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Celestial Asia Securities Holdings Limited

時富投資集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

**(1) Proposed Open Offer on the basis of two (2) Offer Shares
for every one (1) existing Share held on the Record Date; and
(2) Application for Whitewash Waiver**

PROPOSED OPEN OFFER

The Company proposes to carry out the Open Offer on the basis of two (2) Offer Shares for every one (1) existing Share held on the Record Date. The Open Offer involves the allotment and issue of a maximum of 1,662,443,354 Offer Shares and a minimum of 255,687,122 Offer Shares at a price of HK\$0.06 per Offer Share. The Company proposes to raise up to approximately HK\$99.7 million under the Open Offer. The net proceeds from the Open Offer after deducting related expenses will be not more than approximately HK\$96.7 million. The Company plans to use the net proceeds from the Open Offer to reduce the debt level of, and as additional working capital of, the Group in particular for retail management business.

Pursuant to Rule 7.23 of the Listing Rules, the Open Offer will be combined with the Unsubscribed Arrangement followed by the Clawback Mechanism, both of which will be in place in the event that the Open Offer is not fully subscribed. The number of Offer Shares to be issued is subject to the level of acceptance of the provisionally allotted Offer Shares by the Qualifying Shareholders and the number of Unsubscribed Shares to be taken up by the Placee(s) under the Unsubscribed Arrangement followed by the Clawback Mechanism. The Open Offer will proceed on a non-underwritten basis and the Placing will be made by the Placing Agent on a best effort basis. In the event the Open Offer is not fully subscribed and/or the Unsubscribed Shares are not successfully placed by the Placing Agent under the Unsubscribed Arrangement, any Offer Shares not taken up will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder. In order to be registered as a member of the Company in Hong Kong on the Record Date, any transfer of Shares (together with the relevant share certificates) must be lodged with the Registrar for registration by 4:30 pm on Friday, 5 June 2020. Subject to the fulfilment of the conditions of the Open Offer, the register of members of the Company will be closed from Monday, 8 June 2020 to Wednesday, 10 June 2020 (both days inclusive) to determine the eligibility of Qualifying Shareholders.

The Offer Shares will not be issued under the authority of currently available general mandate granted by the Shareholders to the Directors. According to Rules 7.24A and 7.27A of the Listing Rules, the Open Offer will be made conditional on approval by Independent Shareholders in the SGM. The Open Offer is conditional, among others, the approval of the Open Offer and the Whitewash Waiver by Independent Shareholders at the SGM and the Whitewash Waiver being granted by the Executive.

UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

The Controlling Shareholders, as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company. The Controlling Shareholders have irrevocably undertaken to the Company that, inter alia, they will accept or procure the acceptance of the Offer Shares to be provisionally allotted to them under the Open Offer up to a maximum of 572,055,614 Offer Shares (being all of the assured entitlement of the Controlling Shareholders under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date), provided that (a) the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted; and (b) the total number of Offer Shares to be subscribed under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion. Accordingly, pursuant to the Undertakings, the Controlling Shareholders will subscribe for a maximum of 572,055,614 Offer Shares (assuming full acceptance by Qualifying Shareholders) and a minimum of 255,687,122 Offer Shares (assuming no acceptance of the Open Offer by the Qualifying Shareholders (other than the Controlling Shareholders and parties acting in concert with any of them) and no Unsubscribed Share is placed to any Placee pursuant to the Unsubscribed Arrangement, and after the Clawback Mechanism having taken place) under the Open Offer in total provided that the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER

As at the date of this announcement, the Controlling Shareholders and parties acting in concert with any of them, are the legal and beneficial owners of a total of 286,343,561 Shares, representing approximately 34.45% of the entire issued share capital of the Company. Assuming (i) there is no change of the number of issued Shares from the date of this announcement up to and including the date of close of the Open Offer; and (ii) none of the Qualifying Shareholders other than the Controlling Shareholders and parties acting in concert with any of them have taken up their entitlements under the Open Offer, subject to the condition of the Undertakings that the total number of Offer Shares to be issued under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares, the shareholding interests in the Company held by the Controlling Shareholders and parties acting in concert with any of them upon the Open Offer Completion will increase from the current level of approximately 34.45% to a maximum of 49.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. The Controlling Shareholders and the parties acting in concert with any of them will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code. An application will be made by the Controlling Shareholders to the Executive for the Whitewash Waiver. If the Whitewash Waiver is not granted by the Executive, the Open Offer will not proceed.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Open Offer and the Whitewash Waiver. The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Open Offer and the Whitewash Waiver, and an announcement will be made upon its appointment.

The SGM will be held to approve the Open Offer, the Whitewash Waiver and the transactions contemplated thereunder. As at the date of this announcement, the Controlling Shareholders and parties acting in concert with any of them were interested in a total of 286,343,561 Shares, representing approximately 34.45% of the entire issued share capital of the Company. The Controlling Shareholders and parties acting in concert with any of them and those who are involved in and/or interested in the Open Offer and the Whitewash Waiver will abstain from voting at the SGM in respect of the resolutions for the Open Offer and the Whitewash Waiver. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the SGM.

The Circular containing, among others, (i) further details of the Open Offer and the Whitewash Waiver; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; and (iv) a notice convening the SGM, is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (ie on or before 17 April 2020). However, if additional time is required for the preparation of the Circular, an application will be made to the Executive for its consent to extend the deadline for the despatch of the Circular. Further announcement will be made by the Company in this regard as and when appropriate.

Subject to, among others, the Open Offer and the Whitewash Waiver being approved at the SGM and the Whitewash Waiver being granted by the Executive, the Prospectus Documents or the Prospectus, whichever is appropriate, will be dispatched to the Qualifying Shareholders and, for information only, the Excluded Shareholders in due course.

The Prospectus Documents setting out details of the Open Offer are expected to be despatched to the Qualifying Shareholders on or about Thursday, 11 June 2020. The Company will send the Prospectus to the Excluded Shareholders for information only.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional, among others, conditions precedent as set out in section headed “Conditions of the Open Offer” in this announcement below. Accordingly, the Open Offer may or may not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

PROPOSED OPEN OFFER

Details of the Open Offer are set out as follows:

Basis of the Open Offer : Two (2) Offer Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date

Subscription Price of the Offer : HK\$0.06 per Offer Share
Share

Number of Shares : 831,221,677 Shares
in issue as at the date of this
announcement

Number of Offer Shares : Not more than 1,662,443,354 Offer Shares (assuming that the Open Offer is fully subscribed by the Qualifying Shareholders) and not less than 255,687,122 Offer Shares (assuming no acceptance by the Qualifying Shareholders, other than the Controlling Shareholders and the parties acting in concert with any of them, under the Open Offer, no placement of Undersubscribed Shares under the Undersubscribed Arrangement and the Clawback Mechanism having taken place) (in both cases assuming no Share will be issued or repurchased by the Company from the date of this announcement up to and including the Record Date)

Aggregate nominal value of the Offer Shares : Not more than HK\$16,624,433.54 and not less than HK\$2,556,871.22

As at the date of this announcement, the Company has no outstanding options, convertible securities or warrants which confer the rights to subscribe for the Shares.

