided by the Group, the Group has long been providing margin financing services to certain connected clients since 2004. We noted that margin financing has been a stable source of revenue to consolidated accounts of the Group. According to the audited consolidated financial results announcement of the Group for year ended 31 December 2013 (the “Annual Result Announcement”), financial services (including margin financing and money lending services) had contributed approximately 26.3% to the Group’s total revenue. Further, operations for the Group’s another business segment, retail management business, were discontinued on 28 June 2013, and financial services (including provision of margin financing and money lending services) have become the only one reportable and operating segment of the Group. Thus, we consider that the margin financing activity has developed as more important source of revenue to the Group, and the Margin Financing Arrangement is conducted in the ordinary and usual course of business of the Company.

Regarding the market condition of margin financing, set out below (i) the historical closing points of the benchmark Hang Seng Index (the “HSI”) from 1 February 2013 and up to 27 March 2014 (being the date of signing the Margin Financing Agreements) (the “HSI Review Period”), (ii) historical turnover of the listed securities on the Main Board and Growth Enterprise Market (the “GEM”) of the Stock Exchange from February 2013 to February 2014 (the “Turnover Review Period”), and (iii) number of new listing companies on the Main Board of the Stock Exchange for the financial year ended 31 December 2013 and the last quarter of the financial year ended 31 December 2012:



Source: Bloomberg

LETTER FROM VINCO CAPITAL

	Monthly turnover (HK\$'000,000)	Average daily turnover (HK\$'000,000)
2013		
February	1,220,242	71,779
March	1,444,855	72,243
April	1,168,537	58,427
May	1,269,913	60,472
June	1,299,891	68,415
July	1,137,065	51,685
August	1,147,288	54,633
September	1,193,848	59,692
October	1,227,371	58,446
November	1,302,854	62,041
December	1,130,842	56,542
2014		
January	1,427,057	67,955
February	1,242,000	65,368

Source: The Stock Exchange of Hong Kong

As illustrated on the above HSI graph, the HSI performed weakly during first six months of 2013. There were improvements in the market sentiment, wherein as disclosed in the interim report of the Group for the six months ended 30 June 2013, together with the US Fed's third round of quantitative easing, the investor confidence in the local stock market improved as a result of abundant market liquidity at home and overseas, and we noted that, during the Turnover Review Period, the total monthly turnover and the average daily turnover of the Main Board and GEM rose to their highest level of approximately HK\$1,444,855 million and approximately HK\$72,243 million respectively in March 2013. However, investors' concerns about unresolved sovereign debt crises in Europe started abating after the European Central Bank announced the outright monetary transaction program to purchase European debts and its monetary easing policy until at least mid-2014, and we noted that the HSI made the largest drop during the HSI Review Period, hitting its lowest of approximately 19,813 points on 24 June 2013. Hampered by the investors' concern over the debt crisis, daily trading activities began to shrink on the Stock Exchange and the average daily turnover dropped to a lowest level of approximately HK\$51,685 million. The HSI rebounded and rose to its highest level of approximately 24,038 points on 2 December 2013. In line with the HSI, trading activities of the market gradually became more active as the monthly turnover and the average daily turnover marked a steady increase. Reflecting the stabilisation in the external markets, along with the US's steady recovery, European economies reverting back to growth, China's output growth being expected to maintain at around 7% to 8%, and Japan successfully escaping from the negative inflation trap, we expect the trend of the HSI to get out from the trough in 2014. As disclosed in the Annual Result Announcement, the HSI had experienced a slight increase of

LETTER FROM VINCO CAPITAL

3% during the year. With improving market sentiments, however, average daily turnover soar to HK\$62,560 million, a climb of 16.2% compared with HK\$53,851 million for the same period last year.

