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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CASH Financial Services Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**CASH FINANCIAL SERVICES GROUP LIMITED****時富金融服務集團有限公司****(Incorporated in Bermuda with limited liability)***(Stock code: 510)****(1) PROPOSED CAPITAL REORGANISATION
AND
(2) NOTICE OF THE SPECIAL GENERAL MEETING**

A notice convening a special general meeting to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 13 July 2022 (Wednesday) at 9:30 am is set out on pages 11 to 13 of this circular. If you are unable 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 or any adjourned meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

17 June 2022

* *For identification purpose only*

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PRECAUTIONARY MEASURES FOR THE SGM

Taking into account the recent development of the pandemic caused by the Novel Coronavirus (COVID-19) pandemic, **the Company strongly recommends the Shareholders to appoint the chairman of the SGM as their proxy to vote on their behalf in respect of the resolution to be proposed at the SGM to minimise the risk of infection.**

The Company also encourages the Shareholders to submit any question they have to the management of the Company by email at inquiry@cash.com.hk in advance of the SGM. For Shareholders attending the SGM in person, the Company will implement the following precautionary measures at the SGM:

- (a) **compulsory body temperature check** will be conducted for every Shareholder or proxy at the entrance of the venue. Any person with a body temperature of over 37.5 degrees Celsius will not be permitted to access to the meeting venue;
- (b) every Shareholder or proxy is required to **sterilise their hands with hand sanitiser** and register at the counter at the entrance of the venue;
- (c) every Shareholder or proxy is required to **wear surgical face mask** throughout the meeting;
and
- (d) no distribution of corporate gifts and no refreshments will be served due to pandemic.

DEFINITIONS

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

“Announcement”	the announcement made by the Company on 14 June 2022 in respect of the Capital Reorganisation
“Board”	the board of Directors
“Business Day(s)”	a day on which banks are open for business in Hong Kong other than a Saturday, Sunday, public holiday and a day on which a tropical typhoon signal no. 8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 am and 5:00 pm
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.36 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.40 to HK\$0.04
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Capital Reduction, the Diminution and Increase, the Share Premium Reduction and the Crediting of Contributed Surplus
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time
“Companies Act”	the Companies Act 1981 of Bermuda, as amended, supplemented or otherwise modified from time to time
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which Shares are listed on the main board of the Stock Exchange
“Contributed Surplus Account”	the contributed surplus account of the Company within the meaning of the Companies Act
“Crediting of Contributed Surplus”	the credit arising from the Capital Reduction and the Share Premium Reduction being credited to the Contributed Surplus Account for use by the Board in any manner permitted by the laws of Bermuda and the Bye-laws

DEFINITIONS

“Diminution and Increase”	subject to and conditional upon the Capital Reduction taking effect, the proposed cancellation of all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) in its entirety and forthwith upon such cancellation, and the proposed increase in the authorised share capital of the Company to HK\$30,000,000 divided into 750,000,000 New Shares
“Director(s)”	the director(s) of the Company
“Existing Share Certificate(s)”	the certificates for the Share(s)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	14 June 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Committee”	has the same meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share(s)”	the ordinary share(s) of HK\$0.04 each in the share capital of the Company upon the Capital Reorganisation taking effect
“New Share Certificate(s)”	the certificate(s) for the New Share(s)
“SGM”	the special general meeting of the Company to be held on 13 July 2022 (Wednesday) at 9:30 am to consider and approve, if thought fit, among other things, the Capital Reorganisation
“Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company before the Capital Reorganisation becoming effective
“Share Options”	the share options granted by the Company under the Share Option Scheme

DEFINITIONS

“Share Option Scheme”	the share option scheme adopted by the Company on 8 June 2018
“Share Premium Reduction”	the proposed reduction of the amount of HK\$600,000,000 standing to the credit of the share premium account of the Company as at 31 December 2021
“Shareholder(s)”	the holder(s) of the Share(s) or the New Share(s) (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

If there is any inconsistency in this circular between the Chinese and English versions, the English version shall prevail.

