
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Composite Document and the accompanying Form(s) of Acceptance, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Form(s) of Acceptance.

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a 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 Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or transferee(s) or to the bank or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers.



CELESTIAL INVESTMENT GROUP LIMITED **CASH FINANCIAL SERVICES GROUP LIMITED**
(Incorporated in the British Virgin Islands **時富金融服務集團有限公司***
with limited liability) *(Incorporated in Bermuda with limited liability)*
(Stock code: 510)

**COMPOSITE OFFER AND RESPONSE DOCUMENT
IN RELATION TO THE VOLUNTARY CASH OFFERS BY
CELESTIAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE
ALL ISSUED SHARES OF CASH FINANCIAL SERVICES GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR
AGREED TO BE ACQUIRED BY THE OFFEROR
AND PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
CASH FINANCIAL SERVICES GROUP LIMITED**

Financial adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Vinco Financial Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Composite Document.

A letter from Celestial Securities, containing among other things, the details of the terms and conditions of the Offers, is set out on pages 7 to 16 of this Composite Document. A letter from the Board is set out on pages 17 to 23 of this Composite Document. A letter from the Independent Board Committee containing its recommendation in respect of the Offers to the Independent Shareholders is set out on pages 24 to 25 of this Composite Document. A letter from Vinco Financial containing its advice to the Independent Board Committee in respect of the Offers is set out on pages 26 to 50 of this Composite Document.

The procedures for acceptance and settlement of the Offers and other related information are set out in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance. Acceptance of the Offers should be received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer), as the case may be, by no later than 4:00 p.m. on Friday, 7 October 2022 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, in accordance with the requirements under the Takeovers Code.

Persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form(s) of Acceptance to any jurisdiction outside Hong Kong, should read the details in this regard which are contained in the paragraph headed “Overseas Shareholders and Optionholders” in the “Letter from Celestial Securities” of this Composite Document before taking any action. It is the responsibility of each Overseas Shareholder and Optionholders wishing to accept the Offers to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Overseas Shareholders and Optionholders are advised to seek professional advice on deciding whether or not to accept the Offers.

The Composite Document will be accessible on the website of the Stock Exchange at www.hkexnews.hk and on the website of the Company at www.cfs.com.hk.

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. All time and date references contained in this Composite Document and the Form(s) of Acceptance refer to Hong Kong local time and dates.

Event	Time and Date
Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and commencement date of the Offers (<i>Note 1</i>)	Friday, 16 September 2022
Latest time and date for acceptance of the Offers on the First Closing Date (<i>Notes 2 and 5</i>)	4:00 p.m. on Friday, 7 October 2022
First Closing Date of the Offers (<i>Note 1</i>)	Friday, 7 October 2022
Announcement of the results of the Offers as at the First Closing Date, or as to whether the Offers have been extended or become unconditional as at the First Closing Date, on the website of the Stock Exchange (<i>Note 2</i>)	no later than 7:00 p.m. on Friday, 7 October 2022
Latest date for posting of remittance in respect of valid acceptances received under the Offers by the First Closing Date (assuming the Offers become or are declared unconditional on such date) (<i>Notes 4 and 5</i>)	Tuesday, 18 October 2022
Latest time and date for the Offers to remain open for acceptance (assuming the Offers become or are declared unconditional on the First Closing Date) (<i>Note 3</i>)	4:00 p.m. on Friday, 21 October 2022
Final Closing Date of the Offers (assuming the Offers become or are declared unconditional on the First Closing Date) (<i>Note 3</i>)	Friday, 21 October 2022
Announcement of the result of the Offers as at the Final Closing Date to be posted on the website of the Stock Exchange	by 7:00 p.m. on Friday, 21 October 2022

EXPECTED TIMETABLE

Event	Time and Date
Latest date for posting of remittance in respect of valid acceptances received under the Offers on or before 4:00 p.m. on 21 October 2022, being the latest date on which the Offers remain open for acceptances assuming the Offers become or are declared unconditional in all respects on the First Closing Date (<i>Notes 4 and 5</i>)	Tuesday, 1 November 2022
Latest time and date which the Offers can become or be declared unconditional as to acceptances (<i>Note 6</i>)	7:00 p.m. on Tuesday, 15 November 2022

Notes:

- (1) The Offers are made on Friday, 16 September 2022 i.e. the date of posting of this Composite Document and the Form(s) of Acceptance, and is capable of acceptance on and from that date until the First Closing Date. Acceptances of the Offers shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the section headed “Right of Withdrawal” in Appendix I to this Composite Document.
- (2) In accordance with the Takeovers Code, the Offers must initially be opened for acceptance for at least twenty-one (21) days following the date on which this Composite Document was posted. The Offers will be closed on the First Closing Date unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. An announcement will be issued through the website of the Stock Exchange by 7:00 p.m. on the First Closing Date stating the results of the Offers and whether the Offers have been extended, revised or expired. In the event that the Offeror decides that the Offers will remain open, the announcement will state the next Closing Date of the Offers or, if the Offers have become or been declared unconditional, that the Offers will remain open until further notice. At least fourteen (14) days’ notice by way of an announcement will be given before the Offers are closed to those Offer Shareholders and Optionholders who have not accepted the Offers.
- (3) In accordance with the Takeovers Code, where the Offers become or is declared unconditional in all respects, the Offers should remain open for acceptance for not less than fourteen (14) days thereafter. In such case, at least fourteen (14) days’ notice in writing must be given before the Offers are closed to the Offer Shareholders and Optionholders who have not accepted the Offers. The Offeror has the right, subject to the Takeovers Code, to extend the Offers until such date as it may determine or as permitted by the Executive.
- (4) Remittances in respect of the cash consideration payable for the Shares tendered under the Share Offer and for the Options tendered under the Option Offer respectively will be despatched to the respective accepting holders of the Offer Shares and the Options by ordinary post at their own risks as soon as possible but in any event within seven (7) Business Days following the later of the date on which the Offers become or is declared unconditional and the date of receipt of a duly completed acceptance in accordance with the Takeovers Code.

Pursuant to Rule 17 of the Takeovers Code, an acceptor shall be entitled to withdraw it/his/her acceptance after twenty-one (21) days from the First Closing Date if the Offers have not by then become unconditional as to acceptances. However, this entitlement to withdraw shall only be exercisable until such time as the Offers become or is declared unconditional as to acceptances. For further details, please refer to Appendix I to this Composite Document.
- (5) If there is a tropical cyclone warning signal number 8 or above, or a black rainstorm warning, or post-super typhoon extreme conditions:
 - (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force after 12:00 noon on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers and the posting of remittances will remain at 4:00 p.m. on the same Business Day; or

EXPECTED TIMETABLE

- (b) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Offers and the latest date for posting of remittances for the amounts due under the Offers in respect of valid acceptances, the latest time for acceptance of the Offers and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day.
- (6) In accordance with the Takeovers Code, except with the consent of the Executive, the Offers may not become or be declared unconditional as to acceptances after 7:00 p.m. on the 60th day after the day on which this Composite Document was posted. Where a period laid down by the Takeovers Code ends on a day which is not a Business Day, the period is extended until the next Business Day. Accordingly, unless the Offers have previously become or is declared unconditional as to acceptance, the Offers will lapse after 7:00 p.m. on Tuesday, 15 November 2022, unless extended with the consent of the Executive and in accordance with the Takeovers Code.

DEFINITIONS

In this Composite Document, unless the context otherwise requires, the following expressions shall have the following meaning:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code, and “persons acting in concert” and “concert parties” should be construed accordingly
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Announcements”	collectively, the Joint Announcement; the announcements of the Company dated 18 July 2022, 1 August 2022 and 15 August 2022; the announcements dated 21 July 2022 and 19 August 2022 jointly issued by the Company, CASH and the Offeror; and the Fulfillment Announcement
“Bank”	Bank of Communications (Hong Kong) Limited
“Board”	the board of Directors
“Business Day”	a day on which the Stock Exchange is open for the transaction of business
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board of the Stock Exchange, and is the controlling shareholder of the Company held through the Offeror
“Cash Guardian”	Cash Guardian Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Dr Kwan
“CASH Group”	CASH and its subsidiaries
“CASH SGM”	the special general meeting convened by CASH on 9 September 2022, which the approval from the CASH Shareholders in respect of the Possible Acquisition have been obtained
“CASH Share(s)”	ordinary share(s) with par value of HK\$0.20 each in the share capital of CASH
“CASH Shareholder(s)”	holder(s) of CASH Share(s)

DEFINITIONS

“Celestial Securities”	Celestial Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) regulated activity under the SFO, and is a wholly-owned subsidiary of the Company and an associated company of CASH
“Closing Date”	the First Closing Date, or if the Offers are extended, any subsequent closing date of the Offers as extended and announced by the Offeror in accordance with the Takeovers Code
“Company” or “CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose securities are listed on the Main Board of the Stock Exchange, and is an associated company of CASH
“Composite Document”	this composite offer and response document dated 16 September 2022 issued jointly by the Offeror and the Company to all the Offer Shareholders and the Optionholders in connection with the Offers in accordance with the Takeovers Code containing, inter alia, the detailed terms of the Offers, together with the Form(s) of Acceptance
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Dr Kwan”	Dr Kwan Pak Hoo Bankee, who is (i) the chairman and an executive director of each of the Company and CASH; (ii) a substantial CASH Shareholder, holding directly and indirectly (through Cash Guardian) in aggregate 40,197,599 CASH Shares (representing approximately 49.79% of issued CASH Shares) as at the Latest Practicable Date; and (iii) a party acting in concert with the Offeror
“Encumbrance(s)”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including, without limitation, a title transfer or retention arrangement) having similar effect
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate
“Facility”	the bank facility in the total amount of HK\$71 million under the Facility Agreement

DEFINITIONS

“Facility Agreement”	the facility agreement dated 21 June 2022 entered into between, among others, the Bank as lender and CASH (the holding company of the Offeror) as borrower
“First Closing Date”	Friday, 7 October 2022, being the first closing date of the Share Offer which is twenty-one (21) days after the date on which this Composite Document is despatched or any subsequent closing date(s) as may be determined and announced by the Offeror with the consent of the Executive
“Form(s) of Acceptance”	the form(s) of acceptance and transfer of Shares in respect of the Offers accompanying this Composite Document
“Form of Option Offer Acceptance”	the pink form of acceptance in respect of the Option Offer accompanying this Composite Document
“Form of Share Offer Acceptance”	the white form of acceptance in respect of the Share Offer accompanying this Composite Document
“Fulfillment Announcement”	the announcement dated 9 September 2022 jointly issued by CASH, the Offeror and the Company in relation to the fulfilment of the Pre-Condition for the Possible Acquisition
“GBA”	Greater Bay Area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board (comprising the three independent non-executive Directors, namely Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles) formed for the purpose of making a recommendation to the Offer Shareholders and to the Optionholders as to whether the Offers are respectively fair and reasonable and as to acceptance
“Independent Financial Adviser” or “Vinco Financial”	Vinco Financial Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offers and, in particular, as to whether the Offers are respectively fair and reasonable and as to acceptance

DEFINITIONS

“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Joint Announcement”	the joint announcement dated 30 June 2022 jointly issued by CASH, the Offeror and the Company in relation to, among the others, the Possible Acquisition and the Offers
“Last Trading Day”	23 June 2022, being the last trading day of the Shares on the Stock Exchange before the publication of the Joint Announcement
“Latest Practicable Date”	13 September 2022, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Merdeka Corporate Finance”	Merdeka Corporate Finance Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in respect of the Offers
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Offer Period”	has the meaning ascribed thereto in the Takeovers Code, being the period from 30 June 2022, i.e. the date of the Joint Announcement, to the Closing Date, or such other time or date to which the Offeror may decide to extend or revise the Offers in accordance with the Takeovers Code
“Offer Share(s)”	all issued the Share(s) (other than those already owned and/or to be acquired by the Offeror and the parties acting in concert with it) that are subject to the Share Offer
“Offer Shareholder(s)”	holder(s) of the Offer Share(s), other than the Offeror and the parties acting in concert with it
“Offeror” or “CIGL”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of CASH, holding 102,928,854 Shares, representing approximately 39.41% of the entire issued share capital of the Company as at the Latest Practicable Date

DEFINITIONS

“Offers”	collectively, the Share Offer and the Option Offer
“Option Offer”	the voluntary cash offer made by Celestial Securities for and on behalf of the Offeror to the Optionholders (other than those already owned by the Offeror and the parties acting in concert with it) in accordance with Rule 13 of the Takeovers Code to cancel the Options
“Option Offer Price”	the price at which Option Offer will be made, being HK\$0.0001 per each Option
“Optionholder(s)”	holder(s) of the Option(s) (other than those already owned by the Offeror and the parties acting in concert with it)
“Options”	the outstanding options of the Company granted by the Company pursuant to the Share Option Scheme to subscribe for up to an aggregate of 20,190,000 Shares as at the Latest Practicable Date
“Overseas Shareholder(s)”	Independent Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“Possible Acquisition”	possible acquisition of the Offer Shares from all the Offer Shareholders under the Share Offer
“PRC” or “Mainland China”	the People’s Republic of China, which for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-Condition”	the approval from the CASH Shareholders in respect of the Possible Acquisition obtained by CASH at the CASH SGM
“Registrar”	Tricor Standard Limited, the Hong Kong branch share registrar and transfer office of the Company, with its address at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Relevant Period”	the period commencing from 30 December 2021, being the date falling six months immediately preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Share Charge”	the share charge in respect of the 97,960,854 Shares given by the Offeror in favour of the Bank. The 97,960,854 Shares represent approximately 37.50% of the issued share capital of the Company as at the Latest Practicable Date
“Share(s)”	the ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Share Offer”	the voluntary cash offer made by Celestial Securities for and on behalf of the Offeror to acquire all of the Shares (other than those already owned and/or agreed to be acquired by the Offeror and the parties acting in concert with it) at the Share Offer Price in accordance with the Takeovers Code
“Share Offer Price”	the price of HK\$0.42 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Share Offer
“Share Option Scheme”	the share option scheme of the Company adopted by the Company on 8 June 2018
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM CELESTIAL SECURITIES



時富證券有限公司
Celestial Securities Limited

16 September 2022

To the Offer Shareholders and the Optionholders

Dear Sir/Madam,

**CONDITIONAL VOLUNTARY CASH OFFERS BY
CELESTIAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL ISSUED SHARES OF
CASH FINANCIAL SERVICES GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
CASH FINANCIAL SERVICES GROUP LIMITED**

INTRODUCTION

References are made to the Announcements.

As disclosed in the Joint Announcement, the Offeror announced that Celestial Securities, on behalf of the Offeror, subject to the satisfaction of the Pre-Condition, would make (i) the Share Offer to acquire all the Offer Shares at the Share Offer Price of HK\$0.42 in compliance with the Takeovers Code; and (ii) the Option Offer at a nominal value of HK\$0.0001 for cancellation of each Option. As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Acquisition, exceeds 100%, the Possible Acquisition constitutes a very substantial acquisition for CASH, and therefore, the making of the Offers is subject to the satisfaction of Pre-Condition, including approval by CASH Shareholders at CASH SGM.

On 9 September 2022, the Offeror announced that Pre-Condition had been satisfied.

This letter sets out, among other things, details of the Offers, information on the Offeror and its intention regarding the Group. Further terms of the Offers and the procedures of acceptances are set out in this letter and Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

The Offer Shareholders and the Optionholders are strongly advised to carefully consider the information contained in the “Letter from the Board”, the “Letter from the Independent Board Committee” and the “Letter from Vinco Financial” as set out in this Composite Document before reaching a decision as to whether or not to accept the Offers.

LETTER FROM CELESTIAL SECURITIES

THE OFFERS

The Share Offer

Celestial Securities, for and on behalf of the Offeror, is making the Share Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the basis set out below:

For every Offer Share HK\$0.42 in cash

The Share Offer Price was determined after taking into account, among other things, the historical and prevailing trading prices of the Shares, the audited net assets value of the Group and the business development of the Group as set out in the section headed “THE OFFEROR’S REASONS FOR THE OFFERS” in this letter.

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company), therefore, the remaining 150,829,925 Shares will be subject to the Share Offer.

The Option Offer

As at the Latest Practicable Date, there are 20,190,000 outstanding Options, which are exercisable into 20,190,000 Shares at the exercise price of HK\$0.572. As the exercise price is above the Share Offer Price, all the Options are out-of-money. Celestial Securities, for and on behalf of the Offeror, is making the Option Offer at a nominal value of HK\$0.0001 for each Option as follow:

For cancellation of each Option HK\$0.0001 in cash

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 7,200,000 Options, therefore, the remaining 12,990,000 Options will be subject to the Option Offer.

As at the Latest Practicable Date, save for the Shares and the outstanding Options, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

Under the terms of the Share Option Scheme, if the Option Offer is not accepted by an Optionholder, any unexercised Option shall remain valid in accordance with the terms of the Share Option Scheme and shall be subject to such restrictions as applied to it before the Offers.

