
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in CASH Financial Services Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

CONNECTED AND DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF NETFIELD TECHNOLOGY LIMITED

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



FIRST SHANGHAI GROUP

FIRST SHANGHAI CAPITAL LIMITED

A notice convening a special general meeting of CASH Financial Services Group Limited to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 23 April 2007 (Monday) at 9:30 am is set out on pages 32 to 33 of this circular. A letter from the Independent Financial Adviser (as defined herein) containing its advice to the Independent Board Committee (as defined herein) and the Independent Shareholders (as defined herein) in relation to the Agreement (as defined herein) is set out on pages 15 to 21 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy 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 a 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 at www.hkgem.com for at least 7 days from its date of publication and on the website of the Company at www.cfs.com.hk.

4 April 2007

CHARACTERISTICS OF GEM

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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DEFINITIONS

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

“Agreement”	the agreement entered into between the Purchaser and the Vendor on 9 January 2007 in relation to the Disposal
“Announcement”	the joint announcement made by the Company and CASH on 9 January 2007 in respect of, among other things, the entering into the Agreement
“ARTAR”	Abdulrahman Saad Al-Rashid & Sons Company Limited, a substantial shareholder and a connected person of each of the Company and CASH
“Associate(s)”	has the same meaning ascribed in the GEM Listing Rules
“Board”	the board of Directors
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), the ultimate controlling Shareholder, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“CASH Group”	CASH and its subsidiaries
“Cash Guardian”	Cash Guardian Limited, a substantial shareholder of CASH
“CASH SGM”	the special general meeting of CASH to be held to approve, inter alia, the Agreement
“Company”	CASH Financial Services Group Limited (stock code: 8122), a company incorporated in Bermuda with limited liability and which securities are listed on GEM
“Completion”	completion of the transaction pursuant to the Agreement
“Consideration”	the consideration for the sale and purchase of the Sale Shares and the Sale Debt as set out in the section headed “The Agreement”
“Directors”	the directors of the Company

DEFINITIONS

“Disposal”	the disposal of the Sale Shares and the Sale Debt pursuant to the Agreement
“Game Group”	Netfield and its subsidiaries, the business of which is set out in the section headed “The Game Group”
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries, including the Game Group
“Independent Board Committee”	the independent board committee of the Company comprising the independent non-executive Directors, namely, Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John
“Independent CASH Shareholder(s)”	holder(s) of the shares of CASH other than ARTAR, Cash Guardian and their respective Associates
“Independent Financial Adviser”	First Shanghai Capital Limited, a licensed corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO, the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholder(s)”	Shareholder(s) other than ARTAR, Cash Guardian, Mr Lin, the Purchaser and their respective Associates
“Latest Practicable Date”	30 March 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Mr Lin”	Mr Lin Che Chu George, a director of CASH and a connected person of CASH and the CEO of the Game Group and a connected person of the Company
“Netfield”	Netfield Technology Limited, a company incorporated with limited liability in the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan

DEFINITIONS

“Prime Rate”	the prime lending rate being offered by The Hongkong and Shanghai Banking Corporation Limited from time to time
“Purchaser” or “CIGL”	Celestial Investment Group Limited, a wholly-owned subsidiary of CASH
“Sale Debt”	the outstanding loan due from Netfield to the Vendor as at completion of the Agreement irrespective of whether or not the same is due and payable on the date of Completion, which amounted to approximately HK\$26 million as at 30 September 2006
“Sale Shares”	the 100% interest in the issued share capital of Netfield
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be held to approve the Agreement
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Vantage Giant Limited, a company incorporated with limited liability in the British Virgin Islands and a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“RMB”	Renminbi, the currency of PRC

LETTER FROM THE BOARD



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)

Board of Directors:

Executive:

KWAN Pak Hoo Bankee

WONG Kin Yick Kenneth

LAW Ping Wah Bernard

CHENG Man Pan Ben

Independent non-executive:

CHENG Shu Shing Raymond

HUI Ka Wah Ronnie

LO Kwok Hung John

Registered office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

***Head office and principal place
of business:***

21/F The Center

99 Queen's Road Central

Hong Kong

4 April 2007

To the Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF NETFIELD TECHNOLOGY LIMITED

INTRODUCTION

On 9 January 2007, the Board made the Announcement that, among other things, the Agreement was entered into between the Vendor (a wholly-owned subsidiary of the Company), and the Purchaser (a wholly-owned subsidiary of CASH) pursuant to which the Vendor has agreed to dispose of the Sale Shares and the Sale Debt to the Purchaser at the Consideration in cash.

Under the GEM Listing Rules, the Disposal contemplated under the Agreement constitutes a connected and discloseable transaction for the Company and will be subject to the approval of the Independent Shareholders. ARTAR, Cash Guardian, Mr Lin, the Purchaser and their respective

LETTER FROM THE BOARD

Associates are required to abstain from voting in respect of the resolution to approve the Disposal. The Independent Board Committee has been established to consider the entering into of the Agreement and the terms thereunder. First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the entering into of the Agreement and the terms thereunder.

The purpose of this circular is to give you further information regarding the Agreement and the notice of the SGM at which an ordinary resolution will be proposed to approve the Agreement.

