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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in CASH Financial Services Group Limited (“Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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**CASH**

FINANCIAL SERVICES GROUP

時 富 金 融 服 務 集 團

## CASH FINANCIAL SERVICES GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code #8122)**

### GENERAL MANDATE TO REPURCHASE SHARES

### REFRESHMENT OF THE SCHEME MANDATE LIMIT

### AND

### RE-ELECTION OF THE RETIRING DIRECTORS

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This circular, for which the directors of the Company (“Directors”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (“GEM”) of the Stock Exchange for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this circular 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 circular misleading; and (iii) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

A notice convening an annual general meeting (“AGM”) of the Company to be held at 9:30 am on 29 May 2006, Monday, to approve the general mandate to repurchase shares, the refreshment of the scheme mandate limit and the re-election of the retiring Directors is set out in the 2005 annual report of the Company. If you are not able to attend the meetings, please complete and return the form of proxy enclosed with the 2005 annual report of the Company in accordance with the instructions printed thereon as soon as possible and in any event by not less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

*This circular 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](http://www.cfsg.com.hk).*

31 March 2006

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## CHARACTERISTICS OF GEM

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GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

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## CONTENTS

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	<i>Pages</i>
<b>Definitions</b> .....	1
<b>Letter from the Board</b>	
Introduction .....	3
Repurchase Mandate .....	4
Refreshment of the Scheme Mandate Limit .....	7
Re-election of the retiring Directors .....	8
AGM .....	8
Procedure to demand a poll by shareholders .....	9
Recommendation .....	9
 <b>Appendix I – Details of the retiring Directors proposed to     be re-elected at the AGM</b> .....	 10

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company to be held at Salon 6, Level III, JW Marriot Hotel, 88 Queensway, Hong Kong on 29 May 2006, Monday, at 9:30 am
“Annual Report”	the 2005 annual report of the Company
“Board”	the board of Directors
“CASH”	Celestial Asia Securities Holdings Limited, a company whose securities are listed on the main board of the Stock Exchange, and is also the controlling shareholder of the Company
“Company”	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and whose securities are listed on the GEM
“CRMG”	CASH Retail Management Group Limited, a company whose securities are listed on the main board of the Stock Exchange, and is also an associated company of CASH
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“Latest Practicable Date”	24 March 2006, being the latest practicable date prior to the printing of this circular
“Repurchase Mandate”	a general mandate to repurchase its fully paid up shares
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise in full of options available to be granted by the Directors on behalf of the Company from time to time under the Share Option Scheme and any other share option scheme(s) of the Company

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance
“Share Option Scheme”	the existing share option scheme of the Company adopted by the Shareholders at the special general meeting held on 19 February 2002 and is currently the only share option scheme of the Company
“Shareholders”	shareholders of the Company
“Share(s)”	share(s) of \$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“\$”	Hong Kong dollar(s)

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## LETTER FROM THE BOARD

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FINANCIAL SERVICES GROUP

時 富 金 融 服 務 集 團

## CASH FINANCIAL SERVICES GROUP LIMITED

*(Incorporated in Bermuda with limited liability)*

**(Stock code #8122)**

*Executive Directors*

KWAN Pak Hoo Bankee (*Chairman*)

LAW Ping Wah Bernard (*CFO*)

WONG Kin Yick Kenneth (*CEO*)

CHENG Man Pan Ben (*COO*)

*Registered Office*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-executive Directors*

CHENG Shu Shing Raymond

HUI Ka Wah Ronnie

LO Kwok Hung John

*Principal Place of Business*

21/F The Center

99 Queen's Road Central

Hong Kong

31 March 2006

*To Shareholders*

Dear Sir/Madam,

### **GENERAL MANDATE TO REPURCHASE SHARES REFRESHMENT OF THE SCHEME MANDATE LIMIT AND RE-ELECTION OF THE RETIRING DIRECTORS**

#### **INTRODUCTION**

The purpose of this circular is to provide you with information on the proposals:–

- (a) to grant to the Directors the Repurchase Mandate which is required under rule 13.07(3) of the GEM Listing Rules to be approved by Shareholders by a specific or general approval;
- (b) to refresh the Scheme Mandate Limit which is required under rule 23.03(3) of the GEM Listing Rules to be approved by Shareholders in general meeting; and

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## LETTER FROM THE BOARD

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(c) to re-elect each of the retiring Directors.