LETTER FROM CELESTIAL SECURITIES

Comparison of value

The Share Offer

The Share Offer Price of HK\$0.42 per represents:

- (i) represents a premium of 20.00% over the closing price of HK\$0.350 per Share quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a premium of approximately 25.37% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 58.73% over the average closing price of HK\$0.2646 per Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 49.41% over the average closing price of approximately HK\$0.2811 per Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a premium of approximately 33.16% over the average closing price of approximately HK\$0.3154 per Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 41.27% over the average closing price of approximately HK\$0.2973 per Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a discount of approximately 73.40% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$1.579 per Share (based on the audited consolidated net assets value of the Company of approximately HK\$412,368,000 as at 31 December 2021 and 261,174,779 Shares in issue as at the Latest Practicable Date); and
- (viii) a discount of approximately 71.03% to the unaudited consolidated net assets value attributable to the Shareholders of approximately HK\$1.45 per Share (based on the unaudited consolidated net assets value of the Company of approximately HK\$378,048,000 as at 30 June 2022 and 261,174,779 Shares in issue as at the Latest Practicable Date).

Highest and lowest Share prices

During the Relevant Period,

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.370 per Share on 5 July 2022, 8 July 2022, 8 August 2022, 25 August 2022, 26 August 2022, 29 August 2022, 30 August 2022, 31 August 2022, 5 September 2022, 6 September 2022, 8 September 2022 and 9 September 2022, respectively; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.223 per Share on 16 June 2022.

LETTER FROM CELESTIAL SECURITIES

Total consideration of the Offers

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it collectively hold (i) a total of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company); and (ii) 7,200,000 Options.

On the basis that (i) there are 261,174,779 Shares in issue and 150,829,925 Offer Shares will be subject to the Share Offer at the Share Offer Price; and (ii) 12,990,000 Options will be subject to the Option Offer at the Option Offer Price, and assuming acceptance of the Offers in full and assuming that no Options are exercised before the close of the Offers, the total amount of cash required for the Offers will be HK\$63,349,868, including as to HK\$63,348,569 for the Share Offer and HK\$1,299 for the Option Offer.

Conditions of the Offers

The Share Offer is conditional upon the Offeror having received (and, where permitted, such acceptances not having been withdrawn), at or before 4:00 p.m. on the First Closing Date of Friday, 7 October 2022 (or such other time as the Offeror may, subject to the Takeovers Code, decide), valid acceptances in respect of the Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, will result in the Offeror and any person acting in concert with it holding more than 50% of the voting rights of the Company. The Offers must also remain open for acceptance for at least fourteen (14) days after the Share Offer becomes unconditional in all respects.

If such condition is not satisfied on or before the First Closing Date, the Share Offer will lapse unless the offer period is extended by the Offeror in accordance with the Takeovers Code. Under Rule 15.5 of the Takeovers Code, the latest time on which the Offers may become or may be declared unconditional as to acceptance is 7:00 p.m. on Tuesday, 15 November 2022 (i.e. the 60th day after the posting of this Composite Document), or such later date to which the Executive may consent.

The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.

Confirmation of financial resources

The Offeror intends to finance and satisfy the total maximum consideration payable under the Offers from the Facility. The Facility is provided by the Bank for financing the consideration payable by the Offeror for the Offers, and which is secured by, among others, the Share Charge.

Merdeka Corporate Finance has been appointed as the financial adviser to the Offeror in respect of the Offers. Merdeka Corporate Finance is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration for the full acceptance of the Offers as described above.

LETTER FROM CELESTIAL SECURITIES

Effect of accepting the Offers

By validly accepting the Share Offer, the accepting Offer Shareholders will sell their tendered Offer Shares to the Offeror which are fully paid-up and free from all Encumbrances, together with all rights attached thereto on or after the date on which the Share Offer is made, being Friday, 16 September 2022 (i.e. the date of this Composite Document), including the right to receive in full all dividends and other distributions, if any, declared, made or paid, the record date of which falls on or after the date of this Composite Document.

As at the Latest Practicable Date, (i) the Company had no dividend or other distributions declared but not paid; and (ii) the Company had no intention to declare and pay any dividend or other distributions before the close of the Offers.

By validly accepting the Option Offer, the accepting Optionholders will tender their Options for cancellation and all rights attached thereto will be extinguished with effect from the date on which the Option Offer is made, being Friday, 16 September 2022 (i.e. the date of this Composite Document).

Acceptance of the Offers shall be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by each Offer Shareholder at the rate of 0.13% of (i) the consideration payable by the Offeror for such person's Offer Shares; or (ii) if higher, the market value of the Offer Shares subject to such acceptance, and will be deducted from the cash amount due to such accepting Offer Shareholder. The Offeror will arrange for payment of sellers' ad valorem stamp duty on behalf of such accepting Offer Shareholders and pay the buyer's ad valorem stamp duty and will account to the Stamp Office of Hong Kong for all stamp duty payable on the sale and purchase of Offer Shares in respect of which valid acceptances are received under the Share Offer.

No stamp duty is payable in connection with the acceptances of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Offers (after deducting the accepting Offer Shareholders' share of stamp duty) will be made as soon as possible but in any event within seven (7) Business Days following the date of receipt of a duly completed acceptance, or the date on which the Offers become or are declared unconditional in all aspects, whichever is later. Relevant documents evidencing title must be received by or on behalf of the Offeror to render such acceptance of the Offers complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

LETTER FROM CELESTIAL SECURITIES

Overseas Shareholders and Optionholders

The Share Offer is extended to all Overseas Shareholders regardless of their jurisdictions of residence. The making of the Share Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibilities of any such persons who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements, or the payment of any transfer or other taxes payable by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Shareholder or Optionholder will be deemed to constitute a representation and warranty from such Shareholder or Optionholder to the Offeror that the local laws and requirements have been complied with. The Shareholders and Optionholders should consult their professional advisers if in doubt.

Tax advice

Shareholders and Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, the parties acting in concert with it, Merdeka Corporate Finance, Celestial Securities, Vinco Financial, their respective directors, officers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the “Letter from the Board” of this Composite Document.

INFORMATION ON THE OFFEROR

CIGL, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding and is a wholly-owned subsidiary of CASH, which is ultimately held by Dr Kwan as to approximately 49.79% of the entire issued share capital of CASH as at the Latest Practicable Date. As at the Latest Practicable Date, CIGL is interested in 102,928,854 Shares, representing approximately 39.41% of total issued Shares. The Company is currently an associated company of CASH.

LETTER FROM CELESTIAL SECURITIES

Dr Kwan, who is the controlling shareholder of CASH, is responsible for devising the overall business strategy of the CASH Group and has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. An MBA graduate from The Murdoch University of Perth, Australia and a BBA graduate from The Chinese University of Hong Kong, Dr Kwan was also conferred an Honorary Doctorate degree in Business Administration of Sabi University, France. Dr Kwan is also a fellow of the Institute of Financial Accountants, UK, the Hong Kong Securities and Investment Institute and the Hong Kong Institute of Marketing (HKIM). Dr Kwan is a Certified Professional Marketer (HK) of HKIM, and is also a Justice of Peace (JP) of the HKSAR.

The principal activity of CASH is investment holding. The principal activities of the CASH Group consists of (i) retail management business including sales of furniture and household items, electrical appliances, food and pets accessories through the chain stores under multi-brand names including “Pricerite Home”, “TMF”, “SECO”, “Pricerite Food” and “Pricerite Pet” in Hong Kong; (ii) provision of asset management services to the fund investors; and (iii) general investment holding. For additional information, please visit www.cash.com.hk.

Based on the audited accounts of CASH, the net profit (before taxation) for the financial year ended 31 December 2020 were approximately HK\$46.29 million and the net profit (after taxation and extraordinary items) were approximately HK\$40.97 million, and the audited net assets value as at 31 December 2020 was approximately HK\$259.14 million.

Based on the audited accounts of CASH, the net loss (before taxation) for the financial year ended 31 December 2021 were approximately HK\$39.84 million and the net loss (after taxation) were approximately HK\$43.27 million, and the audited net assets value as at 31 December 2021 was approximately HK\$202.69 million.

Based on the unaudited interim accounts of CASH, the net profit (before taxation) for the six months ended 30 June 2022 were approximately HK\$4.25 million (2021: net loss of approximately HK\$10.28 million) and the net profit (after taxation) were approximately HK\$4.23 million (2021: net loss of approximately HK\$10.31 million), and the unaudited net assets value as at 30 June 2022 was approximately HK\$194.76 million.

As at the Latest Practicable Date, the directors of the Offeror were Dr Kwan, Mr Li Shing Wai Lewis, Mr Leung Siu Pong James and Mr Kwan Teng Hin Jeffrey, and the board of directors of CASH comprised Dr Kwan, Mr Li Shing Wai Lewis, Mr Leung Siu Pong James and Mr Kwan Teng Hin Jeffrey as executive directors and Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin as independent non-executive directors.

THE OFFEROR’S REASONS FOR THE OFFERS

Established in 1972, the Company is one of few full-licensed Hong Kong financial services institutions currently holding four types of SFC licenses including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management). In Hong Kong, the Company is also a licensed money lender, licensed insurance broker, and registered principal MPF intermediary.

LETTER FROM CELESTIAL SECURITIES

With a strategic vision to transform into a diversified investment and wealth management specialist, the Company started building a solid foundation in the GBA several years ago. In 2001 and 2004, the Group established its branches in the two major international financial centres in Shanghai and Shenzhen, respectively, to provide wealth management services to clients in the Yangtze River Delta and the Pearl River Delta regions. In 2018, the Group extended its advisory services to the asset management firms in Mainland China by providing Hong Kong stock investment advisory services. Recently, the Company has further strengthened institutional cooperation and strategically expanded its operations in the GBA and Yangtze River Delta regions to capture the thriving developments under the national plans.

In addition, the formal launch of two cross-border investment schemes in 2021 and two-way opening-up of financial markets within the GBA not only facilitate interaction of capital, attracting a stronger influx of southbound fund flow into Hong Kong, but also allow retail investors to directly open investment accounts to satisfy their cross-border wealth management needs. In light of ever-increasing cross-border demand for wealth management products and services in Hong Kong and Mainland China, the Company continues delivering fully-fledged wealth management solutions, including but not limited to corporate wealth management, insurance products and asset management; and providing its GBA customers with top-notch services to precisely satisfy their personalised wealth management needs.

As Hong Kong will continue to thrive as an international financial center and global wealth management hub under the National 14th Five Year Plan, the directors of CASH and the Offeror believe the Company's solid presence in the GBA and its earlier transformation to diversified investment and wealth management specialist will enable the Group to be benefitted from the supportive national policies by taking first-mover advantage to leverage synergy with its long-established offices and customer services centres in Mainland China to capture future potential business opportunities.

Moreover, the COVID-19 pandemic has accelerated a wave of digital transformation at unprecedented pace with many companies switching to full digitalisation mode. In response to the digital wave, the Company has been transformed into a full-fledged financial services company with a fully-digitalised trading platform for its brokerage, specialising in wealth management and investment products in Hong Kong and Mainland China.

Leveraging on the Company's well-established brand with over 50 years of history and the solid presence in the GBA, award-winning services and unique wealth management products on the fully-digitalised trading platform, the directors of CASH and the Offeror believe the Company will continue developing as a leading Hong Kong-based, technology-driven financial services company, specialising in wealth management and investment products in the GBA.

Furthermore, despite the governments around the world have been implementing monetary and fiscal stimulus measures in response to the global economic slowdown and the COVID-19 vaccines have been rapidly rolling out globally, the uncertainties raised by the political tension between Russia and Ukraine and the increasing interest rates by Federal Reserve have inevitably magnified the slowdown in the global economy. In order to help clients to hedge against global financial risks and grasp potential opportunities on the back of economic recovery in future, the Company is dedicated to delivering personalised and professional services to its clients, which is anticipated to drive sustainable corporate growth. Compliment to the earlier business transformation of the Group as set out above, which allows the clients to preserve their assets with a more international allocation, the Company recorded a

LETTER FROM CELESTIAL SECURITIES

considerable increase in its wealth management revenue for two continuous financial years with year-on-year growth rate of approximately 116.1% for 2021 and approximately 143.6% for 2020, respectively. Therefore, the directors of the Offeror and CASH are of the view that the global financial risks would encourage investors to seek out higher-returning assets which will in turn benefit the Company's investment and wealth management products and services.

In view of the above factors and the discount of the Share Offer Price compared to the net assets value per Share, the directors of the Offeror and CASH consider that the Possible Acquisition and the Offers represent an opportunity for CASH to increase its shareholding interest in the Company at a reasonable price.

If and upon the Offers becoming unconditional, the Company will be held as to over 50% by the Offeror and will become a subsidiary of CASH. The financial results of the Group will then be consolidated in the financial results of the CASH Group.

INTENTION OF THE OFFEROR REGARDING THE GROUP

It is the intention of the Offeror to continue the existing business of the Group and has no intention to put forward any major changes to the businesses of the Group after the close of the Offers (including any redeployment of the fixed assets of the Company).

It is expected that all of the existing Directors and independent non-executive Directors will remain unchanged upon the close of the Offers. The Offeror does not intend to make any changes to the existing management and employment of the employees of the Group or replay the fixed assets of the Group other than those in its ordinary and usual course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

If, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends to remain the listing of the Shares on the Stock Exchange following the close of the Offers. The directors of the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror where appropriate. The Company and the Offeror will issue a further announcement as and when necessary in this regard.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of the Shares after the close of the Offers.

LETTER FROM CELESTIAL SECURITIES

ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further details regarding the procedures for acceptance and settlement and acceptance period as set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance.

GENERAL

To ensure equality of treatment of all Offer Shareholders, those registered Offer Shareholders who hold the Offer Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Share Offer.

Attention of the Overseas Shareholders and Optionholders is drawn to paragraph headed “Overseas Shareholders and Optionholders” above in this letter.

All documents and remittances to be sent to the Offer Shareholders and the Optionholders will be sent to them by ordinary post at their own risks. Such documents and remittances will be sent to the Offer Shareholders and the Optionholders at their respective addresses as they appear in the register of members or (for the Optionholders) the records of the Company or in the case of joint Offer Shareholders, to such Offer Shareholders whose name appears first in the register of members of the Company. The Offeror, its beneficial owner and parties acting in concert with any of them, the Company, Merdeka Corporate Finance, Celestial Securities, Vinco Financial, the Registrar or professional advisers or any of their respective directors or any other parties involved in the Offers will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance which form part of this Composite Document.

You are reminded to carefully read the “Letter from the Board”, the “Letter from the Independent Board Committee”, the “Letter from Vinco Financial” and other information about the Group which are set out in this Composite Document before deciding whether or not to accept the Offers. In considering what action to take in connection with the Offers, you should consider your own tax or financial position and if you are in any doubt, you should consult your professional advisers.

Yours faithfully,
For and on behalf of
Celestial Securities Limited
William Cheung
Director

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

WONG Sze Kai Angela

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 in Hong Kong:*

22/F Manhattan Place

23 Wang Tai Road

Kowloon Bay

Hong Kong

16 September 2022

To the Offer Shareholders and the Optionholders

Dear Sir/Madam,

**CONDITIONAL VOLUNTARY CASH OFFERS BY
CELESTIAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL ISSUED SHARES OF
CASH FINANCIAL SERVICES GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
CASH FINANCIAL SERVICES GROUP LIMITED**

INTRODUCTION

References are made to the Announcements.

As disclosed in the Joint Announcement, the Offeror announced that Celestial Securities, on behalf of the Offeror, subject to the satisfaction of the Pre-Condition, would make (i) the Share Offer to acquire all the Offer Shares at the Share Offer Price of HK\$0.42 in compliance with the Takeovers Code; and (ii)

* *For identification purpose only*

LETTER FROM THE BOARD

the Option Offer at a nominal value of HK\$0.0001 for cancellation of each Option. As the highest of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Possible Acquisition, exceeds 100%, the Possible Acquisition constitutes a very substantial acquisition for CASH, and therefore, the making of the Offers is subject to the satisfaction of Pre-Condition, including approval by CASH Shareholders at CASH SGM.

On 9 September 2022, the Offeror announced that Pre-Condition had been satisfied.

Celestial Securities is making the Offers for and on behalf of the Offeror to the Offer Shareholders and the Optionholders to acquire all the issued Shares (other than those Shares already owned and/or agreed to be acquired by the Offeror and parties acting in concert with it) and for the cancellation of all outstanding Options in compliance with Rules 26.1 and 13 of the Takeovers Code. Details of the Offers are set out in the section headed “THE OFFERS” in the “Letter from Celestial Securities” of this Composite Document.

The Independent Board Committee, comprising all three independent non-executive Directors, namely Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, has been established pursuant to Rule 2.1 of the Takeovers Code to advise the Offer Shareholders and the Optionholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers.

Vinco Financial has been appointed as the Independent Financial Adviser to advise the Independent Board Committee, the Offer Shareholders and the Optionholders in relation to the Offers. The appointment of Vinco Financial as the Independent Financial Adviser has been approved by the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code.

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offeror and the Offers as well as setting out the letter from the Independent Board Committee containing its recommendation to the Offer Shareholders and the Optionholders in respect of the terms of the Offers and as to acceptance, and the letter from the Vinco Financial containing its advice to the Independent Board Committee, the Offer Shareholders and the Optionholders in respect of the terms of the Offers and as to acceptance.

THE OFFERS

The Share Offer

Celestial Securities, for and on behalf of the Offeror, is making the Share Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the basis set out below:

For every Offer Share HK\$0.42 in cash

The Share Offer Price was determined after taking into account, among other things, the historical and prevailing trading prices of the Shares, the audited net assets value of the Group and the business development of the Group as set out in the section headed “THE OFFEROR’S REASONS FOR THE OFFERS” in the letter from Celestial Securities.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company), therefore, the remaining 150,829,925 Shares will be subject to the Share Offer.