THE AGREEMENT

Date:	9 January 2007
Vendor:	Vantage Giant Limited, a wholly-owned subsidiary of the Company
Purchaser:	Celestial Investment Group Limited, a wholly-owned subsidiary of CASH (the ultimate controlling Shareholder), and is an investment holding company
Sale Shares and Sale Debt:	Being 100% interest in Netfield, and the outstanding loan due from Netfield to the Vendor as at Completion of the Agreement
Consideration:	The consideration for the Sale Debt shall be its face value as at the date of Completion. The consideration for the Sale Shares shall be:

the higher of (1) HK\$120 million, which represents a premium of HK\$10 million over the acquisition cost for the Game Group or (2) the valuation of the online game business operated by the Game Group as at 31 December 2006. The premium of HK\$10 million represents the reasonable return for the investment and the anticipated popularity in online game, "King of Pirate", which was launched on trial run in 2005 and another new online game, "CABAL" which was first launched in Taiwan in November 2006. Further information about the Game Group's online games business is set out under the section headed "The Game Group" below.

An independent professional valuer was appointed by the Vendor and the Purchaser to conduct the valuation referred to in (2) above. The online game business operated by the Game Group was valued at approximately HK\$120 million as at 31 December 2006 and the final consideration was fixed at HK\$120 million.

LETTER FROM THE BOARD

The Consideration was determined after arm's length negotiation between the Purchaser and the Vendor. The Directors are of the view that the Consideration is fair and reasonable.

A refundable deposit of HK\$20 million has been paid upon signing of the Agreement. HK\$30 million of the Consideration will be paid upon Completion and the balance of the Consideration will be paid on or before the second anniversary of the date of Completion with interest at the Prime Rate.

The payment of the Consideration has been and will be satisfied by the internal resources of CASH or bank borrowings. The Consideration is intended to be funded as to HK\$70 million by way of internal resources and the balance by bank borrowings.

Conditions
precedent:

The Agreement is conditional upon, among other things:

- (a) the approval of the Agreement by the Independent Shareholders in the SGM; and
- (b) the approval of the Agreement by the Independent CASH Shareholders in the CASH SGM.

The conditions are required to be fulfilled on or before 30 June 2007, or such later date as may be agreed between the Vendor and the Purchaser. If the conditions are not fulfilled, the Agreement will terminate.

Completion:

Completion of the Agreement shall be on the third business day after all the conditions being fulfilled or such other date as the Vendor and the Purchaser agree in writing.

THE GAME GROUP

The Game Group commenced online game business in January 2005 and was acquired by the Company from Mr Lin (who was then an independent third person and was not a connected person of the Company or CASH prior to such acquisition by the Company) in September 2005 at a consideration of HK\$110 million. It is an online game developer and operator in PRC and Taiwan. Based in Shanghai, the Game Group offers three-dimensional massively multiplayer online role-playing games ("MMORPGs") and causal games which are either developed by its own in-house research and development team or obtained exclusive licenses from both overseas and

LETTER FROM THE BOARD

domestic developers. Customers and players are either required to pay monthly subscription for play time or to purchase virtual items, tools, weapons and other enhancements that a game character might need in order to achieve various game objectives. The acquisition was part of the Company's strategy to enhance its services and widen its product range on the basis of Board's view that popularity of online game could in the long term generate a scaleable income for the Company.

As the MMORPG market becomes more competitive, innovation in new releases becomes a necessity. MMORPG developers are therefore continuously introducing new features and characteristics in order to enhance player satisfaction and retention.

Currently, the Game Group is offering two MMORPGs, namely the "King of Pirate" and "CABAL" which are accessible nationwide in PRC, Taiwan and Hong Kong. The "King of Pirate" is the Game Group's first in-house developed MMORPG while a South Korean developer has licensed "CABAL" to the Game Group for a fee. The first generation of the "King of Pirate" was successfully launched in November 2005 and the numbers of registered subscribers for "King of Pirate" in PRC and Taiwan were approximately 9 million and 380,000 respectively as at 31 December 2006. The Game Group has successfully licensed the online game to the operators in Hong Kong, Singapore, Malaysia and Thailand for fees. Following the successful launch of the "King of Pirate", the Game Group has been continually introducing new features and enhanced characteristics to make the online game more appealing to its players. "CABAL" was first launched in Taiwan in November 2006 and the number of registered subscribers for "CABAL" was approximately 1.1 million as at 31 December 2006. In PRC, "CABAL" was on its trial run in December 2006 and had been commercially launched subsequent to the year end. With its well-established game portal, the Game Group will continue to explore new online games and expand its already extensive national and international distribution channels to increase the number of online game players, which, in turn, helps to generate sizable incomes in the coming years.

REASON FOR THE DISPOSAL

Besides operating its online game business via the Game Group, the Group is also engaged in the provision of financial services which consist of (a) online and traditional brokerage of securities, options, futures, and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products; (b) margin financing; (c) corporate finance; and (d) other financial services.

The Hong Kong stock market has been filled with optimism throughout the whole year of 2006. Signs of accelerating economic pick-up in PRC and continued speculation over RMB appreciation attracted significant inflow of hot money into Hong Kong, particularly into China-related shares. Both China H-shares, Red-Chips and Hang Seng Indices had hit their respective record highs in December 2006. The average daily turnover for 2006 was approximately HK\$33.7 billion, approximately 85.2% up from HK\$18.2 billion in 2005. Notably, the IPO market was hot

LETTER FROM THE BOARD

and most IPO issues had been overwhelmingly received by the market because of investors' confidence and the abundance of liquidity. The Company had experienced the fastest growth in its financial services business in the past two years on the back of the economy recovery and good performance of the Hong Kong stock market. The Board, after a thorough review of the business plan, would like to allocate more financial resources to expand its financial services business and believes the Company will sustain the continued growth in the coming years against the data on the anticipated fast pace of growth in GDP in PRC and Hong Kong. The Board also believes that the current capital market offers a favorable environment to grow the principal business of financial services which, in turn, will enhance the Shareholders' value.

Even though the Board is confident that the online game business will generate a stable income for the Company in the long run, substantial funding is still needed to develop and renovate/innovate the online games and to expand and strengthen its network of distribution channels to stay competitive in the industry.