### **A. REPURCHASE MANDATE**

At the annual general meeting of the Company held on 30 May 2005, a general mandate was given by the Shareholders to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the resolution. Under the GEM Listing Rules, such general mandate will lapse at the conclusion of the AGM.

This circular contains all the information in relation to the Repurchase Mandate required pursuant to the GEM Listing Rules which is set out as follows:

#### **1. Reason for Shares Repurchase**

The Directors believe that it is in the best interests of the Company and the Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase shares in the Company on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

The exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital and gearing position of the Company as compared with that disclosed in its most recent published audited accounts as at 31 December 2005. However, the Directors will not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **2. Share Capital**

As at the Latest Practicable Date, the Company has 1,381,051,448 Shares in issue or issued share capital of \$138,105,144.80.

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## LETTER FROM THE BOARD

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On that basis and assuming no further Shares will be issued prior to the AGM, the exercise of the Repurchase Mandate in full would result in up to 138,105,144 Shares (representing 10% of the issued share capital of the Company as at the date of passing of the ordinary resolution) representing share capital of \$13,810,514.40 being repurchased by the Company. Such Repurchase Mandate, if passed, will continue in force until the conclusion of the next annual general meeting of the Company following the passing of the resolution referred to herein or the revocation of the Repurchase Mandate by an ordinary resolution of the Shareholders.

### 3. Funding of Repurchase

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and bye-laws and the applicable laws of Bermuda. The Directors propose that the repurchase of Shares under the Repurchase Mandate will be financed from the Company's internal resources.

### 4. Marketing Prices

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months were as follows:

	<b>Highest</b>	<b>Lowest</b>
	\$	\$
<b>2005</b>		
March	0.216	0.150
April	0.205	0.181
May	0.248	0.194
June	0.223	0.200
July	0.240	0.207
August	0.300	0.215
September	0.600	0.250
October	0.395	0.240
November	0.330	0.248
December	0.320	0.270
<b>2006</b>		
January	0.530	0.280
February	0.475	0.305
March (up to the Latest Practicable Date)	0.350	0.300



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## LETTER FROM THE BOARD

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### **5. Shares Repurchases Made by the Company**

During the previous 6 months, the Company had not purchased, sold or redeemed any of the listed securities of the Company.

### **6. General**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules and the applicable laws of Bermuda.

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the repurchasing company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code.

As at the Latest Practicable Date, the single largest substantial Shareholder and the Directors collectively were beneficially interested in 657,039,434 Shares representing approximately 47.57% of the issued share capital of the Company. In the event that the Directors exercised the Repurchase Mandate in full in accordance with the terms of the ordinary resolution to be proposed at the AGM, the interest of the substantial Shareholder and the Directors in the Company would be increased to approximately 52.86% of the issued share capital, in which case, such increase may give rise to an obligation of the single largest Shareholder and certain Director to make a mandatory general offer under Rules 26 and 32 of the Takeovers Code. However, the number of Shares held by the public will be maintained at above 20%. The Directors have no intention to exercise the Repurchase Mandate to such an extent that it will trigger the mandatory general offer under Rules 26 and 32 of the Takeovers Code.

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates has any present intention, in the event that the Repurchase Mandate is approved by Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person (as defined in the GEM Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by Shareholders.

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## LETTER FROM THE BOARD

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### **B. REFRESHMENT OF THE SCHEME MANDATE LIMIT**

Pursuant to the rule 23.03(3) of the GEM Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed 30% of the Shares in issue from time to time.

Pursuant to the rule 23.03(3) of the GEM Listing Rules, the Scheme Mandate Limit may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by Shareholders. The Scheme Mandate Limit may be refreshed by Shareholders in general meeting from time to time.

As at the Latest Practicable Date, 1,381,051,448 Shares were in issue and option to subscribe up to 78,900,000 Shares, representing 5.71% of the issued share capital of the Company as at the Latest Practicable Date, have been granted and remained outstanding under the Share Option Scheme. Since the latest refreshment of Scheme Mandate Limit and up to the Latest Practicable Date, a total of 75,000,000 options have been granted and the Scheme Mandate Limited has been utilised as to around 99.4%.

The refreshment of the Scheme Mandate Limit is conditional upon (i) approval by Shareholders in the AGM; and (ii) the Stock Exchange granting approval for the listing and permission to deal in the option Share(s) to be issued pursuant to the exercise of options to be granted under the Scheme Mandate Limit.