	Number of newly listed companies on the Main Board of the Stock Exchange	Funds raised (HK\$'000,000)
2012		
Q4	13	45,234.54
2013		
Q1	10	8,124.40
Q2	6	30,624.47
Q3	15	19,845.52
Q4	48	107,181.69

Source: The Stock Exchange of Hong Kong

As mentioned in the HKEx Fact Book 2013, there were 110 newly listed companies on the Main Board and GEM in 2013, and total equity funds raised was HK\$374.3 billion, of which the funds raised through initial public offering (“IPO”) increased year-on-year by 84.9% to HK\$166.5 billion. According to the Annual Result Announcement, Hong Kong has regained its standing as one of the top three stock exchanges globally in terms of IPO funds raised, and total proceeds increased to HK\$166,500 million in 2013 from HK\$90,043 million recorded in 2012. According to the latest available data published on the website of the Stock Exchange of Hong Kong, there were 48 newly listed companies which raised HK\$107,181.69 million during the last quarter of 2013, as compared with 13 newly listed companies which raised HK\$45,234.54 million during the corresponding period in 2012. We noted an increase of approximately 269.2% in the number of companies listed, and surge of approximately 136.9% in the amounts raised.

Moreover, the Hong Kong financial market has attracted an increasing amount of various investment opportunities. According to Reuters, with reference to the announcement made on 2 April 2014 by the Stock Exchange of Hong Kong, the Hong Kong bourse may cooperate with the Shanghai Stock Exchange to allow investors to buy mainland-listed stocks directly via the exchange, causing the stock rose as much as 5.8% and hit its highest level since January this year, and the trading volume surged more than four times its 20-day average before trading was halted in the afternoon. The HSI rose 0.3% on the same day. According to a report published by 21st Century Business Herald, the Hong Kong and Shanghai exchanges are close to reaching an agreement on integrating their networks, which would allow the Shanghai bourse to collect buy and sell orders in China, with the Hong Kong bourse executing the orders and vice versa. Given

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the aforementioned favourable market situation, we view that there would be an expected increase in the trading volume of securities by the Connected Clients amid the improvement in the stock market and prevailing investment sentiment in Hong Kong.

Based on the aforesaid analysis, having considered that (i) the entering into of the Margin Financing Arrangement would allow flexibility for Celestial Securities to grant the margin facility to the Connected Clients, which is in line with the dedication of the Group in expanding its business; (ii) the provision of margin financing service is one of the principal business activities of the Group; (iii) the nature of the Margin Financing Arrangement are of the identical nature as facilities granted by the Group to other independent margin clients of the Group; and (iv) the favourable economy and sentiment in the Hong Kong securities market, we consider that the Margin Financing Arrangement to the Connected Clients would provide the Group with additional opportunity to maximise its interest income, and to broaden its income source when the Connected Clients utilise those margin financing facilities which they are granted, and are therefore of the opinion that the Margin Financing Arrangement is conducted in the ordinary and usual course of business of the Company, and is in the interest of the Company and the Shareholders as a whole.

Principal terms of the Margin Financing Agreements

As stated in the Letter from the Board, the margin financing facilities to be granted by the Company to the Connected Clients will be based on its existing internal policies and standard procedures. A thorough credit check will be performed on each client before margin loan facility is granted, including credit assessment on the client's financial strength, repayment ability, past payment history and securities collateral provided. The Margin Financing Arrangement will also be closely monitored by the Group's Risk Management and Credit Control Department, together with other independent margin clients of the Group, to ensure that the interest rate and terms of the margin financing facilities provided to the Connected Clients are on normal commercial terms, and at commercial rates which are in line with the rates offered to other independent margin clients with similar credit assessment results. In accessing the fairness and reasonableness of the Margin Financing Arrangement, for our due diligence purposes, we have enquired the Directors to provide us with and reviewed, on a sampling basis, the agreements offered by the Group in relation to the provision of margin financing facilities to the Connected Clients and its other independent margin clients. We noted that each of the margin financing facilities is repayable on demand and will be secured by all listed securities held by the Connected Clients in their respective securities accounts maintained in Celestial Securities, which is in line with the terms and conditions of the margin financing agreements offered to the independent margin clients.