The maximum number of Offer Shares to be issued pursuant to the terms of the Open Offer represent more than 100% of the existing issued share capital of the Company and more than 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares (assuming there is no change in the issued share capital of the Company from the date of this announcement up to and including the date of issue of the Offer Shares).

The Clawback Mechanism and the Undersubscribed Arrangement

Pursuant to Rule 7.23 of the Listing Rules, the Open Offer will be combined with the Undersubscribed Arrangement followed by the Clawback Mechanism, both of which will be in place in the event that the Open Offer is not fully subscribed. The number of Offer Shares to be issued is subject to the level of acceptance of the provisionally allotted Offer Shares by the existing Qualifying Shareholders and the number of Undersubscribed Shares to be taken up by the Placee(s) under the Undersubscribed Arrangement followed by the Clawback Mechanism.

In the event of full acceptance of the Offer Shares by the Qualifying Shareholders, the Undersubscribed Arrangement and the Clawback Mechanism will not take place.

The details of the Clawback Mechanism and the Undersubscribed Arrangement are set out below.

The Clawback Mechanism

In the event that the Open Offer is not fully subscribed and based on a maximum of 572,055,614 Offer Shares provisionally allotted to the Controlling Shareholders under the Open Offer, the shareholding interests in the Company held by the Controlling Shareholders will be increased from the existing 34.41% to a maximum of 61.12% (assuming no acceptance of any Offer Share by the Qualifying Shareholders (other than the Controlling Shareholders and the parties acting in concert with them) and no Undersubscribed Share is placed to any Placee pursuant to the Undersubscribed Arrangement), in which case the Offer Shares to be subscribed by the Controlling Shareholders will be subject to the Clawback Mechanism.

Pursuant to the Clawback Mechanism, the total number of Offer Shares to be subscribed by the Controlling Shareholders under Open Offer will be scaled down to a level such that the total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion (after taking into account the level of acceptance of the Offer Shares by the Qualifying Shareholders and the number of Unsubscribed Shares successfully placed under the Unsubscribed Arrangement), shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion, provided that the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted.

The Unsubscribed Arrangement

In the event that the Open Offer is not fully subscribed, the Unsubscribed Arrangement will take place followed by the Clawback Mechanism as the case may be.

In the event of undersubscription of the Open Offer, the Unsubscribed Shares will be placed by the Placing Agent, on a best effort basis, under the Unsubscribed Arrangement and the Clawback Mechanism will also take place. The total number of the Offer Shares to be allotted and issued pursuant to the Open Offer will depend on the number of Offer Shares being validly accepted by the Qualifying Shareholders, the number of the Unsubscribed Shares to be placed to the Placee(s) (if any) under the Unsubscribed Arrangement and the number of Offer Shares finally subscribed by the Controlling Shareholders upon the Clawback Mechanism having taken place.

If (i) there is no acceptance of the Offer Shares by the Qualifying Shareholders other than the Controlling Shareholders and the parties acting in concert with any of them; and (ii) a maximum number of 320,000,000 Unsubscribed Shares are successfully placed by the Placing Agent to the Placee(s) under the Unsubscribed Arrangement, the number of Offer Shares to be subscribed by the Controlling Shareholders will be all of the 572,055,614 Offer Shares provisionally allotted to the Controlling Shareholders, such that the total number of Shares held by the Controlling Shareholders upon the Open Offer Completion will be 858,083,421 Shares in total, representing approximately 49.78% of the total issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion, and a maximum number of 892,687,122 Offer Shares (including 572,055,614 Offer Shares provisionally allotted to the Controlling Shareholders, 631,508 Offer Shares provisionally allotted to the parties acting in concert with any of the Controlling Shareholders and 320,000,000 Unsubscribed Shares placed to the Placee(s)) will be issued under the Open Offer.

If (i) there is no acceptance of the Offer Shares by the Qualifying Shareholders other than the Controlling Shareholders and the parties acting in concert with any of them; and (ii) no Unsubscribed Share is successfully placed under the Unsubscribed Arrangement, the number of Offer Shares to be subscribed by the Controlling Shareholders will be scaled down to 255,055,614 Offer Shares, such that the total number of Shares held by the Controlling Shareholders upon the Open Offer Completion will be 541,083,421 Shares in total, representing approximately 49.78% of the total issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion.

Depending on the level of acceptance of the Offer Shares by the Qualifying Shareholders and/or the number of Unsubscribed Shares to be taken up by the Placee(s) under the Unsubscribed Arrangement, the Company will issue a maximum of 1,662,443,354 Offer Shares (assuming that the Open Offer is fully subscribed by the Qualifying Shareholders, in which case the

Controlling Shareholders and the parties acting in concert with any of them will subscribe for 572,055,614 Offer Shares and 631,508 Offer Shares (or 572,687,122 Offer Shares on an aggregate basis) respectively, representing approximately 34.41% and 0.04% (or 34.45% on an aggregate basis) of the total of 1,662,443,354 Offer Shares) and a minimum of 255,687,122 Offer Shares (assuming that (i) no acceptance of the Offer Shares by the Qualifying Shareholders other than the Controlling Shareholders and parties acting in concert with any of them; (ii) no Unsubscribed Share is placed under the Unsubscribed Arrangement; and (iii) after the Clawback Mechanism having taken place, in which case the Controlling Shareholders and the parties acting in concert with them will subscribe for 255,055,614 Offer Shares and 129,608 Offer Shares (or 255,687,122 Offer Shares on an aggregate basis) respectively, representing approximately 99.75% and 0.25% (or 100% on an aggregate basis) of the total of 255,487,122 Offer Shares).

Mr Leung Siu Pong James, a Director and a party acting in concert with the Controlling Shareholder by virtue of his capacity as a Director, has indicated that he will accept all of the 501,900 Offer Shares provisionally allotted to him under the Open Offer (such 501,900 Offer Shares will not be subject to the Clawback Mechanism).