As at the Latest Practicable Date, (i) the Company had no dividend or other distributions declared but not paid; and (ii) the Company had no intention to declare and pay any dividend or other distributions before the close of the Offers.

The Option Offer

As at the Latest Practicable Date, there are 20,190,000 outstanding Options, which are exercisable into 20,190,000 Shares at the exercise price of HK\$0.572. As the exercise price is above the Share Offer Price, all the Options are out-of-money. Celestial Securities, for and on behalf of the Offeror, is making the Option Offer at a nominal value of HK\$0.0001 for each Option as follow:

For cancellation of each Option HK\$0.0001 in cash

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 7,200,000 Options, therefore, the remaining 12,990,000 Options will be subject to the Option Offer.

As at the Latest Practicable Date, save for the Shares and the outstanding Options, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

Under the terms of the Share Option Scheme, if the Option Offer is not accepted by an Optionholder, any unexercised Option shall remain valid in accordance with the terms of the Share Option Scheme and shall be subject to such restrictions as applied to it before the Offers.

Comparison of value

The Share Offer

The Share Offer Price of HK\$0.42 per represents:

- (i) represents a premium of 20.00% over the closing price of HK\$0.350 per Share quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a premium of approximately 25.37% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 58.73% over the average closing price of HK\$0.2646 per Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 49.41% over the average closing price of approximately HK\$0.2811 per Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

LETTER FROM THE BOARD

- (v) a premium of approximately 33.16% over the average closing price of approximately HK\$0.3154 per Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 41.27% over the average closing price of approximately HK\$0.2973 per Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a discount of approximately 73.40% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$1.579 per Share (based on the audited consolidated net assets value of the Company of approximately HK\$412,368,000 as at 31 December 2021 and 261,174,779 Shares in issue as at the Latest Practicable Date); and
- (viii) a discount of approximately 71.03% to the unaudited consolidated net assets value attributable to the Shareholders of approximately HK\$1.45 per Share (based on the unaudited consolidated net assets value of the Company of approximately HK\$378,048,000 as at 30 June 2022 and 261,174,779 Shares in issue as at the Latest Practicable Date).

Highest and lowest Share prices

During the Relevant Period,

- (i) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.370 per Share on 5 July 2022, 8 July 2022, 8 August 2022, 25 August 2022, 26 August 2022, 29 August 2022, 30 August 2022, 31 August 2022, 5 September 2022, 6 September 2022, 8 September 2022 and 9 September 2022, respectively; and
- (ii) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.223 per Share on 16 June 2022.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Latest Practicable Date, the Company has 261,174,779 Shares in issue and 20,190,000 Options remain outstanding. Save for the Shares and the outstanding Options, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

LETTER FROM THE BOARD

The following tables set out the shareholding structure of the Company as at the Latest Practicable Date.

	As at the Latest Practicable Date	
	<i>No. of Shares</i>	<i>Approximate %</i>
CIGL	102,928,854	39.41%
Directors of CASH and directors of the Offeror:		
Dr Kwan (<i>Notes 1 and 2</i>)	2,472,000	0.94%
Mr Li Shing Wai Lewis (<i>Note 2</i>)	2,472,000	0.94%
Mr Kwan Teng Hin Jeffrey (<i>Notes 1 and 2</i>)	2,472,000	0.94%
Mr Leung Siu Pong James	–	–
(1) CIGL and parties acting in concert with it	110,344,854	42.23%
Directors of the Company:		
Mr Cheung Wai Lim William (<i>Note 3</i>)	–	–
Mr Law Hin Ong Trevor (<i>Note 3</i>)	–	–
Mr Lo Kwok Hung John (<i>Note 4</i>)	62,775	0.02%
(2) Directors of the Company	62,775	0.02%
Subtotal (1) to (2)	110,407,629	42.25%
Public Shareholders	150,767,150	57.75%
TOTAL ISSUED SHARES	261,174,779	100.0%

Notes:

1. Dr Kwan and Mr Kwan Teng Hin Jeffrey are also executive Directors.
2. Save for Dr Kwan, Mr Li Shing Wai Lewis and Mr Kwan Teng Hin Jeffrey who are the Optionholders (details of which are set out in paragraph 4(c) under the section headed “Interests of the directors of the Offeror and CASH in the Shares or securities of the Company” in Appendix III in of this Composite Document), no other directors of CASH hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.
3. Mr Cheung Wai Lim William and Mr Law Hin Ong Trevor are the executive Directors and the Optionholders. As at the Latest Practicable Date, Mr Cheung Wai Lim William holds 675,000 Options, and Mr Law Hin Ong Trevor holds 450,000 Options.
4. Mr Lo Kwok Hung John is an independent non-executive Director.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are (i) provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products, (ii) proprietary trading of debt and equity securities and derivatives, (iii) provision of margin financing and money lending services, and (iv) provision of asset management services.

A summary of the consolidated results of the Group for (a) each of the three financial years ended 31 December 2021 and (b) the six months ended 30 June 2021 and 2022 is set out in Appendix II to this Composite Document with reference to the published documents of the Company.

Further information in relation to the Group is set out in Appendix III to this Composite Document. An expected timetable in relation to the Offers is set out under the section headed “Expected Timetable” of this Composite Document.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed “INFORMATION ON THE OFFEROR”, in the “Letter from Celestial Securities” as set out on pages 7 to 16 of this Composite Document.

INTENTION OF THE OFFEROR REGARDING THE GROUP

The Board is pleased to learn from the “Letter from Celestial Securities” of this Composite Document that the Offeror intends to continue the existing businesses of the Group and has no intention to put forward any major changes to the businesses of the Group after the close of the Offers (including any redeployment of the fixed assets of the Company).

It is expected that all of the existing executive Directors and independent non-executive Directors will remain unchanged upon the close of the Offers. The Offeror does not intend to make any changes to the existing management and employment of the employees of the Group or redeploy the fixed assets of the Group other than those in its ordinary and usual course of business.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

If, at the close of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

The Offeror intends to remain the listing of the Shares on the Stock Exchange following the close of the Offers. The directors of the Offeror have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares. The Offeror considers that the appropriate actions to be taken after the close of the Offers shall include placing down of sufficient number of accepted Shares by the Offeror where appropriate. The Company and the Offeror will issue a further announcement as and when necessary in this regard.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, has been established to give recommendation to the Offer Shareholders and the Optionholders in relation to the Offers. Vinco Financial has been appointed by the Company after approval by the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee, the Offer Shareholders and the Optionholders in respect of the Offers and in particular as to whether the Offers are, or is not, fair and reasonable and as to its acceptance.

Your attention is drawn to (i) the “Letter from the Independent Board Committee” on pages 24 to 25 of this Composite Document; and (ii) the “Letter from Vinco Financial” on pages 26 to 50 of this Composite Document, which sets out the advice and recommendation from Vinco Financial to the Independent Board Committee and the Offer Shareholders and the Optionholders, and the principal factors considered by it in arriving at its advice and recommendation.

ADDITIONAL INFORMATION

You are also advised to read this Composite Document together with the accompanying Form(s) of Acceptance in respect of the acceptance and settlement procedures of the Offers. Your attention is drawn to the additional information contained in the appendices to this Composite Document.

In considering what action to take in connection with the Offers, you should consider your own tax positions, if any, and, in case of any doubt, consult your professional advisers.

Yours faithfully,
For and on behalf of
CASH Financial Services Group Limited
Bankee P. Kwan
Chairman and Chief Executive Officer



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)

16 September 2022

To the Offer Shareholders and the Optionholders

Dear Sir/Madam,

**CONDITIONAL VOLUNTARY CASH OFFERS BY
CELESTIAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL ISSUED SHARES OF
CASH FINANCIAL SERVICES GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
CASH FINANCIAL SERVICES GROUP LIMITED**

INTRODUCTION

We refer to the composite offer and response document dated 16 September 2022 issued jointly by the Offeror and the Company (the “**Composite Document**”) of which this letter forms part. Capitalised terms used in this letter have the same meanings as defined in this Composite Document unless the context requires otherwise.

We have been appointed by the Board to form the Independent Board Committee to consider the terms of the Offers and to make a recommendation to you as to whether, in our opinion, the terms of the Offers are, or are not, fair and reasonable so far as the Offer Shareholders and the Optionholders are concerned, and as to acceptance of the Offers.

Vinco Financial has been appointed as the independent financial adviser to advise us in respect of the terms of the Offers and as to acceptance thereof. Details of its advice and the principal factors considered by it in arriving at its advice and recommendation are set out in the “Letter from Vinco Financial” on pages 26 to 50 of this Composite Document.

We also wish to draw your attention to the “Letter from the Board”, the “Letter from Celestial Securities” and the additional information set out in the appendices to the Composite Document.

* *For identification purpose only*

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

The Share Offer

Having considered the terms of the Share Offer, taking into account the information contained in this Composite Document, and the letter of advice and recommendation from Vinco Financial, we are of the opinion that the Share Offer is fair and reasonable as far as the Offer Shareholders are concerned. Accordingly, we recommend the Offer Shareholders to accept the Share Offer.

The Option Offer

As the exercise price of the outstanding Options is HK\$0.572, which is above the Share Offer Price so that all such Options are out-of-the-money. The Option Offer Price for the cancellation of each such Option is a nominal cash amount of HK\$0.0001.

Having considered the terms of the Option Offer, taking into account the information contained in this Composite Document, and the letter of advice and recommendation from Vinco Financial, we are of the opinion that the Option Offer is fair and reasonable as far as the Optionholders are concerned. Accordingly, we recommend the Optionholders to accept the Option Offer.

Yours faithfully,
For and on behalf of the
Independent Board Committee
CASH Financial Services Group Limited

Cheng Shu Shing Raymond
Independent non-executive
Director

Lo Kwok Hung John
Independent non-executive
Director

Lo Ming Chi Charles
Independent non-executive
Director

LETTER FROM VINCO FINANCIAL

The following is the text of a letter of advice from Vinco Financial setting out its advice to the Independent Board Committee and the Independent Shareholders prepared in respect of the terms and conditions of the Offers, which has been prepared for the purpose of incorporation in this Composite Document:

VINCO 
Vinco Financial Limited

16 September 2022

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

Dear Sirs,

**THE VOLUNTARY CASH OFFERS BY
CELESTIAL SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL ISSUED SHARES OF
CASH FINANCIAL SERVICES GROUP LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED AND/OR AGREED
TO BE ACQUIRED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL OUTSTANDING SHARE OPTIONS OF
CASH FINANCIAL SERVICES GROUP LIMITED**

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee in respect of the terms and conditions of the Offers and as to acceptance, details of which are set out in the Composite Document jointly issued by the Offeror and the Company to the Shareholders dated 16 September 2022 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Composite Document unless the context otherwise requires.

Reference is made to the Joint Announcement, on 30 June 2022 after trading hours, subject to the satisfaction of the Pre-Condition, Celestial Securities for and on behalf of the Offeror, would make (i) the Share Offer to acquire all the Offer Shares at the Share Offer Price of HK\$0.42 in compliance with the Takeovers Code; and (ii) the Option Offer at a nominal value of HK\$0.0001 for cancellation of each Option. On 9 September 2022, the Offeror announced that Pre-Condition had been satisfied. As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company), therefore, the remaining 150,829,925 Shares are subject to the Share Offer. As at the Latest Practicable Date, there are 20,190,000 outstanding Options, which are exercisable into 20,190,000 Shares at an exercise price of HK\$0.572. As the exercise price is above the Share Offer Price, all the Options are out-of-money. Celestial Securities, for and on behalf of the Offeror is making the Option Offer at a

LETTER FROM VINCO FINANCIAL

nominal value of HK\$0.0001 for cancellation of each Option. As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 7,200,000 Options, therefore, the remaining 12,990,000 Options are subject to the Option Offer. As at the Latest Practicable Date, save for the Shares and the outstanding Options, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

On the basis that (i) there are 261,174,779 Shares in issue and 150,829,925 Offer Shares are subject to the Share Offer at the Share Offer Price; and (ii) the 12,990,000 Options are subject to the Option Offer at the Option Offer Price, and assuming acceptance of the Offers in full and assuming that no Options are exercised before the close of the Offers, the total amount of cash required for the Offers is HK\$63,349,868, including as to HK\$63,348,569 for the Share Offer and HK\$1,299 for the Option Offer.

The Independent Board Committee, comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, being all the independent non-executive Directors has been formed to advise the Offer Shareholders and the Optionholders in relation to the terms and conditions of the Offers, in particular as to whether the Offers are fair and reasonable and as to acceptance of the Offers. As at the Latest Practicable Date, Mr Lo Kwok Hung John, an independent non-executive Director and a member of the Independent Board Committee, is the beneficial owner of 62,775 Shares, approximately 0.02% of the total issued Shares. We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offers. In our capacity as the Independent Financial Adviser, our role is to give an independent opinion to the Independent Board Committee as to whether the terms of the Offer are fair and reasonable and as to acceptance so far as the Independent Shareholders are concerned and such appointment has been approved by the Independent Board Committee.

As at the Latest Practicable Date, we are not connected with the directors, chief executive and substantial shareholders of the Company and the Offeror or any of their respective subsidiaries or their respective associates or any party acting, or presumed to be acting, in concert with any of them and as at the Latest Practicable Date, we did not have shareholding, directly or indirectly, in any of them (if applicable) and any of their respective associates and, as at the Latest Practicable Date, did not have any shareholding, directly or indirectly, in any entities within the Group or the Offeror or any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any entities within the Group and the Offeror. We are not aware of any relationships or interest between us and the Company, the Offeror or any other parties that could be reasonably be regarded as hindrance to our independence as defined under Rule 13.84 of the Listing Rules and Rule 2.6 of the Takeovers Code to act as the Independent Financial Adviser to the Independent Board Committee in respect of the terms of the Offers. We are eligible to give independent advice and recommendations on the terms of the Offers and as to acceptance thereof. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser to the Independent Board Committee, no arrangement exists whereby we will receive any fees from the Offeror and the Company, their subsidiaries, their associates or their respective substantial shareholders or associates.

LETTER FROM VINCO FINANCIAL

During the past two years, there was no engagement between the Group or the Offeror and us. Accordingly, we consider that we are eligible to give independent advice and recommendations on the terms of the Offers and as to acceptance.

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 Composite Document and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. In rendering our opinion in the Composite Document, we have discussion with the management of the Group to understand the information collected from the Company including but not limited to (i) published financial reports of the Company for the three financial years ended 31 December 2021 and the interim report of the Company for the six months ended 30 June 2022 (the “**Interim Report 2022**”); (ii) the Facility Agreement; (iii) the announcements in relation to the Rule 3.8 of the Takeovers Code dated 1 August 2022 and 15 August 2022; and (iv) other information as set out in the Composite Document. Furthermore, we have researched and analysed the market information obtained from the website of the Stock Exchange. Our opinion is necessarily based on the management’s representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Offers. We have assumed that all information, facts, opinions and representations made or referred to in the Composite Document were true, accurate and complete at the time they were made and continued to be true, accurate, and complete up to date throughout the Offer Period and the Independent Shareholders will be notified of any material changes to such statements, information, opinions and/or representations as well as those in this letter as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Offeror in the Composite Document were reasonably made after due enquiries and considerations.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have no reason to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide reasonable basis for our opinion and recommendations. The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made of opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in this Composite Document, including this letter, misleading. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date. We have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company or the Offeror as set out in this Composite Document, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Offer.

LETTER FROM VINCO FINANCIAL

In formulating our opinions, we have not considered the taxation implications on the Offer Shareholders and the Optionholders arising from the holding of or dealing in the Offer Shares or otherwise, since these are particular to their own circumstances. It is emphasised that we will not accept responsibility for any tax effects on, or liabilities of any person resulting from the holding of or dealing in of the Offer Shares. In particular, Offer Shareholders and Optionholders subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position and, if in any doubt, should consult their own professional advisers.

This letter is issued for the information for the Independent Board Committee solely in connection with their consideration of the Offers and, except for its inclusion in the Composite Document, 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 arriving at our opinion and recommendation in relation to the terms of the Share Offer and Option Offer, we have considered the following principal factors and reasons set out below:

1. Information on the Group

Principal activities

According to the management of the Company, the principal activities of the Group are (i) provision of online and traditional brokerage of securities, futures and options as well as general and life insurance, mutual funds and mandatory provident fund products, (ii) proprietary trading of debt and equity securities and derivatives, (iii) provision of margin financing and money lending services, and (iv) provision of asset management services.