In addition, we are advised by the Directors that the interest rates of the Margin Financing Arrangement will be on terms no more favourable than the terms available to independent third parties, which is ranging from Prime Rate to 3% over Prime Rate per annum for margin loan facilities. In this regard, we have reviewed the interest rates of certain sample agreements in relation to the provision of margin financing facilities offered by the Company to other independent margin clients with similar credit assessment results. We note that the interest rate

LETTER FROM VINCO CAPITAL

of 3% over Prime Rate per annum under the Margin Financing Arrangement is the highest among the interest rates of margin financing facilities offered to other independent clients. Based on the above findings, we are of the opinion that the major terms and the interest rates of the Margin Financing Agreements in relation to the provision of margin financing facility offered by the Group to the Connected Clients are comparable to and no more favourable than those offered to its other independent margin clients.

Further, we have reviewed the Existing Margin Financing Agreements and the Margin Financing Agreements and also noted that, the principal terms were essentially identical to those of the Margin Financing Agreements.

Based on the foregoing, taking into account that (i) the Margin Financing Arrangement is in the ordinary and usual course of business of the Group; (ii) the Margin Financing Arrangement will enable the Group to capture the potential business opportunities from the Connected Clients and such arrangement is of revenue nature to the Group; and (iii) the terms and conditions of the Margin Financing Arrangement to be granted to each of the Connected Clients are in line with those available to the existing clients of the Group, we thus consider that the terms of the Margin Financing Arrangement are fair and reasonable to the Company and to the Independent Shareholders, and is in the interest of the Shareholders and the Company as a whole.

The Proposed Caps

The margin financing facility being extended to each of the Connected Clients will be a sum of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the two financial years ending 31 December 2015. In assessing the amount of the proposed annual caps, we have discussed with the management of the Company regarding the basis in determining such annual caps. After discussion with the Connected Clients, they would like to obtain the same annual cap under the Existing Margin Financing Agreements to allow them higher flexibility in trading and/or investments of securities in the coming years. Such amount of margin financing facility is determined after arm's length negotiation between the Celestial Securities and each of the Connected Clients based on the amount of annual cap under the Existing Margin Financing Agreements after taking into account their respective credit assessment, financial strength, past payment record and collateral securities for the facility, the anticipated securities trading and initial public offering activities of the Connected Clients and the benefit for capturing the securities trading activities of the Connected Clients in the usual and ordinary course of the business of Celestial Securities.

LETTER FROM VINCO CAPITAL

We have also reviewed the recent situation of the stock market in Hong Kong. As set out in the section headed “Reasons for entering into the Margin Financing Agreements”, there were increasing market trading activities and fund raising activities, in particular, the IPO exercise since late 2013. As discussed with the management of the Company, we understand that IPO margin financing usually involves a relatively substantial subscription amount to be financed by the margin facility, e.g. in case of popular IPO issues. Under the aforementioned gradual stabilisation of the financial market, the Directors expect that the Hong Kong stock market will improve and more potential margin financing business, including those from IPO margin financing, will arise from the Connected Clients in the coming years and hence, proposes to grant the same amount of annual cap of the Existing Margin Financing Agreements to allow a buffer and more flexibility for Celestial Securities to grant the margin financing facility to the Connected Clients in its ordinary and usual course of business with a view to contributing to the revenue and results of the Group.

In view of the said basis of determination of the proposed caps, in particular, (i) the recent favourable investment atmosphere in Hong Kong as detailed under the section headed “Reasons for entering into the Margin Financing Agreements”; (ii) the expected increase in ordinary margin financing and IPO margin financing business from the Connected Clients; (iii) the proposed annual caps of HK\$30 million granted to the Connected Clients are consistent with those granted to the existing connected clients and are determined after the same internal credit assessment of the Group; and (iv) the Margin Financing Arrangement is of a revenue nature to the Group and allow the Group to capture the potential business opportunities from the Connected Clients, we therefore consider the proposed annual caps of margin financing facilities for the Connected Clients of up to HK\$30 million under the Margin Financing Arrangement with the Connected Clients to be reasonable and justifiable.