Save for the Undertakings and indication abovementioned, the Company has not received any other irrevocable commitments or indication to accept or reject the Offer Shares.

The procedure of the Unsubscribed Arrangement

The Company has made an arrangement to dispose of any Unsubscribed Shares through the Placing Agent by offering such Unsubscribed Shares to the Placee(s) for the benefit of those Shareholders in compliance with Rule 7.26A(1)(b) of the Listing Rules (however, as the Placing Price is the same as the Subscription Price, it is expected that there will be no premium over the Subscription Price and no monetary benefits will be payable to Shareholders upon placing of the Unsubscribed Shares, if any). There will be no excess application arrangements in relation to the Open Offer as stipulated under Rule 7.26A(1)(a) of the Listing Rules.

The procedure of the Unsubscribed Arrangement is set out below:-

The Unsubscribed Shares (which comprise (i) the fractional Offer Shares aggregated as mentioned below; (ii) the Offer Shares that are not subscribed by the Qualifying Shareholders; and/or (iii) Offer Shares which would otherwise have been in the assured allotments of the Non-Qualifying Shareholders) will be placed by the Placing Agent, on a best effort basis, under the Unsubscribed Arrangement to the Placee(s) who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties before the Placing, and any Unsubscribed Shares not being successfully placed out will not be issued by the Company.

In order to comply with the Listing Rules, the Company has entered into the Placing Agreement with the Placing Agent to place the Unsubscribed Shares, on a best effort basis, at the Placing Price. Any unplaced Unsubscribed Shares will not be issued by the Company.

Principal terms of the Placing Agreement are summarized below:

Placing Agent : Celestial Securities Limited

- Placing commission : 1.0% of the gross proceeds from the subscription of the Unsubscribed Shares successfully placed by the Placing Agent at the date of Open Offer Completion.
- Placing Price : HK\$0.06 per Unsubscribed Share, being the same as the Subscription Price.
- The Placing Period : The Placing Period shall commence on the second Business Day after the day on which the latest time for acceptance for the Offer Shares falls (i.e. 30 June 2020 under the current timetable), and end on the Placing End Date (i.e. 6 July 2020 under the current timetable) or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangement.
- The Placee(s) : The Unsubscribed Shares are expected to be placed to investors who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties before the Placing.

Depending on the number of the Unsubscribed Shares to be placed to the Placee(s), if any, pursuant to the Placing, it might be possible that any of the Placee(s) will become a substantial Shareholder of the Company (as defined under the Listing Rules) upon the Open Offer Completion.

In the event that the Placing is oversubscribed, the Placing Agent will allocate the Unsubscribed Shares to the Placee(s) to be determined at its discretion on a fair and equitable basis as far as practicable.

The Placing Agent shall, on a best efforts basis during the Placing Period, seek to procure subscribers of the Unsubscribed Shares who (or as the case may be, their ultimate beneficial owner(s)) are Independent Third Parties before the Placing.

The Placing Agent is a wholly-owned subsidiary of CFSG, an associated company of the Company, and it is not a connected person of the Company as defined under the Listing Rules. Save as disclosed, there is no other arrangement, agreement, understanding or undertaking with the Placing Agent in relation to the Shares. The terms of the Placing Agreement, including the placing commission, were determined after arm's length negotiation between the Placing Agent and the Company with reference to the prevailing market rate and the Company considers the terms to be normal commercial terms.

The Company considers that the Unsubscribed Arrangement and the Clawback Mechanism, in which the Placing is made subject to the rights of the Qualifying Shareholders to subscribe part or all of the Offer Shares provisionally allotted to them in proportion to their existing holdings, as well as the Placing Price which is the same as the Subscription Price, are fair and reasonable and in the interests of the Shareholders as a whole.

Non-underwritten basis

The Open Offer will proceed on a non-underwritten basis irrespective of the level of acceptances of the Open Offer and the Placing will be made by the Placing Agent on a best effort basis. In the event the Open Offer is not fully subscribed and/or the Unsubscribed Shares are not successfully placed by the Placing Agent under the Unsubscribed Arrangement, any Offer Shares not taken up by the Qualifying Shareholders will not be issued by the Company and the size of the Open Offer will be reduced accordingly.

The Bermuda legal adviser of the Company has confirmed that there are no applicable statutory requirements under the laws of Bermuda regarding minimum subscription levels in respect of the Open Offer.

The Controlling Shareholders' obligation to make a general offer under the Takeovers Code may be triggered as a result of the acceptance by the Controlling Shareholders and/or the parties acting in concert with any of them of the Offer Shares provisionally allotted to them under the Open Offer when there is an undersubscription of the Open Offer. The Controlling Shareholders will apply to the Executive for the Whitewash Waiver. As disclosed in the paragraph headed "Conditions of the Open Offer" under this section headed "Proposed Open Offer", it is a condition of the Open Offer to have the Executive having granted (and such grant not having been withdrawn) the Whitewash Waiver to the Controlling Shareholders.

Subscription Price

The Subscription Price of the Offer Shares is HK\$0.06 per Offer Share, payable in full upon application of the relevant assured allotment of the Offer Shares. The Subscription Price represents:

- (i) a discount of approximately 32.58% to the closing price of HK\$0.089 per Share as quoted on Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 27.71% to the average of the closing prices of approximately HK\$0.083 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 28.57% to the average of the closing prices of approximately HK\$0.084 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 14.29% to the theoretical ex-rights price of approximately HK\$0.070 per Share calculated based on the closing price of HK\$0.089 per Share as quoted on the Stock Exchange on the Last Trading Day and on the basis of two Offer Shares for one existing Share held on the Record Date;
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of a discount of approximately 21.35% represented by the theoretical diluted price of HK\$0.070 to the benchmarked price of HK\$0.089 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Date of HK\$0.089 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of this announcement of HK\$0.083 per Share), and calculated on the basis that the Open Offer will be fully subscribed by the Qualifying Shareholders; and

- (vi) a discount of approximately 75% to the audited consolidated equity attributable to owners of the Company per Share of approximately HK\$0.24 (based on the latest published audited equity attributable to owners of the Company of HK\$199,238,000 as at 31 December 2019 and 831,221,677 Shares in issue as at the date of this announcement).

