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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)

**CELESTIAL ASIA SECURITIES  
HOLDINGS LIMITED**

時富投資集團有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 1049)

**JOINT ANNOUNCEMENT**

**(1) PLACING OF NEW SHARES UNDER GENERAL MANDATE BY CFSG  
AND  
(2) DISCLOSEABLE TRANSACTION IN RELATION TO THE DEEMED DISPOSAL  
OF SHAREHOLDING INTEREST IN CFSG BY CASH**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE BY CFSG**

The CASH Board and the CFSG Board hereby jointly announce that on 24 July 2023 (after trading hours), CFSG and the Placing Agent entered into the Placing Agreement. Pursuant to the terms and subject to the Condition Precedent, CFSG agreed to appoint the Placing Agent, and the Placing Agent agreed to act as the placing agent, to procure Placees, on a best efforts basis, to subscribe for a total of up to 50,000,000 Placing Shares at the Placing Price of HK\$0.42 per Placing Share.

The 50,000,000 Placing Shares represent (i) approximately 13.12% of the issued share capital of CFSG as at the date of this joint announcement; and (ii) approximately 11.60% of the issued share capital of CFSG as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no other change to the total issued share capital of CFSG between the date of this joint announcement and the Completion Date).

The Placing Price of HK\$0.42 per Placing Share represents (i) a premium of approximately 6.3% over the closing price of HK\$0.395 per CFSG Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a premium of approximately 11.7% over the average closing price of approximately HK\$0.376 per CFSG Share as quoted on the Stock Exchange for the last five consecutive trading days immediately up to and including the date of the Placing Agreement.

On the assumption that all the 50,000,000 Placing Shares are successfully placed, and are allotted and issued by CFSG, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing are estimated to be approximately HK\$21.0 million and HK\$20.9 million, respectively. CFSG intends to apply all of the net proceeds from the Placing for general working capital of the CFSG Group. The Placing is conditional upon the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares.

#### **DEEMED DISPOSAL BY CASH AND IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this joint announcement, CASH is the controlling shareholder of CFSG holding 277,989,563 CFSG Shares, representing approximately 72.93% of the total issued share capital of CFSG, through CIGL (an indirect wholly-owned subsidiary of CASH).

Assuming that a maximum of 50,000,000 Placing Shares are successfully placed, and are allotted and issued by CFSG, and there are no other changes to the issued share capital of CFSG between the date of this joint announcement and the Completion Date, the shareholding interest of CASH in CFSG will be diluted from approximately 72.93% to approximately 64.47%, representing a decrease of approximately 8.46% in the shareholding of CASH in CFSG. Such dilution of shareholding interest of CASH in CFSG as a result of the Placing will be a deemed disposal by CASH of its shareholding interest in CFSG pursuant to Rule 14.29 of the Listing Rules.

Following the Completion, CFSG will remain a subsidiary of CASH and the financial results and financial positions of the CFSG Group will continue to be consolidated into the consolidated financial statements of the CASH Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of CASH subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion is conditional upon fulfilment of the Condition Precedent and the Placing may or may not proceed. Shareholders and potential investors of CASH and CFSG are advised to exercise caution when dealing in the CASH Shares and the CFSG Shares.**

## **THE PLACING**

### **The Placing Agreement**

Principal terms of the Placing Agreement are set out as follows:

Date: 24 July 2023 (after trading hours)

Parties: (i) CFSG as the issuer; and  
(ii) Orient Securities Limited as the Placing Agent.

**Placing:** CFSG agreed to appoint the Placing Agent, and the Placing Agent agreed to act as the placing agent, to procure Placees, on a best efforts basis, to subscribe for a total of up to 50,000,000 Placing Shares at the Placing Price, pursuant to the terms and subject to the Condition Precedent.

**Placees:** The Placing Shares will be placed to not less than six Placees who will be independent institutional, corporate or individual investors.

It is expected that the Placees and their respective ultimate beneficial owners will be independent of CFSG, CASH and their respective connected persons. It is not expected that any placee will become a substantial shareholder (as defined under the Listing Rules) of CFSG as a result of the Placing.

