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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 ACQUISITIONS OF LISTED SECURITIES

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

THE ACQUISITIONS

Acquisition of Tencent Shares

During the period from 9 November 2020 to 11 November 2020, the Group has acquired an aggregate of 35,000 Tencent Shares, representing approximately 0.00037% of the issued share capital of Tencent as at the date of this announcement, through the open market at an aggregate consideration of approximately HK\$19,988,000 (excluding stamp duty and related expenses).

Acquisition of Meituan Shares

During the period from 9 November 2020 to 11 November 2020, the Group has acquired an aggregate of 51,000 Meituan Shares, representing approximately 0.00099% of the issued share capital of Meituan as at the date of this announcement, through the open market at an aggregate consideration of approximately HK\$14,811,000 (excluding stamp duty and related expenses).

LISTING RULES IMPLICATIONS

Acquisition of Tencent Shares

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

Acquisition of Meituan Shares

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

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

THE ACQUISITIONS

Acquisition of Tencent Shares

During the period from 9 November 2020 to 11 November 2020, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), acquired a total of 35,000 Tencent Shares (representing approximately 0.00037% of the issued share capital of Tencent as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$19,988,000 (excluding stamp duty and related expenses). The aggregate consideration of the Acquisition of Tencent Shares was fully payable in cash by the Group's internal financial resources.

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

Acquisition of Meituan Shares

During the period from 9 November 2020 to 11 November 2020, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), acquired a total of 51,000 Meituan Shares (representing approximately 0.00099% of the issued share capital of Meituan as at the date of this announcement) on the open market at an aggregate consideration of approximately HK\$14,811,000 (excluding stamp duty and related expenses). The aggregate consideration of the Acquisition of Meituan Shares was fully payable in cash by the Group's internal financial resources.

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

INFORMATION ON TENCENT AND MEITUAN

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 annual report of Tencent for the year 2019:

	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 annual report for the year 2019, 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 interim report for the year 2020, 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 information is extracted from the published annual report of Meituan for the year 2019:

	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 annual report for the year 2019, Meituan 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 interim report for the year 2020, Meituan has an unaudited net asset value of RMB95,003 million (equivalent to approximately HK\$105,453 million) as at 30 June 2020.

REASONS FOR AND BENEFITS FOR THE ACQUISITIONS

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 and Meituan are the market leaders in the information technology industry. The Board holds positive views towards future prospects of Tencent and Meituan. In view of downturn of share price of Tencent and Meituan in recent days, the Company considers that the Acquisitions are good investment opportunity and can enhance investment return for the Group.

As the Acquisitions were made in the open market at prevailing market price, the Directors are of the view that the terms of the Acquisitions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Acquisition of Tencent Shares

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

Acquisition of Meituan Shares

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

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 Tencent Shares by the Group as disclosed in this announcement
“Acquisition of Meituan Shares”	:	acquisition of Meituan Shares by the Group as disclosed in this announcement
“Acquisitions”	:	the Acquisition of the Tencent Shares and the Acquisition of Meituan 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
“Group”	:	the Company and its subsidiaries
“Listing Rules”	:	the Rules Governing the Listing of Securities on the Stock Exchange
“Meituan”	:	Meituan Dianping, 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 Shares”	:	ordinary shares of US\$0.00001 each 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 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
“%”	:	per cent.

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 11 November 2020

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Cheung Wai Ching Anthony
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
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\$1.11. 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*