
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.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

**PROPOSED SHARE SUBDIVISION,
CHANGE OF BOARD LOT SIZE,
PROPOSED NEW ISSUE MANDATE AND
NEW SCHEME MANDATE LIMIT
AND
NOTICE OF SPECIAL GENERAL MEETING**

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

VINCO  城高

Grand Vinco Capital Limited

A wholly-owned subsidiary of Vinco Financial Group Limited

A notice convening a special general meeting of CASH Financial Services Group Limited to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 22 December 2010 (Wednesday) at 9:30 a.m. is set out on pages 26 to 28 of this circular. A letter from Vinco Capital (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 New Issue Mandate (as defined herein) is set out on pages 18 to 25 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 and in such event, the instrument appointing a proxy shall be deemed to be revoked.

7 December 2010

CONTENTS

	<i>Pages</i>
Expected timetable for the Share Subdivision	1
Definitions	3
Letter from the Board	6
Introduction	6
The Share Subdivision	7
The New Issue Mandate	10
The New Scheme Mandate Limit	11
Shareholding structure	13
Fund raising in the past 12 months	14
The SGM	14
Documents available for inspection	15
Responsibility statement	15
Recommendation	16
Letter from the Independent Board Committee in relation to the proposed New Issue Mandate	17
Letter from Vinco Capital in relation to the proposed New Issue Mandate	18
Notice of the SGM	26

EXPECTED TIMETABLE FOR THE SHARE SUBDIVISION

The expected timetable for the implementation of the Share Subdivision is set out below:

2010/2011

Despatch of this circular
(including the notice of the SGM) and
the related form of proxy to the Shareholders. Tuesday, 7 December 2010

Latest date and time to return form of proxy
for the SGM 9:30 a.m. on Monday, 20 December 2010

Date and time of the SGM 9:30 a.m. on Wednesday, 22 December 2010

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Subdivision as set out in the section headed “The Share Subdivision” in the letter from the Board contained in this circular.

Effective date of the Share Subdivision Thursday, 23 December 2010

Dealings in the Subdivided Shares commence. 9:30 a.m. on Thursday,
23 December 2010

Temporary counter for trading in the Subdivided Shares
in board lots of 10,000 Subdivided Shares
(in the form of existing certificates) opens 9:30 a.m. on Thursday,
23 December 2010

Original counter for trading in Shares
in board lots of 2,000 Shares temporarily closes 9:30 a.m. on Thursday,
23 December 2010

Free exchange of existing certificates for the new certificates
for the Subdivided Shares commences Thursday, 23 December 2010

Original counter for trading in the Subdivided Shares
in board lots of 6,000 Subdivided Shares
(only new share certificates for the Subdivided Shares
can be traded at this counter) reopens 9:30 a.m. on Friday,
7 January 2011

Parallel trading in the Shares and Subdivided Shares
(in the form of existing share certificates and
new share certificates) commences 9:30 a.m. on Friday,
7 January 2011

Designated broker starts to stand in the market to
provide matching services for the sale and
purchase of odd lots of the Subdivided Shares Friday, 7 January 2011

EXPECTED TIMETABLE FOR THE SHARE SUBDIVISION

Effective date of the change of board lot size. Friday, 7 January 2011

Temporary counter for trading in board lots of
10,000 Subdivided Shares
(in the form of existing share certificates) closes 4:00 p.m. on Thursday,
27 January 2011

Parallel trading in the Subdivided Shares
(in the form of existing share certificates and
new share certificates) ends. 4:00 p.m. on Thursday,
27 January 2011

Designated broker ceases to stand in the market
to provide matching services for the sale and
purchase of odd lots of the Subdivided Shares Thursday, 27 January 2011

Free exchange of existing certificates for the Shares for
new certificates for the Subdivided Shares ends. 4:00 p.m. on Wednesday,
2 February 2011

Note: All times refer to Hong Kong local times and dates in this circular.

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 7 June 2010 whereby, inter alia, the Current Issue Mandate and existing scheme mandate limit were approved by the Shareholders
“Announcement”	the announcement made by the Company on 1 December 2010 in respect of the Proposals
“associate(s)”	has the same meaning ascribed in the Listing Rules
“Board”	the board of Directors
“Board Lot Change”	the change of the board lot size from 2,000 existing Shares to 6,000 Subdivided Shares upon the Share Subdivision becoming effective
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. It is the controlling shareholder of the Company via the shareholding interest of the Controlling Shareholder in the Company
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and whose Shares are listed on the main board of the Stock Exchange
“Controlling Shareholder”	Celestial Investment Group Limited, a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of CASH. It is the controlling Shareholder and is holding 298,156,558 Shares, representing about 42.13% of the existing issued share capital of the Company, as at the Latest Practicable Date
“Current Issue Mandate”	the general mandate to issue up to 123,421,621 new Shares, representing 20% of the then issued share capital of the Company granted by the Shareholders to the Directors at the AGM
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising the independent non-executive Directors, namely, Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles to advise the Independent Shareholders on the New Issue Mandate
“Independent Financial Adviser” or “Vinco Capital”	Grand Vinco Capital Limited, a wholly-owned subsidiary of Vinco Financial Group Limited (stock code: 8340), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders
“Independent Shareholders”	the Shareholders other than the Controlling Shareholder and its associates
“Latest Practicable Date”	3 December 2010, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Issue Mandate”	the general mandate proposed to be granted to the Directors at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the SGM
“New Scheme Mandate Limit”	the maximum number of Shares which may be issued pursuant to the exercise of share options to be granted by the Directors under the Share Option Scheme proposed to be refreshed at the SGM, being 10% of the Shares in issue as at the date of the SGM
“Proposals”	the proposals for the Share Subdivision, the New Issue Mandate and the New Scheme Mandate Limit to be put forward for approval by the Shareholders at the SGM
“SGM”	the special general meeting of the Company to be held on 22 December 2010 at 9:30 a.m. to approve, if thought fit, the Proposals, notice of which is set out on pages 26 to 28 of this circular

