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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 DISPOSAL OF LISTED SECURITIES

FURTHER DISPOSAL

The Board announces that on 9 June 2022, further to the disposal of 281,000 China Mobile Shares as disclosed in the Announcement, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has further disposed an aggregate of 102,000 China Mobile Shares on the open market at an aggregate consideration of approximately HK\$5.1 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 Disposal and the Further Disposal involve the disposal of China Mobile 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\$20.6 million.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the (i) further disposal of 102,000 China Mobile Shares (standing alone) and (ii) disposal of 281,000 China Mobile Shares and further disposal of 102,000 China Mobile Shares (in aggregate) exceed 5% but less than 25%, the Further 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.

FURTHER DISPOSAL

Reference is made to the Announcement. On 9 June 2022, further to the disposal of 281,000 China Mobile Shares as disclosed in the Announcement, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has further disposed an aggregate of 102,000 China Mobile Shares on the open market at an aggregate consideration of approximately HK\$5.1 million (excluding stamp duty and related expenses), which are receivable in cash on settlement.

As the Further Disposal was conducted in the open market, the identities of the counterparties of the further disposed China Mobile 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 disposed China Mobile Shares are third parties independent of the Company and its connected persons.

INFORMATION ON CHINA MOBILE

China Mobile is a China-based company mainly engaged in communication and information services. The company's businesses include personal market business, family market business, government enterprise market business and emerging market business. The personal market business mainly provides mobile communication services and Internet access services. The family market business mainly provides broadband access services. The government enterprise market business provides basic communication services, information application products and data, information, communication and technology (DICT) solutions. The emerging market businesses include emerging fields such as international business, digital content and mobile payment.

The following information is extracted from the published documents of China Mobile:

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	<i>RMB million</i>	<i>HK\$ million</i>	<i>RMB million</i>	<i>HK\$ million</i>
Operating revenues	848,258	1,017,910	768,070	921,684
Profit before taxation	152,184	182,621	142,359	170,831
Profit for the year	116,306	139,567	108,140	129,768

Based on China Mobile's published documents, China Mobile Group has an audited consolidated net asset value of RMB1,152,772 million (equivalent to approximately HK\$1,383,326 million) as at 31 December 2020 and RMB1,210,292 million (equivalent to approximately HK\$1,452,350 million) as at 31 December 2021 respectively.

REASONS FOR AND BENEFITS FOR THE FURTHER 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 further disposed shares were acquired by the Group at an aggregate acquisition price of approximately HK\$5.5 million. As a result of the Further Disposal, the Group will result in a net loss of approximately HK\$0.1 million, which includes a realised loss of HK\$0.3 million, being the difference between the consideration received from the Further Disposal and the aforesaid acquisition cost of China Mobile Shares together with stamp duty and related expenses, and setting off the dividend income of approximately HK\$0.2 million to be received.

As the Further Disposal was made on the open market at prevailing market price, the Directors are of the view that the terms of the Further 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 China Mobile Shares with an aim to enhance the liquidity position of the Group. The Group intends to use the proceeds of the Further Disposal for general working capital or other appropriate investment opportunities. Taking into account of the factors above, the Directors consider that the Further Disposal is 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 Disposal and the Further Disposal involve the disposal of China Mobile 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\$20.6 million.

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the (i) further disposal of 102,000 China Mobile Shares (standing alone) and (ii) disposal of 281,000 China Mobile Shares and further disposal of 102,000 China Mobile Shares (in aggregate) exceed 5% but less than 25%, the Further 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:

“Announcement”	the announcement of the Company dated 18 February 2022 in relation to, inter alia, the Disposal
“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
“China Mobile”	China Mobile Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 941) and the Shanghai Stock Exchange (stock code: 600941)
“China Mobile Group”	China Mobile and its subsidiaries
“China Mobile Shares”	ordinary shares in the share capital of China Mobile
“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 281,000 China Mobile Shares by the Group as disclosed in the Announcement
“Further Disposal”	further disposal of a total of 102,000 China Mobile 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
“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
Bankee P. Kwan
*Executive Director
and Chief Executive Officer*

Hong Kong, 9 June 2022

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Kwan Teng Hin Jeffrey
Mr Cheung Wai Lim William
Mr Law Hin Ong Trevor

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\$1.2. 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.

** For identification purposes only*