

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 announcement.



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 DISPOSAL OF A PROPERTY IN THE PRC

On 21 April 2021 (after trading hours), the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser (an Independent Third Party) entered into the Provisional Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the Consideration of RMB17,600,000 (equivalent to approximately HK\$20,768,000) to be settled in cash.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the Disposal 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.

INTRODUCTION

The Vendor and the Purchaser entered into the Provisional Agreement under which the Vendor shall sell to the Purchaser the Property at the Consideration.

THE PROVISIONAL AGREEMENT

Date : 21 April 2021 (after trading hours).

Parties : Think Right Investments Limited (a wholly-owned subsidiary of the Company), signing by Dr Kwan in capacity as trustee of Think Right, as the Vendor. Its principal business is investment holding.

Ms Jin Su, an individual investor, as the Purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party and is not a Shareholder.

The Property: Room 1607 (also known as 19A), Residence 8, No.8 Jinan Road, Luwan District (now known as Huangpu District), Shanghai, the PRC.

The Consideration : RMB17,600,000 (equivalent to approximately HK\$20,768,000) to be settled in cash.

The Consideration was arrived at after arm's length negotiation between the parties to the Provisional Agreement on normal commercial terms with reference to, among others, the actual transactions of similar properties in similar location, the valuation of the Property and the recent prevailing market conditions of the property market in the PRC.

The Board considers that the terms of the Provisional Agreement are fair and reasonable and are in the best interest of the Company and Shareholders as a whole.

Payment terms : The Consideration has been/ will be paid by the Purchaser to the Vendor by cash in the following manner:

- (a) RMB1,000,000 (equivalent to approximately HK\$1,180,000) has been paid as an initial deposit upon the signing of the Provisional Agreement;
- (b) RMB5,200,000 (equivalent to approximately HK\$6,136,000) will be paid as the first instalment on the date of signing the contract for sale and purchase in respect of the Disposal, which will be within 50 days from the date of the Provisional Agreement (i.e. on or before 10 June 2021);
- (c) RMB11,300,000 (equivalent to approximately HK\$13,334,000) will be paid as the second instalment by no later than 30 August 2021; and
- (d) the remaining balance of the Consideration in the sum of RMB100,000 (equivalent to approximately HK\$118,000) will be paid on Completion.

Completion : There is no conditions precedent for the Disposal, but the Vendor shall assist the Purchaser to complete the necessary transfer and registration procedure of disposal of the Property with the relevant PRC authorities by no later than 30 August 2021.

Completion will take place within 7 days from the date on which the Vendor receiving the certificate of ownership of the Property.

THE PROPERTY

The Property is a residential premise situated at Room 1607 (also known as 19A), Residence 8, No.8 Jinan Road, Luwan District (now known as Huangpu District), Shanghai, the PRC with a total gross area of approximately 147.97 square meter (1,593 square feet). The Property is currently vacant and held by the Vendor for investment purpose.

The Property was purchased by the Vendor at a consideration of RMB14,558,846 (equivalent to approximately HK\$17,179,438) pursuant to the contract for sale and purchase dated 24 December 2007 and 21 January 2008. The Property is held by Dr Kwan on trust for and on behalf of Think Right pursuant to the declaration of trust dated 24 December 2007 executed by Dr Kwan in favour of Think Right and Think Right is the ultimate beneficial owner of the Property.

The market value of the Property as contained in the valuation report issued by an independent qualified professional valuer was RMB16,100,000 (equivalent to approximately HK\$18,998,000) as at 31 December 2020.

No net profit was attributable to the Property for the two financial years immediately preceding the Disposal as the Property is currently vacant.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

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.

The Disposal of the Property is expected to result in a gain (before taxation) of approximately HK\$1,480,000 for the Group as calculated on the basis of the Consideration less the carrying value of the Property of HK\$18,934,000 and other related costs and expenses.

In view of the appreciation of value of the Property and the capital gain from the Disposal, the Board considers that it is beneficial to dispose the Property capitalising on favourable market conditions to realise capital gain and enhance the liquidity position and working capital of the Company. The Group intends to use the proceeds of the Disposal for general working capital.

Taking into account of the factors above, the Board considers that the Disposal, the terms of which have been determined on an arm's length basis, are fair and reasonable and the Disposal is in the best interest 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 Disposal exceed 5% but less than 25%, the Disposal 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 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
“Completion”	completion of the sale and purchase of the Property in accordance with the Provisional Agreement
“Consideration”	RMB17,600,000 (equivalent to approximately HK\$20,768,000) to be settled in cash
“Directors”	the directors of the Company
“Disposal”	the transaction contemplated under the Provisional Agreement, being the disposal of the Property by the Vendor to the Purchaser at the Consideration
“Dr Kwan”	Dr Kwan Pak Hoo Bankee, the Director, chief executive officer and Chairman of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of and not connected (as defined under the Listing Rules) with the Company, to the best of the directors’ knowledge, information and belief having made all reasonable enquiry, the Purchaser is an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“Property”	Room 1607 (also known as 19A), Residence 8, No.8 Jinan Road, Luwan District (now known as Huangpu District), Shanghai, the PRC
“Provisional Agreement”	a provisional sale and purchase agreement dated 21 April 2021 entered into between the Vendor and the Purchaser in relation to the Disposal
“Purchaser”	Ms Jin Su, an individual investor, is an Independent Third Party and is not a Shareholder
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” or “Think Right”	Think Right Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 21 April 2021

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 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 the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.18. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

** For identification purposes only*