DEFINITIONS

“Share Option(s)”	share option(s) granted by the Company to the eligible participant(s) under the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company adopted by the Shareholders at the special general meeting held on 22 February 2008 (which took effect on 3 March 2008)
“Share Subdivision”	the proposed subdivision of each (1) issued and unissued Share into five (5) Subdivided Shares
“Shareholder(s)”	holder(s) of the Share(s) or the Subdivided Share(s), as the case may be, including the Independent Shareholders
“Share(s)”	existing ordinary share(s) of HK\$0.10 each in the share capital of the Company before the Share Subdivision becoming effective
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company upon the Share Subdivision becoming effective
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

Board of Directors:

Executive Directors

KWAN Pak Hoo Bankee (*Chairman*)

CHAN Chi Ming Benson (*CEO*)

LAW Ping Wah Bernard (*CFO*)

CHENG Man Pan Ben (*ED*)

YUEN Pak Lau Raymond (*COO*)

Independent Non-executive Directors

CHENG Shu Shing Raymond

LO Kwok Hung John

LO Ming Chi Charles

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Principal Place of Business:

21/F Low Block

Grand Millennium Plaza

181 Queen's Road Central

Hong Kong

7 December 2010

To the Shareholders

Dear Sir/Madam,

**PROPOSED SHARE SUBDIVISION,
CHANGE OF BOARD LOT SIZE,
PROPOSED NEW ISSUE MANDATE AND
NEW SCHEME MANDATE LIMIT
AND
NOTICE OF SPECIAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the proposals as proposed by the Board in the Announcement for:

- (a) the Share Subdivision;
- (b) the Board Lot Change;

LETTER FROM THE BOARD

- (c) the New Issue Mandate which is required under rule 13.36(4)(a) of the Listing Rules to be approved by the Independent Shareholders;
- (d) the New Scheme Mandate Limit which is required under rule 17.03(3) of the Listing Rules to be approved by the Shareholders; and
- (e) the notice of the SGM at which ordinary resolutions will be proposed to approve, inter alia, the Share Subdivision, the New Issue Mandate and the New Scheme Mandate Limit.

At the SGM, the Controlling Shareholder and its associates will be abstained from voting on the resolution no. 2 to approve the New Issue Mandate as required under rule 13.36(4)(a) of the Listing Rules. There is no abstinence requirement for the Controlling Shareholder and its associates for all other resolutions at the SGM.

THE SHARE SUBDIVISION

Basis of Share Subdivision

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$300,000,000 divided into 3,000,000,000 Shares of HK\$0.10 each, of which 707,650,107 Shares have been issued and are fully paid or credited as fully paid.

The Board proposes to subdivide each existing issued and unissued Share of HK\$0.10 of the Company into 5 Subdivided Shares of HK\$0.02 each. Upon the Share Subdivision becoming effective, the authorised share capital of the Company will be HK\$300,000,000 divided into 15,000,000,000 Subdivided Shares, of which 3,538,250,535 Subdivided Shares will be in issue and fully paid or credited as fully paid, assuming that no further Shares are issued or repurchased after the Latest Practicable Date and prior to the Share Subdivision becoming effective.

All Subdivided Shares will rank *pari passu* with each other in all respects with the Shares in issue prior to the Share Subdivision and the rights attached to the Subdivided Shares will not be affected by the Share Subdivision.

The Share Subdivision is conditional upon:

- (a) the passing by the Shareholders at the SGM of an ordinary resolution approving the Share Subdivision; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares.

Board Lot Change

The Shares are currently traded on the Stock Exchange in board lot size of 2,000 Shares. The Board proposes that subject to and upon the Share Subdivision becoming effective, the board lot size be changed from 2,000 Shares to 6,000 Subdivided Shares. The

LETTER FROM THE BOARD

Board Lot Change ensures that the value of each board lot of the Subdivided Shares would be more than HK\$2,000. The Board considers the Board Lot Change to be in the interests of the Company and its Shareholders as a whole.