The Board is of the view that it is now the best chance to dispose of its online game business in order that the proceeds arising from the Disposal will be used to further accelerate the already spectacular growth in its financial services business among the greatest optimism in PRC and Hong Kong's economies and stock markets. With the proceeds from the Disposal, the Company will stand a better chance to reap greater profits from its margin-financing driven securities brokerage business in the bullish stock market, which, in turn, will further help strengthen its marketing positioning in the financial services industry. The Directors believe that the terms of the Disposal are fair and reasonable and in the interests of the Shareholders as a whole.

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated net profits before and after taxation, minority interest and extraordinary items of the Group prepared in accordance with the generally acceptable accounting principles in Hong Kong for the year ended 31 December 2005 were about HK\$23.8 million and HK\$26.6 million respectively, and the audited consolidated net profits before and after taxation, minority interest and extraordinary items of the Group prepared in accordance with the generally acceptable accounting principles in Hong Kong for the year ended 31 December 2006 were about HK\$46.1 million and HK\$39.9 million respectively. The audited consolidated net assets of the Group as at 31 December 2005 were about HK\$358.1 million and the audited consolidated net assets of the Group as at 31 December 2006 were about HK\$483.6 million.

LETTER FROM THE BOARD

FINANCIAL INFORMATION OF THE GAME GROUP

The Game Group commenced online game business in January 2005 and commercially launched its online game products and services in late December 2005. The audited consolidated net losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2006 were about HK\$23.4 million and HK\$23.8 million respectively, and the audited consolidated net losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2005 were both about HK\$27.4 million. The audited consolidated net assets of the Game Group as at 31 December 2006 was about HK\$48.0 million in deficit and the audited consolidated net assets of the Game Group as at 31 December 2005 was about HK\$27.1 million in deficit.

EFFECTS OF THE DISPOSAL ON THE EARNINGS, ASSETS AND LIABILITIES OF THE GROUP

Earnings

The carrying value of the Game Group as at 31 December 2006 was about HK\$87.7 million. After the Disposal, the Group will receive a total proceeds of HK\$120 million, resulting in a gain before taxation of about HK\$32.3 million and the Game Group will cease to be subsidiaries of the Company.

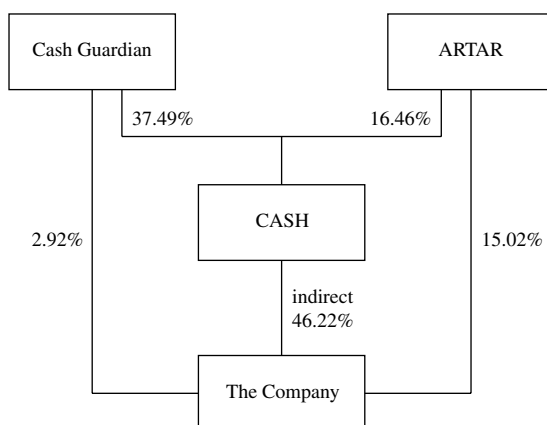
Assets and liabilities

After the Disposal, the total assets and the total liabilities of the Group will be decreased by approximately HK\$182.2 million and HK\$94.5 million respectively.

LETTER FROM THE BOARD

RELATIONSHIP BETWEEN THE COMPANY, CASH AND ARTAR

The following shareholding chart shows the relationship amongst the Company, CASH and ARTAR:–



As at the Latest Practicable Date, CASH (through its wholly-owned subsidiary, the Purchaser) indirectly holds 638,827,434 Shares (representing approximately 46.22% of the total issued Share capital) of the Company. CASH is a controlling Shareholder of the Company within the meaning of the GEM Listing Rules and a connected person of the Company within the meaning of the GEM Listing Rules.

As at the Latest Practicable Date, ARTAR holds 207,636,000 Shares (representing approximately 15.02% of the total issued Share capital) of the Company and a connected person of the Company.

GENERAL

The CASH Group is principally engaged in the (a) financial services provided via the Company including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, margin financing, corporate finance, other financial services and online game business; (b) retailing of furniture and household items and trendy digital products; and (c) investment holding.

Under the GEM Listing Rules, the Disposal constitutes a connected and discloseable transaction for the Company and requires the approval of the Independent Shareholders. Mr Lin is the CEO of the Game Group and hence a connected person of the Company. As at the Latest Practicable Date, he holds 280,000 Shares (approximately 0.02% of the total issued Share capital) of the Company and he is required to abstain from voting in the SGM. ARTAR, Cash Guardian, Mr Lin, the Purchaser and their respective Associates are required to abstain from voting in respect of

LETTER FROM THE BOARD

the resolution to approve the Disposal. The Independent Board Committee has been established to consider the entering into of the Agreement and the terms thereunder. First Shanghai Capital Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in connection with the entering into of the Agreement and the terms thereunder.

SGM

Set out on pages 32 to 33 of this circular is a notice convening the SGM to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong at 9:30 am on 23 April 2007 (Monday) at which an ordinary resolution will be proposed to be considered and, if thought fit, be passed by the Independent Shareholders for the approval of the Agreement by poll, to which ARTAR, Cash Guardian, Mr Lin, the Purchaser and their respective Associates are required to abstain from voting in accordance with the GEM Listing Rules.

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete and return the form of proxy 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 SGM. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish.

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

LETTER FROM THE BOARD

- (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.