Shareholders should note that as the proposed annual caps are relating to future events and are estimated based on assumptions which may or may not remain valid for the entire period up to 31 December 2015, thus, they do not represent forecasts of revenue to be generated from the transactions contemplated under the Margin Financing Agreements. As such, we express no opinion as to how closely the actual revenue to be generated and/or actual cost to be spent under the Margin Financing Arrangement will correspond with the proposed caps.

FINANCIAL EFFECT ON THE GROUP

Upon the provision of facilities to the Connected Clients, if approved by the Independent Shareholders, there is no immediate effect on the Group’s net asset value, profit and working capital.

LETTER FROM VINCO CAPITAL

RECOMMENDATION

Having taken the above principal factors and reasons, in particular;

- (i) the provision of margin financing services is in the ordinary and usual course of business of the Group;
- (ii) the Margin Financing Arrangement will enable the Group to capture additional interest income given the favourable economy and sentiment in the Hong Kong securities market;
- (iii) the terms of the margin financing facilities to be granted to the Connected Clients, upon the Independent Shareholders' approval, are no more favourable than those offered to the other clients of the Group; and
- (iv) there being no immediate effect on the Group's net asset value, profit and working capital,

we are of the view that the Margin Financing Arrangement is on normal commercial terms, is fair and reasonable so far as the Independent Shareholders are concerned, and is in the interests of the Company and Shareholders as whole. Therefore, we advise that Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolutions to be proposed at the AGM approving the Margin Financing Arrangement.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director

Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.

Mr Benson Chi-ming CHAN

Chief Executive Officer

- (a) Mr Chan, aged 47, joined the Board on 5 October 2007.
- (b) Mr Chan is in charge of the Group's overall business development and management. He is also the managing director of investment banking group of the Group.
- (c) Mr Chan has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Chan has extensive experience in the field of auditing, accounting, investment banking and corporate finance. He is a holder of Master Degree of Business Administration from The Hong Kong University of Science and Technology and Bachelor of Arts (Hons.) Degree in Accountancy from The Hong Kong Polytechnic University. He is a fellow member of The Association of Chartered Certified Accountants, a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and a member of the Hong Kong Securities Institute.
- (e) Mr Chan has entered into a service contract with the Company for a term of two years commencing from 5 October 2007 and will continue thereafter until termination by three months' notice in writing served by either party on the other. Mr Chan is also subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-laws and the corporate governance code.
- (f) Mr Chan has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Chan has the following personal interests as at the Latest Practicable Date:
 - (i) 55,000,000 Shares and options with rights to subscribe for 39,000,000 Shares at an exercise price of HK\$0.093 per Share; and
 - (ii) 2,212,200 shares and options with rights to subscribe for 2,250,000 shares in CASH at an exercise price of HK\$0.624 per share.
- (h) Mr Chan is currently entitled to a monthly salary of HK\$140,000, plus year end discretionary bonus which will depend on his working performance as specified in his service contract with the Company.

- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Bernard Ping-wah LAW

Chief Financial Officer

- (a) Mr Law, aged 55, joined the Board on 11 August 2000.
- (b) Mr Law is in charge of the Group's overall financial and accounting management.
- (c) Mr Law joined CASH's board on 9 March 1998. He is an executive director and the chief financial officer of CASH. Save as herein disclosed, Mr Law has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Law has extensive experience in financial management and accountancy. Mr Law graduated from the University of Warwick, UK with a Master's degree of Business Administration. He is a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, and a member of Hong Kong Securities Institute.
- (e) There is no service contract entered into between the Company and Mr Law. Mr Law is not appointed for a specific term but he is subject to retirement by rotation at least once in every three financial years at each annual general meeting of the Company in accordance with the Company's bye-laws and the corporate governance code.
- (f) Mr Law has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Law has the following personal interests as at the Latest Practicable Date:
- (i) 27,506,160 Shares and options with rights to subscribe for 39,000,000 Shares and 30,000,000 Shares at an exercise price of HK\$0.093 per Share and HK\$0.097 per Share respectively; and
- (ii) 18,230,208 shares in CASH and options with rights to subscribe for 4,050,000 shares in CASH at an exercise price of HK\$0.624 per share.
- (h) Mr Law is currently entitled to a monthly salary of HK\$61,910, plus year end discretionary bonus which will depend on his working performance.