Reasons for the Share Subdivision and Board Lot Change

The proposed Share Subdivision will decrease the nominal value and increase the total number of shares in issue. The Share Subdivision will result in downward adjustment to the trading price of the Shares. The Board believes that the Share Subdivision will decrease the trading spread as well as the volatility of the trading price of the Shares and thus result in the improved liquidity in trading of the Company's Subdivided Shares. Therefore, the Board considers that the Share Subdivision will enable the Company to attract more investors and broaden its Shareholder base. The Board also considers that the Board Lot Change will result in Subdivided Shares being traded in a more reasonable board lot size and value.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the implementation of the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or the financial position of the Company or the proportionate interest of the Shareholders. The Board considers the Share Subdivision is in the interests of the Company and the Shareholders as a whole.

Arrangement for matching odd lots

In order to alleviate the difficulties arising from the existence of odd lots of the Subdivided Shares as a result of the Share Subdivision and Board Lot Change, the Company has agreed to procure Celestial Securities Limited to stand in the market to provide matching services for the odd lots of Subdivided Shares on best effort basis during the period from 7 January 2011 to 27 January 2011 (both dates inclusive). Shareholders who wish to take advantage of this matching facility either to dispose of their odd lots of Subdivided Shares or to top up to board lots of 6,000 Subdivided Shares, may contact Ms Chan Po Ki Fion of Celestial Securities Limited at 9/F Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong at telephone number (852) 2587-5257.

Holders of Subdivided Shares in odd lots should note that successful matching of the sale and purchase of odd lots of Subdivided Shares is not guaranteed. The Shareholders are advised to consult their professional advisers if they are in doubt about the above procedures.

Adjustments to the exercise prices of the Share Options

As at the Latest Practicable Date, a total of 114,800,000 Share Options have been granted and remained outstanding. Upon full exercise of the subscription rights attaching to the Share Options, a maximum of 114,800,000 new Shares will be issued.

LETTER FROM THE BOARD

Implementation of the Share Subdivision will lead to adjustments to the exercise prices and number of option shares. The Company will inform each of the Share Option's grantees regarding the adjustments to be made pursuant to the respective terms and conditions of the Share Options. Such adjustments will be certified by an independent financial adviser of the Company.

Save as disclosed above, the Company has no other outstanding share options or convertible securities to subscribe for any Share.

Listing and dealing

An application will be made to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares arising from the Share Subdivision. All necessary arrangements have been made and subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as may be determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the equity or debt securities of the Company is listed or dealt in on any other stock exchanges other than Stock Exchange and no such listing permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Free exchange of share certificates

Arrangements will be made so that subject to the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares to the Company's branch share registrar in Hong Kong, Tricor Standard Limited at 26/F Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates for the Subdivided Shares free of charge during the business hours from 23 December 2010 to 2 February 2011 (both days inclusive). After the expiry of such period, existing certificates for the Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher).

It is expected that the new share certificates will be available for collection within a period of 10 business days after the submission of the existing share certificates. The new share certificates will be issued in blue colour in order to distinguish them from existing share certificates which are in gold colour.

From 28 January 2011 onwards, existing certificates for the Shares will cease to be valid for trading and settlement purpose, but will continue to be good evidence of legal title to the Subdivided Shares on the basis of one Share for five Subdivided Shares.

LETTER FROM THE BOARD

Trading arrangement for Subdivided Shares

Subject to the Share Subdivision, dealings in the Subdivided Shares are expected to commence on Thursday, 23 December 2010. Parallel trading in the Subdivided Shares (in the form of existing share certificates and new share certificates) will be operated from Friday, 7 January 2011 to Thursday, 27 January 2011 (both day inclusive). Full details of the expected timetable and trading arrangement of the Shares are set out on pages 1 and 2 of this circular.

THE NEW ISSUE MANDATE

At the AGM, the Shareholders passed, among other things, the ordinary resolution to grant to the Directors the Current Issue Mandate to allot up to 123,421,621 Shares, representing 20% of the then issued share capital of the Company at the AGM. During the period from the grant of the Current Issue Mandate to the Latest Practicable Date, the Current Issue Mandate had been utilised as to 70,000,000 Shares (approximately 56.7% of the current issue mandate of 123,421,621 Shares) following the completion of the top up placing of 70,000,000 new Shares (as set out in the announcement of the Company dated 14 October 2010) on 26 October 2010.

In view of (i) the utilization of around 56.7% of the Current Issue Mandate and there has been no refreshment of the current issue mandate since the AGM up to the Latest Practicable Date; (ii) the issued share capital of the Company has been increased from 617,108,107 Shares as at the AGM to 707,650,107 Shares as at the Latest Practicable Date; (iii) the continuous business development of the Group, the Board proposes to obtain a higher limit of authority and greater flexibility to issue Shares as and when necessary without seeking further approval from the Shareholders. This would give the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when it arises.

Subject to the passing of the resolution for the New Issue Mandate, the Directors will be authorised to allot and issue up to the number of Shares which represents 20% of the issued share capital of the Company as at the date of the SGM. As at the Latest Practicable Date, the Company has 707,650,107 Shares in issue. Assuming that no further Shares will be issued or purchased before the SGM and the Share Subdivision becomes effective, the issued Shares of the Company will become 3,538,250,535 Subdivided Shares in issue. Pursuant to the New Issue Mandate, the Directors will be authorised to allot and issue up to a maximum of 707,650,107 Subdivided Shares.