On that basis and assuming no further allotment and issue of Shares and/or repurchase of Shares up to the date of the AGM, upon the approval of the refreshment of the Scheme Mandate Limit by Shareholders in the AGM, the Scheme Mandate Limit (as refreshed) will allow the Company to grant options entitling holders thereof to subscribe for up to 138,105,144 Shares, being 10% of the Shares then in issue as at the AGM.

On the same assumption, the Directors expect that the grant of options in full under the refreshed Scheme Mandate Limit hereof will not cause the Shares to be issued upon the full exercise of the then outstanding options granted and available to be granted under the Share Option Scheme or any other share option scheme(s) of the Company to be in excess of 30% of the Shares in issue from time to time.

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## LETTER FROM THE BOARD

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The Directors would like to take this opportunity to seek the approval of the Shareholders to refresh the Scheme Mandate Limit so as to retain the flexibility for the Board to make new grant of options under the Share Option Scheme as the Board may consider appropriate from time to time. It will allow the Company to attract potential employees to join the Group and to provide incentives to and to retain the existing employees of the Group which is in the interests of the Group.

Application will be made to the Stock Exchange by the Company for the approval of the listing of and permission to deal in the Shares, representing a maximum of 10% of the Shares in issue as at the date of the AGM approving the refreshment of the Scheme Mandate Limit, which may be issued pursuant to the exercise of the options under the Share Option Scheme and any other share option scheme(s) of the Company.

### **C. RE-ELECTION OF THE RETIRING DIRECTORS**

The following Directors shall retire and, being eligible, offer themselves for re-election at the AGM:

- (i) Mr Kwan Pak Hoo Bankee, Mr Wong Kin Yick Kenneth and Mr Law Ping Wah Bernard shall retire at least once in every three financial years at annual general meeting of the Company in accordance with the corporate governance code; and
- (ii) Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John, being Independent Non-executive Directors, shall retire at the annual general meeting of the Company in each year in accordance with their terms of office of directorship.

Particulars of Directors proposed to be re-elected at the AGM is set out in Appendix I of this circular.

### **D. AGM**

Notice of the AGM containing the proposed ordinary resolutions to approve, inter alia, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the re-election of the retiring Directors is set out on the Annual Report for your consideration and approval.

A form of proxy for the AGM is enclosed with the Annual Report. If you do not intend to be present at the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no less than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

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## LETTER FROM THE BOARD

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### E. PROCEDURE TO DEMAND A POLL BY SHAREHOLDERS

Shareholders may demand a resolution to be taken by poll if:

- (1) the demand is raised before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll; and
- (2) the demand is made by:
  - (a) Chairman of the meeting; or
  - (b) at least 3 registered Shareholders (as represented personally, or by proxy, or by corporate representative) entitled to vote at the meeting; or
  - (c) a registered Shareholder or registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) representing not less than 10% of the total voting rights of all Shares in issue that entitle the holders to vote at the meeting; or
  - (d) a registered Shareholder or registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right.

### F. RECOMMENDATION

The Directors believe that the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the re-election of the retiring Directors are in the interests of the Company and its Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the AGM.

On behalf of the Board

**Bankee P Kwan**

*Chairman*

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**APPENDIX I****DETAILS OF THE RETIRING DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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*Set out below are details of the Directors who will retire at the conclusion of the AGM and will be proposed to be re-elected at the AGM.*

**Mr KWAN Pak Hoo Bankee**

*Chairman*

- (a) Mr Kwan, aged 46, joined the Group since its establishment.
- (b) Mr Kwan is in charge of the Group's strategic business development. He is also a member of the Remuneration Committee of the Company.
- (c) Mr Kwan joined the CASH's board on 9 March 1998 and joined the CRMG's board on 11 April 2000. He is also a member of the remuneration committee of CASH and CRMG. Mr Kwan was a director of Meritz Securities Company Limited, which is listed on the Korean Stock Exchange, during the period from 28 May 2004 to 1 December 2005. Save as herein disclosed, Mr Kwan has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. Mr Kwan possesses a Master degree in Business Administration and is a fellow of Institute of Financial Accountants.
- (e) There is no service contract between the Company and Mr Kwan. Mr Kwan is not appointed for a specific term but he shall retire at least once in every three financial years at annual general meeting of the Company in accordance with the corporate governance code.
- (f) Mr Kwan is also the substantial shareholder of the Company.
- (g) Within the meaning of Part XV of the SFO, Mr Kwan has the following interest:
  - (i) other interest of 654,219,434 shares in the Company and personal interest of options with right to subscribe for 7,800,000 shares in the Company at the price of \$0.38 each;
  - (ii) other interest of 164,028,376 shares in CASH; and
  - (iii) other interest of 392,027,587 shares in CRMG.
- (h) Mr Kwan is currently entitled to a monthly salary of \$10,000, plus year end discretionary bonus which will depend on his working performance.