- (i) Mr Law was a director of Celestial (International) Securities & Investment Limited (“CISI”, a company incorporated in Hong Kong and was a then wholly-owned subsidiary of the Company) which was engaged in money lending. In 2003, a winding-up proceedings was made against CISI for an amount of HK\$1,662,598.31 in relation to rental disputes. A winding-up order was made by the court and a liquidator was appointed to wind up CISI. CISI was dissolved by compulsory liquidation on 9 June 2009.
- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Raymond Shu-shing CHENG

Independent Non-executive Director

- (a) Mr Cheng, aged 58, joined the independent Board on 18 September 2002.
- (b) Mr Cheng is also the chairman of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Cheng has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Cheng has extensive experience in watch manufacturing industry and is the managing director of a watch manufacturing and trading company in Hong Kong. He is a honorary fellow of The Professional Validation Centre of Hong Kong Business Sector and a member of Young Industrialists Council Ltd. Mr Cheng was the winner of The Young Industrialist Awards for the year 1992, a member of The Watches and Clocks Advisory Committee of Hong Kong Trade Development Council and the president of the Lions Club of Tuen Mun. He was the chairman of The Federation of Hong Kong Watch Trades and Industries Limited and is currently an advisor of the federation.
- (e) There is no service contract entered into between the Company but an appointment letter was signed between the Company and Mr Cheng. The term of office of Mr Cheng is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Cheng is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Cheng has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.

- (g) As at the Latest Practicable Date, Mr Cheng was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Cheng was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2013. Mr Cheng's remuneration for the current year will be recommended and fixed by the Board with reference to the prevailing market rate.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr John Kwok-hung LO

Independent Non-executive Director

- (a) Mr Lo, aged 55, joined the independent Board on 27 September 2005.
- (b) Mr Lo is a member of the Audit Committee of the Company.
- (c) Mr Lo has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Lo has extensive experience in the accounting, auditing and finance field. He graduated from The Oklahoma City University, US with a Master Degree in Business Administration and from The University of London, UK with a Bachelor Degree in Laws. Mr Lo is a fellow of The Association of Chartered Certified Accountants. Mr Lo is also a Certified Financial Consultant of US.
- (e) There is no service contract entered into between the Company and Mr Lo but an appointment letter was signed between the Company and Mr Lo. The term of office of Mr Lo is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Lo is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (f) Mr Lo has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Lo is personally interested in 2,095,500 Shares as at the Latest Practicable Date.

- (h) Mr Lo was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2013. Mr Lo's remuneration for the current year will be recommended and fixed by the Board with reference to the prevailing market rate.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

Mr Charles Ming-chi LO

Independent Non-executive Director

- (a) Mr Lo, aged 64, joined the independent Board on 27 October 2008.
- (b) Mr Lo is also a member of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Lo has/had held the directorships in the following companies which are listed on the Stock Exchange:
 - (i) Mr Lo is an independent non-executive director of Carrianna Group Holdings Company Limited (stock code: 126);
 - (ii) Mr Lo is executive directors of China Tycoon Beverage Holdings Limited (stock code: 209) and New Island Printing Holdings Limited (stock code: 377); and
 - (iii) Mr Lo was an independent non-executive director of New Environmental Energy Holdings Limited (formerly known as Hembly International Holdings Limited) (stock code: 3989) during the period from 15 June 2006 to 1 July 2012.

Save as herein disclosed, Mr Lo has not held any directorship in other listed public company during the three years preceding the Latest Practicable Date.

- (d) Mr Lo has extensive professional and business experience in financial and investment services in Australia, Hong Kong and other Asian countries. He is a Certified Practising Accountant of the CPA Australia, and a fellow member of the Financial Services Institute of Australasia.
- (e) There is no service contract entered into between the Company and Mr Lo but an appointment letter was signed between the Company and Mr Lo. The term of office of Mr Lo is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Lo is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.