Historical financial information

Set out below is summary of the unaudited consolidated financial results of the Group for the six months ended 30 June 2022, as extracted from the Interim Report 2022:

	For the six months ended	
	30 June	
	2022	2021
	(unaudited)	(unaudited)
	HK\$'000	HK\$'000
Revenue		
– Fee and commission income	27,614	40,753
– Interest income	8,092	15,019
	<u>35,706</u>	<u>55,772</u>
Loss attributable to owners of the Company	<u>(35,004)</u>	<u>(19,029)</u>

LETTER FROM VINCO FINANCIAL

	As at 30 June 2022	As at 31 December 2021
	(unaudited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	1,235,372	1,295,577
Total liabilities	857,324	883,209
Total equity	378,048	412,368

With reference to Interim Report 2022, the revenue of the Group decreased by approximately 36.0% from approximately HK\$55.8 million for the six months ended 30 June 2021 to approximately HK\$35.7 million for the six months ended 30 June 2022. The Directors believe the decrease was mainly attributable to (i) the decrease of approximately 45.7% from broking income which was in line with the general decline in investor sentiment reflected by a sizable decrement of 26.5% in average daily turnover of the Hong Kong's securities market during the first half of 2022 when compared to the same period of prior year; (ii) the decline of approximately 51.3% in revenue from non-broking and non-wealth management services due to the decrease in asset management revenue; and (iii) the decline of approximately 46.1% in interest income due to the decrease in margin financing interest and IPO margin financing which was in line with the general decline in average daily turnover and funds raised through Hong Kong's IPO market during the period as a result of the challenging financial market in Hong Kong including the Russia-Ukraine conflict, US containment policy against China and the pandemic repercussions, had caused devastating economic disruption to the domestic economy and accelerating capital outflow from the Hong Kong dollar market.

The Group recorded an increase in loss attributable to owners of the Company from approximately HK\$19.0 million for the six months ended 30 June 2021 to approximately HK\$35.0 million for the six months ended 30 June 2022. The Group's increase in loss for the six months ended 30 June 2022 was mainly attributable to (i) the decrease in revenue by approximately 36.0%, and (ii) increase in impairment losses under expected credit loss model of approximately HK\$6.6 million for the six months ended 30 June 2022 as a result of the impact as mentioned above. We noted that the Company had not declared any dividend in the six months ended 30 June 2022.

The Group's unaudited total assets and total liabilities as at 30 June 2022 amounted to approximately HK\$1,235.4 million and HK\$857.3 million respectively. The Group's unaudited consolidated net assets value amounted to approximately HK\$378.0 million as at 30 June 2022, representing a decrease of approximately 8.3% as compared to that of approximately HK\$412.4 million as at 31 December 2021 mainly due to the net effect of the reported loss for the six months ended 30 June 2022. The gearing ratio as at 30 June 2022, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, increased to 41.3% from 32.3% as at 31 December 2021. The increase in gearing ratio during the period was mainly due to the increase in borrowings for working capital purposes.

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Set out below is a summary of the audited consolidated financial results of the Group for the three years ended 31 December 2021, as extracted from the relevant annual reports of the Company respectively:

	For the year ended 31 December		
	2021	2020	2019
	(audited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue			
– Fee and commission income	71,165	78,286	82,916
– Interest income	25,698	25,402	24,576
	96,863	103,688	107,492
Loss attributable to owners of the Company	(53,470)	(39,178)	(114,048)
	As at 31 December		
	2021	2020	2019
	(audited)	(audited)	(audited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	1,295,577	1,468,468	1,503,607
Total liabilities	883,209	1,014,588	999,809
Total equity	412,368	453,880	503,798

With reference to the annual report for the year ended 31 December 2020 (the “**Annual Report 2020**”), the revenue of the Group decreased by approximately 3.5% from approximately HK\$107.5 million for the year ended 31 December 2019 to approximately HK\$103.7 million for the year ended 31 December 2020. The Directors believe the decrease was mainly attributable to the unprecedented health and economic crisis as a result of the COVID-19 pandemic and, among paralysing economic activities worldwide, had triggered severe economic recession to Hong Kong’s securities market during the first half of 2020. Although the Hang Seng Index had undergone a strong bounce-back in the second half of 2020, the Directors believe that the Group’s main clients being retail investors preferred to avoid trading during the volatile market, resulting the decrease in brokerage commission income by approximately 16.4% compared to the previous year.

The Group recorded a decrease in loss attributable to owners of the Company from approximately HK\$114.0 million for the year ended 31 December 2019 to approximately HK\$39.2 million for the year ended 31 December 2020. The Group’s decrease in loss for the year ended 31 December 2020 was mainly attributable to (i) the decrease in other operating cost for the year ended 31 December 2020 namely telecommunications, advertising and promotion expenses following the Board’s implementation plan against the COVID-19 pandemic including the work from home arrangements; and (ii) no impairment

LETTER FROM VINCO FINANCIAL

loss was recognised for the Group's property and equipment for the year ended 31 December 2020. The overall net loss for the year ended 31 December 2020 was mainly attributable to the severe economic recession to Hong Kong's securities market as a result of the COVID-19 pandemic as mentioned above.

The Group's audited total assets and total liabilities as at 31 December 2020 amounted to approximately HK\$1,468.5 million and HK\$1,014.6 million. The Group's audited consolidated net assets value amounted to approximately HK\$453.9 million as at 31 December 2020, representing a decrease of approximately 9.9% as compared to that of approximately HK\$503.8 million as at 31 December 2019 due to the reported loss and decrease in financial assets at fair value through profit or loss. The gearing ratio as at 31 December 2020, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, decreased to 24.4% from 29.7% as at 31 December 2019. The decrease in gearing ratio was mainly due to the decrease in bank borrowings.

With reference to the annual report for the year ended 31 December 2021 (the "Annual Report 2021"), the revenue of the Group decreased by approximately 6.6% from approximately HK\$103.7 million for the year ended 31 December 2020 to approximately HK\$96.9 million for the year ended 31 December 2021. The Directors believe the decrease was mainly attributable to the drop of 19.2% in commission income of the brokerage business as the retail clients chose to flee the highly volatile stock markets to avoid suffering huge trading and investment losses when the Hong Kong stock market continued to languish in negative sentiment of the pandemic, tightening control over internet-related business in China, and fear of tightening monetary policy by the Federal Reserve.

The Group recorded an increase in loss attributable to owners of the Company from approximately HK\$39.2 million for the year ended 31 December 2020 to approximately HK\$53.5 million for the year ended 31 December 2021. The Group's increase in loss for the year ended 31 December 2021 was mainly attributable to the net losses on financial assets at fair value through profit and loss of approximately HK\$14.7 million. The overall net loss for the year ended 31 December 2021 was mainly attributable to the downturn of Hong Kong stock market in 2021 and uncertain economic outlook as mentioned above. We noted that the Company had not declared any dividend in the past three years.

The Group's audited total assets and total liabilities as at 31 December 2021 amounted to approximately HK\$1,295.6 million and HK\$883.2 million. The Group's audited consolidated net assets value amounted to approximately HK\$412.4 million as at 31 December 2021, representing a decrease of approximately 9.1% as compared to that of approximately HK\$453.9 million as at 31 December 2020 mainly due to the reported loss, being contra with the fair value gain of financial assets at FVTOCI for the year under review and the exercise of share options in the Company. The gearing ratio as at 31 December 2021, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, increased to 32.3% from 24.4% as at 31 December 2020. The increase in gearing ratio was mainly due to the increase in borrowings.

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Prospects and outlook of the Group

As stated in the paragraph headed “Principal activities” above, the Group is principally engaged in the provision of securities and other investment in Hong Kong. With reference to the Annual Report 2021, the Company was faced with the fifth wave of local epidemic in early 2022, with more stringent anti-pandemic and social distancing measures in response. The plan for an orderly reopening of the border could be delayed, should the epidemic situation not be put under control in a timely manner. The prospect remains for a gradually resumption of quarantine-free travel with mainland China, followed by the reopening of the border with the rest of the world, when a high vaccination rate among the local population is attained.

During the unstable pandemic situation prevalent throughout 2021, the Company opted to take a conservative approach to preserve its capital strength by adopting cost containment measures, restructuring its back-office and taking a cautious stance in its lending and credit advance services. The Company found the operating costs had been reduced of 20.0% as compared with last year. Looking ahead, the mainland Chinese and Hong Kong economies are anticipated to recover gradually. China’s policy makers are expected to unveil further supportive monetary and fiscal measures to cushion the domestic economic slowdown. The financial sector is expected to stay resilient, and may expand further against a more favourable economic environment and an improved business sentiment. Also, the raise of both CFSG’s brand exposure and new mobile trading app awareness would attract more investors to open investment accounts through their mobile devices. The tightening of listing requirements in the US for foreign companies is speeding up the seconding listing of US-listed Chinese companies in the Hong Kong market that help attract more fund inflow in Hong Kong’s capital markets and further reinforce Hong Kong’s role as a fundraising centre. The Group have faith in the prospect of Hong Kong brokerage and wealth management business and trust they are turning more reassuring and having adequate room for further growth.

Based on the factors mentioned above, having considered stock markets activities are still subject to the uncertain market conditions, we are of the view that the Group might continue to operate in a challenging environment in the coming years while the digital innovation and change of US listed market would bring favourable business opportunities to the Group, the Share Offer can provide the Offer Shareholders with an opportunity to realise their share investments in the Company at a premium over the prevailing market price of each Share.

The Share Offer represents an opportunity for Independent Shareholders to realise their investments. Further analysis on the Share Offer Price is set out in the paragraph headed “Principal terms of the Offers – The Share Offer” below.

LETTER FROM VINCO FINANCIAL

2. Information on the Offeror and CASH Group

CIGL, a company incorporated in the British Virgin Islands with limited liability, is principally engaged in investment holding and is a wholly-owned subsidiary of CASH, which is ultimately held by Dr Kwan as to approximately 49.79% of the entire issued share capital of CASH as at the Latest Practicable Date. As at the Latest Practicable Date, CIGL is interested in 102,928,854 Shares, representing approximately 39.41% of total issued Shares. The Company is currently an associated company of CASH.

Dr Kwan, who is the controlling shareholder of CASH, is responsible for devising the overall business strategy of the CASH Group and has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking.

The principal activity of CASH is investment holding. The principal activities of the CASH Group consist of (i) retail management business including sales of furniture and household items, electrical appliances, food and pets accessories through the chain stores under multi-brand names including “Pricerite Home”, “TMF”, “SECO”, “Pricerite Food” and “Pricerite Pet” in Hong Kong; (ii) provision of asset management services to the fund investors; and (iii) general investment holding. For additional information, please visit www.cash.com.hk.

3. Intention of the Offeror regarding the Group and listing status of the Company

It is the intention of the Offeror to continue the existing business of the Group and has no intention to put forward any major changes to the businesses of the Group after the close of the Offers (including any redeployment of the fixed assets of the Company).

It is expected that all of the existing executive Directors and independent non-executive Directors will remain unchanged upon the close of the Offers. The Offeror does not intend to make any changes to the existing management and employment of the employees of the Group or redeploy the fixed assets of the Group other than those in its ordinary and usual course of business. The Offeror intends to remain the listing of the Shares on the Stock Exchange following the close of the Offers. The Offeror does not intend to avail itself of any powers of compulsory acquisition of the Shares after the close of the Offers.

4. Reasons for the Possible Acquisition for the Company

As discussed with the Directors and with reference to the circular dated 22 August 2022 published by CASH regarding the possible very substantial acquisition in relation to the acquisition of Shares in the Company. Established in 1972, the Company is one of few full-licensed Hong Kong financial services institutions currently holding four types of SFC licenses including Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 9 (asset management). In Hong Kong, the Company is also a licensed money lender, licensed insurance broker, and registered principal MPF intermediary.

With a strategic vision to transform into a diversified investment and wealth management specialist, the Company started building a solid foundation in the Greater Bay Area (the “GBA”) several years ago. In 2001 and 2004, the Group established its branches in the two major international financial centres in Shanghai and Shenzhen, respectively, to provide wealth management services to clients in the Yangtze River Delta and the Pearl River Delta regions. In 2018, the Group extended its advisory services to the asset management firms in Mainland China by providing Hong Kong stock investment advisory services. Recently, the Company has further strengthened institutional cooperation and strategically expanded its operations in the GBA and Yangtze River Delta regions to capture the thriving developments under the national plans.

In addition, the formal launch of two cross-border investment schemes in 2021 and two-way opening-up of financial markets within the GBA not only facilitate interaction of capital, attracting a stronger influx of southbound fund flow into Hong Kong, but also allow retail investors to directly open investment accounts to satisfy their cross-border wealth management needs. In light of ever-increasing cross-border demand for wealth management products and services in Hong Kong and Mainland China, the Company continues delivering fully-fledged wealth management solutions, including but not limited to corporate wealth management, insurance products and asset management; providing its GBA customers with top-notch services to precisely satisfy their personalised wealth management needs.

As Hong Kong will continue to thrive as an international financial centre and global wealth management hub under the National 14th Five-Year Plan, the Directors believe the solid presence of the Company in the GBA and its earlier transformation to diversified investment and wealth management specialist will enable the Company to be benefitted from the supportive national policies by taking first-mover advantage to leverage synergy with its long-established offices and customer services centres in Mainland China to capture future potential business opportunities.

Moreover, the COVID-19 pandemic has accelerated a wave of digital transformation at unprecedented pace with many companies switching to full digitalisation mode. In response to the digital wave, the Company has been transformed into a full-fledged financial services company with a fully-digitalised trading platform for its brokerage, specialising in wealth management and investment products in Hong Kong and Mainland China.

LETTER FROM VINCO FINANCIAL

Leveraging on the Company's well-established brand over 50 years of history and the solid presence in the GBA, award-winning services and unique wealth management products on the fully-digitalised trading platform, the directors of the Offeror and CASH believe the Company will continue developing as a leading Hong Kong-based, technology-driven financial services company, specialising in wealth management and investment products in the GBA.

Furthermore, despite the governments around the world have been implementing monetary and fiscal stimulus measures in response to the global economic slowdown and the COVID-19 vaccines have been rapidly rolling out globally, the uncertainties raised by the political tension between Russia and Ukraine and the increasing interest rates by Federal Reserve have inevitably magnified the slowdown in the global economy. In order to help clients to hedge against global financial risks and grasp potential opportunities on the back of economic recovery in future, the Company is dedicated to delivering personalised and professional services to its clients, which is anticipated to drive sustainable corporate growth. Compliment to the earlier business transformation of the Company as set out above, which allows the clients to preserve their assets with a more international allocation, the Company recorded a considerable increase in its wealth management revenue for two continuous financial years with year-on-year growth rate of approximately 116.1% for 2021 and approximately 143.6% for 2020, respectively. Therefore, the Directors are of the view that the global financial risks would encourage investors to seek out higher-returning assets which will in turn benefit the Company's investment and wealth management products and services.

5. Principal terms of the Offers

The Share Offer

With reference to the Letter from the Board, Celestial Securities, for and on behalf of the Offeror, is making the Share Offer to acquire all the Offer Shares in compliance with the Takeovers Code on the basis set out below:

For every Offer Share HK\$0.42 in cash

The Share Offer Price was determined after taking into account, among other things, the historical and prevailing trading prices of the Shares, the audited net assets value of the Group and the business development of the Group as set out in the section headed "THE OFFEROR'S REASONS FOR THE OFFERS" in the Composite Document.

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company), therefore, the remaining 150,829,925 Shares are subject to the Share Offer.

LETTER FROM VINCO FINANCIAL

As at the Latest Practicable Date, (i) the Company had no dividend or other distributions declared but not paid; and (ii) the Company had no intention to declare and pay any dividend or other distributions before the close of the Offers.

The Option Offer

As at the Latest Practicable Date, there were 20,190,000 outstanding Options, which are exercisable into 20,190,000 Shares at an exercise price of HK\$0.572. As the exercise price is above the Share Offer Price, all the Options are out-of-money. Celestial Securities, for and on behalf of the Offeror, is making the Option Offer at a nominal value of HK\$0.0001 for each Option as follow:

For cancellation of each Option HK\$0.0001 in cash

As at the Latest Practicable Date, the Offeror and the parties acting in concert with it hold an aggregate of 7,200,000 Options, therefore, the remaining 12,990,000 Options are subject to the Option Offer.

As at the Latest Practicable Date, save for the for the Shares and the outstanding Options, there are no other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

Under the terms of the Share Option Scheme, if the Option Offer is not accepted by an Optionholder, any unexercised Option shall remain valid in accordance with the terms of the Share Option Scheme and shall be subject to such restrictions as applied to it before the Offers.