EXPECTED TIMETABLE

Set out below is the expected timetable of the Capital Reorganisation:

Event	(Hong Kong dates and time)
Latest time for lodging transfer of shares to qualify for attendance and voting at the SGM	4:30 pm on Thursday, 7 July 2022
Closure of register of members of the Company for attending the SGM (both dates inclusive)	Friday, 8 July 2022 – Wednesday, 13 July 2022
Latest time for lodging forms of proxy for the purpose of the SGM	9:30 am on Monday, 11 July 2022
Date and time of the SGM	9:30 am on Wednesday, 13 July 2022
Announcement of the poll results of the SGM	Wednesday, 13 July 2022

The following events are conditional on the fulfilment of the conditions of the Capital Reorganisation:

Expected effective date of the Capital Reorganisation	Thursday, 14 July 2022
First day of the free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares.	Thursday, 14 July 2022
Dealings in the New Shares commence	9:00 am on Thursday, 14 July 2022
Last day for free exchange of the Existing Share Certificates for the New Share Certificates for the New Shares.	4:30 pm on Friday, 12 August 2022

All times and dates stated above refer to Hong Kong local times and dates unless otherwise specific. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

LETTER FROM THE BOARD



CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

Board of directors:

Executive directors:

KWAN Pak Hoo Bankee
KWAN Teng Hin Jeffrey
CHEUNG Wai Lim William
LAW Hin Ong Trevor

Independent non-executive directors:

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

Registered office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

**Head office and principal place
of business:**

22/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

17 June 2022

To the Shareholders

Dear Sir or Madam,

(1) PROPOSED CAPITAL REORGANISATION AND (2) NOTICE OF THE SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement, in relation to, among other things, the proposed Capital Reorganisation.

The purpose of this circular is to provide you with, among other things, further details on the proposed Capital Reorganisation and the notice of the SGM at which a special resolution will be proposed to approve the Capital Reorganisation.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$300,000,000 comprising 750,000,000 Shares of HK\$0.40 each, of which 261,174,779 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to implement the Capital Reorganisation which will comprise the following:

- (i) the Capital Reduction, being the reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.36 on each of the issued Shares such that the par value of each issued Share will be reduced from HK\$0.40 to HK\$0.04;
- (ii) the Diminution and Increase, being the cancellation of all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) in its entirety and forthwith upon such cancellation, the increase in the authorised share capital of the Company to HK\$30,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$30,000,000 divided into 750,000,000 New Shares;
- (iii) the Share Premium Reduction, being the reduction of HK\$600,000,000 standing to the credit of the share premium account of the Company; and
- (iv) the Crediting of Contributed Surplus, being the transfer of the credit arising from the Capital Reduction and the Share Premium Reduction to the Contributed Surplus Account for use by the Board in any manner permitted by the laws of Bermuda and the Bye-laws.

Effect of the Capital Reorganisation

Assuming that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the day immediately prior to the effective date of the Capital Reorganisation, the following table sets out the impact on the share capital structure of the Company as a result of the Capital Reorganisation:

	As at the Latest Practicable Date	Immediately upon the Capital Reorganisation taking effect
Nominal or par value	HK\$0.40 each Share	HK\$0.04 each New Share
Amount of the authorised share capital	HK\$300,000,000	HK\$30,000,000
Number of authorised shares	750,000,000 Shares	750,000,000 New Shares
Number of issued shares	261,174,779 Shares	261,174,779 New Shares
Amount of the issued share capital	HK\$104,469,911.60	HK\$10,446,991.16

LETTER FROM THE BOARD

As at the Latest Practicable Date, 261,174,779 Shares have been issued and are fully paid or credited as fully paid. Accordingly, assuming that the nominal or par value of each of the Shares will be reduced from HK\$0.40 to HK\$0.04, upon the Capital Reorganisation taking effect, the authorised share capital of the Company will be HK\$30,000,000 divided into 750,000,000 New Shares of a nominal or par value of HK\$0.04 each, of which 261,174,779 New Shares are issued and are fully paid or credited as fully paid and the remainder are unissued. The Company's issued and paid up share capital of HK\$104,469,911.60 will be reduced by HK\$94,022,920.44 to HK\$10,446,991.16.

