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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)

ADOPTION OF SHARE AWARD SCHEME

On 1 December 2022, the Board resolved to adopt the Scheme in which the Eligible Participants will be entitled to participate. Pursuant to the Scheme Rules, the Shares will be acquired by the independent Trustee at the cost of the Company and be held on trust for the Selected Participants until they are vested in accordance with the Scheme Rules. Vested Shares will be transferred to the Selected Participants at no cost. The number of Shares to be awarded under the Scheme throughout its duration is limited to 10% of the total number of issued Shares of the Company as at the Adoption Date.

The Scheme does not constitute a share option scheme within the meaning of the current Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for the adoption or implementation of the Scheme. However, it shall constitute a share scheme that is funded by existing Shares of the Company and shall be subject to the applicable disclosure requirements when the new Chapter 17 of the Listing Rules comes in effect on 1 January 2023.

ADOPTION OF SHARE AWARD SCHEME

On 1 December 2022, the Board resolved to adopt the Scheme. A summary of the Scheme Rules is set out below:

Purposes and objectives

The specific objectives of the Scheme are:

1. to recognise and motivate the contributions by certain Eligible Participants and to give incentives thereto in order to retain them for the continual operation and development of any member of the Group;
2. to attract suitable professional personnel beneficial for further growth of any member of the Group; and
3. to provide certain Eligible Participants with a direct economic interest in attaining a long-term relationship between any member of the Group and such Eligible Participants.

Administration

The Scheme shall be subject to the administration of the Board. In the event that a Selected Participant or his/her associate is a member of the Board, such person will abstain from voting on any approval by the Board of an award of Shares to such Selected Participants. The Board may appoint any one or more senior management of the Company as authorised representative(s) to give instructions or notices to the Trustee on all matters in connection with the Scheme and other matters in the routine administration of the Trust.

The Trustee will hold the Shares and the income derived therefrom in accordance with the Scheme Rules and subject to the terms of the Trust Deed.

Duration

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date.

Maximum limit

The Board shall not make any further grant of award of Shares under the Scheme such that the total number of Shares granted under the Scheme (excluding any awards which have lapsed or been cancelled in accordance with the Scheme) will exceed 10% of the total number of issued Shares as of the Adoption Date.

If the relevant purchase would result in the Trustee holding in aggregate more than 10% of the total number of issued Shares of the Company as of the Adoption Date, the Trustee shall not purchase any further Shares.

Restrictions

No instructions and no payments to purchase Shares shall be given to the Trustee when any director of the Company is in possession of unpublished inside information in relation to the Company or where dealings by directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. The Board may not make an award of Shares pursuant to the Scheme to any director of the Company during the periods or times in which the directors of Company are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

Operation

Pursuant to the Scheme Rules, the Board may, from time to time, at its absolute discretion select any Eligible Participant for participation in the Scheme as a Selected Participant and determine the number of Shares to be awarded. The Board shall, after having regard to all relevant circumstances and affairs of the Group including without limitation the Group's business and financial performance, determine the maximum amount of funds to be allocated by the Board out of the Company's resources for the purchase of the Awarded Shares, as the Board deems appropriate, pursuant to the Scheme. The Board, through its authorised representative(s), shall cause to pay the Trustee the purchase price for the Shares and the related expenses from the Company's resources. The Trustee shall purchase from the open market the relevant number of Shares awarded and shall hold such Shares until they are vested in accordance with the Scheme Rules.

When the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Shares forming the subject of the award, the Trustee shall transfer the relevant Shares (Awarded Shares and all related income in the form of Shares derived from such Shares held upon the Trust (including but not limited to any bonus Shares and script Shares received in respect of the Awarded Shares)) to that Selected Participant at no cost.