The Share Offer Price

The Share Offer Price of HK\$0.42 represents:

- (i) a premium of approximately 20.00% over the closing price of HK\$0.350 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a premium of approximately 25.37% over the closing price of HK\$0.335 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a premium of approximately 58.73% over the average closing price of HK\$0.2646 per Share as quoted on the Stock Exchange over the five (5) consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 49.41% over the average closing price of approximately HK\$0.2811 per Share as quoted on the Stock Exchange over the ten (10) consecutive trading days immediately prior to and including the Last Trading Day;

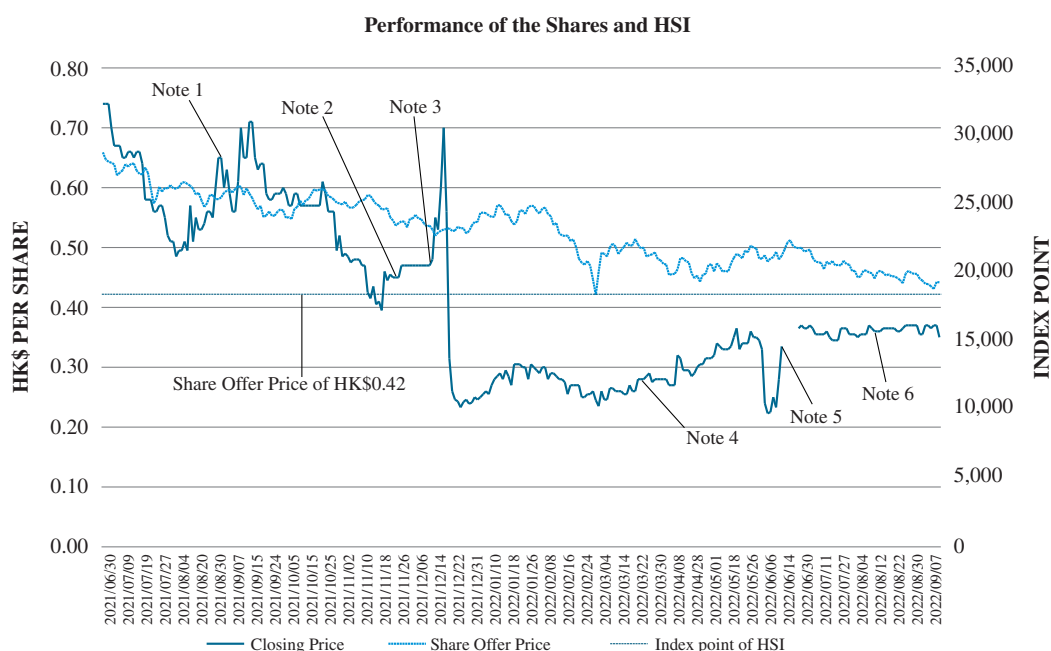
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- (v) a premium of approximately 33.16% over the average closing price of approximately HK\$0.3154 per Share as quoted on the Stock Exchange over the thirty (30) consecutive trading days immediately prior to and including the Last Trading Day;
- (vi) a premium of approximately 41.27% over the average closing price of approximately HK\$0.2973 per Share as quoted on the Stock Exchange over the sixty (60) consecutive trading days immediately prior to and including the Last Trading Day;
- (vii) a discount of approximately 73.40% to the audited consolidated net assets value attributable to the Shareholders of approximately HK\$1.579 per Share (based on the audited consolidated net assets value of the Company of approximately HK\$412,368,000 as at 31 December 2021 and 261,174,779 Shares in issue as at the Latest Practicable Date); and
- (viii) a discount of approximately 71.03% to the unaudited consolidated net assets value attributable to the Shareholders of approximately HK\$1.45 per Share (based on the unaudited consolidated net assets value of the Company of approximately HK\$378,048,000 as at 30 June 2022 and 261,174,779 Shares in issue as at the Latest Practicable Date).

Historical price performance of the Shares

In order to assess the fairness and reasonableness of the Share Offer Price, we have reviewed the daily closing prices and the trading liquidity of the Shares as quoted on the Stock Exchange during the period commencing from 30 June 2021 up to the Latest Practicable Date (the “**Review Period**”). We consider that the duration of the Review Period, being more than one year prior to the commencement of the Offer Period, would be adequate to illustrate the recent price movement of the Shares for conducting a reasonable comparison among the historical closing prices and such comparison is relevant for the assessment of the fairness and reasonableness of the Share Offer Price. The chart below illustrates the daily closing price of the Shares during the Review Period (“**Closing Price**”) versus the Share Offer Price of HK\$0.42 per Share and comparison of the Shares price performance with the Hang Seng Index (HSI) during the Review Period:

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Notes:

1. Announcement of interim results for the six months ended 30 June 2021.
2. The Board announced that the Group, through CASH Trinity Bullion Limited (a wholly-owned subsidiary of the Company), had entered into the transactions involving acquisitions of listed securities on 29 November 2021.
3. The new margin financing agreement with several connected clients had been approved in the special general meeting on 16 December 2021.
4. Announcement of annual results for the year ended 31 December 2021.
5. The trading of the Shares halted from 24 June 2022 to the date of the Joint Announcement.
6. Announcement of interim results for the six months ended 30 June 2022.

As shown in the above chart, we noted a fluctuation in Closing Prices throughout the Review Period between HK\$0.223, being the lowest Closing Price recorded on 16 June 2022, and HK\$0.740, being the highest Closing Price recorded on 30 June 2021, 2 July 2021 and 5 July 2021 respectively. The Share Offer Price of HK\$0.42 represents a discount of approximately 43.2% to the highest Closing Price during the Review Period and a premium of approximately 88.3% to the lowest Closing Price during the Review Period. The average Closing Price of the Review Period was approximately HK\$0.413, which means the Share Offer Price has a premium of approximately 1.81% over the average Closing Price during the Review Period. We also noted that within the 293 trading days during the Review Period, there were 174 trading days to which the Closing Price was less than HK\$0.42, representing around 59.39% of the Closing Price during the Review Period to be lower than the Share Offer Price.

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During the Review Period, the Closing Price first reached to the highest Closing Price of the Review Period at HK\$0.740 per Share on 30 June 2021 and exhibited a decreasing trend from the end of June until mid-August 2021, followed by the upward movement of the Closing Price till mid-September 2021 and the downward movement of the Closing Price till end of November 2021. We have enquired with the Company and were advised that they are not aware of any particular reason for the price movement. Since the Board announced that the Group, through CASH Trinity Bullion Limited (a wholly-owned subsidiary of the Company), had entered into the transactions involving acquisitions of listed securities on 29 November 2021 and the new margin financing agreement with several connected clients had been approved in the special general meeting on 16 December 2021, the Closing Price demonstrated an increasing trend and reached at HK\$0.700 on 23 December 2021 before a drop to HK\$0.233 on 3 January 2022. Except the unusual price and trading volume movement on 23 December 2021 which the Closing Price and trading volume of the Shares rose sharply to HK\$0.700 and 46,388,113 Shares respectively, the decrease in Closing Price shown in the last two quarters of 2021 has been in line with the decreasing trend of the Hang Seng Index during the respective period, recording 28,310.42 on 2 July 2021 to 23,397.67 on 31 December 2021. Having made enquiry with the Company with respect to reason for the unusual movement, the Directors confirmed that they are not aware of any reason for the unusual movements in price and trading volume of the Shares. From 3 January 2022 to the date of Joint Announcement, the Closing Price was fluctuating within a range between approximately HK\$0.223 to HK\$0.365 and maintained below HK\$0.42. Subsequently, the Closing Price on the Last Trading Day is HK\$0.335 and continued to be halted from trading before 4 July 2022. Since the publication of the Joint Announcement and up to the Latest Practicable Date, we noted that the Share Offer Price represents a premium of approximately 21.74% and 13.51% respectively over the Closing Price of the Shares ranged from HK\$0.345 to HK\$0.370. With regards to the price trend after the Joint Announcement, we consider that in the absence of any significant positive event, there is no assurance that the Closing Price of the Shares will continue to rise or maintain at a level equal to or above the Share Offer Price after the Latest Practicable Date or after closing of the Offers.

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Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Company during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Share Offer, if the net proceeds from the sale of such Shares in the open market would exceed the net amount receivable under the Share Offer.

Table 1: Trading liquidity of the Shares during the Review Period

	Total volume of the Shares traded	Number of trading days	Average daily volume (Shares)	Number of issued Shares as at the end of the month (Shares)	Approximate % of average daily trading volume to the then total number of issued Shares as at the end of the month	Approximate % of average daily trading volume to total number of Shares held by public Shareholders (Note)
2021						
June	150	1	150	261,174,779	Nil	Nil
July	1,767,739	21	84,178	261,174,779	0.032%	0.052%
August	2,525,202	22	114,782	261,174,779	0.044%	0.070%
September	1,157,043	21	55,097	261,174,779	0.021%	0.034%
October	288,093	18	16,005	261,174,779	0.006%	0.010%
November	5,266,887	22	239,404	261,174,779	0.092%	0.147%
December	103,993,622	22	4,726,983	261,174,779	1.810%	2.896%
2022						
January	22,644,655	21	1,078,317	261,174,779	0.413%	0.661%
February	2,072,721	17	121,925	261,174,779	0.047%	0.075%
March	3,352,534	23	145,762	261,174,779	0.056%	0.089%
April	2,523,690	18	140,205	261,174,779	0.054%	0.086%
May	9,548,260	20	477,413	261,174,779	0.183%	0.293%
June	15,647,142	16	977,946	261,174,779	0.374%	0.599%
July	4,621,413	20	231,071	261,174,779	0.088%	0.146%
August	1,906,143	23	82,876	261,174,779	0.032%	0.052%
September	1,111,019	8	138,877	261,174,779	0.053%	0.088%

Note:

The total number of Shares held by public Shareholders is considered as the total issued share capital of the Company less the Shares held by the controlling shareholder.

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In order to determine whether the Share Offer Price would be attractive to the Offer Shareholders to participate in the Share Offer, we noted as shown in the table above (i) the highest average daily volume was approximately 4,726,983 Shares in December 2021; and (ii) the highest percentage of average daily trading volume to the total number of Shares and Shares held by public Shareholders was approximately 1.81% and 2.90% respectively in December 2021. Saved for December 2021, we noted that the trading liquidity of the Shares were very thin during the Review Period, with all months less than 1.00% to the then total number of issued Shares as at the end of their respective month or the number of shares held by public Shareholders. With reference to Table 2 below, we also note that the trading volume of the Comparable Companies (as defined below) in the market is generally thin that the average daily trading volume to the then total number of issued shares held by public Shareholders as at the end of the month of the Comparable Companies ranged from nil to approximately 5.49% during the Review Period. This indicates that the trading liquidity of the shares of the Comparable Companies were generally thin and there was no significant difference of the trading volume of the Comparable Companies in the market compared with that of the Group during the Review Period. Please find the relevant details as set out in the section headed “Comparison to comparable companies” in this letter. With reference to the thin trading liquidity of the Shares during the Review Period, it is uncertain that the overall liquidity of the Shares could be maintained in the near future and that there would be sufficient liquidity in the Shares for the Independent Shareholders to dispose a significant number of Shares in the open market, especially those with large volume of Shares, without exerting a downward pressure on the Share price. Offer Shareholders who select to sell their share investments under the Share Offer would realise a premium of approximately 1.81% over the average Closing Price during the Review Period. We are therefore of the view that the Share Offer would provide greater opportunity for the Offer Shareholders to realise their share investment at a premium over the average Closing Price during the Review Period in due course. Therefore, the Share Offer Price at a premium would be attractive to the Offer Shareholders to participate in the Share Offer.

Comparison to comparable companies

In order to assess the fairness and reasonableness of the Share Offer Price, we took into consideration the reference to price-to-earnings ratio (“**PE Ratio**”) and price-to-book multiple (“**PB Ratio**”), which are two of the most commonly used benchmarks in assessing the financial valuation of a company as the data for calculating the ratios can be obtained fairly and directly from publicly available information and reflect the value of the company determined by the open market. However, given that (i) the Group recorded loss consecutively in the past three financial years; and (ii) the business model of the Company and its industry peers, being principally engaged in the provision of financial services including brokerage of securities, futures and options in Hong Kong, are asset-light, an analysis of the PE Ratio and PB Ratio may not be practicable and meaningful for comparison purpose in assessing the fairness and reasonableness of the Offer.

Alternatively, we attempt to carry out the comparable analysis using other price multiples, namely price-to-sales ratio (“**PS Ratio**”), the enterprise value to earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) ratio (“**EV/EBITDA Ratio**”), also being commonly used as a valuation method. However, the Group recorded a net loss attributable to its owners and negative EBITDA of approximately HK\$37.4 million for its latest financial year and its EV/EBITDA Ratio would be deemed not meaningful for comparison or analysis. Thus, given the loss-making situation of the Group, we are of the view that PS Ratio is an alternative for comparable analysis.

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By taking into account of the business model and principal activities of the Group, we have set out to identify comparable companies with the selection criteria of (i) being listed on the Stock Exchange; (ii) generating at least 50% of its revenue from the provision of financial services which consist of online and traditional brokerage of securities, futures and options in Hong Kong; (iii) having a market capitalisation of not more than HK\$250 million; and (iv) their shares are not suspended on the Stock Exchange as at the Latest Practicable Date. We have identified an exhaustive list of 8 comparable companies listed on the Stock Exchange (“**Comparable Companies**”) based on our selection criteria which are considered to be fair and representative sample for comparison purpose as below:

Table 2: PS Ratio and the trading liquidity of the Group and the Comparable Companies

Comparable Companies	Stock code	Market capitalisation as at the Latest Practicable Date (Note 1)	PS Ratio (Note 2)	Approximate % of average daily trading volume to the then total number of issued shares held by the public shareholders as at the end of the month (Highest/Lowest)
RAFFAELLO-ASTRUM FINANCIAL HOLDINGS LTD.	8333	168,213,000	13.03	0.081%/ Nil
CL GROUP (HOLDINGS) LTD.	8098	103,400,000	2.08	0.209%/ Nil
FU SHEK FINANCIAL HOLDINGS LTD.	2263	122,000,000	3.21	0.204%/ 0.009%
KOALA FINANCIAL GROUP LTD.	8226	133,601,277	5.17	0.646%/ Nil
LFG INVESTMENT HOLDINGS LTD.	3938	63,736,186	0.82	0.374%/ 0.024%
PINESTONE CAPITAL LTD.	804	121,821,030	4.88	5.492%/ 0.138%
SOUTH CHINA FINANCIAL HOLDINGS LTD.	619	96,408,662	0.90	0.148%/ 0.006%
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LTD.	8350	102,400,000	15.51	0.032%/ Nil
		Maximum	15.51	
		Minimum	0.82	
		Average	5.70	
		Median	4.04	
The Group (Note 3)	510	109,693,407	1.13	2.896%/ Nil

Sources: the website of the Stock Exchange (www.hkex.com.hk) and the financial reports of the respective Comparable Companies

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Notes:

1. *Based on the figures of the respective Comparable Companies as published in the latest published annual reports/annual results announcements.*
2. *The PS Ratio of the Comparable Companies is calculated based on their respective market capitalisation divided by the total revenue of the company as disclosed in their respective latest published annual reports.*
3. *The implied market capitalisation and PS Ratio of the Group are calculated based on the Share Offer Price.*

As illustrated in the table set out above, the PS Ratio of the Comparable Companies ranged from approximately 0.82 times to approximately 15.51 times, with an average of approximately 5.70 times and a median of 4.04 times. Although the Group's implied PS Ratio of approximately 1.13 times is substantially below the average of the Comparable Companies, the Group's implied PS Ratio is still within the range of the Comparable Companies. In fact, as it is merely one of the factors taken into consideration in assessing the fairness and reasonableness of the Share Offer Price, we have also considered below various principal factors as overall basis to justify its fairness and reasonable:

- (i) the implied PS Ratio of the Company is within the range of the PS Ratio of the Comparable Companies and there are two Comparable Companies with PS Ratio lower than the Company;
- (ii) the Share Offer Price represents a premium over the closing price of the Share on the Last Trading Day and premiums over the average closing prices of the Shares for the last 5, 10, 30 and 60 consecutive trading days prior the Last Trading Day;
- (iii) the Group incurred net losses and had not declared any dividend in the past three years; and
- (iv) despite the Share Offer Price represents a discount to the audited consolidated net assets value attributable to the Shareholders of the Company, the Shares had consistently been traded at a closing price substantially below the consolidated net assets value per Share during the past three years as shown in the section headed "Analysis of the average closing price to audited/unaudited consolidated net assets value", which implies investors do not heavily rely on net assets attributable to the Shareholders per Share in making their investment decision in the Shares.

