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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
SUBSCRIPTION OF FUND**

THE SUBSCRIPTION

The Board announces that on 31 August 2022, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), subscribed for the Fund in the total subscription amount of HK\$10 million, at an aggregate consideration of HK\$10 million, exclusive of transaction costs.

LISTING RULES IMPLICATION

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

Reference is made to the announcement jointly issued by Celestial Investment Group Limited (“**CIGL**” or the “**Offeror**”), Celestial Asia Securities Holdings Limited (“**CASH**”) and the Company dated 30 June 2022, in relation to, among other things, the pre-conditional voluntary cash offers by Celestial Securities Limited for and on behalf of the Offeror to acquire all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror and its parties acting in concert) and to cancel all the outstanding share options of the Company.

THE SUBSCRIPTION

The Board announces that on 31 August 2022, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), subscribed for the Fund in the total subscription amount of HK\$10 million, at an aggregate consideration of HK\$10 million, exclusive of transaction costs.

The Subscription was fully funded by the internal resources of the Group.

The Company has obtained the written consent from the Offeror in relation to the Subscription.

Upon completion of the Subscription, the Subscription will be accounted for as financial assets at fair value through profit or loss in the Group’s financial statements.

The principal terms of the Fund are as follows:

Name of the Fund:	CASH Prime Value Equity OFC
Manager:	CASH Wealth Management Limited
Administrator:	BOCI-Prudential Trustee Limited
Investment objective:	<p>The investment objective of the Fund is to seek medium to long term capital growth and income through investing in equity securities that are either (a) listed and traded in Hong Kong, or (b) unlisted, but are (i) issued by entities incorporated in Hong Kong; or (ii) entities which have significant operations in or assets in Hong Kong, or (iii) entities which derive significant portion of revenue or profits from Hong Kong (“HK Securities”).</p>
Investment strategy:	<p><u>Primary investments</u></p> <p>The Fund will invest not less than 70% of its net asset value in shares of listed companies and will also invest at least 70% of its net asset value in HK Securities.</p> <p>The Fund does not intend to focus or limit its exposure to any particular sector or industry.</p> <p>At the time of investment, the Fund will invest in companies whose market capitalisation is above HK\$1 billion, though the market capitalisation of the companies may drop below HK\$1 billion after the Fund’s investment. Once the Manager has determined to invest into a selected company, the Fund’s investment in each scheme property may not exceed 10% of the Fund’s total net asset value.</p> <p><u>Ancillary investments</u></p> <p>The Fund will invest up to 30% of its net asset value in non-HK Securities, principally in Mainland China and the United States with no more than 10% of the Fund’s net asset value in Mainland China. In particular, the Fund’s investment in listed equity securities in the A Shares market will be no more than 10% of the Fund’s net asset value via stock connect and/or other permissible means as approved by the relevant regulators from time to time. The Fund expects to invest into other unlisted equity securities (i.e. pre-listed shares, initial public offerings and/or share placements) representing less than 10% of the Fund’s net asset value.</p>
Management fee:	Up to 3% per annum
Performance fee:	Up to 10% based on the increase in the net asset value in the relevant performance period calculated annually on a high-on-high basis.
Dividends:	Income and capital gains arising in the Fund in relation to accumulating shares will be reinvested into the Fund. The Fund will not distribute dividend annually.
Redemption:	<p>Shares in the Fund may be redeemed by investors at a price based on the net asset value per share of such class at any time during the term of the Fund.</p> <p>Payment for redemption proceeds will be made within 5 business days from the relevant dealing day for the redemption of shares of the Fund.</p>

INFORMATION OF THE FUND, THE MANAGER AND THE ADMINISTRATOR

The Fund is an open-ended fund company incorporated under Part IVA of the Securities and Futures Ordinance, and is a wholly-owned subsidiary of the Company as at the date of this announcement. The Fund seeks medium to long term capital growth and income through investing in equity securities. The minimum capital required for the launch of the Fund is HK\$10 million, and the Group is the seed investor of the Fund.

Since the Fund was newly established and has not commenced business yet, neither financial information nor past performance of the Fund are presented in this announcement.

The Manager is a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of the Company. The Manager is licensed and regulated by the Securities and Futures Commission to conduct Type 1 regulated activity (dealing in securities), Type 4 regulated activity (advising on securities) and Type 9 regulated activity (asset management).

The Administrator is BOCI-Prudential Trustee Limited, a company incorporated in Hong Kong with limited liability. The Administrator is responsible for the general administration services of the Fund, which include amongst other things, arranging calculation of net asset valuations, management, registrar and performance fees, maintaining financial books and records, maintaining a copy of the register and arranging for the issuance and redemption of the shares of the Fund.

The Fund and the Manager are wholly-owned subsidiaries of the Company. As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Administrator and its ultimate beneficial owners are independent of the Company and connected persons of the Company.

INFORMATION OF THE GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are (a) the 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) the proprietary trading of debt and equity securities and derivatives, (c) the provision of margin financing and money lending services, and (d) the provision of asset management services. For additional information, please visit www.cfsg.com.hk. CASH Trinity Bullion is a wholly-owned subsidiary of the Company principally engaged in investment holding and trading.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Group subscribed for the Fund for investment purpose. The Directors consider that the Subscription provides the Group with an opportunity to balance and diversify its investment portfolio, as well as for potential capital appreciation. The Subscription also enables the Group to participate in the Hong Kong, United States and Mainland China securities markets while reducing the direct investment risks by leveraging on the professional management of the Fund and the Manager.

The Directors consider the terms of the Subscription are normal commercial terms which are fair and reasonable and the Subscription is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

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

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Administrator”	BOCI-Prudential Trustee Limited, information of which is stated in the section headed “INFORMATION OF THE FUND, THE MANAGER AND THE ADMINISTRATOR” in this announcement
“Board”	the board of directors of the Company
“CASH Trinity Bullion”	CASH Trinity Bullion Limited, a company incorporated in Hong Kong with limited liability, and a wholly-owned subsidiary of the Company
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Fund”	CASH Prime Value Equity OFC, information of which is stated in the section headed “INFORMATION OF THE FUND, THE MANAGER AND THE ADMINISTRATOR” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Manager”	CASH Wealth Management Limited, information of which is stated in the section headed “INFORMATION OF THE FUND, THE MANAGER AND THE ADMINISTRATOR” in this announcement
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Fund by the Group in the total subscription amount of HK\$10 million
“%”	per cent.

On behalf of the Board
Bankee P. Kwan
*Executive Director
and Chief Executive Officer*

Hong Kong, 31 August 2022

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Kwan Teng Hin Jeffrey
Mr Cheung Wai Lim William
Mr Law Hin Ong Trevor
Ms Wong Sze Kai Angela

Independent non-executive directors:

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

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

** For identification purposes only*