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CASH FINANCIAL SERVICES GROUP LIMITED

時富金融服務集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

DISCLOSEABLE TRANSACTION FURTHER ACQUISITION OF LISTED SECURITIES

FURTHER ACQUISITION OF TENCENT SHARES

The Board announces that, further to the acquisition of 36,000 Tencent Shares as disclosed in the Announcement, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has further acquired a total of 17,500 Tencent Shares through the open market on 7 and 15 December 2020 at an aggregate consideration of approximately HK\$10.0 million (excluding stamp duty and related expenses).

LISTING RULES IMPLICATION

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Tencent Shares and the Further Acquisition of Tencent Shares involve the acquisition of Tencent Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and be aggregated as one transaction at a total consideration of approximately HK\$30.8 million.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the (i) further acquisition of 17,500 Tencent Shares (standing alone) and (ii) acquisition of 36,000 Tencent Shares and further acquisition of 17,500 Tencent Shares (in aggregate) exceed 5% but less than 25%, the Further Acquisition of Tencent Shares constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

FURTHER ACQUISITION OF TENCENT SHARES

Reference is made to the Announcement. The Board announces that, further to the acquisition of 36,000 Tencent Shares as disclosed in the Announcement, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has further acquired a total of 17,500 Tencent Shares on the open market on 7 and 15 December 2020 at an aggregate consideration of approximately HK\$10.0 million (excluding stamp duty and related expenses). The aggregate consideration of the Further Acquisition of Tencent Shares was fully payable in cash by the Group's internal financial resources.

As the Further Acquisition of Tencent Shares was conducted in the open market, the identities of the counterparties of the further acquired Tencent Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the counterparties and the ultimate beneficial owner(s) of the counterparties of the further acquired Tencent Shares are third parties independent of the Company and its connected persons.

INFORMATION ON TENCENT

Tencent is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries are principally engaged in the business of provision of internet value-added services and online advertising services to users in the People's Republic of China.

The following information is extracted from the published documents of Tencent:

	For the year ended 31 December 2018		For the year ended 31 December 2019	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Revenue	312,694	347,090	377,289	418,791
Profit before income tax	94,466	104,857	109,400	121,434
Profit for the year	79,984	88,782	95,888	106,436

Based on Tencent's published documents, the Tencent Group has an audited net asset value of approximately RMB356,207 million (equivalent to approximately HK\$395,390 million) as at 31 December 2018 and approximately RMB488,824 million (equivalent to approximately HK\$542,595 million) as at 31 December 2019 respectively.

Based on Tencent's published documents, the Tencent Group has an unaudited net asset value of approximately RMB606,273 million (equivalent to approximately HK\$672,963 million) as at 30 June 2020.

REASONS FOR AND BENEFITS FOR THE FURTHER ACQUISITION OF TENCENT SHARES

The principal activity of the Company is investment holding. The principal activities of the Group are (a) provision of online and traditional brokerage of securities, futures and options as well as life insurance, mutual funds and mandatory provident fund products, (b) proprietary trading of debt and equity securities and derivatives, (c) provision of margin financing and money lending services, (d) provision of investment banking services, and (e) provision of asset management services. For additional information, please visit www.cfsg.com.hk.

Tencent is the market leader in the information technology industry. As set out in the Announcement, the Board holds positive views towards future prospect and development potential of Tencent. The Further Acquisition of Tencent Shares can increase our holding in this attractive investment and can further enhance investment return for the Group.

As the Further Acquisition of Tencent Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the Further Acquisition of Tencent Shares are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Pursuant to Rule 14.22 and Rule 14.23 of the Listing Rules for the purpose of classification of the transactions, as the Acquisition of Tencent Shares and the Further Acquisition of Tencent Shares involve the acquisition of Tencent Shares within a 12-month period, all transactions respectively contemplated thereunder are considered and be aggregated as one transaction at a total consideration of approximately HK\$30.8 million.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the (i) further acquisition of 17,500 Tencent Shares (standing alone) and (ii) acquisition of 36,000 Tencent Shares and further acquisition of 17,500 Tencent Shares (in aggregate) exceed 5% but less than 25%, the Further Acquisition of Tencent Shares constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

FINANCIAL INFORMATION OF THE GROUP

Based on the audited accounts of the Company, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2018 were both approximately HK\$144.5 million, and the audited net asset value as at 31 December 2018 was approximately HK\$623.9 million.

Based on the audited accounts of the Company, the net losses (before and after taxation and extraordinary items) for the financial year ended 31 December 2019 were both approximately HK\$116.9 million, and the audited net asset value as at 31 December 2019 was approximately HK\$503.8 million. The unaudited net asset value of the Company as at 30 June 2020 was approximately HK\$475.7 million.

DEFINITIONS

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

“Acquisition of Tencent Shares”	acquisition of 36,000 Tencent Shares by the Group as disclosed in the Announcement
“Announcement”	the announcement of the Company dated 30 November 2020 in relation to, inter alia, the Acquisition of Tencent Shares
“Board”	the board of directors of the Company
“CASH Trinity Bullion”	CASH Trinity Bullion Limited, a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of the Company
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“Further Acquisition of Tencent Shares”	further acquisition of a total of 17,500 Tencent Shares by the Group as disclosed in this announcement
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.40 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 700)
“Tencent Group”	Tencent and its subsidiaries

“Tencent Shares”	ordinary shares of HK\$0.00002 each in the share capital of Tencent
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 15 December 2020

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
Mr Ng Hin Sing Derek
Mr Kwok Ka Lok Lionel

Independent non-executive directors:

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

For the purpose of illustration only and unless otherwise stated, conversion of RMB into HK\$ in this announcement is based on the exchange rate of RMB1.00 to HK\$1.11. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.

** For identification purposes only*