The Subscription Price was determined on an arm's length basis by the Company with references to, among other things, the prevailing market price of the Shares, the financial market conditions and the financial position of the Group and having considered the reasons as detailed under the section headed "Reasons for the Open Offer and use of proceeds" in this announcement. Given that (i) the Group intends to reduce its debt level and provide additional working capital for its business, in particular its retail management business; (ii) the Subscription Price was determined by the Directors with reference to the prevailing market price of the Shares prior to and on the Last Trading Day; and (iii) under the Open Offer, each Qualifying Shareholder is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company, the Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the Independent Board Committee to be included in the Circular) consider that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders and will not be available to the Excluded Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only. No Application Form will be sent to the Excluded Shareholders.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

- (i) be registered as a member of the Company; and
- (ii) not be an Excluded Shareholder.

Shareholders whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

In order to be registered as members of the Company on the Record Date, any transfer of the Shares (with the relevant Share certificates) must be lodged with the Registrar for registration by 4:30 pm on Friday, 5 June 2020. The address of the Registrar, Tricor Standard Limited, is Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

Excluded Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than that in Hong Kong (to the extent required under the applicable law).

The Directors will make enquiries pursuant to Rule 13.36(2) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange in respect of the issue of the Offer Shares to Overseas Shareholders whose address on the register of members of the Company is in a place outside Hong Kong on the Record Date. If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Offer Shares to such Overseas Shareholders, the Open Offer will not be extended to such Overseas Shareholders.

The results of the enquiries and the basis of exclusion of the Overseas Shareholders will be included in the Prospectus. The Company will send copies of the Prospectus for information only, but will not send any Application Form, to the Excluded Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer, subject to the results of enquiries made by the Directors pursuant to Rule 13.36(2) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Basis of allotment

The basis of the provisional allotment shall be two (2) Offer Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

Status of the Offer Shares

The Offer Shares, when being allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Offer Shares.

Closure of register of members of the Company

The register of members of the Company will be closed from Friday, 29 May 2020 to Monday, 2 June 2020, both dates inclusive, to determine the qualification for attendance and voting at the SGM.

The register of members of the Company will be closed from Monday, 8 June 2020 to Wednesday, 10 June 2020, both dates inclusive, to determine the eligibility of the Open Offer.

No transfer of Shares will be registered during the closure of register of members of the Company.

Certificates of the Offer Shares

Subject to fulfillment of the conditions of the Open Offer, certificates for the fully-paid Offer Shares are expected to be despatched on or before Thursday, 9 July 2020 to those entitled thereto by ordinary post at their own risk.

Fractional entitlements

Entitlement to Offer Shares will be rounded down to the nearest whole number and no fractional entitlements or allotments are expected to arise as a result of the Open Offer.

Application for listing

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Offer Shares.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange. Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares will be admitted into CCASS.

Dealings in the Offer Shares in board lots of 6,000 Shares, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Conditions of the Open Offer

The Open Offer is conditional on each of the following conditions being fulfilled:

- (a) the approval by Independent Shareholders of the Open Offer and the Whitewash Waiver at the SGM;
- (b) the Whitewash Waiver having been granted by the Executive and such Whitewash Waiver not having been subsequently revoked or withdrawn;
- (c) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
- (d) the posting of the Prospectus Documents to Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Excluded Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;

- (e) the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, the Shares and the Offer Shares;
- (f) the compliance with and performance of all the undertakings and obligations of the Controlling Shareholders not to change the number of Shares they are interested in from the date of this announcement and up to and including the Record Date and to take up or procure the taking up of Offer Shares in accordance to the Undertakings; and
- (g) (if necessary) compliance with any other requirements under the applicable laws and regulations of Hong Kong and Bermuda.

Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the SGM.

In respect of condition (g) above, as at the date of this announcement, the Directors are not aware of any other requirements under the applicable laws and regulations of Hong Kong and Bermuda in relation to the Open Offer which have to be complied with.

The Company shall use all reasonable endeavours to procure the fulfilment of the conditions set out above and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary.

All of the conditions are incapable of being waived. If all of the conditions above are not satisfied on or before the Long Stop Date, the Open Offer shall be terminated.

REASONS FOR THE OPEN OFFER AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of the Group consist of (a) retail management business including sales of furniture and household goods and electrical appliances through the chain stores under multi-brand names including “Pricerite”, “TMF” and “SECO” in Hong Kong; (b) provision of asset management services to the fund investors; and (c) general investment holding. For additional information, please visit www.cash.com.hk.

The Board believes that, taking into account the prevailing financial market conditions and economic outlook, it would be in the interest of the Company to raise equity funding via the Open Offer to reduce the debt level of, and as additional working capital of, the Group in particular for retail management business. In addition, the Open Offer would allow the Company to strengthen its capital base and provide an opportunity to all Shareholders (other than the Excluded Shareholders) to participate in the growth of the Company in proportion to their shareholdings.

In light of the uncertainties casted by the outstanding next phase of China-US trade negotiation, the aftermath of the social unrest and lingering protests in Hong Kong, the pandemic of the COVID-19 coronavirus and the unstable of financial market situation, the retail management business of the Group has been adversely affected. The Company has conducted thorough cost rationalisation measures and business re-engineering recently to cope with the adversity. The Group will continue to streamline the business operations and enhance operational efficiency, while continue to develop our retail business by integrating online and offline channels to serve

our customers better. The Directors remain cautiously optimistic about the long-term prospects of the retail management business in Hong Kong. With the additional capital from the Open Offer, the Group can strengthen its financial position and be better equipped for the unfavourable market conditions.

The Company has considered the following fund raising alternatives in comparison to the Open Offer:

Fund raising alternatives	Reason(s) for not adopting the fund raising alternatives
(i) Placing of new Shares	The Board is of the view that placing of new Shares may only raise funds in a relatively small amount and dilute the shareholding of the existing Shareholders which the existing Shareholders do not have right to participate in the development of the Group.
(ii) Debt financing	The Company considers that favorable terms in relation to debt financing on a timely basis may not be achievable and it will result in additional interest burden, higher gearing ratio of the Group and the Group will be subject to repayment obligations.
(iii) Rights issue	The Company is of the view that rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights sold in rights issue.

After considering the fund raising alternatives mentioned above and taking into account the benefits and cost of each of the alternatives, the Board (excluding the independent non-executive Directors whose views will be provided after taking into consideration of the advice from the Independent Financial Adviser) is of the view that the Open Offer is more cost effective and efficient and beneficial to the Company and the Shareholders as a whole.