RECOMMENDATION

In relation to the Agreement, your attention is drawn to the letters from the Independent Board Committee and the Independent Financial Adviser set out on pages 13 to 21 of this circular. Having taken into account the advice of the Independent Financial Adviser, the Independent Board Committee is of the opinion that the entering into of the Agreement and the terms thereunder are fair and reasonable so far as the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole, and it therefore recommends the Independent Shareholders to vote in favour of the resolution above relating to the Agreement at the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the general information on the Group as set out in the appendix to this circular.

Yours faithfully,
On behalf of the Board
Bankee P Kwan
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

4 April 2007

To the Independent Shareholders

Dear Sir or Madam,

CONNECTED AND DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF ENTIRE ISSUED SHARE CAPITAL OF NETFIELD TECHNOLOGY LIMITED

We refer to the circular dated 4 April 2007 of the Company (“Circular”) of which this letter forms part. Terms defined in the Circular bear the same meanings herein unless the context otherwise requires.

We have been appointed to form an Independent Board Committee to consider the entering into of the Agreement and the terms thereunder, and to advise the Independent Shareholders whether, in our opinion, the entering into of the Agreement and the terms thereunder are fair and reasonable so far as the Independent Shareholders as a whole are concerned and is in the interests of the Company and the Shareholders as a whole. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the entering into of the Agreement and the terms thereunder.

We wish to draw your attention to the letter from the Board set out on pages 4 to 12 of the Circular which contains, inter alia, information on the Agreement and the letter from the Independent Financial Adviser set out on pages 15 to 21 of the Circular which contains its advice in respect of the terms of the Agreement.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the advice of the Independent Financial Adviser, we consider the entering into of the Agreement and the terms thereunder are fair and reasonable so far as the Independent Shareholders are concerned as a whole and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution above to be proposed at the SGM to approve the Agreement.

Yours faithfully,

Independent Board Committee

Cheng Shu Shing Raymond

Hui Ka Wah Ronnie

Lo Kwok Hung John

Independent non-executive Directors

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter received from the Independent Financial Adviser in respect of the terms of the Agreement prepared for the purpose of incorporation in this circular.



FIRST SHANGHAI CAPITAL LIMITED

19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

4 April 2007

*To the Independent Board Committee
and Independent Shareholders*

CASH Financial Services Group Limited
21/F The Center
99 Queen's Road Central
Hong Kong

Dear Sirs,

CONNECTED AND DISCLOSEABLE TRANSACTION PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF NETFIELD TECHNOLOGY LIMITED

INTRODUCTION

We refer to our engagement as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Agreement, details of which are set out in the circular dated 4 April 2007 ("Circular") to the Shareholders, of which this letter forms a part. Unless the context otherwise requires, terms used in this letter have the same meanings as those defined in the Circular.

According to the joint announcement of the Company and CASH dated 9 January 2007, Vantage Giant Limited (being the Vendor), a wholly-owned subsidiary of the Company, and Celestial Investment Group Limited (being the Purchaser), a wholly-owned subsidiary of CASH, has entered into the Agreement on 9 January 2007, pursuant to which the Vendor has agreed to dispose of the Sale Shares and the Sale Debt to the Purchaser at the Consideration in cash.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

Upon the GEM Listing Rules, the Disposal contemplated under the Agreement constitutes a connected and discloseable transaction for the Company and will be subject to the approval of the Independent Shareholders. ARTAR, Cash Guardian, Mr Lin, the Purchaser and their respective Associates are required to abstain from voting in the SGM.

The Independent Board Committee, comprising the independent non-executive Directors namely Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John, has been appointed to advise the Independent Shareholders in relation to the Agreement. Our role, as the independent financial adviser to the Independent Board Committee and the Independent Shareholders, is to give an independent opinion as to whether the terms of the Agreement are fair and reasonable and are in the interests of the Independent Shareholders.

In putting forth our opinion and recommendations, we have relied on the accuracy of the information and representations included in the Circular provided to us by the Directors, and have assumed that all such information and representations made or referred to in the Circular were true at the time they were made and continued to be true as at the date hereof. We have also relied on the information and representations stated on the valuation report prepared by an independent professional valuer engaged by the Company regarding the valuation of the online game business operated by the Game Group and assumed that the bases and assumptions made in determining such valuation are fair and reasonable. We have also assumed that all statements of belief, opinion and intention made by the Directors in the Circular were reasonably made after due enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and have been advised by the Directors that no material facts have been omitted from the information provided and referred to in the Circular. We consider that we have reviewed sufficient information to reach an informed view and to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our advice. We have not, however, conducted an independent investigation into the business and affairs or future prospects of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendations as to the fairness and reasonableness of the terms of the Agreement, we have taken into account the following principal factors and reasons:

1. Background of Group

The Group is principally engaged in the provision of (a) online and traditional brokerage of securities, options, futures, and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products; (b) margin financing; (c) corporate finance; (d) other financial services; and (e) online game business.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As stated in the “Letter from the Board” in the Circular, the Company acquired the Game Group in September 2005 at a consideration of HK\$110 million. As stated in the annual report of the Company for the year ended 31 December 2005 (“Annual Report 2005”), the Group recorded a revenue of approximately HK\$213.6 million with a net profit of approximately HK\$27.3 million, which were mainly generated from its broking, financing and corporate finance businesses. The Game Group did not have significant contribution to the Group’s revenue and income during that period. As stated in the annual report of the Company for the year ended 31 December 2006 (“Annual Report 2006”), the Group recorded revenue and a net profit of approximately HK\$383.2 million and HK\$40.2 million respectively, represented a growth of approximately 79.4% and 47.3% over the previous year. The increase was attributable to the significant growth in securities brokerage income due to the continued speculation over appreciation of renminbi as well as the continuous boom of initial public offerings during the period. According to the Annual Report 2006, revenue generated from broking, financing and corporate finance businesses represented approximately 90.3% of the total revenue while the balance was attributable to the online game business.