Subject to the Scheme Rules, a Selected Participant is not entitled to any rights attaching to the unvested Awarded Shares (including but not limited to voting rights, rights to dividends or distributions). All cash income, cash dividend and sale proceeds of non-cash and non-scrip distribution in respect of an unvested Awarded Share held upon the Trust will be applied in priority towards (a) the purchase of further Shares to be held upon trust referable to the relevant Selected Participants and the payment of the relevant purchase expenses; (b) the remainder, if any, to defray the fees, costs and expenses in connection with the administration and maintenance of the Trust. Subject to the application of the residual cash as aforesaid, the Board shall have power to direct the Trustee to release out of the assets of the Trust any such part or all of the residual cash and be paid to the Company absolutely.

Vesting and lapse

A Selected Participant shall be entitled to receive the Awarded Shares held by the Trustee in accordance with the vesting schedule when the Selected Participant has satisfied all vesting conditions specified by the Board at the time of making the award. Vesting of the Shares will be conditional on the Selected Participant remaining an Eligible Participant until and on each of the relevant vesting dates and his/her execution of the relevant documents to effect the transfer from the Trustee.

Unless otherwise determined by the Board, an award shall automatically lapse when (i) a Selected Participant ceases to be an Eligible Participant for whatever reason, or (ii) the Subsidiary employing the Selected Participant ceases to be a Subsidiary of CASH (or of a member of the CASH Group), (iii) the Board shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (a) the Selected Participant or his or her associate has committed any breach of any contract entered into between the Selected Participant or his or her associate on one part and any member of the CASH Group on the other part as the Board may in its absolute discretion determine; or (b) the Selected Participant has committed any act of bankruptcy or has become insolvent or is subject to any bankruptcy or analogous proceedings or has made any arrangement or composition with his or her creditors generally; or (c) the Selected Participant could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of his or her relationship with the relevant member of the CASH Group or by any other reasons whatsoever, or (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company), save that in the case when a Selected Participant dies, or retires at his/her normal retirement date or earlier by agreement with the Company or any member of the CASH Group prior to a vesting date, unless otherwise determined by the Board in its absolute discretion, all the Awarded Shares and the related income shall be deemed to be vested on the day immediately prior to his/her death or retirement at his/her normal retirement date or earlier by agreement with the Company or any member of the CASH Group. In case there is no claim of the vested Awarded Shares and the related income by the legal personal representative of the deceased Selected Participant within two years of the death of the Selected Participant (or such longer period as the Board shall determine from time to time) or the trust period (as defined in the Trust Deed) (whichever is shorter), such vested Awarded Shares and the related income shall be forfeited and be held as Returned Shares for the purposes of the Scheme. Without prejudice to the foregoing, the Board shall have and may, in its sole discretion, exercise its reserved right to cancel any award due to other reasons or other relevant provisions of the Scheme.

In the event a Selected Participant fails to return duly executed transfer documents for the relevant Shares awarded and the related income within the stipulated period, the relevant part of an award made to such Selected Participant shall automatically lapse forthwith and the relevant Shares awarded and related income shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Scheme.

If there occurs an event of change in control (as specified in The Codes on Takeovers and Mergers and Share Buy-back from time to time) of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, the Trustee shall seek instructions from the Board who shall have absolute discretion to determine whether all the Awarded Shares and related income shall vest and the time at which such Awarded Shares and related income shall vest.

Returned Shares

The Trustee shall hold Returned Shares as part of the trust fund exclusively for the benefit of all or one or more of the Selected Participants, whether the awardee is a Selected Participant at the time of award, as the Board in its absolute discretion shall at any time determine.

Voting rights

The Trustee shall not exercise the voting rights in respect of any Shares held under the Trust (including but not limited to the Awarded Shares, further Shares acquired out of the income derived therefrom, the Returned Shares, any bonus Shares and scrip Shares).

Share awards to Directors and/or connected persons

Shares may be awarded to Eligible Participants, including directors of the Company and/or its Subsidiaries and/or connected persons of the Company. If Shares are awarded to any director of the Company and/or its Subsidiaries and/or connected persons of the Company, such awards may constitute connected transactions under Chapter 14A of the Listing Rules and if this is the case, the Company shall comply with the relevant requirements under the Listing Rules.

