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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 TRANSACTIONS DISPOSALS OF LISTED SECURITIES

The Board announces that the Group has entered into the following transactions involving disposals of listed securities.

THE DISPOSALS

Disposal of Tencent Shares

On 11 January 2021, the Group disposed an aggregate of 53,500 Tencent Shares on the open market at an aggregate consideration of approximately HK\$31.8 million (excluding stamp duty and related expenses).

Disposal of Meituan Shares

On 11 January 2021, the Group disposed an aggregate of 86,000 Meituan Shares on the open market at an aggregate consideration of approximately HK\$26.6 million (excluding stamp duty and related expenses).

Disposal of BYD Shares

On 11 January 2021, the Group disposed an aggregate of 43,000 BYD Shares on the open market at an aggregate consideration of approximately HK\$11.2 million (excluding stamp duty and related expenses).

LISTING RULES IMPLICATIONS

Disposal of Tencent Shares

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

Disposal of Meituan Shares

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

Disposal of BYD Shares

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

The Board announces that the Group has entered into the following transactions involving disposals of listed securities.

THE DISPOSALS

Disposal of Tencent Shares

On 11 January 2021, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed a total of 53,500 Tencent Shares on the open market at an aggregate consideration of approximately HK\$31.8 million (excluding stamp duty and related expenses), which are receivable in cash on settlement.

As the Disposal of Tencent Shares was conducted in the open market, the identities of the counterparties of the Disposed 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 Disposed Tencent Shares are third parties independent of the Company and its connected persons.

Disposal of Meituan Shares

On 11 January 2021, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed a total of 86,000 Meituan Shares on the open market at an aggregate consideration of approximately HK\$26.6 million (excluding stamp duty and related expenses), which are receivable in cash on settlement.

As the Disposal of Meituan Shares was conducted in the open market, the identities of the counterparties of the Disposed Meituan 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 Disposed Meituan Shares are third parties independent of the Company and its connected persons.

Disposal of BYD Shares

On 11 January 2021, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed a total of 43,000 BYD Shares on the open market at an aggregate consideration of approximately HK\$11.2 million (excluding stamp duty and related expenses), which are receivable in cash on settlement.

As the Disposal of BYD Shares was conducted in the open market, the identities of the counterparties of the Disposed BYD 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 Disposed BYD Shares are third parties independent of the Company and its connected persons.

INFORMATION ON TENCENT, MEITUAN AND BYD

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 financial 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 RMB356,207 million (equivalent to approximately HK\$395,390 million) as at 31 December 2018 and 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 RMB606,273 million (equivalent to approximately HK\$672,963 million) as at 30 June 2020.

Meituan

Meituan is a company incorporated in the Cayman Islands with limited liability. It is the leading e-commerce platform for services in China. Its platform uses technology to connect consumers and merchants. Service offerings on the platform address people's daily needs for food, and extend further to broad lifestyle and travel services.

The following financial information is extracted from the published documents of Meituan:

	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	65,227	72,402	97,529	108,257
(Loss) profit before income tax	(115,491)	(128,195)	2,762	3,066
(Loss) profit for the year	(115,493)	(128,197)	2,236	2,482

Based on Meituan's published documents, Meituan Group has an audited net asset value of RMB86,510 million (equivalent to approximately HK\$96,026 million) as at 31 December 2018 and RMB92,054 million (equivalent to approximately HK\$102,180 million) as at 31 December 2019 respectively.

Based on Meituan's published documents, Meituan Group has an unaudited net asset value of RMB95,003 million (equivalent to approximately HK\$105,453 million) as at 30 June 2020.

BYD

BYD is a joint stock company incorporated in the PRC with limited liability. The principal activities of the BYD Group are automobile business (including traditional fuel-powered vehicles and new energy vehicles), handset components and assembly business as well as rechargeable battery and photovoltaic business. The BYD Group also takes advantage of its technological superiority to actively develop the urban rail transportation business segment.