2. Information on the assets to be disposed of

The assets to be disposed of for the Agreement comprise the entire equity interest in Netfield and the outstanding loan due from Netfield to the Vendor.

The Game Group commenced online game business in January 2005 and commercially launched its online game products and services in late December 2005. It is an online game developer and operator in PRC and Taiwan. Based in Shanghai, the Game Group offers MMORPGs and causal games which are either developed by its own in-house research and development team or obtained exclusive licenses from both overseas and domestic developers. Customers and players are either required to pay monthly subscription for play time or to purchase virtual items, tools, weapons and other enhancements that a game character might need in order to achieve various game objectives. Currently, the Game Group is offering two MMORPGs, namely the “King of Pirate” and “CABAL” which are accessible nationwide in PRC, Taiwan and Hong Kong. As stated in the “Letter from the Board” in the Circular, the Game Group intends to continue to explore new online games and expand its distribution channels to increase the number of online game players.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

As stated in the “Letter from the Board” in the Circular, the audited consolidated losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2006 were HK\$23.4 million and HK\$23.8 million respectively, and the audited consolidated losses before and after taxation of the Game Group prepared in accordance with the Hong Kong generally acceptable accounting principles for the year ended 31 December 2005 were both approximately HK\$27.4 million. The audited consolidated net assets of the Game Group as at 31 December 2006 was approximately HK\$48.0 million in deficit and the audited consolidated net assets of the Game Group as at 31 December 2005 was approximately HK\$27.1 million in deficit.

3. Reasons for entering into the Agreement

As stated in paragraph headed “Background of the Group” in this letter, the Group is principally engaged in the provision of financial services. Having reviewed the Annual Report 2005 and Annual Report 2006, we have noticed that the financial service business has been the Group’s main line of business, which represented 100% and approximately 90.3% of total revenue of the Group for the year ended 31 December 2005 and the year ended 31 December 2006 respectively. We have noted from the Annual Report 2006 that the Group’s revenue and net profit for the year ended 31 December 2006 had increased significantly by approximately 79.4% and 47.3% respectively as compared with those for the same period in 2005, which were due to the continued speculation over appreciation of renminbi as well as the continuous boom of initial public offerings during the period. As stated in the “Letter from the Board” in the Circular and based on our discussion with the management of the Company, we understand that the Company had experienced the fastest growth in its financial services business in the past two years on the back of the economy recovery and good performance of the Hong Kong stock market. The Board, after a thorough review of the business plan, would like to allocate more financial resources to expand its financial services business and believes the Company will sustain the continued growth in the coming years against the data on the anticipated fast pace of growth in GDP in the PRC and Hong Kong. The Board also believes that the current capital market offers a favorable environment to grow the principal business of financial services, which in turn, will enhance the Shareholders’ value.

On the other hand, the Company acquired the Game Group in September 2005, while its first game “King of Pirate” was successfully launched in November 2005. Given that the online game business was still in its early stage of development, it did not have significant positive contribution to the Group in terms of both revenue and earnings. Furthermore, as stated in the “Letter from the Board” in the Circular, substantial funding is still needed to develop and renovate/innovate the online games and to expand and strengthen its network of distribution channels to stay competitive in the industry.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

The Board plans to apply the proceeds arising from the disposal of the Game Group to strengthen its financial service business. Having considered that (1) the financial service business of the Group was able to capture the economy recovery and good performance of the Hong Kong stock market and demonstrated improved revenue and net profit in the Annual Report 2006; and (2) the online game business was still in an early stage of development and no significant positive contribution was generated to the Group so far, we are of the view that it is a rational decision for the Company to dispose of the Game Group and focus its financial resources to the financial service business, which have demonstrated a proven positive results.

4. Basis of determining the Consideration

The Sale Debt amounted to approximately HK\$26 million as at 30 September 2006. The consideration for the Sale Debt shall be its face value as at the date of Completion. The consideration for the Sale Shares was fixed at HK\$120 million. The consideration for the Sale Shares shall be the higher of (1) HK\$120 million or (2) the valuation of the online game business operated by the Game Group as at 31 December 2006. The Company has engaged an independent professional valuer (“Valuer”) to appraise the valuation of the Game Group. According to the Valuer, the Game Group was valued at approximately HK\$120 million as at 31 December 2006. We have reviewed the valuation report and discussed with the Valuer in respect of the valuation methodology adopted to arrive the valuation of the Game Group. We are of the view that the valuation methodology adopted by the Valuer is acceptable. The Company acquired the Game Group at a consideration of HK\$110 million in September 2005; the consideration for the Sale Shares of HK\$120 million is equivalent to the valuation of the Game Group appraised by the Valuer and represents a premium of HK\$10 million over the acquisition cost of the Game Group. Having considered the financial condition of the Game Group, in particular its historical losses and net deficit book value, we are of the view that the consideration of HK\$120 million, which gives a return for the investment of the Company in the Game Group, is in the interest of the Company and the Shareholders as a whole.

Having considered the above, we are of the view that the basis for determining the Consideration is fair and reasonable.

LETTER FROM INDEPENDENT FINANCIAL ADVISER

FINANCIAL EFFECT OF THE DISPOSAL ON THE GROUP

The Disposal would have positive effects on the Group's earnings, net assets and working capital upon Completion, which are set out as follows: -

1. Earnings

As stated in the "Letter from the Board" in the Circular, the carrying value of the Game Group as at 31 December 2006 was about HK\$87.7 million. After the Disposal, the Group will receive a total proceeds of HK\$120 million, resulting in a gain before taxation of about HK\$32.3 million and the Game Group will cease to be subsidiaries of the Company.