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Analysis of the average closing price to audited/unaudited consolidated net assets value

We understood that the Share Offer Price represented a discount of approximately 71.03% to the unaudited consolidated net assets value attributable to the Company as at 30 June 2022. Considering that the Shares have been traded at a substantial discount to the respective audited/unaudited consolidated net assets value per Share, ranging from a minimum discount of approximately 63.16% to a maximum discount of approximately 79.91% during the period from 1 January 2019 to 30 June 2022 (the “**Audited/Unaudited Financial Review Period**”) based on the audited/unaudited consolidated net assets value of the Group as at 30 June 2019, 31 December 2019, 30 June 2020, 31 December 2020, 30 June 2021, 31 December 2021 and 30 June 2022 and the average closing price of the Shares, we are of the view that the prevailing market price may be a more relevant factor in determining the fairness and reasonableness of the Share Offer Price, while the discount to consolidated net assets value may be taken as a reference only. For illustrative purpose, the table below shows the historical average closing price per Share against the Group’s published consolidated net assets value per share attributable to the Shareholders over the Audited/Unaudited Financial Review Period, which we consider to be a reasonable representation to illustrate the historical trend of the average closing prices of the Shares against the consolidated net assets value per Share calculated based on the audited/unaudited consolidated net assets attributable to the Shareholders divided by the number of Shares in issue as at the relevant year/period:

Table 3: Discount of the average closing price of the Shares to the consolidated net assets value per Share attributable to the Shareholders

The annual report/interim report for the year/period ended	Consolidated net assets value per Share attributable to the Shareholders <i>(Note 1)</i> <i>(HK\$)</i>	Average closing price of the Shares <i>(Note 2)</i> <i>(HK\$)</i>	Discount of the average closing price of the Shares to the consolidated net assets value per Share attributable to the Shareholders <i>(Note 3)</i>
30 June 2022	1.45	0.36	(74.81)%
31 December 2021	1.58	0.32	(79.91)%
30 June 2021	1.70	0.43	(74.97)%
31 December 2020	1.87	0.69	(63.16)%
30 June 2020	1.92	0.57	(70.43)%
31 December 2019	2.03	0.56	(72.32)%
30 June 2019	2.41	0.72	(70.07)%

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To further assess the relationship between the average closing price of the shares and the consolidated net assets value in the market, we compared the premium/discount of the average closing price of the shares to the latest audited/unaudited consolidated net assets value per share attributable to shareholders of the Comparable Companies with that of the Group as reference in the table below:

Table 4: Premium/discount of the average closing price of the shares to the latest audited/unaudited consolidated net assets value per share attributable to the shareholders of the Comparable Companies

Comparable Companies (Stock code)	The latest annual report/ interim report for the year/ period ended	Consolidated net assets value per share attributable to the shareholders <i>(Note 1)</i> <i>(HK\$)</i>	Average closing price of the shares <i>(Note 2)</i> <i>(HK\$)</i>	Premium/ (Discount) of the average closing price of the shares to the latest consolidated net assets value per share attributable to the shareholders <i>(Note 3)</i>
RAFFAELLO-ASTRUM FINANCIAL HOLDINGS LTD. (8333)	30 June 2022	0.16	0.14	(10.69)%
CL GROUP (HOLDINGS) LTD. (8098)	31 March 2022	0.09	0.05	(42.13)%
FU SHEK FINANCIAL HOLDINGS LTD. (2263)	31 March 2022	0.34	0.13	(60.51)%
KOALA FINANCIAL GROUP LTD. (8226)	30 June 2022	0.82	0.35	(57.65)%
LFG INVESTMENT HOLDINGS LTD. (3938)	31 March 2022	0.42	0.17	(59.58)%
PINESTONE CAPITAL LTD. (804)	30 June 2022	0.04	0.03	(34.50)%
SOUTH CHINA FINANCIAL HOLDINGS LTD. (619)	30 June 2022	1.36	0.32	(76.24)%
EXCALIBUR GLOBAL FINANCIAL HOLDINGS LTD. (8350)	30 June 2022	0.01	0.13	1,873.92%
The Group	30 June 2022	1.45	0.36	(74.81)%

Notes:

- The audited and unaudited consolidated net assets value attributable to the shareholders as at the respective year/period end date are extracted from the respective annual/interim reports published by the Company and the Comparable Companies.*
- The average closing price of the shares represents the average closing price during the period from the trading day following the publication of its audited annual results or unaudited interim results (as the case may be) to the trading day on which the subsequent unaudited interim results or audited annual results (as the case may be) were published.*
- The premium/discount represents the premium/discount of the average closing price of the shares to the consolidated net assets value per share attributable to the shareholders as at the respective year/period end date.*

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With reference to the table above, we noted that the Shares had been traded at substantial discounts to consolidated net assets value attributable to the Shareholders since the publication of its annual result announcements or interim results announcements for the past three years. It can be seen that the trading price of the Shares does not correlate with the changes of the consolidated net assets value attributable to the Shareholders of the Group. This may indicate that investors might not have valued the Shares based solely on the underlying value of the Group's assets.

Despite the Share Offer Price representing (i) a discount of approximately 73.40% to the audited consolidated net assets value attributable to the Shareholders as at 31 December 2021; and (ii) a discount of approximately 71.03% to the unaudited consolidated net assets value attributable to the Shareholders as at 30 June 2022, we have taken into account that the Shares had traded at substantial discounts to the consolidated net assets value attributable to the Shareholders for the past three years, we therefore consider that its historical trading price may reflect a more accurate valuation of the Company in view of the Group's loss making track record and the Share Offer Price to be fair and reasonable from this perspective.

Also, as demonstrated in the above table in relation to the comparison with the Comparable Companies, the average closing price of the shares of the Comparable Companies ranged from a discount of approximately 76.24% to a premium of approximately 1,873.92% over their latest consolidated net assets value per share attributable to the shareholders. Given the premium of the average closing price of the shares of Excalibur Global Financial Holdings Ltd. to its latest unaudited consolidated net assets value per share attributable to its shareholders is substantially higher than the range of the premium/discount of such comparison of the other Comparable Companies and with a view to ensure the comparison reflects the general market conditions, Excalibur Global Financial Holdings Ltd. is considered as an outlier. Excluding such, the discount of the average closing price of the shares to the latest consolidated net assets value per share attributable to the shareholders of the other Comparable Companies ranged from approximately 10.69% to approximately 76.24%. Upon comparison with the Comparable Companies, we noted that the mean and median of the discount of average closing price of the shares to the latest consolidated net assets value per share attributable to the shareholders of the other Comparable Companies are approximately 48.76% and approximately 57.65% respectively. Although the discount of that of the Group is larger than both the mean and median discount of the comparison, it falls within the range that indicates it is not uncommon to have significant discount of the average closing price of the shares to the latest consolidated net assets value per share in the Comparable Companies.

Taking into consideration that, (i) the Share Offer Price of the Share Offer has a premium of 1.81% over the average Closing Price during the Review Period; (ii) the trading liquidity of the Shares were very thin during the Review Period and the Share Offer Price at a premium will allow the Offer Shareholders to realise their share investments in the Group at a premium over the market share price during the Review Period; (iii) the Group's implied PS Ratio calculated based on the Share Offer Price is within range of the PS Ratios of the Comparable Companies, and although it is lower than the average of the Comparable Companies, various principal factors should be considered as overall basis in assessing the fairness and reasonableness of the Share Offer Price as discussed in the section headed "Comparison to comparable companies"; and (iv) the historical low trading prices may reflect a more accurate valuation of the Company than its consolidated net assets value in view of the Group's loss making track record, we are of the view that the Share Offer Price is fair and reasonable so far as the Offer Shareholders are concerned.

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The Option Offer Price

As mentioned in the Letter from the Board, the Offeror and the parties acting in concert with it collectively hold (i) a total of 110,344,854 Shares (representing approximately 42.23% of the entire issued share capital of the Company); and (ii) 7,200,000 Options. Therefore, the remaining 150,829,925 Shares are subject to the Share Offer. There are 20,190,000 outstanding Options at an exercise price of HK\$0.572 per Share, which is above the Share Offer Price so that aforementioned Options are out-of-the-money. Celestial Securities, for and on behalf of the Offeror is making the Option Offer at a nominal value HK\$0.0001 for each Option.

We understand that the Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all aspects. On this basis, since the Share Offer Price of HK\$0.42 is less than the exercise price of the 20,190,000 outstanding Options, the Option Offer Price of HK\$0.0001 for each outstanding Option is a nominal figure. We consider such basis of determining the Option Offer Price is acceptable and in line with market practice and is in accordance with Rule 13 of the Takeover Codes.

In addition, the Optionholders should note that, pursuant to the terms of the Share Options Scheme, if the Option Offer is not accepted in respect of any Options, any unexercised Options shall remain valid in accordance with the terms of the Options and subject to such restrictions as applied to it before the Offers. On the basis that (i) there are 261,174,779 Shares in issue and 150,829,925 Offer Shares will be subject to the Share Offer at the Share Offer Price; and (ii) the 12,990,000 Options will be subject to the Option Offer at the Option Offer Price, and assuming acceptance of the Offers in full and assuming that no Options are exercised before the close of the Offers, the total amount of cash required for the Offers will be HK\$63,349,868, including as to HK\$63,348,569 for the Share Offer and HK\$1,299 for the Option Offer. As at the Latest Practicable Date, as we consider the Share Offer Price is fair and reasonable for reasons discussed above and the basis of determining the Option Offer Price is acceptable and in line with market practice, the see-through price (which is based on the Share Offer Price) is also considered its fair and reasonable so far as the Optionholder is concerned.

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Recommendation

Having taken into consideration of the principal factors and reasons regarding the major terms of the Share Offer and the Option Offer, in particular:

- (i) the Share Offer Price of HK\$0.42 per Offer Share represents a premium over the average Closing Price during the Review Period;
- (ii) the Share Offer Price represents a premium over the closing price of the Share on the Last Trading Day and premiums over the average closing prices of the Shares for the last 5, 10, 30 and 60 consecutive trading days prior the Last Trading Day;
- (iii) the Group's implied PS Ratio based on the Share Offer Price per Offer Share is within the range of the Comparable Companies, and despite lower than the average of the Comparable Companies, various principal factors should be considered as overall basis in assessing the fairness and reasonableness of the Share Offer Price as discussed in above;
- (iv) despite the Share Offer Price represents a discount to the audited consolidated net assets value attributable to the Shareholders of the Company, the Shares had consistently been traded at a closing price substantially below the consolidated net assets value per Share during the past three years, and the Comparable Companies also demonstrated a significantly high discount of average closing price of the shares to the latest consolidated net assets value per share attributable to the shareholders of the Comparable Companies, which implies investors do not heavily rely on net assets attributable to the Shareholders per Share in making their investment decision in the Shares;
- (v) the Group recorded loss attributable to the owners of the Company of approximately HK\$39.2 million and HK\$53.5 million for the two years ended 31 December 2021 respectively and the Group had not declared any dividend in the past three years;
- (vi) the Group might continue to operate in a challenging environment in the coming years and the recovery momentum will be hindered by on-going COVID-19 development and remains uncertain despite the Directors believe that the Company could potentially benefit from the expected post COVID-19 economic recovery of Hong Kong's securities market in 2022; and
- (vii) the Share Offer represents an opportunity for Shareholders to realise their investment since Shareholders may not be able to dispose large quantities of Shares without exerting downward pressure on the price of Shares in the open market given the low liquidity of the Shares,

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we are of the view that the terms of the Offers are fair and reasonable so far as the Offer Shareholders and Optionholders of the Options are concerned and are in the interests of the Company, Offer Shareholders and Optionholders of the Options as a whole. Accordingly, we recommend the Independent Board Committee to advise the Offer Shareholders and Optionholders to accept the Share Offer and the Option Offer.

The Offer Shareholders and Optionholders should be aware that the Share Offer is subject to the satisfaction of the condition as set out in the section headed “Conditions to the Offers” in the Letter from Celestial Securities. The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects. Accordingly, the Offers may or may not become unconditional.

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

Note: Mr. Alister Chung is a licensed person registered with the Securities and Future Commission of Hong Kong and a responsible officer of Vinco Financial Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has participated in the provision of independent financial advisory services for various transactions involving companies listed in Hong Kong for over 10 years.

To accept the Offers, you should complete and sign the accompanying Form(s) of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offers. The instructions set out in this Composite Document should be read together with the instructions printed on the Form(s) of Acceptance which form part of the terms of the Offers

1. PROCEDURES FOR ACCEPTANCE OF THE OFFERS

1.1 The Share Offer

- (a) To accept the Share Offer, you should complete and sign the Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer.
- (b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Share Offer, by post or by hand, to the Registrar, being Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, in an envelope marked “**CASH Financial Services Group Limited – Share Offer**”, as soon as possible, and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code.
- (c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer (whether in full or in part), you must either:
 - (i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver in an envelope marked “**CASH Financial Services Group Limited – Share Offer**” the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

- (ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver in an envelope marked “**CASH Financial Services Group Limited – Share Offer**” the duly completed and signed Form of Share Offer Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or
 - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or;
 - (iv) if your Shares have been lodged with your investor participant’s account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Share Offer in respect of your Shares, the Form of Share Offer Acceptance should nevertheless be duly completed and signed and delivered in an envelope marked “**CASH Financial Services Group Limited – Share Offer**” to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.
- (e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the Form of Share Offer Acceptance and deliver it in an envelope marked “**CASH Financial Services Group Limited – Share Offer**” to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable instruction and authority to each of Celestial Securities and/or the Offeror and/or any of their respective agent(s) to collect

from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the Form of Share Offer Acceptance.

- (f) Acceptance of the Share Offer will be treated as valid only if the duly completed and signed Form of Share Offer Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in accordance with the Takeovers Code and the Registrar has recorded that the Form of Share Offer Acceptance and any relevant documents required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:
- (i) accompanied by the relevant share certificate(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in your favour executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or
 - (ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under the other subparagraph of this paragraph (f)); or
 - (iii) certified by the Registrar or the Stock Exchange. If the Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (such as grant of probate or certified copy of power of attorney) to the satisfaction of the Registrar must be produced.
- (g) In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Share Offer will be payable by relevant Offer Shareholders at a rate of 0.13% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Offer Shareholder accepting the Share Offer (where the amount of stamp duty is a fraction of a dollar, the stamp duty will be rounded up to the nearest dollar). The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of relevant Offer Shareholders accepting the Share Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Share Offer and the transfer of the Shares.
- (h) No acknowledgement of receipt of any Form of Share Offer Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

- (i) If the Share Offer does not become, or is not declared, unconditional as to acceptances on the Closing Date, the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar will be returned to the Offer Shareholders who have accepted the Share Offer by ordinary post at the Offer Shareholders' own risk as soon as possible but in any event within ten (10) days after the Share Offer has lapsed.

1.2 The Option Offer

- (a) To accept the Option Offer, you should complete and sign the Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.
- (b) If you are an Optionholder and you wish to accept the Option Offer in respect of your Options (whether in full or in part), you must send duly completed and signed Form of Option Offer Acceptance, together with the relevant certificate(s) of the Options (if applicable) and/or other document(s) of title or entitlement (and/or satisfactory indemnity or indemnities required in respect thereof) for the aggregate principal amount of Options which you hold that you wish to tender to the Option Offer, by post or by hand, to the company secretary of the Company, at 28/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong as soon as possible and in any event no later than 4:00 p.m. on the Closing Date or such later time(s) and/or date(s) as the Offeror may determine and announce in compliance with the requirements of the Takeovers Code.
- (c) No stamp duty is payable in connection with the acceptances of the Option Offer.
- (d) No acknowledgement of receipt of any Form of Option Offer Acceptance, certificate(s) of the Options (if applicable) and/or any other documents of title (and/or any satisfactory indemnity/indemnities required in respect thereof) will be given.

1.3 Return of documents

If the Offers do not become, or is not declared, unconditional within the time permitted by the Takeovers Code, the share certificate(s) and/or certificate(s) of Options and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) received by the Registrar (in the case of the Share Offer) and the company secretary of the Company (in the case of the Option Offer) will be returned to the Offer Shareholders and Optionholders who have accepted the Offers by ordinary post at the Offer Shareholders' and Optionholders' own risk as soon as possible but in any event within ten (10) days after the Offers have lapsed.

2. SETTLEMENT OF THE OFFERS**2.1 The Share Offer**

Provided that a valid Form of Share Offer Acceptance and the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares as required by Note 1 to Rule 30.2 of the Takeovers Code are complete and in good order in all respects and have been received by the Registrar by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Offer Shareholders who accept the Share Offer less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him/her/it under the Share Offer will be despatched to such Offer Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event within seven (7) Business Days following the later of the date on which the duly completed acceptances of the Share Offer and the relevant documents of title in respect of such acceptances are received by the Registrar to render each such acceptance complete and valid and the date the Offers become, or are declared, unconditional.

2.2 The Option Offer

Provided that a valid Form of Option Offer Acceptance and the relevant certificate(s) of Option or other documents (if any) evidencing the grant of the Options and any documents of title or entitlement (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Options are complete and in good order in all respects and have been received by the company secretary of the Company by 4:00 p.m. on the Closing Date, a cheque or a banker's cashier order for the amount due to each of the Optionholders who accept the Option Offer in respect of the Options tendered by him/her under the Option Offer will be despatched to such Optionholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days following the later of the date on which the duly completed acceptances of the Option Offer and the relevant documents of title in respect of such acceptances are received by the company secretary of the Company to render each such acceptance complete and valid and the date the Offers become, or are declared, unconditional in all respects.

Settlement of the consideration to which any Offer Shareholder or Optionholder is entitled under the Share Offer or the Option Offer, as the case may be, will be implemented in full in accordance with its terms (save in respect of the payment of the seller's ad valorem stamp duty in respect of the Share Offer) without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholder or Optionholder.

No fraction of a cent will be payable and the amount of cash consideration payable to an Offer Shareholder or Optionholder who accepts the Share Offer or the Option Offer will be rounded up to the nearest cent.

3. ACCEPTANCE PERIOD AND REVISIONS

- (a) In order for the acceptances to be valid, the Form of Share Offer Acceptance and Form of Option Offer Acceptance must be received by the Registrar or the company secretary (as applicable) by 4:00 p.m. on the Closing Date in accordance with the instructions printed thereon or such other time and date as extended or revised with the consent of the Executive and in accordance with the Takeovers Code. The Share Offer is conditional upon the Offeror having received acceptances in respect of the Offer Shares which, together with the Shares acquired or agreed to be acquired before or during the Share Offer, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company by 4:00 p.m. on the Closing Date. The Option Offer is subject to and conditional upon the Share Offer becoming or being declared unconditional in all respects.
- (b) The Offeror reserves the right to revise the terms of the Offers after the despatch of this Composite Document until such day as it may determine and in accordance with the Takeovers Code. If the Offeror revises the terms of the Offers, all the Offer Shareholders and the Optionholders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.
- (c) If the Offers are extended or revised, announcement of such extension or revision will state the next closing date or, if the Offers have become unconditional, the announcement may contain a statement that the Offers will remain open until further notice. In the latter case, at least 14 days' notice in writing will be given before the Offers are closed to the Offer Shareholders and the Optionholders who have not accepted the Offers, and an announcement will be released. The revised Offers will be kept open for at least 14 days thereafter.
- (d) Any acceptance of the relevant revised Offers shall be irrevocable unless and until the Offer Shareholders and the Optionholders who accept the Offers become entitled to withdraw their acceptance under the paragraphs headed "7. Right of Withdrawal" of this Appendix below and duly do so.

