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CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

Stock code on Main Board: 510

Stock code on GEM: 8122

**PROPOSED VOLUNTARY WITHDRAWAL OF LISTING ON
THE GROWTH ENTERPRISE MARKET OF
THE STOCK EXCHANGE OF HONG KONG LIMITED,**

**PROPOSED LISTING OF THE ENTIRE ISSUED SHARE CAPITAL OF
THE COMPANY ON THE MAIN BOARD OF
THE STOCK EXCHANGE OF HONG KONG LIMITED
BY WAY OF INTRODUCTION,**

**PROPOSED REDUCTION OF THE MINIMUM NOTICE PERIOD
IN RESPECT OF THE PROPOSED WITHDRAWAL,**

**PROPOSED TERMINATION OF THE GEM SHARE OPTION SCHEME AND
PROPOSED ADOPTION OF THE PROPOSED SHARE OPTION SCHEME,**

**PROPOSED ADOPTION OF NEW BYE-LAWS IN SUBSTITUTION
FOR THE EXISTING BYE-LAWS**

AND

**PROPOSED GRANT OF NEW GENERAL MANDATES AND
PROPOSED REVOCATION OF EXISTING GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES**

Joint Sponsors



The Company is proposing to list the Shares on the Main Board by way of introduction. Immediately prior to the listing of the Shares on the Main Board, the listing of the Shares on GEM will be withdrawn.

In connection with the Proposed Introduction, the Company proposes to terminate the GEM Share Option Scheme and to adopt the Proposed Share Option Scheme, to obtain the grant of new general mandates to issue and repurchase Shares in substitution for the Existing General Mandates, and to adopt the New Bye-laws in substitution for the Existing Bye-laws, for complying with the requirements under the Main Board Listing Rules. In connection with the Proposed Withdrawal, the Company has also applied for, and the Stock Exchange has granted, a waiver from strict compliance with the minimum three months' notice required under Rule 9.19(3) of the GEM Listing Rules to not less than five clear Business Days.

On 28 January 2008, the Joint Sponsors was notified that the Main Board Listing Committee granted an approval in principle of the proposed listing of, and the permission to deal in, the Shares on the Main Board. The Circular containing, amongst other matters, the SGM Notice will be despatched to the Shareholders on 30 January 2008. The Listing Document issued in connection with the Proposed Introduction will also be despatched to the Shareholders, for information purposes only, on 30 January 2008.

Warning

There is no assurance that permission will be obtained from the Stock Exchange for the Proposed Introduction. Shareholders and potential investors should be aware that the implementation of the Proposed Withdrawal and the Proposed Introduction are subject to the conditions set out below being fulfilled, and thus the Proposed Withdrawal and the Proposed Introduction may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

On 12 October 2007, the Board announced that an advance booking form to the Stock Exchange for the Proposed Introduction was submitted by the Joint Sponsors on behalf of the Company and the GEM was also notified of the Company's intention to implement the Proposed Withdrawal subject to the conditions set out below. On 28 January 2008, the Joint Sponsors was notified that the Main Board Listing Committee granted an approval in principle of the proposed listing of, and the permission to deal in, the Shares on the Main Board.

THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

On 28 December 2007, the Joint Sponsors had on behalf of the Company submitted a formal application to the Stock Exchange for the listing of, and permission to deal in, on the Main Board (i) the Shares in issue; (ii) any Shares which may be issuable upon the exercise of the outstanding options which were granted under the GEM Share Option Scheme; and (iii) any Shares which may be issuable upon the exercise of any options which may be granted under the Proposed Share Option Scheme.

Immediately following the Proposed Withdrawal becoming effective, the listing of the Shares on GEM will be withdrawn and the Shares will be listed on the Main Board.

Pursuant to Rule 9.19 of the GEM Listing Rules, an issuer that has an alternative listing on another regulated, regularly operating, open stock exchange or securities market recognised for this purpose by the Stock Exchange, may not voluntarily withdraw its listing on GEM unless:

- (i) the prior approval of shareholders has been obtained by way of an ordinary resolution passed at a duly convened meeting of the shareholders of the issuer;
- (ii) the prior approval of holders of any other class of listed securities, if applicable, has been obtained; and

- (iii) the issuer has given its shareholders and holders of any other class of listed securities, if applicable, at least 3 months notice of the proposed withdrawal of the listing. This minimum notice period must run from the date on which the shareholders approve the voluntary withdrawal of listing and such notice must include details of how to transfer securities to and trade those securities on the alternative market.