2. Net assets

As stated in the "Letter from the Board" in the Circular, after the Disposal, the total assets and total liabilities of the Group will be decreased by approximately HK\$182.2 million and HK\$94.5 million respectively. Taking into consideration the gain before taxation of approximately HK\$32.3 million as stated above, the net assets of the Group will be enhanced.

3. Working capital

According to the Agreement, a refundable deposit of HK\$20 million has been paid by the Purchaser upon signing of the Agreement. HK\$30 million of the Consideration will be paid by the Purchaser upon Completion and the balance of the Consideration will be paid on or before the second anniversary of the date of Completion with interest at the Prime Rate. The disposal of the Game Group will enhance the working capital of the Group.

RECOMMENDATION

Having considered the above principal factors and reasons, in particular,

- i) the Game Group commenced the online game business in January 2005 and it was loss-making for both of the year ended 31 December 2005 and 31 December 2006 respectively;
- ii) subsequent to the Disposal, the Group could focus its financial resources to the financial service business, which have demonstrated a proven positive results;

LETTER FROM INDEPENDENT FINANCIAL ADVISER

- iii) the consideration for the Sale Shares of HK\$120 million is equivalent to the valuation of the Game Group appraised by the Valuer and represents a premium of HK\$10 million over the acquisition cost of the Game Group, which gives a return for the investment of the Company in the Game Group; and
- iv) the Disposal would have positive effects on the Group's earnings, net assets and working capital upon Completion,

we are of the opinion that the terms of the Agreement are in the interests of the Company and the Shareholders as a whole and that the terms of such agreement are fair and reasonable in so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders and also advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Agreement and the related transaction contemplated thereunder.

Yours faithfully,

For and on behalf of

First Shanghai Capital Limited

Helen Zee
Managing Director

Fanny Lee
Director

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to rule 5.46 of the GEM Listing Rules were as follows:

A. The Company

1. Long positions in the ordinary Shares

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	679,219,434*	49.15
Wong Kin Yick Kenneth	Beneficial owner	9,860,000	–	0.71
Law Ping Wah Bernard	Beneficial owner	17,264,000	–	1.25
Cheng Man Pan Ben	Beneficial owner	1,288,000	–	0.09
Cheng Shu Shing Raymond	Beneficial owner	1,100,000	–	0.08
		<u>29,512,000</u>	<u>679,219,434</u>	<u>51.28</u>

* The Shares were held as to 638,827,434 Shares by CIGL, a wholly-owned subsidiary of CASH, and as to 40,392,000 Shares by Cash Guardian. Mr Kwan Pak Hoo Bankee was deemed to be interested in all these Shares as a result of his interests in CASH through Cash Guardian as disclosed in the “substantial Shareholders” below.

2. Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	7/7/2006	7/7/2006 – 31/7/2008	0.296	6,000,000	0.43
Wong Kin Yick Kenneth	7/7/2006	7/7/2006 – 31/7/2008	0.296	6,000,000	0.43
Law Ping Wah Bernard	7/7/2006	7/7/2006 – 31/7/2008	0.296	6,000,000	0.43
Cheng Man Pan Ben	7/7/2006	7/7/2006 – 31/7/2008	0.296	6,000,000	0.43
Cheng Shu Shing Raymond	7/7/2006	7/7/2006 – 31/7/2008	0.296	1,000,000	0.07
Hui Ka Wah Ronnie	7/7/2006	7/7/2006 – 31/7/2008	0.296	1,000,000	0.07
Lo Kwok Hung John	7/7/2006	7/7/2006 – 31/7/2008	0.296	1,000,000	0.07
				<u>27,000,000</u>	<u>1.93</u>

3. Aggregate long positions in the ordinary Shares and the underlying shares

Name	Number of Shares	Number of underlying shares	Aggregate in number	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	679,219,434	6,000,000	685,219,434	49.58
Wong Kin Yick Kenneth	9,860,000	6,000,000	15,860,000	1.14
Law Ping Wah Bernard	17,264,000	6,000,000	23,264,000	1.68
Cheng Man Pan Ben	1,288,000	6,000,000	7,288,000	0.52
Cheng Shu Shing Raymond	1,100,000	1,000,000	2,100,000	0.15
Hui Ka Wah Ronnie	–	1,000,000	1,000,000	0.07
Lo Kwok Hung John	–	1,000,000	1,000,000	0.07
	<u>708,731,434</u>	<u>27,000,000</u>	<u>735,731,434</u>	<u>53.21</u>

B. Associated corporations (within the meaning of SFO)**CASH***(a) Long positions in the ordinary shares*

Name	Capacity	Number of Shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	246,042,564*	37.49
Law Ping Wah Bernard	Beneficial owner	7,644,300	–	1.16
Cheng Man Pan Ben	Beneficial owner	63,500	–	0.01
		<u>7,707,800</u>	<u>246,042,564</u>	<u>38.66</u>

* The shares were held by Cash Guardian. Mr Kwan was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the “substantial Shareholders” below.