Conditions for the Capital Reorganisation

The implementation of the Capital Reorganisation is conditional upon:

- (i) the passing of the special resolution approving the Capital Reorganisation by the Shareholders at the SGM;
- (ii) compliance with section 46(2) of the Companies Act, including (i) the publication of a notice of the Capital Reduction and the Share Premium Reduction in an appointed newspaper in Bermuda on a date not more than thirty days and not less than fifteen days before the date on which the Capital Reduction and the Share Premium Reduction are to take effect, and (ii) the Directors being satisfied that on the date on which the Capital Reduction and the Share Premium Reduction are to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction and the Share Premium Reduction would be, unable to pay its liabilities as they become due;
- (iii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganisation becomes effective;
- (iv) the compliance with the relevant procedures and requirements under the Bye-laws, the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

As at the Latest Practicable Date, none of the above conditions has been fulfilled. Subject to the above conditions being fulfilled, the Capital Reorganisation is expected to become effective on the next Business Day immediately following the date of passing the special resolution approving the Capital Reorganisation by the Shareholders at the SGM.

Status of the New Shares

The New Shares shall rank *pari passu* in all respects with each other within the same class and have the same rights and be subject to the restrictions in respect of ordinary shares contained in the Memorandum of Association and Bye-laws of the Company. The Capital Reorganisation will not result in any change in the rights of the Shareholders.

LETTER FROM THE BOARD

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the New Shares to be allotted and issued by the Company after the Capital Reorganisation becomes effective.

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

None of the securities (whether equity or debt securities) of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is being or is proposed to be sought.

Board lot size

The existing board lot of 6,000 Shares will remain unchanged after the Capital Reorganisation becomes effective.

Free exchange of share certificates

Subject to the Capital Reorganisation having taken effect, Shareholders may, during business hours from Thursday, 14 July 2022 to Friday, 12 August 2022 (both days inclusive), submit their Existing Share Certificates for the Shares (in purple colour) to the Company's branch share registrar in Hong Kong, Tricor Standard Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange for the New Share Certificates for the New Shares (in orange colour) at the expense of the Company.

Thereafter, the Existing Share Certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such amount as may from time to time prescribed in the Listing Rules) payable by the Shareholders for each Existing Share Certificate or New Share Certificate, whichever number of certificates is higher.

It is expected that the New Share Certificates will be available for collection within a period of ten (10) Business Days after the submission of the Existing Share Certificates.

Nevertheless, Existing Share Certificates will continue to be good evidence of legal title and will be valid for delivery, trading and settlement purposes after the Capital Reorganisation has taken effect.

Reasons for the Capital Reorganisation

After completion of the Capital Reorganisation, the credit arising from the Capital Reduction in the amount of HK\$94,022,920 and the credit arising from the Share Premium Reduction in the amount of HK\$600,000,000 will be credited to the Contributed Surplus Account and applied towards setting off the accumulated losses of the Company and in such other manner as the Board may determine.

LETTER FROM THE BOARD

As at 31 December 2021, the accumulated losses of the Company as shown in the audited financial statements of the Company amounted to HK\$440,629,000. The Directors expect to reduce such losses amount by applying the funds from the Contributed Surplus Account after completion of the Capital Reorganisation. The Board may also consider applying the funds from the Contributed Surplus Account in other manners such as declaration of dividends and/or undertaking any corporate exercise which would require the use of distributable reserves in future as and when the Board considers appropriate.

The Board considers that the Capital Reorganisation will have no material impact on the underlying assets, business operations, management or financial position of the Group or the proportionate interests of the Shareholders in the Company and their respective voting rights. Further, the Capital Reorganisation does not involve the diminution of any liability in respect of any unpaid capital of the Company nor does it involve the repayment to the Shareholders of any paid up capital of the Company.

As at the Latest Practicable Date, there are a total of 23,550,000 outstanding Share Options. After the Capital Reorganisation becomes effective, save for the change of par value from 23,550,000 Shares of par value of HK\$0.4 each to 23,550,000 New Shares of par value of HK\$0.04 each which may be issued upon exercise in full of such outstanding Share Options, no other adjustment is required to be made to the Share Options under the Share Option Scheme.