In connection with the Proposed Withdrawal, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with the minimum three months' notice required under Rule 9.19(3) of the GEM Listing Rules to not less than five clear Business Days, subject to the fulfillment of the following conditions:

- (i) the notice period for the Proposed Withdrawal shall be a minimum period of five clear Business Days after obtaining the approval of the Shareholders for the Proposed Withdrawal;
- (ii) the prior approval of the Shareholders for the reduction of the minimum notice period for the Proposed Withdrawal to a period of five clear Business Days shall have been obtained;
- (iii) in respect of the Shares, there is no change in the board lot size, the share certificates, the share registrars and the trading currency in connection with the Proposed Introduction; and
- (iv) there is no other fact that leads GEM to believe that the reduced notice period is not feasible.

Accordingly, the SGM will be convened to seek the approval of the Shareholders for, amongst other things, the Proposed Withdrawal and the proposed reduction in the notice period for the Proposed Withdrawal. After Shareholders' approval having been obtained, a notice of the Proposed Withdrawal will be published not less than five clear Business Days prior to the Effective Date.

The Directors consider that it is in the best interests of the Company and the Shareholders as a whole that the notice period for the Proposed Withdrawal be reduced so that the Proposed Withdrawal and the Proposed Introduction can be carried out as soon as practicable after obtaining the relevant approvals from the Shareholders at the SGM to avoid any market uncertainties.

WAIVERS FROM STRICT COMPLIANCE WITH RULES 10.07(1)(a) AND 10.08 OF THE MAIN BOARD LISTING RULES

The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the restrictions regarding further issue of securities within six months from the date of listing of the Shares on the Main Board, as specified under Rule 10.08 of the Main Board Listing Rules; and also a consequently waiver from strict compliance with the restriction under Rule 10.07(1)(a) of the Main Board Listing Rules in relation to the deemed disposal of Shares by the controlling Shareholders upon issue of securities by the Company, if any, within six months from the date of listing of the Shares on the Main Board.

CONDITIONS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

The implementation of the Proposed Withdrawal and the Proposed Introduction are conditional upon, amongst other things:

- (i) the Main Board Listing Committee granting approval for the listing of, and permission to deal in, the Shares mentioned under the paragraph headed "The Proposed Withdrawal and the Proposed Introduction" above;
- (ii) the passing of an ordinary resolution by the Shareholders at the SGM to approve, amongst other things, the Proposed Withdrawal and the proposed reduction of the notice period for the Proposed Withdrawal;
- (iii) the granting of a waiver from strict compliance with the minimum three months' notice required under Rule 9.19(3) of the GEM Listing Rules by the Stock Exchange is subject to the fulfillment of all the required conditions;
- (iv) the publication of a notice of the Proposed Withdrawal after obtaining the approval of Shareholders referred to in condition (ii) above on a date that is not less than five clear Business Days prior to the Effective Date; and

- (v) the obtaining of all other relevant consents which are required in connection with the implementation of the Proposed Withdrawal and the Proposed Introduction and fulfillment of all conditions which may be attached to such consents, if any.

EFFECTS OF THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

It is expected that dealings in the Shares on GEM will cease at 4:30 p.m. on the Business Day immediately prior to the Effective Date and dealings in the Shares on the Main Board will commence at 9:30 a.m. on the Effective Date. The Company will publish an announcement after the SGM on the results of the SGM and other information in relation to the Proposed Withdrawal and the trading arrangements of the Shares with respect to the Proposed Withdrawal and the Proposed Introduction. The Proposed Withdrawal and the Proposed Introduction will have no effect on the existing share certificates in respect of the Shares which will continue to be good evidence of legal title and will not involve any transfer or exchange of the existing share certificates. No change will be made to the board lot size, trading currency of the Shares and the share registrars of the Shares in connection with the Proposed Withdrawal and the Proposed Introduction. **Shares will continue to be traded under the new stock code 510 in board lots of 4,000 Shares each following the Proposed Introduction. If and when the Shares are listed on the Main Board, Shareholders may be required to sign a new client agreement with their stockbrokers.**