The New Issue Mandate is proposed to the Shareholders prior to the Company's next annual general meeting. Therefore, the New Issue Mandate will be subject to the Independent Shareholders' approval at the SGM under rule 13.36(4)(a) of the Listing Rules. The Controlling Shareholder and its associates are required to abstain from voting in favour of the relevant ordinary resolution to approve the New Issue Mandate. The Independent Board Committee, comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, all being the independent non-executive Directors, has been formed to consider the New Issue Mandate. Vinco Capital has been appointed as the independent financial adviser of the Company to advise the Independent

LETTER FROM THE BOARD

Board Committee and the Independent Shareholders in respect of the New Issue Mandate. The text of the letter from the Independent Board Committee is set out on page 17 of this circular and the text of the letter from Vinco Capital containing its advice is set out on pages 18 to 25 of this circular.

The New Issue Mandate will, if granted, remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next general meeting is required to be held; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

THE NEW SCHEME MANDATE LIMIT

At the AGM, the Company had refreshed the current scheme mandate limit which allowed the Company to grant a maximum of 61,710,810 Share Options based on 10% of the Shares in issue as at the date of the AGM. Since the latest refreshment of the current scheme mandate limit and up to the Latest Practicable Date, a total of 61,500,000 Share Options have been granted and the current scheme mandate limit has been utilized as to around 99.7%. Out of these 61,500,000 Share Options, a total of 1,000,000 options were exercised and none of the remaining options were lapsed or cancelled as at the Latest Practicable Date.

In view of the utilization of around 99.7% of the current scheme mandate limit as at the Latest Practicable Date and the continuous business development of the Group, the Board proposes to obtain a new scheme mandate limit to grant Share Options to eligible persons under the Share Option Scheme as incentives or rewards for their contribution to the Group and/or to enable the Board to recruit and retain high-calibre employees and attract human resources that are valuable to the Group.

As at the Latest Practicable Date, 707,650,107 Shares were in issue and options to subscribe up to 114,800,000 Shares, representing 16.22% of the issued share capital of the Company as at the Latest Practicable Date, have been granted and remained outstanding under the Share Option Scheme.

Pursuant to rule 17.03(3) of the Listing Rules, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme must not exceed 30% of the Shares in issue from time to time.

Pursuant to rule 17.03(3) of the Listing Rules, the scheme mandate limit may not exceed 10% of the Shares in issue as at the date of approval or adoption of that limit by Shareholders. The scheme mandate limit may be refreshed by Shareholders in general meeting from time to time.

LETTER FROM THE BOARD

Subject to the passing of the resolution for the refreshment of the New Scheme Mandate Limit, the Board will be allowed to grant further options entitling holders thereof to subscribe for up to the number of Shares which represents 10% of the Shares in issue as at the date of the SGM. As at the Latest Practicable Date, the Company has 707,650,107 Shares in issue. Assuming that no further Shares will be issued or purchased before the SGM and the Share Subdivision becomes effective, the issued Shares of the Company will become 3,538,250,535 Subdivided Shares in issue. Pursuant to the New Scheme Mandate Limit, the Directors will be allowed to grant up to a maximum of 353,825,053 Share Options.

On the same assumption, the Directors expect that the grant of options in full under the refreshed New Scheme Mandate Limit hereof will not cause the Shares to be issued upon the full exercise of the then outstanding options granted and available to be granted under the Share Option Scheme to be in excess of 30% of the Shares in issue from time to time.

The refreshment of the New Scheme Mandate Limit is conditional upon (i) passing of an ordinary resolution approving the refreshment of the New Scheme Mandate Limit by the Shareholders at the SGM; and (ii) the Stock Exchange granting approval for the listing of, and permission to deal in, the option Share(s) to be issued pursuant to the exercise of options to be granted under the New Scheme Mandate Limit. Options previously granted under the share option scheme(s) of the Company (including those outstanding, cancelled, lapsed in accordance with the scheme(s) or exercised options) will not be counted in the New Scheme Mandate Limit as refreshed.

Application will be made to the Stock Exchange by the Company for the approval of the listing of, and permission to deal in, the Shares, representing a maximum of 10% of the Shares in issue as at the date of the SGM, which may be issued pursuant to the exercise of the options under the Share Option Scheme.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE

Set out below is table illustrating the shareholdings of the Company as at the Latest Practicable Date and showing the potential dilution effect on the shareholdings of the Shareholders:

