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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, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has entered into the following transactions involving acquisitions of listed securities.

THE ACQUISITIONS

Acquisition of BYD Shares

On 24 November 2020 and 2 December 2020, the Group has acquired an aggregate of 53,000 BYD Shares through the open market at an aggregate consideration of approximately HK\$9.9 million (excluding stamp duty and related expenses).

Acquisition of Xiaomi Shares

On 24 November 2020 and 2 December 2020, the Group has acquired an aggregate of 380,000 Xiaomi Shares through the open market at an aggregate consideration of approximately HK\$9.8 million (excluding stamp duty and related expenses).

LISTING RULES IMPLICATIONS

Acquisition of BYD Shares

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

Acquisition of Xiaomi Shares

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition of Xiaomi Shares exceed 5% but less than 25%, the Acquisition of Xiaomi 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, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), has entered into the following transactions involving acquisitions of listed securities.

THE ACQUISITIONS

Acquisition of BYD Shares

On 24 November 2020 and 2 December 2020, the Group has acquired a total of 53,000 BYD Shares on the open market at an aggregate consideration of approximately HK\$9.9 million (excluding stamp duty and related expenses). The aggregate consideration of the Acquisition of BYD Shares was fully payable in cash by the Group's internal financial resources.

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

Acquisition of Xiaomi Shares

On 24 November 2020 and 2 December 2020, the Group has acquired a total of 380,000 Xiaomi Shares on the open market at an aggregate consideration of approximately HK\$9.8 million (excluding stamp duty and related expenses). The aggregate consideration of the Acquisition of Xiaomi Shares was fully payable in cash by the Group's internal financial resources.

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

INFORMATION ON BYD AND XIAOMI

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	
	RMB'000	HK\$'000	RMB'000	HK\$'000
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.

Xiaomi

Xiaomi is a company incorporated in the Cayman Islands with limited liability which together with its subsidiaries are principally engaged in development and sales of smartphones, internet of things and lifestyle products, provision of internet services and investments holding in the PRC and other countries or regions.

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

	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	174,915,425	194,156,122	205,838,682	228,480,937
Profit before income tax	13,927,124	15,459,108	12,162,646	13,500,537
Profit for the year	13,477,747	14,960,299	10,102,950	11,214,275

Based on Xiaomi's published documents, Xiaomi Group has an audited net asset value of approximately RMB71,250.1 million (equivalent to approximately HK\$79,087.6 million) as at 31 December 2018 and approximately RMB81,657.7 million (equivalent to approximately HK\$90,640.0 million) as at 31 December 2019 respectively.

Based on Xiaomi's published documents, Xiaomi Group has an unaudited net asset value of approximately RMB90,162.4 million (equivalent to approximately HK\$100,080.3 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.

BYD is a leader in the global new energy vehicle market with core technologies of new energy vehicles and market leading position. Xiaomi is one of the leading smartphones and lifestyle products developer in the PRC. The Company considers that BYD and Xiaomi are both valued stocks and holds positive views towards their performance and development potential. The Company considers the Acquisitions presented good opportunities for the Group to acquire potential investments to enhance investment return.

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 BYD Shares

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

Acquisition of Xiaomi Shares

As certain applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition of Xiaomi Shares exceed 5% but less than 25%, the Acquisition of Xiaomi 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 BYD Shares”	:	acquisition of BYD Shares by the Group as disclosed in this announcement
“Acquisition of Xiaomi Shares”	:	acquisition of Xiaomi Shares by the Group as disclosed in this announcement
“Acquisitions”	:	the Acquisition of BYD Shares and the Acquisition of Xiaomi Shares
“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 of RMB1.00 each 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
“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
“Xiaomi”	:	Xiaomi Corporation, a company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1810)

“Xiaomi Group”	:	Xiaomi and its subsidiaries, and the PRC operating entities
“Xiaomi Shares”	:	class B ordinary shares with a par value of US\$0.0000025 each in the share capital of Xiaomi
“HK\$”	:	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“PRC”	:	the People’s Republic of China
“RMB”	:	Renminbi, the lawful currency of the PRC
“US\$”	:	United States dollars, the lawful currency of the United States
“%”	:	per cent.

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 2 December 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*