Please also note that the continuing obligations of listed issuers under the Main Board Listing Rules and the GEM Listing Rules are not the same. Under the GEM Listing Rules, the Company is required to publish its quarterly results on the internet website operated by the Stock Exchange. Upon the listing of the Shares on the Main Board, the Company will cease the practice of quarterly reporting and will follow the relevant requirements of the Main Board Listing Rules which include, amongst other things, through posting on the Company's official website, publish its interim results within three months from the end of the relevant period and annual results within four months from the financial year-end. The Directors are of the view that following the reporting requirements under the Main Board Listing Rules, investors and the Shareholders will continue to be provided with a high degree of transparency and a timely picture of the financial performance of the Group on par with other listed issuers on the Main Board. The Directors also believe that the cessation of quarterly reporting would save significant publishing costs and other related expenses, and enable management to devote more management time to other key aspects of the operation of the Group's business.

REASONS FOR THE PROPOSED WITHDRAWAL AND THE PROPOSED INTRODUCTION

Since the listing of the Shares on GEM on 15 December 2000, the Group has experienced continuous growth and has established strong market positions in each of its business segments. Nevertheless, the Directors believe that the listing of the Shares on the Main Board will enhance the profile of the Group and can lead to higher trading liquidity of the Shares. The Directors consider that the listing of the Shares on the Main Board will be beneficial to the future growth, financing flexibility and business development of the Group. No change in the business of the Group is being contemplated by the Directors following the Proposed Introduction.

The Proposed Introduction will not involve any issue of new Shares by the Company.

EXPECTED TIMETABLE

The expected timetable for the Proposed Withdrawal and the Proposed Introduction is set out below:

	<i>2008</i>
Despatch of the Circular (including the SGM Notice) and the related forms of proxy to the Shareholders	Wednesday, 30 January
Despatch of the Listing Document to the Shareholders	Wednesday, 30 January
Latest time for lodgement of related forms of proxy for the SGM	9:30 a.m. on Wednesday, 20 February

SGM	9:30 a.m. on Friday, 22 February
Announcement of results of the SGM and publication of the notice of the Proposed Withdrawal	Friday, 22 February
Last day of dealings in the Shares on GEM	Friday, 29 February
Withdrawal of listing of the Shares on GEM to be effective from	9:30 a.m. on Monday, 3 March
Dealings in the Shares on the Main Board to commence on	9:30 a.m. on Monday, 3 March

Notes:

- (1) Shareholders will be informed by public announcement of any changes in the above expected timetable.
- (2) All times and dates refer to Hong Kong times and dates.

FINANCIAL INFORMATION ON THE GROUP

Statement of indebtedness

As at the close of business on 30 November 2007, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness.

Borrowings

As at 30 November 2007, the Group had total bank borrowings of approximately HK\$4,860.9 million, comprising bank loans of HK\$4,834.0 million and overdrafts of HK\$26.9 million. The bank borrowings of HK\$185.9 million which were drawn to fund securities margin financing to its clients, were collateralised by its margin clients' securities pledged to the Group for seeking financing. The bank loans of HK\$4,500.0 million were drawn to finance the subscription of IPO shares by its clients.

As at 30 November 2007, a cash deposit of approximately HK\$10.6 million was pledged as collateral for a loan facility of HK\$10.0 million which was fully drawdown at 30 November 2007. Another deposit of HK\$44.0 million was pledged to facilitate a letter of credit of HK\$44.0 million granted to a subsidiary of the Company. A further deposit of HK\$1.0 million was pledged to secure a general banking facility granted to a subsidiary of the Company. In addition, pursuant to a letter of undertaking provided by the Group to a bank, the Group covenant to maintain deposits of not less than HK\$15.0 million with the bank as a pre-condition for an overdraft facility of HK\$15.0 million granted by the bank. Therefore a bank deposit of approximately HK\$16.9 million was held for this purpose.