**Placing Shares:** A total of up to 50,000,000 Placing Shares, having an aggregate nominal value of HK\$2,000,000, represent (i) approximately 13.12% of the issued share capital of CFSG as at the date of this joint announcement; and (ii) approximately 11.60% of the issued share capital of CFSG as enlarged by the allotment and issue of the Placing Shares (assuming that there will be no other change to the total issued share capital of CFSG between the date of this joint announcement and the Completion Date).

The Placing Shares, when issued and fully paid up, shall rank pari passu in all respects with all other CFSG Shares then in issue free from all liens, charges, encumbrances, claims, options and third party rights and with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all future dividends and other distributions declared, made or paid, the record date of which falls on or after the date of issue of the Placing Shares.

An application will be made by CFSG to the listing committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

**Placing Price:** The Placing Price of HK\$0.42 per Placing Share represents:

- a premium of approximately 6.3% over the closing price of HK\$0.395 per CFSG Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- a premium of approximately 11.7% over the average closing price of approximately HK\$0.376 per CFSG Share as quoted on the Stock Exchange for the last five consecutive trading days immediately up to and including the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between

CFSG and the Placing Agent with reference to the market condition and the prevailing market price of the CFSG Shares. The CASH Board and the CFSG Board consider that the terms of the Placing and the Placing Price are on normal commercial terms and are fair and reasonable based on the current market conditions and the Placing is in the interests of the CASH Shareholders and the CFSG Shareholders as a whole.

After taking into account all related costs, fees, expenses and commission of the Placing, the net Placing Price is approximately HK\$0.418 per CFSG Share.

**Condition Precedent:** The Placing is conditional upon the listing committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares.

The above Condition Precedent is required to be fulfilled on or before 7 August 2023 or such later date as may be agreed between CFSG and the Placing Agent, failing which the Placing Agreement will lapse and all rights, obligations and liabilities of the parties thereto shall cease and determine and neither of the parties shall have any claim against the others in respect of the Placing save for any antecedent breach.

**Completion:** Completion shall take place on a date falling within five Business Days after the day on which the Condition Precedent is satisfied (or such later date as may be agreed between CFSG and the Placing Agent) (the “**Completion Date**”).

**Placing commission:** In consideration of the services of the Placing Agent in relation to the Placing, CFSG shall pay the Placing Agent a fixed commission of 0.5% of the amount equal to the Placing Shares placed by the Placing Agent multiplied by the Placing Price.

The placing commission under the Placing Agreement was determined after arm’s length negotiations between CFSG and the Placing Agent with reference to the prevailing market conditions. The CFSG Directors are of the view that the placing commission is fair and reasonable.

**Termination:** Pursuant to the terms of the Placing Agreement, the Placing Agent shall be entitled by giving notice to CFSG prior to 8:00 am on the Completion Date to terminate the Placing Agreement, if any event occurring as set out in the Placing Agreement which, in the absolute opinion of the Placing Agent, has or may have an adverse effect on the business or financial conditions or prospects of CFSG or the CFSG Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement.

## **General Mandate**

The Placing Shares will be issued under the General Mandate so the Placing is not subject to the approval of the CFSG Shareholders. As at the date of this joint announcement, no part of the General Mandate has been utilized by CFSG.

## **REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS**

With the revomal of the COVID-19 restriction measures and full re-opening of all borders between Hong Kong and the PRC, the Hong Kong economy is gradually gaining momentum. Nevertheless, it still faces uncertainties such as increasing interest rate, deteriorating worldwide economy and escalating geopolitical tensions. On a positive note, it is expected China is poised for a strong rebound in 2023, serving as a key growth engine for the global economy. We believe that as China further implements its monetary and fiscal stimulus measures, coupled with a regulatory environment that supports its economy, there will be substantial growth in investment and wealth management demand, particularly in the Greater Bay Area. This area is seen as presenting immense investment and wealth management opportunities for established and trusted Hong Kong financial institutions, aligning with China's 14th Five-Year Plan. Leveraging the expertise of CFSG Group's seasoned professionals and the rebound of the Hong Kong economy, CFSG will actively assess its development strategies and develop its investment and wealth management business with the goal to maximize returns for its shareholders. The CFSG Directors consider the Placing will enable CFSG to broaden its shareholders' base and strengthen its financial position without incurring financial burden.

Having considered the reasons set out above, the CFSG Directors are of the view that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the CFSG Group and the CFSG Shareholders as a whole.