(b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per Share (HK\$)	Number of options outstanding	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.61
Wong Kin Yick Kenneth	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.61
Law Ping Wah Bernard	13/11/2006	13/11/2006 – 12/11/2008	0.323	4,000,000	0.61
				<u>12,000,000</u>	<u>1.83</u>

(c) Aggregate long positions in the ordinary shares and the underlying shares

Name	Number of Shares	Number of underlying shares	Aggregate in number	Percentage to issued Shares (%)
Kwan Pak Hoo Bankee	246,042,564	4,000,000	250,042,564	38.10
Wong Kin Yick Kenneth	–	4,000,000	4,000,000	0.61
Law Ping Wah Bernard	7,644,300	4,000,000	11,644,300	1.77
Cheng Man Pan Ben	63,500	–	63,500	0.01
	<u>253,750,364</u>	<u>12,000,000</u>	<u>265,750,364</u>	<u>40.49</u>

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their Associates had any personal, family, corporate or other beneficial interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number of Shares	Shareholding (%)
Jeffnet Inc (<i>Note 1</i>)	Trustee of a discretionary trust	679,219,434	49.15
Cash Guardian (<i>Note 1</i>)	Interest in a controlled corporation	679,219,434	49.15
CASH (<i>Note 1</i>)	Interest in a controlled corporation	638,827,434	46.22
CIGL (<i>Note 1</i>)	Beneficial owner	638,827,434	46.22
Mr Al-Rashid, Abdulrahman Saad (“Mr Al-Rashid”) (<i>Note 2</i>)	Interest in a controlled corporation	207,636,000	15.02
Abdulrahman Saad Al-Rashid & Sons Company Limited (“ARTAR”) (<i>Note 2</i>)	Beneficial owner	207,636,000	15.02
Dr Wolfgang Auer von Welsbach (<i>Note 3</i>)	Interest in a controlled corporation	71,502,907	5.17
Auer von Welsbach Privatstiftung (<i>Note 3</i>)	Interest in a controlled corporation	71,502,907	5.17

Name	Capacity	Number of Shares	Shareholding (%)
AvW Beteiligungsverwaltungs GmbH (<i>Note 3</i>)	Interest in a controlled corporation	71,502,907	5.17
AvW Management Beteiligungs AG (<i>Note 3</i>)	Interest in a controlled corporation	71,502,907	5.17
AvW Invest AG Aktiengesellschaft (<i>Note 3</i>)	Beneficial owner	71,502,907	5.17

Notes:

- (1) This refers to the same number of 679,219,434 Shares which were held as to 638,827,434 Shares by CIGL (a wholly-owned subsidiary of CASH), and as to 40,392,000 Shares by Cash Guardian (which was 100% beneficially owned by Jeffnet Inc). CASH was owned as to approximately 37.49% by Cash Guardian. Jeffnet Inc held these Shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to the SFO, Mr Kwan, Jeffnet Inc and Cash Guardian were deemed to be interested in all the Shares held by CIGL through CASH. The above interest has already been disclosed as other interest of Mr Kwan in the section headed "Directors' Interests" above.
- (2) This refers to the same number of 207,636,000 Shares held by ARTAR. ARTAR was a 45% owned controlled corporation of Mr Al-Rashid. Pursuant to the SFO, Mr Al-Rashid was deemed to be interested in the Shares held by ARTAR.
- (3) This refers to the same number of 71,502,907 Shares held by AvW Invest AG Aktiengesellschaft, an Austria corporation and was listed on Vienna Stock Exchange, ATX Prime Market. AvW Invest AG Aktiengesellschaft was 74% owned by AvW Management Beteiligungs AG, which in turn was 100% owned by AvW Beteiligungsverwaltungs GmbH. AvW Beteiligungsverwaltungs GmbH is 100% owned by Auer von Welsbach Privatstiftung, which was a discretionary trust established in Austria and its founders include Dr Wolfgang Auer von Welsbach. Pursuant to the SFO, Dr Wolfgang Auer von Welsbach, Auer von Welsbach Privatstiftung, AvW Beteiligungsverwaltungs GmbH and AvW Management Beteiligungs AG were deemed to be interested in all the Shares held by AvW Invest AG Aktiengesellschaft.

Save as disclosed above, as at the Latest Practicable Date, no other parties were recorded in the register required by the SFO to be kept as having an interest of 5% or more of the issued Share capital of the Company.

4. SERVICE CONTRACT

As at the Latest Practicable Date, no Director has a service contract with the Company in respect of his service to the Company in the capacity of a Director which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or the management Shareholders of the Company (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

6. EXPERT

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
First Shanghai Capital Limited	A licensed corporation to carry on type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser was not interested beneficially in the Shares or shares in the Company or its subsidiaries and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for Shares or shares in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries since 31 December 2006, being the date up to which the latest published audited consolidated accounts of the Company were made up.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and reference to its name in the form and context in which it appears.

7. LITIGATION

- (a) In 2003, Ka Chee Company Limited sued against Celestial (International) Securities & Investment Limited (“CISI”), a wholly-owned subsidiary of the Company, (HCCW 317/2005) for an amount of HK\$1,662,598.31. The nature of claim is wind-up petition. A winding up order was made by the court, the liquidator has been appointed, and the winding up procedure is still in progress. Provision, which in the opinion of the Directors is adequate, has already been made for the claim. CISI is a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (b) On 29 August 2002, Pang Po King Cannie (“Pang”) filed a statement of claim against Celestial Securities Limited (“CSL”), a wholly-owned subsidiary of the Company, alleging that CSL, without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with CSL to buy 1,046,000 shares in Takson Holdings Limited. The Directors confirmed that the subject transactions were made with knowledge of and authority from Pang. The Directors do not envisage the claim by Pang will be held valid. The case was in progress and it was still in the discovery stage as at the Latest Practicable Date.

Save as above, no member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance which is known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CHANGE

The Directors have confirmed that, as at the Latest Practicable Date, there is no material adverse change in the financial or trading position of the Company since 31 December 2006 (being the date to which the latest published audited accounts of the Company were made up).

9. INTERESTS OF DIRECTORS IN GROUP’S ASSETS

Since 31 December 2006, the date to which the latest published audited accounts of the Group have been made up, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

10. INTERESTS OF DIRECTORS IN CONTRACTS

The Directors confirm that there is no contract or arrangement subsisting at the Latest Practicable Date in which a Director was materially interested which was significant in relation to the business of the Group.