As at the Latest Practicable Date, the Company has no current intention to conduct any fund raising activities in the next 12 months from the date of the Announcement.

In view of the above, the Board considers that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

THE SGM

Set out on pages 11 to 13 of this circular is a notice convening the SGM to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong at 9:30 am on 13 July 2022 (Wednesday).

At the SGM, a special resolution for approving the Capital Reorganisation will be proposed for the Shareholders' approval. The resolution will be voted by way of poll at the SGM.

As no Shareholder has a material interest in the Capital Reorganisation, none of the Shareholders is required to abstain from voting on the special resolution to approve the Capital Reorganisation to be proposed at the SGM.

A form of proxy for use at the SGM is enclosed with this circular. If you are unable 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 or any adjourned meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the Capital Reorganisation is in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the special resolution to approve the Capital Reorganisation to be proposed at the SGM.

On behalf of the Board

Bankee P. Kwan

Chairman and Chief Executive Officer

NOTICE OF THE SGM



CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**SGM**”) of CASH Financial Services Group Limited (the “**Company**”) will be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 13 July 2022 (Wednesday) at 9:30 am for the purpose of considering and, if thought fit, passing the following special resolution of the Company:

SPECIAL RESOLUTION

“**THAT** subject to and conditional upon (i) the listing committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the New Shares (as defined below); (ii) compliance with the requirements of section 46(2) of the Companies Act 1981 of Bermuda in respect of the Capital Reduction (as defined below) and the Share Premium Reduction (as defined below); (iii) compliance with the relevant procedures and requirements under the bye-laws of the Company, the laws of Bermuda and the Rules Governing of the Listing of Securities on the Stock Exchange to effect the Capital Reorganisation (as defined below); and (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required to effect the Capital Reorganisation, with effect from the next business day immediately following the date on which this resolution is passed:

- (a) the issued share capital of the Company be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.36 on each of the issued shares of the Company such that the par value of each issued share of the Company will be reduced from HK\$0.40 to HK\$0.04 (the “**New Shares**”) (the “**Capital Reduction**”);
- (b) subject to and immediately upon the Capital Reduction taking effect, all the authorised but unissued share capital of the Company (which shall include the authorised but unissued share capital arising from the Capital Reduction) be cancelled in its entirety and forthwith upon such cancellation, the authorised share capital of the Company be increased to HK\$30,000,000 by the creation of such number of additional New Shares as shall be sufficient to increase the authorised share capital of the Company to HK\$30,000,000 divided into 750,000,000 New Shares (the “**Diminution and Increase**”);

* For identification purpose only

NOTICE OF THE SGM

- (c) the amount of HK\$600,000,000 standing to the credit of the share premium account of the Company be reduced (the “**Share Premium Reduction**”);
- (d) the credit arising from the Capital Reduction and the Share Premium Reduction be credited to the contributed surplus account of the Company (the “**Crediting of Contributed Surplus**”) for use by the board of directors of the Company in any manner permitted by the laws of Bermuda and the bye-laws of the Company; and
- (e) any one of the directors of the Company be hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under the common seal of the Company where applicable, as he may consider necessary or expedient to give effect to or in connection with the implementation of the Capital Reduction, the Diminution and Increase, the Share Premium Reduction and the Crediting of Contributed Surplus (together referred to as “**Capital Reorganisation**”).”

By order of the Board
Ada S P Cheung
Company Secretary

Hong Kong, 17 June 2022

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

*Head office and principal place of business in
Hong Kong:*
22/F Manhattan Place
23 Wang Tai Road
Kowloon Bay
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is the holder of two or more shares, more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited at the branch share registrar of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.
3. In order to qualify for attending and voting at the above meeting, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the branch share registrar of the Company, Tricor Standard Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong no later than 4:30 pm on 7 July 2022.
4. The votes to be taken at the meeting for the resolution will be by way of poll.

NOTICE OF THE SGM

As at the date of this notice, the directors of the Company comprise:

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Kwan Teng Hin Jeffrey
Mr Cheung Wai Lim William
Mr Law Hin Ong Trevor

Independent non-executive directors:

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