- (f) Mr Lo has no relationship with any Director, senior management, management Shareholder, substantial Shareholder or controlling Shareholder of the Company.
- (g) As at the Latest Practicable Date, Mr Lo was not interested or deemed to be interested in any Shares or underlying shares of the Company within the meaning of Part XV of the SFO.
- (h) Mr Lo was entitled to a director's fee of HK\$150,000 for the year ended 31 December 2013. Mr Lo's remuneration for the current year will be recommended and fixed by the Board with reference to the prevailing market rate.
- (i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of rules 13.51(2)(h) to (v) of the Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

1. DIRECTORS' INTERESTS IN SECURITIES

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

A. The Company

(a) Long positions in the Shares

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Corporate interest	
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	–	1,740,634,589*	44.88
Chan Chi Ming Benson	Beneficial owner	55,000,000	–	1.41
Law Ping Wah Bernard	Beneficial owner	27,506,160	–	0.70
Lo Kwok Hung John	Beneficial owner	2,095,500	–	0.05
		<u>84,601,660</u>	<u>1,740,634,589</u>	<u>47.04</u>

* The Shares were held as to 1,657,801,069 Shares by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the holding company of the Company)), and as to 82,833,520 Shares by Cash Guardian (which was 100% beneficially owned by Mr Kwan Pak Hoo Bankee). Pursuant to the SFO, Mr Kwan was and deemed to be interested in a total of 32.42% shareholding interest in CASH, details of which are disclosed in the heading of “Substantial Shareholders” below. Mr Kwan was deemed to be interested in all these Shares held by CIGL and Cash Guardian as a result of his interests in CASH and Cash Guardian pursuant to the SFO.

(b) Long positions in the underlying shares - options under share option scheme

Name	Date of grant	Option period	Exercise price per share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	11/10/2012	11/10/2012 – 31/10/2014	0.0930	39,000,000	1.01
	11/04/2014	11/04/2014 – 31/12/2017	0.0970	30,000,000	0.77
Chan Chi Ming Benson	11/10/2012	11/10/2012 – 31/10/2014	0.0930	39,000,000	1.01
Law Ping Wah Bernard	11/10/2012	11/10/2012 – 31/10/2014	0.0930	39,000,000	1.01
	11/04/2014	11/04/2014 – 31/12/2017	0.0970	30,000,000	0.77
Cheng Pui Lai Majone	11/10/2012	11/10/2012 – 31/10/2014	0.0930	39,000,000	1.01
	11/04/2014	11/04/2014 – 31/12/2017	0.0970	30,000,000	0.77
				246,000,000	6.35

Notes:

- (1) Mr Kwan Pak Hoo Bankee is also the substantial Shareholder.
- (2) The options are held by the Directors in the capacity of beneficial owners.

B. Associated corporations (within the meaning of SFO)*(i) CASH***(a) Long positions in the ordinary shares of HK\$0.10 each**

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Corporate interest	
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	2,840,000	176,805,205*	32.42
Chan Chi Ming Benson	Beneficial owner	2,212,200	–	0.40
Law Ping Wah Bernard	Beneficial owner	18,230,208	–	3.29
		<u>23,282,408</u>	<u>176,805,205</u>	<u>36.11</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.

(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	11/10/2012	11/10/2012 – 31/10/2014	0.624	4,050,000	0.73
Chan Chi Ming Benson	11/10/2012	11/10/2012 – 31/10/2014	0.624	2,250,000	0.41
Law Ping Wah Bernard	11/10/2012	11/10/2012 – 31/10/2014	0.624	4,050,000	0.73
				<u>10,350,000</u>	<u>1.87</u>

Notes:

- (1) Mr Kwan Pak Hoo Bankee is also the substantial shareholder of CASH.
- (2) The options are held by the directors of CASH in the capacity of beneficial owners.