Having taken into account the terms of the Open Offer as detailed in the section headed “Proposed Open Offer” above and the fact that the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so, the Directors (excluding the independent non-executive Directors whose view will be set out in the letter from the Independent Board Committee to be included in the Circular) consider the terms of the Open Offer, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up all of the Offer Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Assuming a maximum of 1,662,443,354 Offer Shares and a minimum of 255,687,122 Offer Shares will be issued, the estimated gross proceeds of the Open Offer will range from approximately HK\$99.7 million (assuming the provisionally allotted Offer Shares have been fully subscribed) to approximately HK\$15.3 million (assuming only the Controlling Shareholders and the parties acting in concert with them take up the Offer Shares). The estimated expenses in relation to the Open Offer will amount to approximately HK\$3.0 million

and the estimated net proceeds of the Open Offer will range from approximately HK\$96.7 million (assuming the provisionally allotted Offer Shares have been fully subscribed) and a minimum of approximately HK\$12.3 million (assuming only the Controlling Shareholders and the parties acting in concert with them take up the Offer Shares). The net subscription price per Offer Share is expected to be a maximum of HK\$0.058 (assuming the provisionally allotted Offer Shares have been fully subscribed) and a minimum of approximately HK\$0.048 (assuming only the Controlling Shareholders and the parties acting in concert with them take up the Offer Shares).

The Group intends to use the net proceeds from the Open Offer up to approximately HK\$96.7 million as to approximately HK\$46.7 million for partial repayment of borrowings in relation to the retail management business and as to approximately HK\$50 million for additional working capital for running the retail management business. As at 31 December 2019, the Group had total outstanding borrowings (due within one year) of approximately HK\$254.9 million and total outstanding borrowings (due after one year) of approximately HK\$92.7 million. In the event that only a minimum net proceeds of HK\$12 million is raised, all the proceeds will be applied for partial repayment of borrowings. The net proceeds from the Open Offer will be utilised in the above priority order and allow the Group to reduce its gearing level and interest burden.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS FROM THE DATE OF THIS ANNOUNCEMENT

The Company had no fund raising activity in the past 12 months immediately preceding the date of this announcement.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below depicts the possible shareholding structure of the Company as at the date of this announcement and the possible changes upon the Open Offer Completion (assuming there is no other change in the shareholding structure of the Company between the date of this announcement and the Open Offer Completion) before and after the Unsubscribed Arrangement and the Clawback Mechanism.

Before the Unsubscribed Arrangement and the Clawback Mechanism

Shareholders	As at the date of this announcement		(i) Immediately upon the Open Offer Completion (assuming full acceptance by Qualifying Shareholders under the Open Offer)		(ii) Immediately upon the Open Offer Completion (assuming no acceptance by the Qualifying Shareholders (other than the Controlling Shareholders and the parties acting in concert with any of them) under the Open Offer)	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
The Controlling Shareholders (Notes 1 & 2)	286,027,807	34.41	858,083,421	34.41	858,083,421	61.12
The Director - Mr Leung Siu Pong James (Note 3)	250,950	0.03	752,850	0.03	752,850	0.05

Other parties acting in concert with the Controlling Shareholder (Note 4)	64,804	0.01	194,412	0.01	194,412	0.02
The Controlling Shareholders and parties acting in concert with any of them (Notes 1 to 4)	286,343,561	34.45	859,030,683	34.45	859,030,683	61.19
Public Shareholders	544,878,116	65.55	1,634,634,348	65.55	544,878,116	38.81
Total:	831,221,677	100.00	2,493,665,031	100.00	1,403,908,799	100.00

After the Unsubscribed Arrangement and the Clawback Mechanism

Shareholders	As at the date of this announcement		(iii) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Controlling Shareholders and the parties acting in concert with any of them) under the Open Offer; and (b) the maximum number of 320,000,000 Unsubscribed Shares are fully placed under the Unsubscribed Arrangement		(iv) Immediately upon the Open Offer Completion assuming (a) no acceptance by the Qualifying Shareholders (other than the Controlling Shareholders and the parties acting in concert with any of them) under the Open Offer; (b) no Unsubscribed Share is placed under the Unsubscribed Arrangement; and (c) after the Clawback Mechanism having taken place	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
The Controlling Shareholders (Notes 1 & 2)	286,027,807	34.41	858,083,421	49.78	541,083,421	49.78
The Director - Mr Leung Siu Pong James (Note 3)	250,950	0.03	752,850	0.04	752,850	0.07
Other parties acting in concert with the Controlling Shareholders (Note 4)	64,804	0.01	194,412	0.01	194,412	0.02
The Controlling Shareholders and parties acting in concert with any of them (Notes 1 to 4)	286,343,561	34.45	859,030,683	49.83	542,030,683	49.87
Placee(s)	--	--	320,000,000 (Note 6)	18.56	--	--
Public Shareholders	544,878,116	65.55	544,878,116	31.61	544,878,116	50.13
Total:	831,221,677	100.00	1,723,908,799	100.00	1,086,908,799	100.00

Notes:

1. The shareholding of the Controlling Shareholders includes the shareholding interests in the Company held by Cash Guardian as to 281,767,807 Shares and Dr Kwan Pak Hoo Bankee in his personal name as to 4,260,000 Shares.

2. *The total number of Offer Shares to be subscribed by the Controlling Shareholders under Open Offer will be scaled down to a level such that the total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. Accordingly, the Controlling Shareholders will subscribe for a maximum of 572,055,614 Offer Shares (under the above scenario (iii) in the above table) and a minimum of 255,055,614 Offer Shares (under the above scenario (iv) in the above table) provisionally allotted to them under the Open Offer.*
3. *Mr Leung Siu Pong James, the Director, is a party acting in concert with the Controlling Shareholder by virtue of his capacity as the Director, has indicated that he will accept all of the 501,900 Offer Shares provisionally allotted to him under the Open Offer (such 501,900 Offer Shares will not be subject to the Clawback Mechanism).*
4. *The other parties acting in concert with the Controlling Shareholders are the close relatives of Dr Kwan Pak Hoo Bankee, who have not indicated that they will accept the Offer Shares provisionally allotted to them or not. The above table is prepared assuming the close relatives will accept all of the 129,608 Offer Shares provisionally allotted to them under the Open Offer (such 129,608 Offer Shares will not be subject to the Clawback Mechanism).*
5. *As at the date of this announcement, save as disclosed above, none of the Directors hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) in the Company.*
6. *The Shares will be held as to a total number of 320,000,000 Unsubscribed Shares (representing around 18.56% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion) by the Place(s), if any, to be procured by the Placing Agent under the Unsubscribed Arrangement on a best effort basis and a total number of 544,878,116 Shares (representing around 31.61% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares upon the Open Offer Completion) by other public Shareholders. Depending on the number of the Unsubscribed Shares to be placed to the Placee(s), if any, pursuant to the Placing, it might be possible that any of the Placee(s) will become a substantial Shareholder of the Company (as defined under the Listing Rules) upon the Open Offer Completion.*

The Company will take all appropriate steps to ensure that sufficient public float be maintained upon the Open Offer Completion in compliance with Rule 8.08(1)(a) of the Listing Rules.