	As at the Latest Practicable Date		Immediately after the Share Subdivision but before full utilisation of the New Issue Mandate (assuming no further Shares are issued or repurchased by the Company prior to the SGM and the Share Subdivision becomes effective)		Immediately after Share Subdivision and full utilisation of the New Issue Mandate (assuming no further Shares are issued or repurchased by the Company prior to the SGM and the Share Subdivision becomes effective)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Celestial Investment Group Limited	298,156,558	42.13%	1,490,782,790	42.13%	1,490,782,790	35.11%
Cash Guardian Limited (<i>Note 1</i>)	8,964,640	1.27%	44,823,200	1.27%	44,823,200	1.05%
Directors of CASH						
Mr Law Ping Wah Bernard	1,120	0.00%	5,600	0.00%	5,600	0.00%
Mr Ng Kung Chit Raymond	1,032,000	0.15%	5,160,000	0.15%	5,160,000	0.12%
Celestial Investment Group Limited and parties acting in concert with it	308,154,318	43.55%	1,540,771,590	43.55%	1,540,771,590	36.28%
Director (other than those who are also directors of CASH)						
Mr Chan Chi Ming Benson	10,000,000	1.41%	50,000,000	1.41%	50,000,000	1.18%
Mr Cheng Man Pan Ben	5,334,000	0.75%	26,670,000	0.75%	26,670,000	0.63%
Mr Yuen Pak Lau Raymond	5,010,000	0.71%	25,050,000	0.71%	25,050,000	0.59%
Mr Lo Kwok Hung John	507,000	0.07%	2,535,000	0.07%	2,535,000	0.06%
Mr Cheng Shu Shing Raymond	180,000	0.03%	900,000	0.03%	900,000	0.02%
Other public Shareholders						
Shares that may be issued under the New Issue Mandate	—	0.00%	—	0.00%	707,650,107	16.67%
Others	378,464,789	53.48%	1,892,323,945	53.48%	1,892,323,945	44.57%
Total	707,650,107	100.00%	3,538,250,535	100.00%	4,245,900,642	100.00%

Note:

- Cash Guardian Limited is a company controlled by Mr Kwan Pak Hoo Bankee, the chairman of both CASH and the Company, and is party acting in concert with Celestial Investment Group Limited (a wholly-owned subsidiary of CASH).

LETTER FROM THE BOARD

FUND RAISING IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past 12 months:

Date of announcement	Transaction	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
14 October 2010	Placing of 70,000,000 top up Shares at the placing price of HK\$1.07 each	HK\$73.9 million	For general working capital of the Group	Use as intended

THE SGM

Set out on pages 26 to 28 of this circular is a notice convening the SGM to be held at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong at 9:30 a.m. on 22 December 2010.

At the SGM, the following resolutions will be proposed to be considered and, if thought fit, be passed for the approval:

Ordinary resolutions:

- (1) the Share Subdivision;
- (2) the New Issue Mandate; and
- (3) the New Scheme Mandate Limit.

All the resolutions are independent and not inter-conditional on other resolutions. All the resolutions will be voted by way of poll at the SGM. The Controlling Shareholder and its associates are required to abstain from voting in favour of the ordinary resolution no. 2 for the approval of the New Issue Mandate at the SGM pursuant to rule 13.36(4)(a) of the Listing Rules. There is no abstinence requirement for the Controlling Shareholder and its associates for all other resolutions at the SGM.

LETTER FROM THE BOARD

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 or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the SGM should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

DOCUMENTS AVAILABLE FOR INSPECTION

The following documents will be available for inspection at the correspondence address of the Company at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong from the date of this circular to the date of the SGM:

- (a) the memorandum of association and Bye-laws of the Company;
- (b) the Companies Act 1981 of Bermuda;
- (c) the annual reports of the Company for the two years ended 31 December 2009; and
- (d) the interim report of the Company for the six months ended 30 June 2010.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Independent Board Committee, comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John and Mr Lo Ming Chi Charles, all being the independent non-executive Directors, has been formed to consider the New Issue Mandate. Vinco Capital has been appointed as the independent financial adviser of the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the New Issue Mandate.

The Directors (including all the independent non-executive Directors forming the Independent Board Committee) are of the opinion that the New Issue Mandate is 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 therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution relating to the New Issue Mandate at the SGM.

Your attention is also drawn to the letters from the Independent Board Committee and Vinco Capital and their respective recommendations set out on pages 17 to 25 of this circular.

In addition, the Directors consider that proposals for the Share Subdivision, the New Issue Mandate and the New Scheme Mandate Limit are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions at the SGM.

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



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

7 December 2010

To the Independent Shareholders

Dear Sir/Madam,

PROPOSED NEW ISSUE MANDATE

We refer to the circular dated 7 December 2010 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 terms of the New Issue Mandate, and to advise the Independent Shareholders whether, in our opinion, the New Issue Mandate is 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. Vinco Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the New Issue Mandate.

We wish to draw your attention to the letter from the Board set out on pages 6 to 16 of the Circular which contains, inter alia, information on the New Issue Mandate, and the letter from Vinco Capital set out on pages 18 to 25 of the Circular which contains its advice in respect of the terms of the New Issue Mandate.

Having taken into account the advice of Vinco Capital, we consider that the New Issue Mandate is 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. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution above to be proposed at the SGM to approve the New Issue Mandate.

