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CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

**DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

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The Board announces that on 23 February 2021, after trading hours, the Lender (a wholly-owned subsidiary of the Company) entered into the Loan Agreement with the Borrower (an Independent Third Party) in relation to the granting of the Loan in the amount of HK\$16,000,000 to the Borrower.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% but less than 25%, the Loan Agreement constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

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THE LOAN AGREEMENT

Date : 23 February 2021

Parties : (i) CASH Advisory Services (as lender) (a wholly-owned subsidiary of the Company); and
(ii) Nice Asset Investment Limited (as borrower), a company incorporated in Hong Kong with limited liability and an Independent Third Party.

Loan amount:	Loan facilities of up to HK\$16,000,000 in one lump sum as the additional working capital of the Borrower.
Interest rate:	11% per annum on the Loan payable monthly in arrears by the Borrower. The Lender shall be entitled to charge the Borrower a default interest rate at 16% per annum upon events of default.
Loan period:	12 months commencing from the Drawdown Date
Repayment terms:	The Borrower shall repay the interests on a monthly basis with the principal amount to be repaid on the date falling 12 months from the Drawdown Date.
Early repayment:	The Borrower may not make full early repayment in the first 6 months from the Drawdown Date. Partial repayment may not be allowed except with the written consent of the Lender.
Security:	A first legal charge over the Property. As at 22 February 2021, the market value of the Property is approximately HK\$32 million based on a valuation report issued by a professional property valuer.
Condition precedents:	The drawdown of the Loan is conditional upon, among other things, (a) the due execution of the first legal charge over the Property; (b) the due execution of the deed of guarantee by the sole shareholder and sole director of the Borrower to guarantee all the obligations of the Borrower under the Loan Agreement; and (c) the market value of the Property shall be not less than HK\$23 million.
Guarantee:	The sole shareholder and sole director of the Borrower shall provide personal guarantee for the Loan. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Borrower, the Guarantor and their ultimate beneficial owners are the Independent Third Parties.

INFORMATION ON THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability and its principal business activity is investment holding.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, (i) the Guarantor, the Borrower and their ultimate beneficial owners are Independent Third Parties; (ii) each of the Guarantor, the Borrower and their ultimate beneficial owners and parties acting in concert with them (as defined under the Takeovers Code) is not a shareholder of the Company at the time of the entering into of the Loan Agreement.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The granting of the Loan was made on the basis of (i) the Company's credit assessments made on the financial strength and repayment ability of the Borrower and the Guarantor, (ii) the Loan is secured by way of first legal charge against the Property, (iii) personal guarantee is provided by the sole shareholder and sole director of the Borrower, and (iv) the relatively short term nature of the Loan. After taking into account all the factors in assessing the risks of the Loan, the Company considers that the risks involved in the Loan to the Borrower are relatively low and manageable.

FUNDING OF THE LOAN

The Loan will be financed by the Group's internal resources.

INFORMATION OF THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are (a) provision of online and traditional brokerage of securities, futures and options as well as life insurance, mutual funds and mandatory provident fund products, (b) proprietary trading of debt and equity securities and derivatives, (c) provision of margin financing and money lending services, (d) provision of investment banking services, and (e) provision of asset management services. For additional information, please visit www.cfsg.com.hk.

CASH Advisory Services is a company incorporated with limited liability in Hong Kong and is a wholly-owned subsidiary of the Company with principal business of investment holding. As the Loan is made to a company and secured by a mortgage or charge registered or to be registered under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Loan is an exempted loan under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Loan is in compliance with the laws and regulations of Hong Kong.

Based on the audited accounts of the Company, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2018 were both approximately HK\$144.5 million, and the audited net asset value as at 31 December 2018 was approximately HK\$623.9 million.

Based on the audited accounts of the Company, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2019 were both approximately HK\$116.9 million, and the audited net asset value as at 31 December 2019 was approximately HK\$503.8 million. The unaudited net asset value of the Company as at 30 June 2020 was approximately HK\$475.7 million.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The entering into of the Loan Agreement is in the ordinary and usual course of business of the Group. The terms of the Loan Agreement were negotiated on an arm's length basis between the Company and the Borrower and the granting of the Loan is regarded as financial assistance provided by the Company within the meaning of a transaction under Chapter 14 of the Listing Rules. The Directors are of the view that the terms of Loan Agreement were entered into on normal commercial terms based on the Company's credit policy. Taking into account the financial background of the Borrower, the relevant securities and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Loan Agreement exceed 5% but less than 25%, the Loan Agreement constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and the shares are listed on the main board of the Stock Exchange
“Borrower”	Nice Asset Investment Limited, a company incorporated in Hong Kong with limited liability, and is the borrower under the Loan Agreement
“Director(s)”	director(s) of the Company
“Drawdown Date”	the date of drawdown of the Loan
“Group”	the Company and its subsidiaries
“Guarantor”	Mr Song Ruixue, the sole director and sole shareholder of the Borrower
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Borrower, the Guarantor and their ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Lender” or “CASH Advisory Services”	CASH Advisory Services Limited, a company incorporated with limited liability in Hong Kong and is a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the amount of HK\$16,000,000 granted by the Lender to the Borrower under the Loan Agreement
“Loan Agreement”	the written loan agreement dated 23 February 2021 entered into between the Lender and the Borrower in relation to the grant of Loan

“Property”	Duplex Apartment G on 6th and 7th Floor, Block 3, The Great Hill, No.8 Tung Lo Wan Hill Road, Shatin, New Territories, Hong Kong registered under and owned by the Borrower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers published by the Securities and Futures Commission as amended from time to time
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“%”	per cent

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 23 February 2021

As at the date hereof, the Board comprises:

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
Mr Kwok Ka Lok Lionel
Mr Ng Hin Sing Derek

Independent non-executive directors:

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

** For identification purpose only*