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CASH Financial Services Group Limited

(incorporated in Bermuda with limited liability)

(Stock code #8122)

INCREASES IN PRICE AND TRADING VOLUME OF THE COMPANY’S SHARES AND RESUMPTION OF TRADING

The Board noted the increases in the price and the trading volume of the Shares in the Company on 23 January 2006 and wishes to state that the Company was informed by the Controlling Shareholder that it was approached by a third party in respect of its interest in becoming a substantial shareholder of the Company through acquisition of the existing Shares. The dialogue is still in preliminary stage and no detailed terms and structure of the intending transaction has yet been discussed in depth. The transaction, if finalised, may trigger a general offer for the Shares under the Takeovers Code and it may constitute a possible notifiable transaction for CASH under the Listing Rules. Both the Company and CASH will comply with all disclosure requirements under the Listing Rules and make any further announcement (if necessary). It is not able to ascertain that the general offer, if then otherwise triggered, is likely to be solely in cash or not.

However, the Board emphasizes that the transaction is still in a preliminary stage and **may or may not proceed. The Board advises shareholders and investors of the Company and CASH to exercise extreme caution when dealing in the Shares and CASH Shares.**

Trading in the Shares on the Stock Exchange was suspended from 9:30 am on 24 January 2006 at the request of the Company pending release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 am on 25 January 2006.

The board of directors (“Board”) of CASH Financial Services Group Limited (“Company”) noted the increases in the price and the trading volume of the shares in the Company (“Shares”) on 23 January 2006 and wishes to state that the Company was informed by Celestial Investment Group Limited (“Controlling Shareholder”) (a wholly-owned subsidiary of Celestial Asia Securities Holdings Limited (“CASH”)) that it was approached by a third party in respect of its interest in becoming a substantial shareholder of the Company through acquisition of the existing Shares. The dialogue is still in preliminary stage and no detailed terms and structure of the intending transaction has yet been

discussed in depth. The transaction, if finalised, may trigger a general offer for the Shares under the Code on Takeovers and Mergers (“Takeovers Code”) and it may constitute a possible notifiable transaction for CASH under the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). Both the Company and CASH will comply with all disclosure requirements under the Listing Rules and make any further announcement (if necessary). It is not able to ascertain that the general offer, if then otherwise triggered, is likely to be solely in cash or not.

As at the date of the announcement, the issued share capital of the Company comprises 1,379,881,448 ordinary Shares. The Company has a convertible note in the outstanding amount of HK\$14,300,000 convertible into a maximum number of 52,962,962 Shares at the conversion price of HK\$0.27 each (subject to adjustment). The Company also has 5,070,000 outstanding options at the exercise price of HK\$0.34 each and 75,000,000 outstanding options at the exercise price of HK\$0.38 each. The existing shareholding structure of the Company is as follows:

Shareholder	Number of Shares	%
The Controlling Shareholder and its subsidiaries	638,827,434	46.30
The Directors and their respective associates	18,212,000	1.32
The public	722,842,014	52.38
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Total	1,379,881,448	100.00
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If the transaction is finalized with definitive agreement signed, an announcement will be issued by the Company detailing the terms of the transaction.

However, the Board emphasizes that the transaction is still in a preliminary stage and **may or may not proceed**. **The Board advises shareholders and investors of the Company and CASH to exercise extreme caution when dealing in the Shares and the shares in CASH (“CASH Shares”).**

The Company wishes to remind its respective associates to disclose their dealings in any securities of the Company under Rule 22 of the Takeovers Code.

The Company also draws attention to Note 11 to Rule 22 of the Takeovers Code that:

“Stockbrokers, banks and others who deal in relevant securities of the Company on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant securities of the Company undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive Director of Corporate Finance Division of the Securities and Futures Commission (“Executive”) in its dealings enquiries. Therefore, those who deal in relevant securities of the Company should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

Save as disclosed above, the Board also confirms that there is no negotiation or agreement relating to intended acquisitions or realisations which are discloseable under Chapters 19 to 20 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (“GEM Listing Rules”), neither is the Board aware of any matter discloseable under the general obligation imposed by Rule 17.10 of the GEM Listing Rules, which is or may be of a price-sensitive nature.

Resumption of Trading

Trading in the Shares on the Stock Exchange was suspended from 9:30 am on 24 January 2006 at the request of the Company pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares from 9:30 am on 25 January 2006.

Made by the order of the Board, the directors of which collectively and individually accept responsibility for the accuracy of this announcement.

By order of the Board
Kwok Oi Kuen Joan Elmond
Company Secretary

Hong Kong, 24 January 2006

As at the date hereof, the executive Directors are Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Wong Kin Yick Kenneth, Mr Cheng Man Pan Ben, Ms Kwok Oi Kuen Joan Elmond, and the independent non-executive Directors are Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John.

This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Company Announcements” page of the GEM website for at least 7 days from its date of publication and on the website of the Company at www.cfsg.com.hk.