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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 during the period from 5 June 2021 to 15 March 2022, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed an aggregate of 44,600 Meituan Shares on the open market at an aggregate consideration of approximately HK\$10.0 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

During the period from 5 June 2021 to 15 March 2022, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed an aggregate of 44,600 Meituan Shares on the open market at an aggregate consideration of approximately HK\$10.0 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 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 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	97,529	117,035	114,795	137,754
Profit before income tax	2,762	3,314	4,438	5,326
Profit for the year	2,236	2,683	4,708	5,650

Based on Meituan's published documents, Meituan Group has an audited net asset value of RMB92,054 million (equivalent to approximately HK\$110,465 million) as at 31 December 2019 and RMB97,634 million (equivalent to approximately HK\$117,161 million) as at 31 December 2020 respectively.

Based on Meituan's published documents, the Meituan Group has an unaudited consolidated net asset value of RMB134,829 million (equivalent to approximately HK\$161,795 million) as at 30 June 2021.

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, and (d) 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 3 June to 22 June 2021 at an aggregate acquisition price of approximately HK\$13.8 million. As a result of the Disposal, the Group will realise a book loss of approximately HK\$3.8 million, being the difference between the consideration received from the Disposal and the aforesaid acquisition cost of Meituan 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 Meituan 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.

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 44,600 Meituan 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
“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
“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 March 2022

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 Cheung Wai Lim William

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 RMB1.0 to HK\$1.2. 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.

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.

** For identification purposes only*