Having considered the above, and that the benefits of the Placing to the CFSG Group will also indirectly benefit the CASH Group, the CASH Directors consider that the terms of the Placing are fair and reasonable and the Placing is in the interests of the CASH Group and the CASH Shareholders as a whole.

On the assumption that all the 50,000,000 Placing Shares are successfully placed, and are allotted and issued by CFSG, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing are estimated to be approximately HK\$21.0 million and HK\$20.9 million, respectively. CFSG intends to apply all of the net proceeds from the Placing for general working capital of the CFSG Group.

## **FUND RAISING ACTIVITIES OF CFSG DURING THE PAST 12 MONTHS**

CFSG has not completed any equity fund raising activity during the past 12 months immediately preceding the date of this joint announcement.

## INFORMATION OF CASH GROUP, CFSG GROUP AND THE PLACING AGENT

The principal activity of CASH is investment holding. The principal activities of the CASH Group are (a) the 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; (b) the provision of asset management services to fund investors (the “**Asset Management Business**”); (c) the other financial services businesses provided through CFSG (other than the Asset Management Business); and (d) general investment holding. For additional information, please visit [www.cash.com.hk](http://www.cash.com.hk).

The principal activity of CFSG is investment holding. The principal activities of the CFSG 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 Asset Management Business. For additional information, please visit [www.cfsg.com.hk](http://www.cfsg.com.hk). CFSG is held as to approximately 72.93% by CASH as at the date of this joint announcement.

The Placing Agent is a licenced corporation for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) of the regulated activities under the SFO.

## FINANCIAL INFORMATION OF CFSG GROUP

According to the published financial statements of CFSG, the audited consolidated financial information of the CFSG Group for the two financial years ended 31 December 2022 and 2021 are as follows:

	<b>For the year ended 31 December 2022</b>	<b>For the year ended 31 December 2021</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss) before taxation	(69,798)	(53,510)
(Loss) after taxation	(69,798)	(53,470)

The audited net asset value of CFSG Group as at 31 December 2022 amounted to HK\$338,858,000.

## FINANCIAL IMPLICATION OF THE PLACING

Following the Completion, CFSG will continue to be a subsidiary of CASH. As the overall net change in CASH’s ownership interest in CFSG will not result in loss of control in CFSG according to the applicable accounting standards, no gain or loss is expected to accrue to CASH’s consolidated statement of profit or loss and other comprehensive income as a result of the Deemed Disposal upon Completion.

## EFFECTS ON SHAREHOLDING STRUCTURE OF CFSG

Set out below is the shareholding structure of CFSG (i) as at the date of this joint announcement; and (ii) immediately upon the Completion (assuming that a maximum of 50,000,000 Placing Shares are successfully placed, and are allotted and issued by CFSG, and there are no other changes to the issued share capital of CFSG between the date of this joint announcement and the Completion Date):

Name of CFSG Shareholders	As at the date of this joint announcement		Immediately upon the Completion based on the above assumptions	
	No. of CFSG Shares	%	No. of CFSG Shares	%
(a) CIGL ( <i>Note</i> )	277,989,563	72.93	277,989,563	64.47
(b) CFSG Directors				
Dr Kwan Pak Hoo Bankee	2,472,000	0.65	2,472,000	0.57
Mr Kwan Teng Hin Jeffrey	2,472,000	0.65	2,472,000	0.57
(c) The Places	-	-	50,000,000	11.60
(d) Other CFSG Shareholders	98,241,216	25.77	98,241,216	22.79
Total	381,174,779	100.00	431,174,779	100.00

*Note:*

As at the date of this joint announcement, these 277,989,563 CFSG Shares were held by CIGL, a wholly-owned subsidiary of Praise Joy Limited (which was 100% beneficially owned by CASH (the holding company of CFSG)). CASH was owned as approximately 49.79% by Dr Kwan Pak Hoo Bankee, approximately 49.05% by Cash Guardian Limited (a wholly-owned subsidiary of Hobart Assets Limited, which in turn was 100% beneficially owned by Dr Kwan Pak Hoo Bankee) and approximately 0.74% by Dr Kwan Pak Hoo Bankee in his personal name. Pursuant to the SFO, Dr Kwan Pak Hoo Bankee is deemed to be interested in these 277,989,563 CFSG Shares.

