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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 ACQUISITION OF LISTED SECURITIES

ACQUISITION OF JD SHARES

The Board announces that during the period from 10 November 2020 to 12 November 2020, the Group has acquired an aggregate of 46,000 JD Shares through the open market at an aggregate consideration of approximately HK\$15,058,000 (excluding stamp duty and related expenses).

LISTING RULES IMPLICATION

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

The Board announces that during the period from 10 November 2020 to 12 November 2020, the Group, through CASH Trinity Bullion (a wholly owned subsidiary of the Company), acquired a total of 46,000 JD Shares on the open market at an aggregate consideration of approximately HK\$15,058,000 (excluding stamp duty and related expenses). The aggregate consideration of the Acquisition of JD Shares was fully payable in cash by the Group's internal financial resources.

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

INFORMATION ON JD

JD is a company incorporated in the Cayman Islands with limited liability. The JD Group is a supply chain-based technology and service provider and is principally engaged in the businesses of e-commerce including online retail and online marketplace, marketing, logistics and other value-added services in the People's Republic of China.

The following financial information is extracted from the published documents of JD:

	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>
Net revenues	462,019,759	512,841,932	576,888,484	640,346,217
(Loss) income before tax	(2,373,678)	(2,634,783)	13,692,532	15,198,711
(Loss) income for the year	(2,800,550)	(3,108,611)	11,890,092	13,198,002

Based on JD's published documents, the JD Group has an audited consolidated net asset value of RMB76,828,144,000 (equivalent to approximately HK\$85,279,239,840) as at 31 December 2018 and RMB100,624,231,000 (equivalent to approximately HK\$111,692,896,410) as at 31 December 2019 respectively.

Based on JD's published documents, the JD Group has an unaudited consolidated net asset value of RMB156,003,570,000 (equivalent to approximately HK\$173,163,962,700) as at 30 June 2020.

REASONS FOR AND BENEFITS FOR THE ACQUISITION OF JD SHARES

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.

JD is the market leader in the technology-driven e-commerce industry. The Board holds positive views towards future prospect of JD and considers that the Acquisition of JD Shares is an attractive investment and can enhance investment return for the Group.

As the Acquisition of JD Shares was made in the open market at prevailing market price, the Directors are of the view that the terms of the said acquisition are fair and reasonable and 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 Acquisition of JD Shares exceed 5% but less than 25%, the Acquisition of JD 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 JD Shares”	acquisition of JD Shares by the Group as disclosed in this announcement
“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
“JD”	JD.com, Inc., a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 9618)
“JD Group”	JD and its subsidiaries
“JD Shares”	ordinary shares of US\$0.00002 each in the share capital of JD
“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
“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, 12 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*