Yours faithfully
Independent Board Committee
Cheng Shu Shing Raymond
Lo Kwok Hung John
Lo Ming Chi Charles
Independent non-executive Directors

LETTER FROM VINCO CAPITAL

The following is the text of a letter of advice from Vinco Capital to the Independent Board Committee and the Independent Shareholders in connection with the New Issue Mandate, which has been prepared for the purpose of incorporation in this circular:



Grand Vinco Capital Limited

Units 4909–4910, 49/F, The Center
99 Queen's Road Central, Hong Kong

7 December 2010

To the Independent Board Committee and the Independent Shareholders of
CASH Financial Services Group Limited

Dear Sirs,

PROPOSED NEW ISSUE MANDATE

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in connection with the New Issue Mandate, details of which are set out in the circular ("Circular") issued by the Company to the Shareholders dated 7 December 2010 of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

At the AGM, the Shareholders passed, among other things, the ordinary resolution to grant to the Directors the Current Issue Mandate to allot up to 123,421,621 Shares, representing 20% of the then issued share capital of the Company.

On 14 October 2010, the Company announced a top up placing of 70,000,000 new Shares under the Current Issue Mandate, representing approximately 56.72% of the Current Issue Mandate, which has been completed on 26 October 2010. As at the Latest Practicable Date, the Current Issue Mandate was utilised as to 70,000,000 Shares, the Current Issue Mandate would only be allowed to allot and issue up to 53,421,621 Shares representing approximately 7.55% of the issued share capital of the Company as at the Latest Practicable Date. In order to allow for flexibility to raise further capital through the issue of new Shares and provide funds for general working capital and future business development, the Board proposes to the New Issue Mandate to allow the Directors to issue and allot new Shares of not exceeding 20% of the issued share capital of the Company at the date of SGM.

In accordance with rule 13.36(4)(a) of the Listing Rules, the New Issue Mandate requires the approval of the Independent Shareholders by way of poll at the SGM, at which any Controlling Shareholders and their associates, or where there are no Controlling

LETTER FROM VINCO CAPITAL

Shareholders, the Directors (excluding independent non-executive Directors) and the chief executives of the Company and their respective associates shall abstain from voting in favour of the resolution approving the New Issue Mandate.

Celestial Investment Group Limited, being the Controlling Shareholder of the Company, together with its associates collectively were beneficially interested in 298,156,558 Shares representing approximately 42.13% of the issued share capital of the Company as at the Latest Practicable Date. Accordingly, Celestial Investment Group Limited together with its associates are required to abstain from voting in favour of the resolution to approve the New Issue Mandate at the SGM.

The Independent Board Committee, comprising Mr Cheng Shu Shing Raymond, Mr Lo Kwok Hung John, and Mr Lo Ming Chi Charles, all being the independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the New Issue Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether the New Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole.

BASIS OF OUR OPINION AND RECOMMENDATION

In forming our opinion and recommendation, we have relied on the information, facts and representations contained or referred to in the Circular and the information, facts and representations provided by, and the opinions expressed by the Directors, management of the Company and its subsidiaries. We have assumed that all information, facts, opinions and representations made or referred to in the Circular were true, accurate and complete at the time they were made and continued to be true, accurate and complete as at the date of the Circular and that all expectations and intentions of the Directors, management of the Company and its subsidiaries, will be met or carried out as the case may be. We have no reason to doubt the truth, accuracy and completeness of the information, facts, opinions and representations provided to us by the Directors, management of the Company and its subsidiaries. The Directors have confirmed to us that no material facts have been withheld or omitted from the information supplied and opinions expressed. We have no reason to doubt that any relevant material facts have been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided to us by the Directors, management of the Company and its subsidiaries.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We have relied on such information and opinions and have not, however, conducted any independent verification of the information provided, nor have we carried out any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

LETTER FROM VINCO CAPITAL

Based on the foregoing, we confirm that we have taken all reasonable steps, which are applicable to the New Issue Mandate, as referred to in Rule 13.80 of the Listing Rules (including the notes thereto).

This letter is issued for the information for the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the New Issue Mandate and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the New Issue Mandate, we have considered the principal factors and reasons set out below:

1. Background of and reasons for the New Issue Mandate

Background

At the AGM, the Shareholders approved, among other things, an ordinary resolution to approve the Current Issue Mandate which enable the Directors to allot and issue up to 123,421,621 Shares (being 20% of the entire issued share capital of the Company as at the date of passing the resolution).

According to the announcement of the Company dated 14 October 2010, the Company and the placing agent entered into a placing agreement pursuant to which 70,000,000 placing Shares were issued under the Current Issue Mandate upon completion of such top up placing on 26 October 2010. Accordingly, approximately 56.72% of the Current Issue Mandate has been utilised. In order to maintain the financial flexibility to raise further capital and/or implement equity financing for future business developments of the Company, the Directors proposed to seek the approval of the Independent Shareholders at the SGM for the New Issue Mandate.

Subject to the passing of the resolution for the New Issue Mandate, the Directors will be authorised to allot and issue up to the number of Shares which represents 20% of the issued share capital of the Company as at the date of the SGM. As at the Latest Practicable Date, the Company has 707,650,107 Shares in issue. Assuming that no further Shares will be issued or purchased before the SGM and the Share Subdivision becomes effective, the issued Shares of the Company will become 3,538,250,535 Subdivided Shares in issue. Pursuant to the New Issue Mandate, the Directors will be authorised to allot and issue up to a maximum of 707,650,107 Subdivided Shares.