(ii) CASH Retail Management (HK) Limited (a subsidiary of CASH)

Long positions in the ordinary shares of HK\$0.001 each

Name	Capacity	Number of shares	Shareholding (%)
Kwan Pak Hoo Bankee	Beneficial owner and interest in a controlled corporation	3,528,047,334*	90.98

* The shares were held by CIGL. Mr Kwan was deemed to be interested in all these shares as a result of his interests in CIGL.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive 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.

2. 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 (Note (1))	Interest in a controlled corporation	1,740,634,589	44.88
Cash Guardian (Note (1))	Interest in a controlled corporation	1,740,634,589	44.88
CASH (Note (1))	Interest in a controlled corporation	1,657,801,069	42.75
Praise Joy Limited (Note (1))	Interest in a controlled corporation	1,657,801,069	42.75
CIGL (Note (1))	Beneficial owner	1,657,801,069	42.75
Mr Al-Rashid, Abdulrahman Saad (“Mr Al-Rashid”) (Note (2))	Interest in a controlled corporation	315,131,640	8.12
Abdulrahman Saad Al-Rashid & Sons Company Limited (“ARTAR”) (Note (2))	Beneficial owner	315,131,640	8.12

Notes:

- (1) This refers to the same number of 1,740,634,589 Shares which were held as to 1,657,801,069 Shares by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the holding company of the Company)) and as to 82,833,520 Shares by Cash Guardian. CASH was owned as to a total of approximately 32.42% by Mr Kwan, being approximately 31.91% by Cash Guardian (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Mr Kwan) and approximately 0.51% by Mr Kwan in his personal name. Pursuant to the SFO, Mr Kwan and Hobart Assets Limited were deemed to be interested in all the Shares held by CIGL through CASH and Cash Guardian. The above interest has already been disclosed as corporate interest of Mr Kwan in the section headed "Directors' interests in securities" above.
- (2) This refers to the same number of 315,131,640 Shares held by ARTAR. ARTAR was a 45% owned controlled corporation of Mr Al-Rashid. Pursuant to the SFO, Mr Al-Rashid was deemed to be interested in the Shares held by ARTAR.

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.

3. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

4. 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)).

5. INTEREST OF DIRECTORS IN THE GROUP'S ASSETS

Since 31 December 2013, the date to which the latest published audited accounts of the Group have been made up, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

6. INTERESTS OF DIRECTORS IN CONTRACTS

The following set out the contract(s) or arrangement(s) subsisting as at the Latest Practicable Date entered into between the Directors and the Group:

- (1) the Existing Margin Financing Agreements entered into between Celestial Securities with certain connected clients, namely Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Chan Chi Ming Benson and Ms Cheng Pui Lai Majone, Cash Guardian, Libra Capital Management (HK) Limited and Cashflow Credit Limited in relation to the grant of margin financing facility under the Existing Margin Financing Agreements (details as set out in the circular of the Company dated 2 January 2013); and
- (2) the Margin Financing Agreements entered into between Celestial Securities with each of the Connected Clients, namely Mr Tsui Wing Cheong Sammy, Mr Ng Hin Sing Derek, Mr Kwan Pak Leung Horace and Ms Chan Siu Fei Susanna in relation to the grant of margin financing facility under the Margin Financing Agreements (details as set out in this circular).

Save as disclosed above, the Directors confirm that there is no contract or arrangement subsisting as at the Latest Practicable Date in which a Director was materially interested which was significant in relation to the business of the Group.

7. MATERIAL ADVERSE CHANGE

The Directors have confirmed that, at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Group since 31 December 2013, the date to which the latest published audited financial statements of the Group were made up.

8. 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.

9. EXPERT, QUALIFICATION AND CONSENT

The following is the name and the qualification of the expert who has given opinion or advice which are contained in this circular:

Name	Qualification
Vinco Capital	licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO

As at the Latest Practicable Date, Vinco Capital has no beneficial interest in the share capital of any member of the Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Vinco Capital did not have any interest, either directly or indirectly in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2013, being the date up to which the latest published audited consolidated accounts of the Group were made up.

