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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 on 21 December 2020, the Group disposed an aggregate of 80,000 BYD Shares on the open market at an aggregate consideration of approximately HK\$15.2 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

On 21 December 2020, the Group, through CASH Trinity Bullion (a wholly-owned subsidiary of the Company), disposed an aggregate of 80,000 BYD Shares on the open market at an aggregate consideration of approximately HK\$15.2 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 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	
	<i>RMB'000</i>	<i>HK\$'000</i>	<i>RMB'000</i>	<i>HK\$'000</i>
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.

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, (d) provision of investment banking services, and (e) provision of asset management services. For additional information, please visit www.cfsg.com.hk.

The Disposed Shares were acquired by the Group on 24 November and 2 December (as disclosed in the announcement of the Company dated 2 December 2020) and 9 December 2020 at an aggregate acquisition price of approximately HK\$14.8 million. As a result of the Disposal, the Board considers the Group will realise a book gain of approximately HK\$0.4 million, being the difference between the consideration received from the Disposal and the aforesaid acquisition cost of BYD Shares (after deducting stamp duty and related expenses) for the year ending 31 December 2020, and will enhance the liquidity of the Company. The Group intends to use the proceeds of the Disposal for any further attractive investments when the opportunity arises or for general working capital.

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 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 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.

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:

“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
“Disposal”	disposal of the Disposed Shares by the Group as disclosed in this announcement
“Disposed Shares”	an aggregate of 80,000 BYD Shares disposed by the Group
“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 of the People’s Republic of China
“%”	per cent.

On behalf of the Board
Lewis Li
Executive Director & CFO

Hong Kong, 21 December 2020

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

Executive directors:

Dr Kwan Pak Hoo Bankee, JP
Mr Li Shing Wai Lewis
Mr Kwan Teng Hin Jeffrey
Mr Ng Hin Sing Derek
Mr Kwok Ka Lok Lionel

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*