Contingent liabilities

On 29 August 2002, Pang Po King Cannie ("Pang") filed a statement of claim for an amount of HK\$2,893,561.16 less the realizable value of the 1,046,000 shares of Takson Holdings Limited (stock code: 918) against Celestial Securities Limited ("Celestial Securities"), a wholly-owned subsidiary of the Company, alleging that the Celestial Securities, without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with Celestial Securities to deal in shares in Takson Holdings Limited. The Directors confirmed that the subject transactions were made with knowledge of and authority from Pang. Settlement has been reached between Pang and Celestial Securities and no admission of liability was made by either party. The date for trial fixed from 8 to 11 and 14 January 2008 was vacated under the order of the Honourable Mr. Justice A. Cheung dated 7 January 2008. The total legal costs and other related expenses incurred and to be incurred by the Group in connection with the settlement of the claim are estimated to be approximately HK\$4 million. The Directors confirmed that the settlement of the claim did and will not have material impact on the financial position of the Group.

Save as aforesaid, the Group had no other material contingent liabilities as at 30 November 2007.

Disclaimers

Save as disclosed above, as at the close of business on 30 November 2007, the Group did not have any bank overdrafts or loans, or other similar indebtedness, mortgages, charges, hire purchases commitments, or guarantees or other material contingent liabilities.

Liquidity, financial resources and capital structure

Net current assets

As at 31 July 2007 and 30 November 2007, the Group had audited net current assets of approximately HK\$327.9 million and HK\$613.8 million respectively.

	As at 31 July 2007	As at 30 November 2007
	(Audited)	(Unaudited)
	<i>HK\$ million</i>	<i>HK\$ million</i>
Current assets		
Account receivables, loan receivables, prepayments, deposits and other receivables	1,083.8	5,484.4
Amount due from ultimate holding company, associates and fellow subsidiaries	9.6	-
Investments held for trading	24.1	33.1
Bank balances (trust and segregated accounts)	879.8	748.4
Bank balances (general accounts) and cash	157.1	279.4
Bank deposits under conditions	28.3	72.8
	<hr/>	<hr/>
	2,182.7	6,618.1
Current liabilities		
Account payables, accrued liabilities and other payables	1,412.7	1,114.0
Taxable payable	18.7	15.7
Obligations under finance leases		
– amount due within one year	0.1	-
Bank borrowings		
– amount due within one year	409.6	4,860.9
Loan from minority shareholder	13.7	13.7
	<hr/>	<hr/>
	1,854.8	6,004.3
	<hr/>	<hr/>
Net current assets	327.9	613.8
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Capital commitments

On 27 June 2007, the Company announced that on the same date, through its subsidiary, formed a joint venture with maximum commitment of the Group of up to RMB150 million (approximately HK\$156.8 million) with independent third parties to invest in a property development in Shanghai, the PRC which comprises a 11-storey office tower, a single-storey retail podium and a single-storey car parking basement, and part of property may be used as the Company's offices. Up to 30 November 2007, total amounts of HK\$78.39 million have been paid to the joint venture by the Group which represent that the share of capital contribution of the Group due.

Save as disclosed herein, the Group currently does not have any future plans for material investments or capital assets.

Foreign currency exposure

As at 30 November 2007, the Group did not have any material unhedged foreign exchange exposure or interest rate mismatch.

Working capital

The Directors are of the opinion that taking into account the Group's existing cash and bank balances as well as the present available banking facilities, the Group has sufficient working capital for its present requirements for at least the next twelve months from the date of publication of the Circular.

Net tangible assets attributable to equity holders of parent

The following statement shows the Group's net assets attributable to equity holders of the Company as at 31 December 2006, which is calculated from the amount of the net asset value as extracted from the accountants' report of the Group as contained in the Listing Document.