Reasons

As advised by the Directors, the Directors consider that (i) the utilisation of around 56.72% of the Current Issue Mandate and there has been no refreshment of the Current Issue Mandate since the AGM up to the Latest Practicable Date; (ii) the issued

LETTER FROM VINCO CAPITAL

share capital of the Company has been increased from 617,108,107 Shares as at the AGM to 707,650,107 Shares as at the Latest Practicable Date; and (iii) the continuous business development of the Group, the Board proposes to obtain a higher limit of authority and greater flexibility to issue Shares as and when necessary without seeking further approval from the Shareholders. As discussed with Directors, we noted that the number of issued shares has been increased from 617,108,107 Shares to 707,650,107 Shares after the completion of placing announced on 14 October 2010 and exercising of 20,542,000 share options by share option holders. Therefore, the aggregate nominal amount of 53,421,621 Shares that the Current Issue Mandate granted to the Directors only has an aggregate nominal amount that approximately equals to 7.55% of the nominal amount of the issued share capital of the Company as at the Latest Practicable Date. We concur the Directors' view that it is necessary to adjust the Current Issue Mandate to reflect the actual amount of Shares to be allotted and repurchased as the proposed New Issue Mandate will enable the Group to conduct fund raising activities as and when opportunities arise. This would give the Company the flexibility and ability to capture any capital raising or investment or business opportunity as and when it arises. The Board thus proposed to pass an ordinary resolution at the SGM to approve the New Issue Mandate in accordance with Rule 13.36(4) of the Listing Rules so as to allow the Directors to issue new Shares not exceeding 20% of the issued share capital of the Company as at the date of the SGM.

2. Fund raising activities in the past twelve months

The table set out below summarises the information relating to the Company's fund raising activities in the past twelve months immediately prior to the Latest Practicable Date:

Date of announcement	Transaction	Net proceeds		
		raised (approximately)	Intended use of proceeds	Actual use of proceeds
14 October 2010	Placing of 70,000,000 top up Shares at the placing price of HK\$1.07 each	HK\$73.9 million	For general working capital of the Group	Use as intended

Save as disclosed above, the Directors confirmed that the Company has not conducted any other fund raising activities during the twelve months immediately prior to the Latest Practicable Date. As such, we are of the view that the actual use of proceeds was in line with the intended use of proceeds as stated in the announcement of the abovementioned fund raising activity.

As stated in the unaudited annual report of the Company for the six-month period ended 30 June 2010, cash and cash equivalents and interest-bearing bank borrowings of approximately HK\$204.81 million and approximately HK\$555.68 million respectively are observed as at 30 June 2010. As noted from the table above, the Group has fully utilised the net proceeds from the abovementioned fund raising activity as at the Latest Practicable Date.

LETTER FROM VINCO CAPITAL

The Directors confirmed that the existing cash resources of the Group are sufficient for it to conduct its daily operations and the Group has sufficient working capital to meet its present requirements. However, the Directors cannot preclude the possibilities that additional funding may still be needed for investment development as well as other opportunities arise in the future. In the event the Company identifies a suitable investment opportunity but does not have sufficient financial resources on hand, or is unable to obtain loan financing on acceptable terms, or cannot find other alternatives to finance the acquisition of such investment opportunity in a timely manner, the Company may lose its opportunities in an otherwise favourable investment and a favorable opportunity to expand its business portfolio. Also, the Directors confirmed that they have considered the possibility of seeking a specific mandate when specific project is identified. However, the Directors considered that timely decision making is critical to grasp opportunities arising from the prevailing market condition. As such, they considered granting of specific mandate which is subject to the approval of the Independent Shareholders may pose as a hindrance to the Group to grasp the opportunities in a timely manner. In view of the above, we consider that it is reasonable for the Directors to propose the New Issue Mandate at the SGM in order to provide the Company with necessary financing flexibility to raise additional funds through the issue of new Shares for its future business development as and when an opportunity arises.

In view of the foregoing, we concur with the Directors' view that the New Issue Mandate is fair and reasonable to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

3. Financing flexibility

The Directors believed that the New Issue Mandate will provide the Company with higher limit of authority and greater flexibility to raise further funds and/or implement equity financing for its future business development.

We consider that the New Issue Mandate could enhance the financing flexibility of the Company to raise capital and to strengthen the capital base of the Group, if and when required, by way of issue of new Shares. In addition, the Directors consider that if investment or acquisition opportunities arise, decisions may have to be made within a limited period of time. The New Issue Mandate would provide the Group with the maximum flexibility as allowed under the Listing Rules to allot and issue new Shares through placing of Shares as consideration for funding such potential investments and/or acquisitions in the future as and when such opportunities arise. The increased amount of capital which may be raised under the New Issue Mandate will provide more options of financing to the Group when assessing and negotiating potential acquisitions in a timely manner.

In view of the foregoing and the next annual general meeting will not be convened until around May 2011 (which is about five months away from the Latest Practicable Date), we concur with the Directors' view that the New Issue Mandate is fair and reasonable to the Company and is in the interests of the Company and the Independent Shareholders as a whole.

