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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

IN RELATION TO

RENEWAL OFFER LETTER

RENEWAL OFFER LETTER

The Board announces that on 25 May 2022, Celestial Asia Investment Limited (a wholly-owned subsidiary of the Company) as the Tenant entered into the Renewal Offer Letter with the Agent as agent of the Landlord (Independent Third Parties) in respect of the renewal offer of the Premises for use as office premises of the Group.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 “Leases”, the Company recognises the value of the right-of-use assets on its consolidated financial statements of financial position in connection with the lease of the Premises under the Renewal Offer Letter. Accordingly, the lease transaction contemplated under the Renewal Offer Letter is regarded as an acquisition of asset by the Tenant under Rule 14.04(1)(a) of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the lease transaction contemplated under the Renewal Offer Letter exceed 5% but is below 25%, the entering into of the Renewal Offer Letter constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board announces that on 25 May 2022, Celestial Asia Investment Limited (a wholly-owned subsidiary of the Company) as the Tenant entered into the Renewal Offer Letter with the Agent as agent of the Landlord (Independent Third Parties) in respect of the renewal offer of the Premises for use as office premises the Group.

THE RENEWAL OFFER LETTER

On 25 May 2022, Celestial Asia Investment Limited (a wholly-owned subsidiary of the Company) as the Tenant entered into the Renewal Offer Letter with the Agent as agent of the Landlord (Independent Third Parties) in respect of the renewal offer of the Premises for use as office premises of the Group. Major terms of the Renewal Offer Letter are as follows:-

- The Parties: (i) Manhattan Development Limited, as the Agent (as agent of the Landlord).
- (ii) Celestial Asia Investment Limited (a wholly-owned subsidiary of the Company), with principal activity of investment and finance, as the Tenant.
- The Premises: The whole floor of 22/F, Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Kowloon.
- Lease term: A fixed term of three (3) years commencing on 15 December 2022 and expiring on 14 December 2025 (both dates inclusive).
- The aggregate value of consideration payable: Approximately HK\$18.7 million in aggregate for a fixed term of three years, including rent, stamp duty and estimated reinstatement cost by the Tenant which will be satisfied by internal resources of the Group.
- The rent under the Renewal Offer Letter is determined after arm's length negotiations between the Parties, after taking into consideration the prevailing market rental for similar comparable premises in the nearby areas.

THE RIGHT-OF-USE ASSET

The value of the right-of-use asset to be recognised by the Group under the Renewal Offer Letter amounted to approximately HK\$17.8 million, which is the present value of aggregated lease payments less incentives (if any), plus initial direct costs and estimated reinstatement cost with the lease in accordance with HKFRS 16. Discount rate of 4% is applied to compute the present value of aggregate lease payments less incentives (if any) under the Renewal Offer Letter.

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 general and 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, and (d) provision of asset management services. For additional information, please visit www.cfsg.com.hk.

INFORMATION OF THE COUNTERPARTIES

The principal or ancillary activities carried on by the Agent include development and investment. Based on the information provided by Landlord and to the best of the knowledge, information and

belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the Agent is Mr Tien Pei Chun James.

The principal or ancillary activities carried on by the Landlord include property investment. Based on the information provided by Landlord and to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the ultimate beneficial owner of the Landlord is Mr Tien Pei Chun James.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Agent, the Landlord and their respective ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFIT FOR THE RENEWAL OFFER LETTER

The Group has been leasing the Premises as its office and the existing lease of the Premises is due to expire on 14 December 2022. In evaluating the options of renewal of lease or leasing a new office, the Directors consider that the Premises are located in the heart of the commercial zone in Kowloon Bay which is easily accessible by transportation by both our corporate and individual clients and staying would have saved the renovation costs and the expenditure on relocation.

The terms of the Renewal Offer Letter were reached on arm's length basis with reference to the prevailing market rental of similar comparable premises in the nearby areas. Having considered the foregoing, the Board considers that the entering into of the Renewal Offer Letter is in the ordinary course of business of the Group and on normal commercial terms which are fair and reasonable, and that the Renewal Offer Letter and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to HKFRS 16 "Leases", the Company recognises the value of the right-of-use assets on its consolidated financial statements of financial position in connection with the lease of the Premises under the Renewal Offer Letter. Accordingly, the lease transaction contemplated under the Renewal Offer Letter is regarded as an acquisition of asset by the Tenant under Rule 14.04(1)(a) of the Listing Rules.

As the highest of the applicable percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) for the lease transaction contemplated under the Renewal Offer Letter exceed 5% but is below 25%, the entering into of the Renewal Offer Letter constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITION

"Agent"	Manhattan Development Limited, being the agent of the Landlord
"Board"	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
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Director(s)"	director(s) of the Company
"Group"	the Company and its subsidiaries
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong

Institute of Certified Public Accountants

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the directors’ knowledge, information and belief having made all reasonable enquiries, the Agent, the Landlord and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules)
“Landlord”	Pioneer Crest Limited, being the landlord of the Premises
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Parties”	the Tenant and the Agent (as agent of the Landlord)
“PRC”	the People’s Republic of China
“Premises”	the premises as more particular set out under the sub-heading “The Premises” in the section headed “The Renewal Offer Letter” in this announcement
“Renewal Offer Letter”	the renewal offer letter entered into between the Parties on 25 May 2022 in relation to the renewal offer of the Premises
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tenant”	Celestial Asia Investment Limited, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of the Company
“%”	per cent.

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

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 25 May 2022

As at the date of this announcement, the Board comprises:

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
Mr Cheung Wai Lim William

Independent non-executive directors:

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

** For identification purposes only*