Audited net assets attributable to equity holders of the Company as at 31 December 2006 (<i>Note 1</i>)	HK\$484,031,000
Audited net tangible asset value per Share (<i>Note 2</i>).	HK\$0.24

Notes:

1. An amount of approximately HK\$33.9 million intangible assets and goodwill of approximately HK\$117.2 million were accounted for in the net assets as set out in the accountants' report of the Group. There was a change of the audited net assets attributable to equity holders of the Group by HK\$4,200,000 as disclosed in the Company's 2006 annual report of HK\$479,831,000 with that as disclosed in the Circular of HK\$484,031,000. The variance was due to the application of the most current HKFRSs for the track record period from 1 January 2004 to 31 July 2007 in preparation of the accountants' report of the Group for inclusion into the Listing Document. Adjustments have been taken up on HKFRS3 "Business Combination" for non-amortisation of goodwill of HK\$2,370,000 and HKAS 38 "Intangible Assets" for non-amortisation of trading rights of HK\$1,830,000 for the year ended 31 December 2004. Therefore, the balances of goodwill, intangible assets and reserves for the year ended 31 December 2006 have been amended accordingly.
2. The audited net asset value per Share is calculated on the basis of 1,382,051,448 Shares in issue as at 31 December 2006.

No material change

The Directors have confirmed that there was no material change in the Group's contingent liabilities and the Group's indebtedness since 31 July 2007 and 30 November 2007.

ADOPTION OF THE PROPOSED SHARE OPTION SCHEME AND TERMINATION OF THE GEM SHARE OPTION SCHEME

In connection with the Proposed Introduction, the Directors propose the adoption of the Proposed Share Option Scheme, the provisions of which will comply with the requirements of Chapter 17 of the Main Board Listing Rules in substitution of the existing GEM Share Option Scheme.

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, any Shares which may be issuable upon the exercise of any options which may be granted under the Proposed Share Option Scheme.

The adoption of the Proposed Share Option Scheme is conditional upon:

- (i) the passing of ordinary resolution by the Shareholders at the SGM approving the termination of the GEM Share Option Scheme;
- (ii) the passing of ordinary resolution by the Shareholders at the SGM approving the adoption of the Proposed Share Option Scheme and authorising the Directors to grant options thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme;
- (iii) the passing of ordinary resolution by the shareholders of CASH at a special general meeting of CASH approving the adoption of the Proposed Share Option Scheme;
- (iv) the Main Board Listing Committee granting approval for the listing of, and permission to deal in, on the Main Board any Shares which may be issued pursuant to the exercise of any options which may be granted pursuant to the Proposed Share Option Scheme; and
- (v) commencement of dealings in the Shares on the Main Board.

It is proposed that the GEM Share Option Scheme will be terminated upon the adoption of the Proposed Share Option Scheme after all the conditions of the Proposed Share Option Scheme have been fulfilled.

Outstanding options that had been granted pursuant to the GEM Share Option Scheme as at the Latest Practicable Date would entitle the holders thereof to subscribe for a total of 5,424,341 Shares. Upon termination of the GEM Share Option Scheme, no further options may be offered or granted thereunder. Apart from the GEM Share Option Scheme, there was no other subsisting share option scheme of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,076,972,027 Shares. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of adoption of the Proposed Share Option Scheme, the number of Shares issuable pursuant to the Proposed Share Option Scheme and any other share option schemes of the Company on the date of adoption of the Proposed Share Option Scheme will be 207,697,202 Shares, representing approximately 10% of the total number of Shares in issue as at the date of approval of the Proposed Share Option Scheme.

ADOPTION OF THE NEW BYE-LAWS

In connection with the Proposed Introduction, the Board proposes to seek the approval of the Shareholders for the adoption of the New Bye-laws, the provisions of which will comply with the requirements of the Main Board Listing Rules and the Bermuda laws at the SGM. The New Bye-laws will substitute the Existing Bye-laws when the New Bye-laws shall have been approved and adopted by the Shareholders at the SGM and shall become unconditional upon the date on which dealings in the Shares on the Main Board first commence.

Conditions of the New Bye-laws

The adoption of the New Bye-laws is conditional upon:

- (a) the passing of a special resolution by the Shareholders at the SGM to approve and adopt the New Bye-laws in substitution for the Existing Bye-laws; and
- (b) the commencement of dealings in the Shares on the Main Board.