Termination

The Scheme shall terminate on the earlier of the 10th anniversary date of the Adoption Date and such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of the Selected Participants.

Upon termination, (i) subject to the decision of the Board in its absolute discretion, all Awarded Shares and the related income derived therefrom shall become vested on the Selected Participants so referable on such date of termination save in respect of those lapsed in accordance with the Scheme Rules, subject to the receipt by the Trustee of the transfer documents duly executed by the Selected Participants within the stipulated period, (ii) Returned Shares, the related income derived therefrom and such non-cash income remaining in the trust fund shall be sold by the Trustee, as soon as practicable but in any event within 20 Business Days (on which the trading of the Shares has not been suspended) of receiving notice of such termination of the Scheme (or such longer period as the Board may otherwise determine) at the then prevailing market price, and (iii) net sale proceeds of the Returned Shares together with the residual cash and such other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs, liabilities and expenses in accordance with the Trust Deed) shall be remitted to the Company forthwith after the sale.

Listing Rules Implications

The Scheme does not constitute a share option scheme within the meaning of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company. No shareholders' approval is required for adoption or implementation of the Scheme. However, it shall constitute a share scheme that is funded by existing Shares of the Company and shall be subject to the applicable disclosure requirements when the new Chapter 17 of the Listing Rules comes in effect on 1 January 2023.

DEFINITIONS

“Adoption Date”	1 December 2022, being the date on which the Board adopted the Scheme
“Awarded Shares”	in respect of a Selected Participant, such number of Shares determined by the Board as the award under the Scheme
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which securities are listed on the Main Board of the Stock Exchange, a holding company of the Company
“CASH Group”	CASH and its Subsidiaries from time to time including, without limitation, the Company and its Subsidiaries, and a “member of the CASH Group” shall mean any of them
“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
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Eligible Participant”	any person belonging to any of the following classes of participants, excluding any Excluded Participant: (a) any Employee of any member of the CASH Group; (b) any non-executive director of any member of the CASH Group; (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of the CASH Group; (d) any agent, contractor, client or supplier of any member of the CASH Group; and

	(e) any other group or classes of participants who, in the sole opinion of the Board, will contribute or have contributed to any member of the Group;
“Employee”	any employee (whether full time or part time, including without limitation any executive director) of the Company and/or any member of the CASH Group
“Excluded Participant”	any person who is resident in a place where any award, vesting and/or transfer of Shares pursuant to the terms of the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Trustee (as the case may be), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such person
“Group”	the Company and its Subsidiaries and such entities which are considered as subsidiaries of the Company under the applicable accounting standard and policy and a “member of the Group” shall mean any of them
“HK\$”	Hong Kong dollar, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Returned Shares”	such Awarded Shares and related income which are not vested and/or forfeited in accordance with the terms of the Scheme Rules
“Scheme”	the share award scheme adopted by the Board on 1 December 2022 whereby awards of Shares may be made to Eligible Participants (such Shares being purchased by the Trustee) pursuant to the Trust Deed and the Scheme Rules
“Scheme Rules”	the rules governing the Scheme adopted by the Board
“Selected Participant(s)”	Eligible Participant(s) selected by the Board who hold(s) a subsisting award
“Shares”	ordinary shares with nominal value of HK\$0.04 each in the share capital of the Company (or of such other nominal amount as shall result from a sub- division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary(ies)”	a company which is for the time being and from time to time a subsidiary undertaking (as defined in schedule 1 of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong) of the Company, whether incorporated in Hong Kong or elsewhere
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee (as restated, supplemented and amended from time to time), which deed establishes the Trust
“Trustee”	TMF Trust (HK) Limited (which is independent and not connected with the Company and connected persons of the Company) and any additional or replacement trustees, being the proposed trustee or trustees for the time being of the trusts to be declared in the Trust Deed

By order of the Board
Bankee P. Kwan
*Executive Director and
Chief Executive Officer*

Hong Kong, 1 December 2022

As at the date of this announcement, the directors of the Company are:

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*