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**APPENDIX I****DETAILS OF THE RETIRING DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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- (i) Mr Kwan is a director of the following company which has been put into liquidation:

Name of company: Celestial (International) Securities & Investment Limited

Place of incorporation: Hong Kong

Nature of business: Money lending

Nature of the proceeding involved: Compulsory Liquidation

Date of commencement of the proceeding: 25 April 2005

Amount involved: \$1,662,598.31 together with accrued interests

Current position of the proceeding: the liquidator has been appointed and it is in progress of Compulsory Liquidation

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

**Mr Kenneth Kin-yick WONG**

*Chief Executive Officer*

- (a) Mr Wong, aged 48, jointed the Group on 2 May 2000.
- (b) Mr Wong is in charge of the Group's business development and business management.
- (c) Mr Wong joined the CASH's board on 3 November 2003. Save as herein disclosed, Mr Wong has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) Mr Wong has extensive experience in the banking and finance field. Mr Wong possesses a Master degree in Business Administration.

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**APPENDIX I****DETAILS OF THE RETIRING DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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- (e) There is no service contract between the Company and Mr Wong. Mr Wong is not appointed for a specific term but he shall retire at least once in every three financial years at annual general meeting of the Company in accordance with the corporate governance code.
- (f) Mr Wong has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company save as disclosed above.
- (g) Within the meaning of Part XV of the SFO, Mr Wong has the following personal interest:
- (i) 1,720,000 shares in the Company and options with right to subscribe for 7,800,000 shares in the Company at the price of \$0.38 each.
- (h) Mr Wong is currently entitled to a monthly salary of \$130,000, plus year end discretionary bonus which will depend on his working performance.
- (i) Mr Wong is a director of the following company which has been put into liquidation:

Name of company:	Celestial (International) Securities & Investment Limited
Place of incorporation:	Hong Kong
Nature of business:	Money lending
Nature of the proceeding involved:	Compulsory Liquidation
Date of commencement of the proceeding:	25 April 2005
Amount involved:	\$1,662,598.31 together with accrued interests
Current position of the proceeding:	the liquidator has been appointed and it is in progress of Compulsory Liquidation

- (j) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

**Mr LAW Ping Wah Bernard***Chief Financial Officer*

- (a) Mr Law, aged 47, joined the Group at its establishment. Mr Law is in charge of the Group's financial and accounting management.
- (b) Mr Law joined the CASH's board and CRMG's board on 9 March 1998 and 3 May 2001 respectively. Save as herein disclosed, Mr Law has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (c) Mr Law has extensive experience in financial management and accountancy. Mr Law possesses a Master degree in Business Administration and is a fellow of both The Chartered Association of Certified Accountants and the Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants.
- (d) There is no service contract between the Company and Mr Law. Mr Law is not appointed for a specific term but he shall retire at least once in every three financial years at annual general meeting of the Company in accordance with the corporate governance code.
- (e) Mr Law has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company save as disclosed above.
- (f) Within the meaning of Part XV of the SFO, Mr Law has the following personal interest:
  - (i) options with right to subscribe for 7,800,000 shares in the Company at the price of \$0.38 each; and
  - (ii) 5,096,200 shares in CASH.
- (g) Mr Law is currently entitled to a monthly salary of \$50,000, plus year end discretionary bonus which will depend on his working performance.