UNDERTAKINGS BY THE CONTROLLING SHAREHOLDERS

The Controlling Shareholders, as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company. The Controlling Shareholders have irrevocably undertaken to the Company that, inter alia, they will accept or procure the acceptance of the Offer Shares to be provisionally allotted to them under the Open Offer up to a maximum of 572,055,614 Offer Shares (being all of the assured entitlement of the Controlling Shareholders under the Open Offer based on the existing shareholding structure of the Company, assuming that there will not be any change to the shareholding structure from the date of this announcement up to and including the Record Date), provided that (a) the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted; and (b) the total number of Offer Shares to be subscribed under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. Accordingly, pursuant to the Undertakings, the Controlling Shareholders will subscribe for a maximum of 572,055,614 Offer Shares (assuming full acceptance by Qualifying Shareholders) and a minimum of 255,055,614 Offer Shares (assuming no acceptance of the Open Offer by the Qualifying Shareholder (other than the Controlling Shareholders and parties acting with any of them) and no Unsubscribed Share is placed to any Placee pursuant to the

Unsubscribed Arrangement, and after the Clawback Mechanism having taken place) under the Open Offer in total provided that the Whitewash Waiver having been granted by the Executive prior to the Prospectus Posting Date and not having been revoked if granted.

Mr Leung Siu Pong James, a Director, is a party acting in concert with the Controlling Shareholder by virtue of his capacity as a Director, has indicated that he will accept all of the 501,900 Offer Shares provisionally allotted to him under the Open Offer (such 501,900 Offer Shares are not subject to the Clawback Mechanism).

Save for the Undertakings and indication abovementioned, the Company has not received any other irrevocable commitments or indication to accept or reject the Offer Shares.

IMPLICATIONS UNDER THE LISTING RULES

The Offer Shares will not be issued under the authority of currently available general mandate granted by the Shareholders to the Directors. According to Rules 7.24A(1) and 7.27A of the Listing Rules, the Open Offer will be made conditional on approval by Independent Shareholders in the SGM by a resolution on which the Controlling Shareholders and their associates shall abstain from voting in favour.

IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR THE WHITEWASH WAIVER

As at the date of this announcement, the Controlling Shareholders and parties acting in concert with any of them are the legal and beneficial owners of a total of 286,343,561 Shares, representing approximately 34.45% of the entire issued share capital of the Company. Assuming (i) there is no change of the number of issued Shares from the date of this announcement up to and including the date of close of the Open Offer; and (ii) none of the Qualifying Shareholders other than the Controlling Shareholders and parties acting in concert with any of them have taken up their entitlements under the Open Offer, subject to the condition of the Undertakings that the total number of Offer Shares to be subscribed by the Controlling Shareholders under Open Offer will be scaled down to a level such that total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares, the shareholding interests in the Company held by the Controlling Shareholders and parties acting in concert with any of them upon the Open Offer Completion will increase from the current level of approximately 34.45% to a maximum of 49.87% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares. The Controlling Shareholders and the parties acting in concert with any of them will, in the absence of the Whitewash Waiver, be obliged to make a mandatory cash offer for all issued Shares not already owned or agreed to be acquired by them pursuant to Rule 26 of the Takeovers Code.

An application will be made by the Controlling Shareholders to the Executive for the Whitewash Waiver. The Whitewash Waiver, if granted by the Executive, would be subject to, among other things, the approval of the Open Offer and the Whitewash Waiver by the Independent Shareholders at the SGM by way of poll. Under the Takeovers Code, the resolution(s) in relation to the Whitewash Waiver shall be approved by at least 75% of the independent votes that are casted either in person or by proxy by the Independent Shareholders at the SGM. Save for the Controlling Shareholders and the parties acting in concert with any of them and those who are involved in and/or interested in the Open Offer and the Whitewash Waiver, no Shareholder is required to abstain from voting in favour of the proposed resolution

approving the Whitewash Waiver at the SGM. If the Whitewash Waiver is not granted by the Executive, the Open Offer will not proceed.

As at the date of this announcement, the Company believes that the Open Offer does not give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the Circular. The Company and the Controlling Shareholders note that the Executive may not grant the Whitewash Waiver if the Open Offer does not comply with other applicable rules and regulations.

DEALINGS AND INTEREST OF CONTROLLING SHAREHOLDERS AND PARTIES ACTING IN CONCERT WITH ANY OF THEM IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, neither the Controlling Shareholders nor the parties acting in concert with any of them:

- (a) save for the Shares as set out in the section headed “Effect on the Shareholding Structure of the Company”, owns, controls or has direction over any Shares and right over Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.
- (b) has received any irrevocable commitment to vote for or against the Open Offer and/or the Whitewash Waiver;
- (c) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (d) save for the Undertakings given by the Controlling Shareholders, details of which as set out in the section headed “Undertakings by the Controlling Shareholders”, has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Open Offer and/or the Whitewash Waiver, with any other persons;
- (e) save that the Open Offer is conditional upon obtaining of the Whitewash Waiver by the Controlling Shareholders as set out in the Undertakings from the Controlling Shareholders abovementioned, has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Open Offer and/or the Whitewash Waiver;
- (f) has dealt in any securities of the Company in the 6-month period preceding the date of this announcement;
- (g) has entered into any derivative in respect of the securities in the Company which are outstanding; or
- (h) has any understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) the Controlling Shareholders and the parties acting in

concert with any of them on one hand and any Shareholder or the Company, its subsidiaries or associated companies on the other hand; or (ii) the Company, its subsidiaries or associated companies on one hand and any Shareholder on the other hand.