GENERAL MANDATES

In connection with the Proposed Introduction and the change of issued share capital of the Company after the annual general meeting held on 1 June 2007 during which the Directors were granted the Existing General Mandates, the Directors proposed to seek the approval of the Shareholders to revoke the Existing General Mandates and to grant new general mandates to the Directors (i) to allot, issue and deal with Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution at the SGM; and (ii) to repurchase Shares with an

aggregate nominal amount up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution at the SGM (ie. the Buyback Mandate). Both new general mandates will expire on the earliest of: (a) the conclusion of the next annual general meeting of the Company (“AGM”); (b) the expiration of the period within which the next AGM is required by the New Bye-laws of the Company or any applicable laws to be held; or (c) the revocation or variation of the relevant resolution by an ordinary resolution of the Shareholders in general meeting. Another ordinary resolution will also be proposed at the SGM to add to the new general mandate to be granted to the Directors to allot, issue and deal with Shares by an amount representing the aggregate nominal amount of the share capital of the Company (up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the relevant resolution) repurchased under the Buyback Mandate. The relevant resolution is set out as resolution no. 5 in the SGM Notice.

An explanatory statement containing all relevant information relating to the Buyback Mandate is set out in Appendix III to the Circular. The information in the explanatory statement is to provide you with the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolution to grant to the Directors the Buyback Mandate at the SGM.

The Directors confirm that they have not exercised the Existing General Mandates to issue Shares or repurchase Shares after granting thereof to the Directors on 1 June 2007 and that they have no present intention to exercise such general mandates prior to the proposed listing of the Shares on the Main Board.

NON-COMPETITION UNDERTAKING

(i) Details of the non-competition undertaking

In connection with the Proposed Introduction, CASH has entered into a deed of undertaking with the Company on 25 January 2008. Pursuant to the deed of undertaking, CASH has undertaken to the Company that so long as:–

- (a) the securities of the Company are and remain listed on the Main Board of the Stock Exchange; and
- (b) CASH is interested in not less than 25% of the issued share capital of the Company,

CASH will not, itself or through any entities or companies controlled by it or its associates (excluding the Group) carry on or be engaged or interested directly or indirectly in any business that is in competition with that of the Group being:–

- (a) traditional and online securities, futures and options, foreign exchange and commodities brokerage businesses;
- (b) margin financing and money lending;
- (c) investment banking services including corporate finance, mergers and acquisitions advisory, capital raising, and underwriting; and
- (d) asset management, wealth management and securities related research services.

(ii) Reasons for entering into a new non-competition undertaking

CASH had entered into an old non-competition undertaking with the Company on 10 December 2000 when the Shares was listed on GEM in 2000. At that time, it was the intention that CASH, the holding company of the Company, would not enter into any online securities and commodity trading business of which the Company was carrying on, and CASH still retained the offline (traditional) brokerage and other financial services business in the securities and commodity market.

As time passed, all the financial services businesses including the entire brokerage business were carrying on by the Company. After many products have been added, the Group is now providing a full range of financial services to its clients. Therefore, the respective directors of the Company and CASH are of the view that a new non-competition undertaking should be entered into to reflect the new situation that the Group is engaged in both the online and offline (traditional) brokerage and other financial services businesses.

THE SGM

The SGM is convened to be held at 21st Floor, The Center, 99 Queen's Road Central, Hong Kong on Friday, 22 February 2008 at 9:30 a.m. or any adjournment thereof at which ordinary resolutions will be proposed to the Shareholders to consider and, if thought fit, approve, amongst other things, the following:

- (i) the Proposed Withdrawal;
- (ii) the proposed reduction in the notice period for the Proposed Withdrawal;
- (iii) the proposed termination of the GEM Share Option Scheme and the proposed adoption of the Proposed Share Option Scheme; and
- (iv) the revocation of the Existing General Mandates and the granting of new general mandates to issue and repurchase Shares.

Further, a special resolution will be proposed to the Shareholders at the SGM to consider and, if thought fit, to approve the New Bye-laws in substitution for the Existing Bye-laws.

There will not be closure of register of members of the Company in respect of the SGM. Shareholders whose names appear on the register of members of the Company as at 4:00 p.m. on the Business Day immediately before the date of the SGM are entitled to attend and vote at the SGM.