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**APPENDIX I****DETAILS OF THE RETIRING DIRECTORS  
PROPOSED TO BE RE-ELECTED AT THE AGM**

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(h) Mr Law is a director of the following company which has been put into liquidation:

Name of company: Celestial (International) Securities & Investment Limited

Place of incorporation: Hong Kong

Nature of business: Money lending

Nature of the proceeding involved: Compulsory Liquidation

Date of commencement of the proceeding: 25 April 2005

Amount involved: \$1,662,598.31 together with accrued interests

Current position of the proceeding: the liquidator has been appointed and it is in progress of Compulsory Liquidation

(i) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

**Raymond Shu-shing CHENG***Independent Non-executive Director*

- (a) Mr Cheng, aged 50, joined the Independent Board on 18 September 2002.
- (b) Mr Cheng is also the chairman of the Audit Committee and the Remuneration Committee of the Company.
- (c) Mr Cheng has extensive experience in watch manufacturing industry and is the managing director of a watch manufacturing and trading company in Hong Kong. Mr Cheng has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (d) There is no service contract entered into between the Company and Mr Cheng but an appointment letter was signed between the Company and Mr Cheng. The term of office of Mr Cheng is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Cheng is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (e) Mr Cheng has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.
- (f) Within the meaning of Part XV of the Securities and Futures Ordinance, Mr Cheng has the following personal interest:
  - (i) 1,100,000 shares in the Company; and
  - (ii) options with right to subscribe for 1,000,000 shares in the Company at the exercise price of \$0.38 each.
- (g) Mr Cheng's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate.
- (h) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

**Ronnie Ka-wah HUI***Independent Non-executive Director*

- (a) Dr Hui, aged 42, joined the Independent Board on 3 November 2004.
- (b) Dr Hui is also a member of the Audit Committee and the Remuneration Committee of the Company. He is also an independent non-executive director and a member of the audit committee of CRMG during the period from 30 March 2004 to 28 February 2006. Dr Hui is also the independent non-executive director and a member of the audit committee of E2-Capital (Holdings) Limited, a listed company in Hong Kong. Save as herein disclosed, Dr Hui has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.
- (c) Dr Hui is a specialist in Paediatrics and is the principal of a private medical clinic in Hong Kong since 1991. Dr Hui possesses a Bachelor of Medicine and a Bachelor of Surgery and is a member of the Royal College of Physicians (UK), and is a fellow member of both the Academy of Medicine (Paediatrics) and the Hong Kong College of Paediatricians. Dr Hui is also a CFA charterholder and is currently the head of corporate investment of a listed company in Hong Kong.
- (d) There is no service contract entered into between the Company and Dr Hui but an appointment letter was signed between the Company and Dr Hui. The term of office of Dr Hui is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Dr Hui is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (e) Dr Hui has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.
- (f) Within the meaning of Part XV of the Securities and Futures Ordinance, Dr Hui has the following personal interest:
  - (i) options with right to subscribe for 1,000,000 shares in the Company at the exercise price of \$0.38 each.
- (g) Dr Hui's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate.
- (h) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.

**John Kwok-hung LO***Independent Non-executive Director*

- (a) Mr Lo, aged 47, joined the Independent Board on 27 September 2005.
- (b) Mr Lo is also a member of the Audit Committee of the Company. Mr Lo was also an independent non-executive director of the following companies which are listed on the Stock Exchange:
  - (i) the Company during the period from 11 September 2002 to 3 November 2004;
  - (ii) CRMG during the period from 3 May 2001 to 3 November 2004; and
  - (iii) New Times Group Holdings Limited (stock code #166) during the period from 20 November 2002 to 6 September 2004.

Save as herein disclosed, Mr Lo has not held any directorship in listed public company during the three years preceding the Latest Practicable Date.

- (c) Mr Lo has extensive experience in the accounting, auditing and finance field and is the managing partner of a certified public accounting firm in Hong Kong. He holds a Master in Business Administration and a Bachelor of Laws.
- (d) There is no service contract entered into between the Company and Mr Lo but an appointment letter was signed between the Company and Mr Lo. The term of office of Mr Lo is one year commencing from the date of annual general meeting up to the date of the next annual general meeting. Mr Lo is required to retire, but be eligible for re-election, at each annual general meeting of the Company subsequently to be held for each financial year.
- (e) Mr Lo has no relationship with any director, senior management, management shareholder, substantial shareholder or controlling shareholder of the Company.
- (f) Within the meaning of Part XV of the Securities and Futures Ordinance, Mr Lo has the following interest:
  - (i) options with right to subscribe for 1,000,000 shares in the Company at the exercise price of \$0.38 each.
- (g) Mr Lo's remuneration will be recommended and fixed by the Board with reference to the prevailing market rate.
- (h) Save as disclosed above, there is no information to be disclosed pursuant to any of the requirements of Rules 17.50(2)(h) to (v) of the GEM Listing Rules nor are there any other matters that need to be brought to the attention of the Shareholders.