As at the Latest Practicable Date, Vinco Capital has given and has not withdrawn its written letter of consent to the issue of this circular with the inclusion herein of reference to its name and statements in the form and context in which it appears.

10. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text.

NOTICE OF THE AGM



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of CASH Financial Services Group Limited (“Company”) will be held at Salon 6, Level III, JW Marriott Hotel Hong Kong, 88 Queensway, Hong Kong on 26 May 2014, Monday, at 9:30 am for the following purposes:

1. To receive and consider the Financial Statements and the Reports of the Directors and the Auditor for the year ended 31 December 2013.
2. A. To re-elect the following retiring Directors of the Company for the ensuing year:
 - (i) Mr Chan Chi Ming Benson
 - (ii) Mr Law Ping Wah Bernard
 - (iii) Mr Cheng Shu Shing Raymond
 - (iv) Mr Lo Kwok Hung John
 - (v) Mr Lo Ming Chi Charles
- B. To authorise the Directors to fix the Directors’ remuneration.
3. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Directors to fix its remuneration.

NOTICE OF THE AGM

As special businesses, to consider and, if thought fit, to pass the following resolutions, with or without amendments, as ordinary resolutions:

ORDINARY RESOLUTIONS

4. A. **“THAT**

- (a) subject to paragraph A(c), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph A(a) shall authorise the Directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to the approval in paragraph A(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and

NOTICE OF THE AGM

3. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

B. “THAT

- (a) subject to paragraph B(b), the exercise by the Directors of the Company during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase issued shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of The Rules Governing the Listing of Securities on the Stock Exchange or on any other stock exchange as amended from time to time be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares in the Company to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph B(a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution and the said approval be limited accordingly; and
- (c) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company;

NOTICE OF THE AGM

2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable laws to be held; and
 3. the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
- C. “**THAT** conditional upon resolutions nos. 4A and 4B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors as mentioned in resolution no. 4B above be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to resolution no. 4A above.”
5. “**THAT** conditional on (i) approval by the shareholders of Celestial Asia Securities Holdings Limited, the holding company of the Company; and (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the shares in the Company to be issued pursuant to the exercise of any options to be granted under the existing share option scheme and any other share option scheme(s) of the Company, the Directors be and are hereby authorised, at their absolute discretion, to grant options to the extent that the shares in the Company issuable upon the full exercise of all options shall not be more than 10% of the issued share capital of the Company as at the date of this resolution.”
 6. “**THAT**, the grant of margin financing facility (“Margin Financing Arrangement”) to each of the following connected clients numbered (i) to (iv) (who are either directors of the Company and its subsidiaries (“Group”) and/or Celestial Asia Securities Holdings Limited (the holding company of the Company) and its subsidiaries and/or their respective associates (collectively referred to as “Connected Clients”)) by the Group of up to HK\$30 million (which represents the maximum outstanding balance, including accrued outstanding interests, of the margin financing facility) for each of the two financial years ending 31 December 2015, subject to the terms and conditions of the margin financing agreement(s) all dated 27 March 2014 (“Margin Financing Agreement(s)”) as described in the circular of the Company dated the same date of this notice, and the signing of the

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Margin Financing Agreement(s) between the Group with each of the Connected Client(s), be and is hereby approved and the directors of the Company be and are hereby authorised to do such things or make such arrangement as they may think fit to give effect to the Margin Financing Arrangement:

- (i) Mr Tsui Wing Cheong Sammy
- (ii) Mr Ng Hin Sing Derek
- (iii) Mr Kwan Pak Leung Horace
- (iv) Ms Chan Siu Fei Susanna”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 17 April 2014

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place
of business in Hong Kong:*
21/F Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. A form of proxy for use at the meeting is enclosed.
2. In order to be valid, the form of proxy must be deposited at the correspondence address of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The biographical details of Mr Chan Chi Ming Benson, Mr Law Ping Wah Bernard, Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, being Directors proposed to be re-elected at the forthcoming annual general meeting, are provided in this circular.