4. EXERCISE OF OPTIONS

Optionholders who wish to accept the Share Offer may (i) exercise his/her/its Options (to the extent exercisable) by completing, signing and delivering a notice for exercising the Options together with a cheque for payment of the subscription monies and the related certificates (if applicable) for the Options to the company secretary of the Company before the Offers close; and (ii) at the same time, or in any event no later than 4:00 p.m. on the Closing Date, complete and sign the Form of Share Offer Acceptance and deliver it to the Registrar together with a copy of the set of documents delivered to the company secretary of the Company for exercising the Options. Exercise of the Options is subject to the respective terms and conditions of the Share Option Scheme and the terms attaching to the grant of the relevant Options. Delivery of the completed and signed Form of Share Offer Acceptance to the Registrar will not serve to complete the exercise of the Options but will only be deemed to be an irrevocable authority to the Offeror and/or Celestial Securities and/or any of their respective agent(s) or such other person(s) as they may direct to collect from the Company or the Registrar on his/her/its behalf the

relevant share certificate(s) when issued on exercise of the Options as if it/they were delivered to the Registrar with the Form of Share Offer Acceptance. If the Optionholder fails to exercise his/her/its Options as aforesaid and in accordance with the respective terms and conditions of the Share Option Scheme, there is no guarantee that the Company may issue the relevant share certificate in respect of the Shares allotted pursuant to his/her/its exercise of the Option(s) to such Optionholder in time for it to accept the Share Offer as a Shareholder of such Shares under the terms of the Share Offer.

Pursuant to the terms of the Share Option Scheme, if a general offer by way of takeover is made to all the Shareholders and such offer becomes or is declared unconditional prior to the expiry of the Options, the Optionholders shall be entitled to exercise the Options in full (to the extent not already exercised even though the exercise period of the relevant Option has not come into effect during the occurrence of the general offer) at any time within twenty-one (21) days of the notice given by any such offeror that the general offer becomes unconditional. For the avoidance of doubt, the Options not so exercised shall remain valid in accordance with its terms and subject to such restrictions as applied to it before the general offer. Accordingly, the outstanding Options which are not exercised in accordance with the Share Option Scheme shall remain valid and shall not lapse after the expiry of the Offer Period.

5. NOMINEE REGISTRATION

To ensure equality of treatment of all Offer Shareholders, those registered Offer Shareholders who hold the Shares as nominees for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owner of the Shares whose investments are registered in the names of a nominee to provide instructions to their nominee of their intentions with regards to the Share Offer.

6. ANNOUNCEMENTS

- (a) By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the expiry, revision or extension of the Offers. The Offeror must post an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating the results of the Offers and whether, amongst other information required under Rule 19.1 of the Takeovers Code, the Offers have been revised, extended, or have expired or have become or been declared unconditional.

The announcement must state the following:

- (i) the total number of Offer Shares for which acceptances for the Share Offer have been received;
- (ii) the total number of Options for which acceptances of the Option Offer have been received;
- (iii) the number of Shares and rights over Shares held, controlled or directed by the Offeror and parties acting in concert with it before the Offer Period; and

- (iv) the total number of Shares and rights over Shares acquired or agreed to be acquired during the Offer Period by the Offeror and persons acting in concert with it.

The announcement must also include details of any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent (save for any borrowed Shares which have been either on-lent or sold) and specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

- (b) In computing the total number or principal amount of Shares and Options represented by acceptances, only valid acceptances that are complete, in good order and fulfill the acceptance conditions set out in section 1 of this Appendix, and which have been received by the Registrar (in respect of the Share Offer) or the company secretary of the Company (in respect of the Option Offer) respectively no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirements of the Takeovers Code and the Listing Rules.

7. RIGHT OF WITHDRAWAL

- (a) The Offers are conditional upon fulfillment of the conditions set out in the letter from Celestial Securities. Acceptance of the Offers tendered by any Offer Shareholders and the Optionholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out below in sub-paragraph (b) below or in compliance with Rule 17 of the Takeovers Code, which provides that an acceptor of the Offers shall be entitled to withdraw its/his/her acceptance after 21 days from the first Closing Date if the Share Offer have not by then become unconditional as to acceptances. An acceptor of the Offers may withdraw its/his/her acceptance by lodging a notice in writing signed by the acceptor (or its/his/her agent duly appointed in writing and evidence of whose appointment is produced together with the notice) to the Registrar or the company secretary of the Company, as the case may be.
- (b) If the Offeror is unable to comply with the requirements set out in the paragraphs headed “6. Announcements” of this Appendix above, as set out in Rule 19.2 of the Takeovers Code, the Executive may require the Offer Shareholders and Optionholders who have tendered acceptances to the Offers be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that rule are met.

- (c) In such case, when any Offer Shareholder(s) and Optionholder(s) withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within ten (10) days thereof, return by ordinary post the share certificate(s), and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares and the Options lodged with the Form(s) of Acceptance to the relevant Offer Shareholder(s) and to the company secretary of the Company for collection of such Optionholder(s).

8. STAMP DUTY

The seller's Hong Kong ad valorem stamp duty arising in connection with the acceptance of the Share Offer amounting to 0.13% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares, will be deducted from the amount payable to the Offer Shareholders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Offer Shareholders accepting the Share Offer and will pay its respective portion of the buyer's ad valorem stamp duty (being 0.13% of the amount payable in respect of the relevant acceptance or if higher, the market value of the Shares) in connection with the acceptance of the Share Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptance of the Option Offer.

9. OVERSEAS SHAREHOLDERS

The Share Offer is extended to all Overseas Shareholders regardless of their jurisdictions of residence. The making of the Share Offer to persons who are not residents in Hong Kong or who have registered addresses outside Hong Kong may be prohibited or affected by the applicable laws and regulations of their relevant jurisdictions of residence. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should satisfy themselves as to the observance of any applicable legal or regulatory requirements in their own jurisdictions and, where necessary, consult their own professional advisers. It is the responsibilities of any such persons who wish to accept the Share Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities or legal requirements, or the payment of any transfer or other taxes payable by such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders and Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and Optionholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and Optionholders should consult their professional advisers if in doubt.

10. TAX ADVICE

Offer Shareholders and Optionholders are recommended to consult their own professional advisers as to the taxation implications of accepting or rejecting the Offers. None of the Offeror and/or parties acting in concert with it, the Company, Merdeka Corporate Finance, Celestial Securities, Vinco Financial, nor their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts any responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

11. GENERAL

- (a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipts(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Offer Shareholders and/or Optionholders will be delivered by or sent to or from them, or their designated agents by post at their own risk, and the Offeror, its beneficial owners, the Company, Merdeka Corporate Finance, Celestial Securities, Vinco Financial, the Registrar or any of their respective directors and professional advisers or the company secretary of the Company, and any other parties involved in the Offers and any of their respective agents do not accept any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.
- (b) The provisions set out in the Form of Share Offer Acceptance and Form of Option Offer Acceptance form part of the terms and conditions of the Share Offer and Option Offer, respectively.
- (c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate either the Share Offer or the Option Offer in any way.
- (d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.
- (e) Due execution of the Form(s) of Acceptance will constitute an irrevocable authority to the Offeror, Celestial Securities, or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares or the Options in respect of which such person or persons has/have accepted the Offers.
- (f) Acceptance of the Offers by any Offer Shareholders or Optionholders will be deemed to constitute a warranty by such person or persons to the Offeror and the Company that their Shares or Options under the Offers (as the case may be) are free from all third party rights and Encumbrances whatsoever and together with all rights accruing or attaching thereto including in the case of the Shares, the right to receive in full all dividends and distributions recommended, declared, made or paid on or after the date of this Composite Document.

- (g) References to the Offers in this Composite Document and the Form(s) of Acceptance shall include any revision and/or extension thereof.
- (h) The making of the Offers to the Overseas Shareholders and Optionholders may be prohibited or affected by the laws of the relevant jurisdictions. The Overseas Shareholders and Optionholders should inform themselves about and observe any applicable legal or regulatory requirements. It is the responsibility of each Overseas Shareholders and Optionholders who wishes to accept the Offers to satisfy himself/herself/itself as to the full observance of the laws and regulations of all relevant jurisdictions in connection therewith, including, but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required and the compliance with all necessary formalities, regulatory and/or legal requirements. Such Overseas Shareholders and Optionholders shall be fully responsible for the payment of any transfer or cancellation or other taxes and duties due by such Overseas Shareholders and Optionholders in respect of the relevant jurisdictions. The Overseas Shareholders and Optionholders are recommended to seek professional advice on deciding whether or not to accept the Offers.
- (i) Acceptances of the Offers by any nominee will be deemed to constitute a warranty by such nominee to the Company that the number of the Shares or Options in respect of which as indicated in the Form(s) of Acceptance is the aggregate number of Shares or Options held by such nominee for such beneficial owner who is accepting the Offers.
- (j) In making their decision, the Offer Shareholders and Optionholders must rely on their own examination of the Offeror, the Group and the terms of the Share Offer and the Option Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form(s) of Acceptance shall not be construed as any legal or business advice on the part of the Offeror, its beneficial owners, the Company, Merdeka Corporate Finance, Celestial Securities, Vinco Financial or their respective professional advisers. The Offer Shareholders and Optionholders should consult their own professional advisers for professional advice.
- (k) All acceptances, instructions, authorities and undertakings given by the Offer Shareholders and Optionholders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The following is a summary of the consolidated financial information of the Group for each of the three years ended 31 December 2019, 2020 and 2021; and for the six months ended 30 June 2021 and 30 June 2022, as extracted from the relevant interim report and/or annual reports of the Company respectively:

Summary consolidated income statement and statement of comprehensive income

	Six months ended 30 June		Year ended 31 December		
	2022	2021	2021	2020	2019
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (audited)
Revenue					
– Fee and commission income	27,614	40,753	71,165	78,286	82,916
– Interest income	8,092	15,019	25,698	25,402	24,576
Total revenue	35,706	55,772	96,863	103,688	107,492
Other income	1,937	1,171	1,840	6,814	818
Other (losses) gains	(3,390)	(2,348)	(13,162)	4,877	3,649
Salaries and related benefits	(25,683)	(29,220)	(58,532)	(64,636)	(82,155)
Commission expenses	(10,662)	(13,354)	(24,773)	(22,204)	(23,798)
Depreciation	(8,123)	(6,904)	(8,650)	(8,769)	(23,654)
Finance costs	(3,016)	(5,044)	(7,447)	(11,083)	(6,644)
Impairment losses under expected credit loss model, net of reversal	–	–	(1,892)	(1,447)	3,211
Impairment losses on property and equipment	–	–	–	–	(20,000)
Other operating expenses	(21,773)	(19,102)	(37,757)	(47,205)	(76,253)
Change in fair value of investment property	–	–	–	824	444
Loss before taxation for the period/year	(35,004)	(19,029)	(53,510)	(39,141)	(116,890)
Income tax credit	–	–	40	–	–
Loss for the period/year	(35,004)	(19,029)	(53,470)	(39,141)	(116,890)

	Six months ended 30 June		Year ended 31 December		
	2022	2021	2021	2020	2019
	HK\$'000 (unaudited)	HK\$'000 (unaudited)	HK\$'000 (audited)	HK\$'000 (audited)	HK\$'000 (audited)
Other comprehensive income (expense):					
Item that will not be reclassified to profit or loss:					
Fair value gain (loss) on financial assets at fair value through other comprehensive income	-	-	2,029	(13,863)	(2,328)
Item that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations	-	-	1,023	864	(184)
Other comprehensive (expense) income for the period/year	(35,004)	(19,029)	3,052	(12,999)	(2,512)
Total comprehensive expense for the period/year	(35,004)	(19,029)	(50,418)	(52,140)	(119,402)
Profit/(Loss) attributable to:					
Owners of the Company	(35,004)	(19,029)	(53,470)	(39,178)	(114,048)
Non-controlling interests	-	-	-	37	(2,842)
Total comprehensive (expense) income for the year attributable to:					
Owners of the Company	(35,004)	(19,029)	(50,418)	(52,177)	(116,560)
Non-controlling interests	-	-	-	37	(2,842)
Loss per share					
Basic (HK cents)	(13.40)	(7.69)	(21.11)	(15.89)	(46.03) (Restate)
Diluted (HK cents)	(13.40)	(7.69)	(21.11)	(15.89)	(46.03) (Restate)

Summary consolidated statement of financial position

	As at 30 June	As at 31 December		
	2022 (unaudited) <i>HK\$'000</i>	2021 (audited) <i>HK\$'000</i>	2020 (audited) <i>HK\$'000</i>	2019 (audited) <i>HK\$'000</i>
Total asset	1,235,372	1,295,577	1,468,468	1,503,607
Total liabilities	<u>857,324</u>	<u>883,209</u>	<u>1,014,588</u>	<u>999,809</u>
Net assets	<u><u>378,048</u></u>	<u><u>412,368</u></u>	<u><u>453,880</u></u>	<u><u>503,798</u></u>
Equity attributable to owners of the Company				
Share capital	104,470	104,470	97,049	99,115
Reserves	<u>265,040</u>	<u>299,360</u>	<u>348,293</u>	<u>396,182</u>
	<u><u>369,510</u></u>	<u><u>403,830</u></u>	<u><u>445,342</u></u>	<u><u>495,297</u></u>

Summary consolidated statement of cash flows

	For the year ended 31 December	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Net cash used in operating activities	(13,878)	(9,685)
Net cash used in investing activities	(5,128)	(8,715)
Net cash from (used in) financing activities	12,735	(60,776)
Net decrease in cash and cash equivalents	(6,271)	(79,176)

No qualified or modified opinion, emphasis of matter or material uncertainty related to going concern was contained in the reports of the independent auditor of the Company, namely Deloitte Touche Tohmatsu, for the financial years ended 31 December 2019, 2020 and 2021.

Save as disclosed above, there are no other items of income or expense which are material in the financial statements of the Company for the financial years ended 31 December 2019, 2020 and 2021.

2. FINANCIAL INFORMATION OF THE GROUP

Details of the published financial information of the Group (including the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and any other primary statement) for each of the three years ended 31 December 2019, 2020 and 2021; and for the six months ended 30 June 2022, together with the notes to the published financial statements and significant accounting policies for the relevant financial year/period, were disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cfsg.com.hk):

- Annual report of the Company for the year ended 31 December 2019 (pages 52 to 135) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042700581.pdf>);
- Annual report of the Company for the year ended 31 December 2020 (pages 55 to 147) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0329/2021032900947.pdf>);
- Annual report of the Company for the year ended 31 December 2021 (pages 65 to 152) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042200885.pdf>); and
- Interim report of the Company for the six months ended 30 June 2022 (pages 2 to 18) (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0829/2022082900543.pdf>).

The Company did not declare any dividend for each of the years ended 31 December 2019, 2020 and 2021.

3. INDEBTEDNESS

As at the close of business on 31 July 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had the following indebtedness:

Borrowings

The Group had total outstanding borrowing of approximately HK\$156.4 million, comprising of (i) secured and guaranteed bank borrowings of approximately HK\$70.0 million; and (ii) unsecured and unguaranteed related party loan of HK\$86.4 million.

Pledge of assets and guarantee

Bank borrowing of HK\$70.0 million in aggregate were secured by marketable securities provided by clients of the Group and guaranteed by the Company.

Lease obligations

As at 31 July 2022, the Group had outstanding lease payment in respect of office premises of approximately HK\$15.5 million, which were unguaranteed and secured by rental deposits paid by the Group.

Contingent liabilities

As at 31 July, the Group had no litigations/claims of material importance as stated in the paragraph headed “Litigation” in Appendix III to this Compositing Document. Accordingly, the Group had no material contingent liabilities as at 31 July 2022.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of the business, the Group did not have any outstanding debt securities issued and outstanding, and authorized or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase commitments, lease obligations, guarantees or other material contingent liabilities, at the close of business on 31 July 2022.

The Board has confirmed that there has not been any material charge in the indebtedness or contingent liabilities of the Group since 31 July 2022.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources, including banking facilities available to the Group and its internally generated funds, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of publication of this Composite Document.

5. MATERIAL CHANGE

The Directors have confirmed that there has been no material change in the financial or trading position or outlook of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code for the purpose of providing information to the Offer Shareholders and the Optionholders with regards to the Group and the Offers.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document relating to the Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the directors of the Offeror and CASH in their capacity as directors of the Offeror and CASH) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

The directors of the Offeror and CASH jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than opinions expressed by the Directors in their capacity as Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorised and issued share capital of the Company were as follows:

<i>Authorised:</i>	<i>HK\$</i>
750,000,000 Shares of HK\$0.04 each	30,000,000
<i>Issued and fully paid:</i>	
261,174,779 Shares of HK\$0.04 each	10,446,991

All of the Shares currently in issue rank *pari passu* in all respects with each other, including, in particular, as to rights in respect of capital, dividends and voting.

As at the Latest Practicable Date, there are 20,190,000 outstanding Options, which are exercisable into 20,190,000 Shares at the exercise price of HK\$0.572. As the exercise price is above the Share Offer Price, all the Options are out-of-money.

As at the Latest Practicable Date, the Company has not issued any Shares since 31 December 2021, being the date to which the latest audited financial statements of the Company were made up.