## DEEMED DISPOSAL BY CASH AND IMPLICATIONS UNDER THE LISTING RULES

As at the date of this joint announcement, CASH is the controlling shareholder of CFSG holding 277,989,563 CFSG Shares, representing approximately 72.93% of the total issued share capital of CFSG, through CIGL (an indirect wholly-owned subsidiary of CASH).

Assuming that a maximum of 50,000,000 Placing Shares are successfully placed, and are allotted and issued by CFSG, and there are no other changes to the issued share capital of CFSG between the date of this joint announcement and the Completion Date, the shareholding interest of CASH in CFSG will be diluted from approximately 72.93% to approximately 64.47%, representing a decrease of approximately 8.46% in the shareholding of CASH in CFSG. Such dilution of shareholding interest of CASH in CFSG as a result of the Placing will be a deemed disposal by CASH of its shareholding interest in CFSG pursuant to Rule 14.29 of the Listing Rules.

Following the Completion, CFSG will remain a subsidiary of CASH and the financial results and financial positions of the CFSG Group will continue to be consolidated into the consolidated financial statements of the CASH Group.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of CASH subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion is conditional upon fulfilment of the Condition Precedent and the Placing may or may not proceed. Shareholders and potential investors of CASH and CFSG are advised to exercise caution when dealing in the CASH Shares and the CFSG Shares.**

## DEFINITIONS

“Business Day”	a day (other than a Saturday and Sunday) on which banks in Hong Kong are generally open for business
“CASH”	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange (stock code: 1049), and the holding company of CFSG
“CASH Board”	the board of directors of CASH
“CASH Directors”	the directors of CASH
“CASH Group”	CASH and its subsidiaries, including the CFSG Group
“CASH Share(s)”	share(s) of HK\$0.20 each in the share capital of CASH
“CASH Shareholder(s)”	holder(s) of the CASH Share(s)
“CFSG”	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the main board of the Stock Exchange (stock code: 510)
“CFSG Board”	the board of directors of CFSG
“CFSG Directors”	the directors of CFSG
“CFSG Group”	CFSG and its subsidiaries
“CFSG Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of CFSG
“CFSG Shareholder(s)”	holder(s) of the CFSG Share(s)
“CIGL”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of CASH

“Completion”	completion of the Placing pursuant to the Placing Agreement
“Completion Date”	has the meaning given to it in the paragraph “Completion” under the section headed “The Placing Agreement” in this joint announcement
“Condition Precedent”	the condition of the Placing as set out in the paragraph “Condition Precedent” under the section headed “The Placing Agreement” in this joint announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deemed Disposal”	deemed disposal of the shareholding interest of CASH in CFSG as a result of the dilution of shareholding interest of CASH in CFSG upon the allotment and issue of the Placing Shares
“General Mandate”	the general mandate granted to the CFSG Directors at the annual general meeting of CFSG held on 8 June 2023 to allot, issue and otherwise deal with up to 76,234,955 CFSG Shares, representing 20% of the total number of the issued CFSG Shares as at the date of the meeting
“HK\$”	Hong Kong dollar(s), the 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
“Placees”	independent institutional, corporate or individual investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Orient Securities Limited, a company incorporated in Hong Kong with limited liability and a licenced corporation for Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) of the regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 24 July 2023 entered into between CFSG and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.42 per CFSG Share

“Placing Shares”	a total of up to 50,000,000 new CFSG Shares to be issued and placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

On behalf of the CFSG Board  
**Alpha Chan**  
*Executive Director  
and Chief Operating Officer*

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

Hong Kong, 24 July 2023

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

*Executive directors:*

Dr Kwan Pak Hoo Bankee, BBS, JP  
Mr Kwan Teng Hin Jeffrey  
Mr Law Hin Ong Trevor  
Ms Wong Sze Kai Angela  
Mr Chan Ching Wan Alpha

*Independent non-executive directors:*

Mr Cheng Shu Shing Raymond  
Mr Lo Ming Chi Charles  
Dr Chan Ho Wah Terence

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

*Executive directors:*

Dr Kwan Pak Hoo Bankee, BBS, JP  
Mr Leung Siu Pong James  
Mr Kwan Teng Hin Jeffrey  
Mr Cheung Tsz Yui Morton

*Independent non-executive directors:*

Mr Leung Ka Kui Johnny  
Mr Wong Chuk Yan  
Dr Chan Hak Sin

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

*\* For identification purposes only*