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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 DISPOSAL OF LISTED SECURITIES

The Board announces that on 31 March 2021, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed an aggregate of 22,400 Tencent Shares on the open market at an aggregate consideration of approximately HK\$13.7 million (excluding stamp duty and related expenses).

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

THE DISPOSAL

On 31 March 2021, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed an aggregate of 22,400 Tencent Shares on the open market at an aggregate consideration of approximately HK\$13.7 million (excluding stamp duty and related expenses), which are receivable in cash on settlement.

As the Disposal was conducted in the open market, the identities of the counterparties of the Disposed 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 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 financial information is extracted from the published documents of Tencent:

	For the year ended 31 December 2019		For the year ended 31 December 2020	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Revenue	377,289	445,201	482,064	568,836
Profit before income tax	109,400	129,092	180,022	212,426
Profit for the year	95,888	113,148	160,125	188,948

Based on Tencent's published documents, the Tencent Group has an audited net asset value of RMB488,824 million (equivalent to approximately HK\$576,812 million) as at 31 December 2019 and RMB778,043 million (equivalent to approximately HK\$918,091 million) as at 31 December 2020 respectively.

REASONS FOR AND BENEFITS FOR THE DISPOSAL

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 Shares were acquired by the Group during the period from 1 to 19 March 2021 at an aggregate acquisition price of approximately HK\$14.8 million as disclosed in the announcement of the Company dated 19 March 2021. As a result of the Disposal, the Group will realise a book loss of approximately HK\$1.2 million, being the difference between the consideration received from the Disposal and the aforesaid acquisition cost of Tencent Shares together with stamp duty and related expenses.

As the Disposal was made in the open market at prevailing market price, the Directors are of the view that the terms of the Disposal are fair and reasonable. In view of the recent fluctuation of the Hong Kong Stock Market and prevailing market sentiment, the Directors believe that it is beneficial to adopt a cautious investment strategy to liquidate its investment in Tencent Shares with an aim to enhance the liquidity position of the Group. The Group intends to use the proceeds of the Disposal for general working capital or other appropriate investment opportunities. Taking into account of the factors above, the Directors consider that the Disposal is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction on the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements of the Listing Rules.

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 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.

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 2020 were both approximately HK\$39.1 million, and the audited net asset value as at 31 December 2020 was approximately HK\$453.9 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
“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”	disposal of the Disposed Shares by the Group as disclosed in this announcement
“Disposed Shares”	an aggregate of 22,400 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
“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, 31 March 2021

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

Executive directors:

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

Independent non-executive directors:

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

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

** For identification purposes only*