Save as disclosed above, there were no outstanding options, convertible securities, warrants, derivatives or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carried a right to subscribe for or which were convertible or exchangeable into any Shares as at the Latest Practicable Date.

3. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date:

Date	Closing price of Shares (HK\$)
31 January 2022	0.305
28 February 2022	0.275
31 March 2022	0.270
29 April 2022	0.315
31 May 2022	0.365
23 June 2022 (the Last Trading Day)	0.335
29 July 2022	0.355
31 August 2022	0.370
13 September 2022 (the Latest Practicable Date)	0.350

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK\$0.370 on 5 July 2022, 8 July 2022, 8 August 2022, 25 August 2022, 26 August 2022, 29 August 2022, 30 August 2022, 31 August 2022, 5 September 2022, 6 September 2022, 8 September 2022 and 9 September 2022; and HK\$0.223 on 16 June 2022, respectively.

4. DISCLOSURE OF INTERESTS

(a) Interests of the Directors and chief executive in the Shares or securities of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had any interest or short position 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 were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange; or (iv) required to be disclosed under the Takeovers Code:

(i) *Long positions in the Shares*

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Corporate interest	
Dr Kwan	Beneficial owner and interest in a controlled corporation	2,472,000	102,928,854*	40.35
Mr Kwan Teng Hin Jeffrey	Beneficial owner	2,472,000	–	0.94
Mr Lo Kwok Hung John	Beneficial owner	62,775	–	0.02

Note:

These Shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH). CASH was beneficially owned as to approximately 49.79% by Dr Kwan as at the Latest Practicable Date. Pursuant to the SFO, Dr Kwan was deemed to be interested in all the Shares held by CIGL as a result of his interest in CASH.

(ii) *Long positions in the underlying shares of the Company*

Name	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of outstanding Options	Percentage to issued Shares (%)
Dr Kwan	29/7/2021	1/8/2021-31/7/2023	0.572	2,400,000	0.92
Mr Kwan Teng Hin Jeffrey	29/7/2021	1/8/2021-31/7/2023	0.572	2,400,000	0.92
Mr Cheung Wai Lim William	29/7/2021	1/8/2021-31/7/2025	0.572	675,000	0.26
Mr Law Hin Ong Trevor	29/7/2021	1/8/2021-31/7/2025	0.572	450,000	0.17

As at the Latest Practicable Date:

- (i) Mr Lo Kwok Hung John, being an independent non-executive Director, intended not to accept the Share Offer; and
- (ii) given the Options are out-of-the money and have the exercise price above the current market prices of the Shares, Mr Cheung Wai Lim William and Mr Law Hin Ong Trevor, each being an executive Director and Optionholder, intended not to accept the Option Offer.

(b) Interests of the substantial Shareholders in the Shares or securities of the Company

Save as disclosed below, as at the Latest Practicable Date, so far as was known to the Directors or chief executive of the Company, there was no persons (other than the Directors or chief executive of the Company) who had, or were deemed or taken to have, an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who were, directly or indirectly, interested in 5% 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 held any option in respect of such capital:

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of interest (%)
Hobart Assets Limited (<i>Note</i>)	Interest in a controlled corporation	102,928,854	39.41
Cash Guardian (<i>Note</i>)	Interest in a controlled corporation	102,928,854	39.41
CASH (<i>Note</i>)	Interest in a controlled corporation	102,928,854	39.41
Praise Joy Limited (<i>Note</i>)	Interest in a controlled corporation	102,928,854	39.41
CIGL (<i>Note</i>)	Beneficial owner	102,928,854	39.41

Note:

This refers to the same number of 102,928,854 Shares held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the substantial Shareholder)). CASH was owned as to a total of approximately 49.79% by Dr Kwan, being approximately 49.05% by Cash Guardian (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan) and approximately 0.74% by Dr Kwan in his personal name. Pursuant to the SFO, Dr Kwan, Hobart Assets Limited and Cash Guardian were deemed to be interested in all the Shares held by CIGL through CASH. The above interest has already been disclosed as corporate interest of Dr Kwan in paragraph 4(a)(i) above.

(c) Interests of the directors of the Offeror and CASH in the Shares or securities of the Company

As at the Latest Practicable Date,

- (i) the Offeror and the directors of the Offeror and CASH held the Shares as set out in the section headed “Shareholding structure of the Company” in the “Letter from the Board” in this Composite Document; and
- (ii) the directors of the Offeror and CASH held the following outstanding Options:

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of outstanding Options	Percentage to issued Shares (%)
Dr Kwan	29/7/2021	1/8/2021 - 31/7/2023	0.572	2,400,000	0.92
Mr Li Shing Wai Lewis	29/7/2021	1/8/2021 - 31/7/2023	0.572	2,400,000	0.92
Mr Kwan Teng Hin Jeffrey	29/7/2021	1/8/2021 - 31/7/2023	0.572	2,400,000	0.92

Save as disclosed, none of the Offeror, the directors of the Offeror and CASH or any other parties acting in concert with the Offeror owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company.

(d) Other interests in the Company

As at the Latest Practicable Date,

- (i) save for the shareholding interest of the Offeror and the directors of the Offeror and CASH in the Company as disclosed in paragraph 4(c) in this Appendix III, none of the Offeror, the directors of the Offeror and CASH or any other parties acting in concert with the Offeror owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (ii) none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or a person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who is an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code had owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;

- (iii) save for the Share Charge, there was no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code which exist between the Offeror, or any party acting in concert with it and any other person;
- (iv) no such person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Offeror and parties acting in concert with it owned or controlled any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company;
- (v) no Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) none of the Company nor any Directors had borrowed or lent any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company; and
- (vii) none of the Offeror and parties acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

(e) Interests in the Offeror

As at the Latest Practicable Date, the Director holds the following shares in CASH (the holding company of the Offeror):

Name	Capacity	Number of CASH Shares		Shareholding (%)
		Personal	Corporate interest	
Dr Kwan	Beneficial owner and interest in a controlled corporation	598,501	39,599,098*	49.79

* The shares in CASH were held by Cash Guardian (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan). Dr Kwan was deemed to be interested in all these Shares as a result of his interests in Cash Guardian.

Save as disclosed above, as at the Latest Practicable Date, none of the Company or any of the Directors was interested in any shares, convertible securities, warrants, options or derivatives in respect of the shares of the Offeror and CASH.

5. DEALINGS IN SECURITIES

During the Relevant Period,

- (i) Set out below are the details in respect of the dealings in Shares by the Offeror and its concert parties:

Date of transactions	Name	No. of Shares purchased	Transaction price per Share (HK\$)
22 June 2022	The Offeror	6,000	0.250
		18,000	0.265
		444,000	0.270
		120,000	0.275
		138,000	0.280
23 June 2022	The Offeror	12,000	0.280
		36,000	0.290
		258,000	0.295
		660,000	0.300
		60,000	0.305
		42,000	0.315
		252,000	0.320
		102,000	0.325
		120,000	0.330
		84,000	0.335
		18,000	0.340
		1,464,000	0.345
		1,134,000	0.350

Save as disclosed above, none of the Offeror nor parties acting concert with it had dealt for value in any securities of the Company during the Relevant Period.

- (ii) as mentioned in paragraph 4(a)(i) above, Dr Kwan, being a Director, was deemed to be interested in all the Shares held by the Offeror. Therefore, the dealings by the Offeror in the Shares in paragraph 5(i) above were regarded as the dealings of Dr Kwan in the Shares. Save as disclosed above, none of the directors of the Offeror had dealt for value in any securities of the Company during the Relevant Period;
- (iii) save for the dealings in the Shares for the account of non-discretionary clients by Celestial Securities, none of the subsidiaries of the Company, pension funds of the Company or of any member of the Group or a person who was presumed to be acting in concert with the Company by virtue of class (5) of the definition of “acting in concert” or who was an associate of the Company by virtue of class (2) of the definition of “associate” under the Takeovers Code owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company or had dealt for value in relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iv) none of the person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who was presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who was an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate” had dealt for value in relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company; and
- (v) no fund managers connected with the Company who managed funds on a discretionary basis had dealt for value in any Shares or any securities, convertible securities, warrants, options or derivatives in respect of any Shares or securities of the Company.

6. ARRANGEMENTS RELATING TO THE OFFERS

As at the Latest Practicable Date,

- (i) there was no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code between the Company or any person who was presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of “acting in concert” under the Takeovers Code or who was an associate of the Company by virtue of classes (2), (3) and (4) of the definition of “associate”, and any other person;

- (ii) save for the Share Offer Price and the Option Offer Price, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the parties acting in concert with it to any Shareholder or Optionholder or parties acting in concert with any of them;
- (iii) save for the Share Charge, there was no agreement, arrangement or understanding that any securities of the Company, acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons upon completion of the Offers and no such securities are held;
- (iv) save for the Share Charge, there was no agreement, arrangement or understanding and any related charges or pledges which may result in the transfer of voting rights of the Company;
- (v) save for the Share Charge, there are no arrangements (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the CFSG Shares or shares of the Offeror which might be material to the Offers;
- (vi) save for the Pre-Condition, there is no agreement or arrangement to which the Offeror (or the parties acting in concert with it) is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers (including any break fees payable as a result thereof);
- (vii) neither the Offeror nor the parties acting in concert with it has received any irrevocable commitment to accept or reject the Offers;
- (viii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or the parties acting in concert with it has borrowed or lent;
- (ix) there is no understanding, arrangement, agreement or special deal (under Rule 25 of the Takeovers Code) between the Offeror or the parties acting in concert with it on the one hand, and any Shareholder, Optionholder or the parties acting in concert with any of them on the other hand; and
- (x) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between any Shareholder; and (a) the Offeror and/or the parties acting in concert with it; or (b) the Company, its subsidiaries or associated companies.

7. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

- (a) no benefit (other than statutory compensation) would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;

- (b) there was no agreement, arrangement or understanding (including any compensation arrangement) exists between the Offeror or any person acting in concert with it and any of the Directors, recent Directors, Shareholders or recent Shareholders having any connection with or dependence upon the Offers;
- (c) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers; and
- (d) there was no material contract entered into by the Offeror in which any Director had a material personal interest.

8. SERVICE CONTRACTS OF DIRECTORS

- i. Mr Kwan Teng Hin Jeffrey, an executive Director, has entered into a service agreement with the Company for an initial term of two years commencing from 12 June 2017 and may be terminated by three months' prior notice in writing served by either party on the other. The current term of the service agreement will expire on 11 June 2025 and would be renewable automatically for successive terms of two years each upon expiry of the then current term of the appointment. Mr Kwan Teng Hin Jeffrey is subject to the retirement by rotation and re-election pursuant to the bye-laws of the Company. He is currently entitled to receive a monthly salary of HK\$70,000 and is subject to payment of variable pay as may be determined by, and at the discretion of, the Board from time to time.
- ii. Ms Wong Sze Kai Angela, an executive Director, has entered into a service agreement with the Company for a term of three years commencing from 11 July 2022 and may be terminated by two months' prior notice in writing served by either party on the other. The current term of the service agreement will expire on 10 July 2025 and would be renewable automatically for successive terms of three years each upon expiry of the then current term of the appointment. Ms Wong Sze Kai Angela is subject to the retirement by rotation and re-election pursuant to the bye-laws of the Company. She is currently entitled to receive a monthly salary of HK\$80,000 and is subject to payment of variable pay as may be determined by, and at the discretion of, the Board from time to time.
- iii. Mr Cheung Wai Lim William, an executive Director, has entered into a service agreement with the Company for an initial term of three years commencing from 16 August 2021 and may be terminated by three months' prior notice in writing served by either party on the other. The current term of the service agreement will expire on 15 August 2024 and would be renewable automatically for successive terms of three years each upon expiry of the then current term of the appointment. Mr Cheung Wai Lim William is subject to the retirement by rotation and re-election pursuant to the bye-laws of the Company. He is currently entitled to receive a monthly salary of HK\$80,000 and is subject to payment of variable pay as may be determined by, and at the discretion of, the Board from time to time.

- iv. Mr Law Hin Ong Trevor, an executive Director, has entered into a service agreement with the Company for an initial term of three years commencing from 1 June 2022 and may be terminated by two months' prior notice in writing served by either party on the other. The current term of the service agreement will expire on 31 May 2025 and would be renewable automatically for successive terms of three years each upon expiry of the then current term of the appointment. Mr Law Hin Ong Trevor is subject to the retirement by rotation and re-election pursuant to the bye-laws of the Company. He is currently entitled to receive a monthly salary of HK\$70,000 and is subject to payment of variable pay as may be determined by, and at the discretion of, the Board from time to time.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any of its subsidiaries or associated companies in force which:

- (a) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the commencement of the Offer Period;
- (b) were continuous contracts with a notice period of 12 months or more;
- (c) were fixed term contracts with more than 12 months to run irrespective of the notice period; or
- (d) was not expiring or determinable by the employer within one year without payment of compensation other than statutory compensation.

9. MATERIAL CONTRACTS

The following contracts are contracts that are or may be material, not being contracts entered into during the ordinary course of business, and have been entered into by the Group since 30 June 2020 (being the date falling on two years before the commencement of the Offer Period) up to the Latest Practicable Date:

- a) the renewal offer letter dated 13 May 2022 entered into Celestial Asia Investment Limited (a wholly-owned subsidiary of the Company, as tenant) with Manhattan Development Limited (as agent of the landlord) in respect of the renewal offer of the premises for use as office premises of the Group for a fixed term of three (3) years commencing on 15 December 2022 and expiring on 14 December 2025 (both dates inclusive) at the aggregate value of consideration payable of approximately HK\$18.7 million; and
- b) the provisional agreement dated 21 April 2021 entered into between Think Right Investments Limited (a wholly-owned subsidiary of the Company) as vendor (signing by Dr Kwan, a Director, in capacity as trustee) and Ms Jin Su (an independent third party and not being a Shareholder) as purchaser in relation to the sale and purchase of the property situated at Room 1607 (also known as 19A), Residence 8, No.8 Jinan Road, Luwan District (now known as Huangpu District), Shanghai, the People's Republic of China at the consideration of RMB17,600,000 (equivalent to approximately HK\$20,768,000).

10. LITIGATION

As at the Latest Practicable Date, neither the Company nor any subsidiary in the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance or may become a party, is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

11. EXPERT'S QUALIFICATION AND CONSENT

The following are the names and qualifications of the experts who have given its letter/opinion which is contained in this Composite Document:

Name	Qualification
Merdeka Corporate Finance Limited	a corporation licensed by SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO
Celestial Securities Limited	a corporation licensed by SFC to carry out Type 1 (dealing in securities) regulated activity under the SFO
Vinco Financial Limited	a corporation licensed by SFC to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, report, and/or references to its name in the form and context in which it appears.

12. MISCELLANEOUS

- a. The registered office of the Offeror is situated at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands and the correspondence address of the Offeror is at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong.
- b. The principal members of the Offeror's concert group is CASH and the directors of the Offeror. The directors of the Offeror are Dr Kwan, Mr Li Shing Wai Lewis, Mr Leung Siu Pong James and Mr Kwan Teng Hin Jeffrey (all of them are also directors of CASH), and their correspondence address is at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong.
- c. The head office and principal place of business of CASH in Hong Kong are at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong. The registered office of CASH is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

- d. The head office and principal place of business of the Company in Hong Kong are at 22/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- e. The company secretary of the Company is Ms Cheung Suet Ping Ada, a member of both The Chartered Governance Institute, United Kingdom and The Hong Kong Chartered Governance Institute. She is also a member of The Hong Kong Institute of Certified Public Accountants and a fellow of The Association of Chartered Certified Accountants.
- f. The registered office of Celestial Securities is situated at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon, Hong Kong.
- g. The registered office of Merdeka Corporate Finance is at Room 1108-1110, 11/F, Wing On Centre, 111 Connaught Road, Central, Hong Kong.
- h. The registered office of Vinco Financial is at Unit 2601, 26/F, The Center, 99 Queen's Road Central, Hong Kong.
- i. The English texts of this Composite Document and the Form(s) of Acceptance shall prevail over the Chinese translations in the case of inconsistency.

13. DOCUMENTS ON DISPLAY

A copy of the following documents will be available for inspection (i) on the website of the SFC (www.sfc.hk); and (ii) on the website of the Company (www.cfsg.com.hk) during the period from the date of this Composite Document up to and including the Closing Date:

- a) the memorandum of association and bye-laws of the Company;
- b) the memorandum and articles of association of the Offeror;
- c) the annual report of the Company for the two years ended 31 December 2020 and 31 December 2021 and the interim report of the Company for the six months ended 30 June 2022;
- d) the letter from Celestial Securities as set out on pages 7 to 16 of this Composite Document;
- e) the letter from the Board, the text of which is set out on pages 17 to 23 of this Composite Document;

- f) the letter from the Independent Board Committee, the text of which is set out on pages 24 to 25 of this Composite Document;
- g) the letter from Vinco Financial, the text of which is set out on pages 26 to 50 of this Composite Document;
- h) the letters of consent from each of Merdeka Corporate Finance, Celestial Securities, and Vinco Financial referred to in the paragraph headed “11. Expert’s qualification and consent” in this Appendix III;
- i) the directors’ service contracts referred to in the paragraph headed “8. Service contracts of Directors” in this Appendix III;
- j) the material contracts referred to in the paragraph headed “9. Material contracts” in this Appendix III; and
- k) the Facility Agreement.