RECOMMENDATION

The Board considers that the Proposed Withdrawal, the proposed reduction in the notice period for the Proposed Withdrawal, the proposed termination of the GEM Share Option Scheme and the proposed adoption of the Proposed Share Option Scheme, proposed adoption of New Bye-laws and the proposed grant of new general mandates are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the ordinary resolutions and the special resolution to be proposed at the SGM.

GENERAL

The Circular containing, among other things, the SGM Notice will be despatched to the Shareholders on 30 January 2008. The Listing Document issued in connection with the Proposed Introduction will also be despatched to the Shareholders on 30 January 2008.

DEFINITIONS

“Access Capital”	Access Capital Limited, one of the Joint Sponsors in relation to the Proposed Introduction, a licensed corporation under the SFO to conduct types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) and 9 (asset management) regulated activities
“Board”	the board of Directors
“Business Day”	a day, excluding Saturday, on which banks are opened for business in Hong Kong
“Buyback Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the ordinary resolution no. 4 as set out in the SGM Notice
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), the ultimate holding company of the Company, a company incorporated with limited liability under the laws of Bermuda and whose shares are listed on the Main Board

“Celestial Capital”	Celestial Capital Limited, one of the Joint Sponsors in relation to the Proposed Introduction, a licensed corporation under the SFO to conduct types 1 (dealing in securities) and 6 (advising on corporate finance) regulated activities; is a wholly-owned subsidiary of the Company
“Circular”	the circular to the Shareholders to be despatched by the Company on 30 January 2008
“Company”	CASH Financial Services Group Limited (stock code on GEM: 8122), a company incorporated with limited liability under the laws of Bermuda on 9 August 2000 and whose shares are currently listed on GEM and proposed to be listed on the Main Board under the Proposed Introduction
“Director(s)”	the director(s) of the Company
“Effective Date”	expected to be 3 March 2008, the date on which the Proposed Withdrawal and the Proposed Introduction become effective
“Existing Bye-laws”	the existing bye-laws adopted by the Company on 18 August 2000 and were subsequently amended on 17 May 2004
“Existing General Mandates”	the general mandates to issue Shares and repurchase Shares granted to the Directors pursuant to resolutions passed by the Shareholders at the annual general meeting of the Company held on 1 June 2007
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“GEM Share Option Scheme”	the share option scheme adopted by the Company pursuant to a resolution passed by the Shareholders on 19 February 2002
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Joint Sponsors”	Access Capital and Celestial Capital
“Latest Practicable Date”	25 January 2008, being the latest practicable date prior to the printing of the Circular for the purpose of ascertaining certain information for inclusion in the Circular
“Listing Document”	the listing document dated 30 January 2008 to be issued by the Company in connection with the Proposed Introduction
“Main Board”	the securities market operated by the Stock Exchange prior to the establishment of GEM (excluding the options market) which continues to be operated by the Stock Exchange parallel with GEM. For the avoidance of doubt, the Main Board excludes GEM
“Main Board Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange responsible for Main Board listing matters

“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time, and any applicable practice notes, supplementary guidance or other regulations issued by the Stock Exchange
“New Bye-laws”	the new bye-laws proposed to be adopted at the SGM, the principal terms of which are summarised in Appendix II to the Circular
“PRC”	the People’s Republic of China, for the purpose of the Circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Introduction”	the proposed listing of the Shares on the Main Board by way of introduction pursuant to the Main Board Listing Rules
“Proposed Share Option Scheme”	the proposed share option scheme to be conditionally adopted at the SGM, a summary of the principal terms of which is set out in Appendix I to the Circular
“Proposed Withdrawal”	the proposed voluntary withdrawal of the listing of the Shares on GEM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be held at 21/F, The Center, 99 Queen’s Road Central, Hong Kong on 22 February 2008 at 9:30 a.m. or any adjournment thereof, to consider and approve, if thought fit, among other things, the Proposed Withdrawal, the Proposed Share Option Scheme, the New Bye-laws and the new general mandates
“SGM Notice”	the notice convening the SGM
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 29 January 2008

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

This announcement, for which the Directors 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 announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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