INFORMATION ON THE CONTROLLING SHAREHOLDERS

Cash Guardian, being one of the Controlling Shareholders, is a private company incorporated in the British Virgin Islands with limited liability on 18 February 1999. The entire issued share capital of Cash Guardian is beneficially owned by Hobart Assets Limited (a private company incorporated in the British Virgin Islands with limited liability on 2 February 1999), which in turn is 100% beneficially owned by Dr Kwan Pak Hoo Bankee. Dr Kwan Pak Hoo Bankee is the sole director of both Cash Guardian and Hobart Assets Limited. The principal business activity of Cash Guardian is investment holding, which is only holding the share investments in the Company as at the date of this announcement.

EXPECTED TIMETABLE FOR THE OPEN OFFER

The expected timetable for the Open Offer is set out below:

Event	(Hong Kong dates and time)
Despatch date of the Circular, proxy form and notice of the SGM	Friday, 17 April 2020
Latest time for registration of Shares to qualify for attendance and voting at the SGM	4:30 p.m. on Thursday, 28 May 2020
Closure of register of members of the Company to determine the qualification for attendance and voting at the SGM	From Friday, 29 May 2020 to Tuesday, 2 June 2020 (both dates inclusive)
Latest time for lodging proxy forms for the SGM	9:30 a.m. on Sunday, 31 May 2020
Record date for attending and voting at the SGM	Tuesday, 2 June 2020
Time and date of the SGM	9:30 a.m. on Tuesday, 2 June 2020
Announcement of poll results of the SGM	Tuesday, 2 June 2020
Re-opening of the register of members of the Company	Wednesday, 3 June 2020
Last day of dealings in the Shares on a cum-entitlements basis	Wednesday, 3 June 2020
First day of dealings in the Shares on an ex-entitlements basis	Thursday, 4 June 2020
Latest time for lodging transfers of the Shares in order for the transferees to qualify for the Open Offer	4:30 p.m. on Friday, 5 June 2020

Closure of register of members to determine the entitlements to the Open Offer	From Monday, 8 June 2020 to Wednesday, 10 June 2020 (both dates inclusive)
Record Date for the Open Offer	Wednesday, 10 June 2020
Re-opening of the register of members of the Company	Thursday, 11 June 2020
Despatch of Prospectus Documents (in the case of the Non-Qualifying Shareholders, the Prospectus only)	Thursday, 11 June 2020
Latest Time for Application and payment for the Offer Shares	4:00 p.m. on Tuesday, 30 June 2020
Announcement of the number of the Unsubscribed Shares subject to the Unsubscribed Arrangement	Thursday, 2 July 2020
Commencement of placing of the Unsubscribed Shares by the Placing Agent, on best effort basis	Friday, 3 July 2020
Placing End Date for placing the Unsubscribed Shares	4:00 p.m. on Monday, 6 July 2020
Announcement of the results of the Open Offer (including the results of placing of the Unsubscribed Shares)	Tuesday, 7 July 2020
Despatch of certificates for the fully-paid Offer Shares	Thursday, 9 July 2020
First day of dealings in the fully-paid Offer Shares	9:00 a.m. on Friday, 10 July 2020

Effect of bad weather on the Latest Time for Application

The Latest Time for Application will not take place if a tropical cyclone signal no.8 or above, or “extreme conditions” caused by super typhoons or a “black” rainstorm warning is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 30 June 2020, being the date of the Latest Time for Application. Instead the Latest Time for Application will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 30 June 2020, being the date of the Latest Time for Application. Instead the Latest Time for Application will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Application does not take place on Tuesday, 30 June 2020, the dates mentioned in the section headed “Expected Timetable for the Open Offer” in this announcement may be affected. The Company will notify the Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

All times in this announcement refer to Hong Kong time.

The expected timetable set out above is indicative only and is subject to change, and any change will be announced by the Company by separate announcement(s) as and when appropriate.

GENERAL

The Independent Board Committee comprising all the independent non-executive Directors has been established to provide recommendations to the Independent Shareholders in connection with the Open Offer and the Whitewash Waiver. The Independent Financial Adviser will be appointed with the approval of the Independent Board Committee to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Open Offer and the Whitewash Waiver, and an announcement will be made upon its appointment.

The SGM will be held to approve the Open Offer and the Whitewash Waiver and the transactions contemplated thereunder. As at the date of this announcement, the Controlling Shareholders, together with the parties acting in concert with any of them, was interested in a total of 286,343,561 Shares, representing approximately 34.45% of the entire issued share capital of the Company. The Controlling Shareholders and the parties acting in concert with any of them, as well as those who are involved in and/or interested in the Open Offer and the Whitewash Waiver will abstain from voting at the SGM in respect of the resolutions for the Open Offer and the Whitewash Waiver.

The Circular containing, among others, (i) further details of the Open Offer and the Whitewash Waiver; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver; and (iv) a notice convening the SGM, is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (ie on or before 17 April 2020). However, if additional time is required for the preparation of the Circular, an application will be made to the Executive for its consent to extend the deadline for the despatch of the Circular. Further announcement will be made by the Company in this regard as and when appropriate.

Subject to, among others, the Open Offer and the Whitewash Waiver being approved at the SGM and the Whitewash Waiver being granted by the Executive, the Prospectus Documents or the Prospectus, whichever is appropriate, will be dispatched to the Qualifying Shareholders and, for information only, the Excluded Shareholders in due course.

The Prospectus Documents setting out details of the Open Offer are expected to be despatched to the Qualifying Shareholders on or about Thursday, 11 June 2020. The Company will send the Prospectus to the Excluded Shareholders for information only.

WARNING OF THE RISK OF DEALINGS IN THE SHARES

Shareholders and potential investors of the Company should note that the Open Offer is conditional, among others, conditions precedent as set out in section headed “Conditions of the Open Offer” in this announcement above. Accordingly, the Open Offer may or may not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer may not become unconditional or may not proceed.

Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholder(s) to apply for the Offer Shares provisionally allotted to him/her/it/them
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks are open for business in Hong Kong other than a Saturday, Sunday, public holiday and a day on which a tropical typhoon signal no. 8 or above or a “black rainstorm” warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“Cash Guardian”	Cash Guardian Limited, being a company 100% beneficially owned and controlled by Dr Kwan Pak Hoo Bankee (Chairman of the Board, a Director and chief executive officer of the Company)
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CFSG”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange. It is currently beneficially owned as to 33.65% equity interests by the Company and is an associated company of the Company
“Circular”	the circular to be issued by the Company in relation to, among others, the Open Offer and the Whitewash Waiver and the notice of the SGM

“Clawback Mechanism”	the mechanism to be in place, in the event that the Open Offer is undersubscribed, to scale down the total number of Offer Shares to be subscribed by the Controlling Shareholders to a level such that the total number of Shares held by the Controlling Shareholders, upon the Open Offer Completion, shall be 49.78% of the issued share capital of the Company as enlarged by the allotment and issue of the Offer Shares as detailed in the section headed “Proposed Open Offer” under the sub-heading of “The Clawback Mechanism” of this announcement
“Company”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability and which Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Controlling Shareholders”	Cash Guardian and Dr Kwan Pak Hoo Bankee (Chairman of the Board, a Director and chief executive officer of the Company) which/who, as at the date of this announcement, are interested in an aggregate of 286,027,807 Shares, representing approximately 34.41% of the existing issued share capital of the Company
“Director(s)”	the director(s) of the Company
“Excluded Shareholders”	those Overseas Shareholders whom the Directors, after making relevant enquiry as required under the Listing Rules, consider their exclusion from the Open Offer to be necessary or expedient on account of either the legal restrictions under the law of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or of his any delegate(s)
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Independent Board Committee”	the independent committee of the Board comprising Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin, all being the independent non-executive Directors, established to give recommendations to the Independent Shareholders on the Open Offer and the Whitewash Waiver
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company for the purpose of giving recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Open Offer and the Whitewash Waiver

“Independent Shareholder(s)”	the Shareholders other than the Controlling Shareholders and persons acting in concert with any of them, and those who are involved in or interested in the Open Offer and the Whitewash Waiver and required under the Listing Rules and/or Takeovers Code (as the case may be) to abstain from voting in the SGM
“Independent Third Parties”	third parties independent of and not connected with the Company and its connected persons and independent of and not acting in concert with the Controlling Shareholders and parties acting in concert with any of them
“Last Trading Day”	27 March 2020, being the last trading day for the Shares on the Stock Exchange on the date of this announcement
“Latest Time for Application”	4:00 p.m. on Tuesday, 30 June 2020, being the latest time for application of and payment for the Open Offer Shares as set out in the timetable of this announcement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange, consider it necessary or expedient to exclude from the Open Offer
“Long Stop Date”	30 September 2020 or such later date as the Board may determine and resolve
“Offer Share(s)”	a maximum of 1,662,443,354 Shares and a minimum of 255,687,122 Shares proposed to be allotted and issued by the Company at the Subscription Price under the Open Offer subject to the terms and conditions as set out in this announcement and to be set out in the Prospectus
“Open Offer”	the proposed offer for subscription of the Offer Shares at the Subscription Price on the basis of two (2) Offer Shares for every one (1) existing Share held by the Qualifying Shareholders on the Record Date subject to the terms and conditions as set out in this announcement and to be set out in the Prospectus
“Open Offer Completion”	Completion of the Open Offer

“Overseas Shareholder(s)”	shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose registered address(es) on that date is/are in (a) place(s) outside Hong Kong
“Placee(s)”	the placee(s) of the Unsubscribed Shares to be placed by the Placing Agent under the Unsubscribed Arrangement pursuant to the Placing Agreement, who will be Independent Third Parties before the Placing
“Placing”	the placing of the Unsubscribed Shares to the Placee(s) by the Placing Agent, on a best effort basis, under the Unsubscribed Arrangement pursuant to the Placing Agreement
“Placing Agent”	Celestial Securities Limited, being a corporation licensed to conduct type 1 regulated activity under SFO, which will place the Unsubscribed Shares on a best effort basis to investor(s) who are Independent Third Parties under the Unsubscribed Arrangement. The Placing Agent is a wholly-owned subsidiary of CFSG, an associated company of the Company, which is not a connected person of the Company (as defined under the Listing Rules)
“Placing Agreement”	the agreement dated 27 March 2020 entered into between the Company and the Placing Agent in respect of the Unsubscribed Arrangement
“Placing End Date”	Monday, 6 July 2020, being the third Business Day following and excluding the day on which the Latest Time for Application falls
“Placing Period”	the period from Friday, 3 July 2020 up to 4:00 p.m. on Monday, 6 July 2020, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Unsubscribed Arrangement
“Placing Price”	HK\$0.06 per Unsubscribed Share, being the same as the Subscription Price
“Prospectus”	the prospectus to be issued by the Company in relation to the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form in respect of the Offer Shares to be issued by the Company in relation to the Open Offer
“Prospectus Posting Date”	Thursday, 11 June 2020 or such later date as may be agreed between the Controlling Shareholders and the Company for the despatch of the Prospectus Documents

“Qualifying Shareholder(s)”	the Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company on the Record Date
“Record Date”	Wednesday, 10 June 2020, the record date for ascertaining entitlements to the Open Offer
“Registrar”	Tricor Standard Limited, the branch registrar of the Company, and whose principal place of business is situated at 54/F Hopewell Centre, 183 Queen’s Road East, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held for considering and, if thought fit, approving, among others, the Open Offer, the Whitewash Waiver and the transactions contemplated thereunder
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.06 per Offer Share at which the Offer Shares are proposed to be offered for subscription
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers issued by the SFC
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code of the obligations on the part of the Controlling Shareholders to make a mandatory general offer under Rule 26 of the Takeovers Code for all the securities of the Company not already owned or agreed to be acquired by the Controlling Shareholders and the parties acting in concert with any of them as a result of the issue of the Offer Shares subject to the terms and conditions as set out in this announcement
“Undertakings”	undertakings from the Controlling Shareholders to take up or procure the taking up of Offer Shares as detailed in the section headed “Undertakings by the Controlling Shareholders” of this announcement

“Unsubscribed Arrangement”	arrangement to place the Unsubscribed Shares by the Placing Agent on a best effort basis to the Placee(s) as detailed in the section headed “Proposed Open Offer” under the sub-heading of “The Unsubscribed Arrangement” of this announcement
“Unsubscribed Shares”	Offer Shares that are not subscribed by the Qualifying Shareholders, aggregated fractional Offer Shares, and the Offer Shares which would otherwise have been allotted to the Non-Qualifying Shareholders (as the case may be)
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent

Note: All times and dates in this announcement refer to Hong Kong local times and dates.

On behalf of the Board
Bankee P. Kwan
Chairman & CEO

Hong Kong, 27 March 2020

As at the date hereof, the Board comprises:-

Executive Directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Leung Siu Pong James
Mr Kwan Teng Hin Jeffrey
Mr Ng Hin Sing Derek

Independent non-executive Directors:

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

The Directors jointly and severally accept full responsibility for accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

** For identification purpose only*