11. MISCELLANEOUS

- (a) The compliance officer of the Company is Mr Cheng Man Pan Ben, *a Certified Public Accountant*.
- (b) The qualified accountant of the Company is Mr Wong Hon Ming Wallace, *a Certified Public Accountant*.

- (c) The secretary of the Company is Ms Luke Wing Sheung Suzanne, *a fellow member of the Institute of Chartered Secretaries and Administrators.*
- (d) The Company has maintained an audit committee. The primary duties of the audit committee are to review the Company's annual report and accounts, half yearly reports and quarterly report and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the financial reporting process and internal control system of the Group. The audit committee comprises the three independent non-executive Directors, namely, Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John. The biographical details of the audit committee members are set out below:

Raymond Shu-shing CHENG

Independent non-executive Director, 51

Mr Raymond Cheng joined the Independent Board on 18 September 2002. 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 is also a member of The Watches and Clocks Advisory Committee of Hong Kong Trade Development Council and an advisor of The Federation of Hong Kong Watch Trades and Industries Limited. Mr Cheng is a fellow member of The Professional Validation Centre of Hong Kong Business Sector. Mr Cheng is also the chairman of the Audit Committee and the Remuneration Committee of the Company.

Ronnie Ka-wah HUI

Independent non-executive Director, 43, MBBS, MRCP, DCH, FHKAM, FHKCP, CFA

Dr Ronnie Hui joined the Independent Board on 3 November 2004. Dr Hui is a specialist in Paediatrics and is the principal of a private medical clinic in Hong Kong since 1991. He is a Chartered Financial Analyst charterholder and is currently the head of corporate investment of a listed company in Hong Kong and members of various public organisations. Dr Hui is a member of the Audit Committee and the Remuneration Committee of the Company. Dr Hui has also held directorships in the following companies which are listed on the Stock Exchange:

- (i) Dr Hui was 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, and a member of the remuneration committee of CRMG during the period from 13 June 2005 to 28 February 2006;

- (ii) Dr Hui is an independent non-executive director and a member of the audit committee and a member of the remuneration committee of E2-Capital (Holdings) Limited (stock code: 378), a listed company in Hong Kong; and
- (iii) Dr Hui is an independent non-executive director and a member of the audit committee and a member of the remuneration committee of Winbox International (Holdings) Limited (stock code: 474), a listed company in Hong Kong.

John Kwok-hung LO

Independent non-executive Director, 48, MBA, FCCA, LL.B

Mr John Lo joined the Independent Board on 27 September 2005. 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. Mr Lo is also a member of the Audit Committee of the Company. Mr Lo has also held directorships in the following companies which are listed on the Stock Exchange:

- (i) Mr Lo was an independent non-executive director and a member of the audit committee of the Company during the period from 11 September 2002 to 3 November 2004;
 - (ii) Mr Lo was an independent non-executive director and a member of the audit committee of CRMG during the period from 3 May 2001 to 3 November 2004; and
 - (iii) Mr Lo was an independent non-executive director of New Times Group Holdings Limited (stock code: 166) during the period from 20 November 2002 to 6 September 2004.
- (e) The head office and the principal place of business of the Company in Hong Kong is at 21/F The Center, 99 Queen's Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
 - (f) The principal share registrars and transfer office of the Company in Bermuda is The Bank of Bermuda Limited at The Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda. The branch share registrars and transfer office of the Company in Hong Kong is Standard Registrars Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
 - (g) The English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 21/F The Center, 99 Queen's Road Central, Hong Kong during normal business hours on any day up to and before the holding of the SGM:

- (a) the letter from the Independent Board Committee, the text of which is set out on pages 13 to 14 of this circular;
- (b) the letter from the Independent Financial Adviser, the text of which is set out on pages 15 to 21 of this circular;
- (c) the consent letter from the Independent Financial Adviser as referred to in paragraph 6 above; and
- (d) the Agreement.

NOTICE OF SGM



FINANCIAL SERVICES GROUP

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CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 8122)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of CASH Financial Services Group Limited (“Company”) will be held at 21/F The Center, 99 Queen’s Road Central, Hong Kong on 23 April 2007 Monday at 9:30 am for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT**, the agreement (“Agreement”) entered into between Vantage Giant Limited (“Vendor”), a wholly-owned subsidiary of the Company, and Celestial Investment Group Limited (“Purchaser”), a wholly-owned subsidiary of Celestial Asia Securities Holdings Limited, on 9 January 2007 in relation to the disposal by the Vendor to the Purchaser the 100% interest in Netfield Technology Limited (“Netfield”, and together with its subsidiaries the “Game Group”), including all outstanding loans due from Netfield to the Vendor as at the completion of the Agreement, at the consideration of HK\$120 million, being the higher of (1) HK\$120 million, which represents a premium of HK\$10 million over the acquisition cost for the Game Group or (2) the valuation of HK\$120 million of the online game business operated by the Game Group as at 31 December 2006, subject to the conditions as set out in the Agreement and described in the circular of the Company dated the same date of this notice, hereby approved, ratified and confirmed and the directors of the Company be and are hereby authorised to do such things or make such arrangement as they may think fit to give effect to the completion of the Agreement.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 4 April 2007

NOTICE OF SGM

Head office and principal place of business in Hong Kong:

21/F The Center
99 Queen's Road Central
Hong Kong

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company. A form of proxy is also enclosed for the meeting.
2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company in Hong Kong at 21/F The Center, 99 Queen's Road Central, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the special general meeting or any adjournment thereof.