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

	For the year ended 31 December 2018		For the year ended 31 December 2019	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
Revenue	121,790,925	135,187,927	121,778,117	135,173,710
Profit before tax	4,385,640	4,868,060	2,431,131	2,698,555
Profit for the year	3,556,193	3,947,374	2,118,857	2,351,931

Based on BYD's published documents, BYD Group has an audited net asset value of approximately RMB60,694.0 million (equivalent to approximately HK\$67,370.3 million) as at 31 December 2018 and approximately RMB62,601.4 million (equivalent to approximately HK\$69,487.6 million) as at 31 December 2019 respectively.

Based on BYD's published documents, BYD Group has an unaudited net asset value of approximately RMB67,212.9 million (equivalent to approximately HK\$74,606.3 million) as at 30 June 2020.

REASONS FOR AND BENEFITS FOR THE DISPOSALS

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

The Disposed Tencent Shares were acquired by the Group from 20 to 30 November 2020, 7 and 15 December 2020 (as disclosed in the announcements of the Company dated 30 November 2020 and 15 December 2020) at an aggregate acquisition price of approximately HK\$30.8 million. As a result of the Disposal of Tencent Shares, the Group will realise a book gain of approximately HK\$0.9 million, being the difference between the consideration received from the Disposal of Tencent Shares and the aforesaid acquisition cost of Tencent Shares (after deducting stamp duty and related expenses).

The Disposed Meituan Shares were acquired on 24 and 30 November 2020 (as disclosed in the announcement of the Company dated 30 November 2020) and further acquired on 7 December 2020 by the Group at an aggregate acquisition price of approximately HK\$25.6 million. As a result of the Disposal of Meituan Shares, the Group will realise a book gain of approximately HK\$0.9 million, being the difference between the consideration received from the Disposal of Meituan Shares and the aforesaid acquisition cost of Meituan Shares (after deducting stamp duty and related expenses).

The Disposed BYD Shares were acquired by the Group on 5 and 6 January 2021 (as disclosed in the announcement of the Company dated 6 January 2021) at an aggregate acquisition price of approximately HK\$9.9 million. As a result of the Disposal of BYD Shares, the Group will realise a book gain of approximately HK\$1.2 million, being the difference between the consideration received from the Disposal of BYD Shares and the aforesaid acquisition cost of BYD Shares (after deducting stamp duty and related expenses).

The Group intends to use the proceeds of the Disposals for any further attractive investments when the opportunity arises or for general working capital.

As the Disposals were made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposals are fair and reasonable. In view of the aforesaid gains and the Disposals will enhance the liquidity of the Company, the Directors consider that the Disposals are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Disposal of Tencent Shares

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

Disposal of Meituan Shares

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

Disposal of BYD Shares

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

“Board”	the board of directors of the Company
“BYD”	BYD Company Limited, a joint stock company incorporated in the PRC with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1211)
“BYD Group”	BYD and its subsidiaries
“BYD Shares”	ordinary overseas listed foreign invested shares in the share capital of BYD
“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

“Disposal of BYD Shares”	disposal of BYD Shares by the Group as disclosed in this announcement
“Disposal of Meituan Shares”	disposal of Meituan Shares by the Group as disclosed in this announcement
“Disposal of Tencent Shares”	disposal of Tencent Shares by the Group as disclosed in this announcement
“Disposals”	the Disposal of Tencent Shares, the Disposal of Meituan Shares and the Disposal of BYD Shares
“Disposed BYD Shares”	an aggregate of 43,000 BYD Shares disposed by the Group
“Disposed Meituan Shares”	an aggregate of 86,000 Meituan Shares disposed by the Group
“Disposed Tencent Shares”	an aggregate of 53,500 Tencent Shares disposed by the Group
“Group”	the Company and its subsidiaries
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Meituan”	Meituan, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 3690)
“Meituan Group”	Meituan and its subsidiaries and consolidated affiliated entities from time to time
“Meituan Shares”	ordinary shares in the share capital of Meituan
“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 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, 11 January 2021

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
Mr 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*