4. Other financing alternatives

As advised by the Directors, apart from equity financing, the Directors will also consider other financing methods such as bank financing and debt financing so as to meet its financing requirements arising from any future development of the Group, depending on the financial position, capital structure and cost of funding of the Group as well as the prevailing market condition. Additionally, bank financing and debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks. The alternative options encompass certain uncertainties and are time-consuming as compared to equity financing.

Further to our discussion with the Directors, they have also considered other forms of pro rata equity financing methods such as rights issue or open offer, however, most would result in substantial costs including but not limited to legal costs and underwriting commissions and there is the likely chance of a highly dilutive pricing of the offer established by an underwriter. The Company may also not be able to procure favourable terms in commercial underwriting. Accordingly, the Directors consider that the New Issue Mandate may provide an alternative to fund any possible business development or investment opportunities of the Group. Additionally, the Directors confirmed that they would exercise due and careful consideration when choosing the financing method available to the Group and would adopt the method which serves the best interest of the Group. Having considered that (i) investment opportunities which may arise at any time and require prompt decision by the Group; (ii) the bank financing and debt financing will incur additional interest burden to the Group and cause lengthy due diligence; and (iii) there is no guarantee on the sufficient number of invested participants if the Company engages rights issue or open offer which cause higher dilutive effect of shareholding, we thus concur with the Directors' view that the New Issue Mandate will provide the Company an additional financing alternative for the Company to raise funds for its future investments or business developments. Also, we considered that it is in the interest of the Company and the Independent Shareholders as a whole and is reasonable for the Company to have the flexibility in deciding the best financing methods for any future investments or business developments.

LETTER FROM VINCO CAPITAL

5. Potential dilution to shareholding of the Independent Shareholders

Set out below is table illustrating the shareholdings of the Company as at the Latest Practicable Date and showing the potential dilution effect on the shareholdings of the Shareholders:

	As at the Latest Practicable Date		Immediately after the Share Subdivision but before full utilisation of the New Issue Mandate (assuming no further Shares are issued or repurchased by the Company prior to the SGM and the Share Subdivision becomes effective)		Immediately after Share Subdivision and full utilisation of the New Issue Mandate (assuming no further Shares are issued or repurchased by the Company prior to the SGM and the Share Subdivision becomes effective)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Celestial Investment Group Limited	298,156,558	42.13%	1,490,782,790	42.13%	1,490,782,790	35.11%
Cash Guardian Limited (<i>Note 1</i>)	8,964,640	1.27%	44,823,200	1.27%	44,823,200	1.05%
Directors of CASH						
Mr Law Ping Wah Bernard	1,120	0.00%	5,600	0.00%	5,600	0.00%
Mr Ng Kung Chit Raymond	1,032,000	0.15%	5,160,000	0.15%	5,160,000	0.12%
Celestial Investment Group Limited and parties acting in concert with it	308,154,318	43.55%	1,540,771,590	43.55%	1,540,771,590	36.28%
Director (other than those who are also directors of CASH)						
Mr Chan Chi Ming Benson	10,000,000	1.41%	50,000,000	1.41%	50,000,000	1.18%
Mr Cheng Man Pan Ben	5,334,000	0.75%	26,670,000	0.75%	26,670,000	0.63%
Mr Yuen Pak Lau Raymond	5,010,000	0.71%	25,050,000	0.71%	25,050,000	0.59%
Mr Lo Kwok Hung John	507,000	0.07%	2,535,000	0.07%	2,535,000	0.06%
Mr Cheng Shu Shing Raymond	180,000	0.03%	900,000	0.03%	900,000	0.02%
Other public Shareholders						
Shares that may be issued under the New Issue Mandate	—	0.00%	—	0.00%	707,650,107	16.67%
Others	378,464,789	53.48%	1,892,323,945	53.48%	1,892,323,945	44.57%
Total	707,650,107	100.00%	3,538,250,535	100.00%	4,245,900,642	100.00%

Note:

- Cash Guardian Limited is a company controlled by Mr Kwan Pak Hoo Bankee, the chairman of both Celestial Asia Securities Holdings Limited and the Company, and is party acting in concert with Celestial Investment Group Limited.

The above figures were calculated on the assumption that (i) the New Issue Mandate is approved by the Independent Shareholders at the SGM; (ii) no Shares will be issued or repurchased by the Company after the Latest Practicable Date and up to the date of the SGM and Share Subdivision becomes effective; and (iii) upon the full utilisation of the New

LETTER FROM VINCO CAPITAL

Issue Mandate, 707,650,107 new Shares will be issued, representing 20% of the entire issued share capital of the Company at the SGM, and approximately 16.67% of the issued share capital of the Company as enlarged by the Shares issued under the New Issue Mandate.

The aggregate shareholding of the other public Shareholders will decrease from approximately 53.48% to approximately 44.57% upon full utilisation of the New Issue Mandate, representing a potential maximum dilution of approximately 8.91%. Taking into account that (i) the New Issue Mandate will provide an alternative to increase the amount of capital; (ii) the New Issue Mandate will provide more financing alternatives to the Group for potential investment and/or business development when such opportunities arise and; (iii) the fact that the shareholding of all the Shareholders will be diluted proportionally according to their respective shareholdings upon any utilisation of the New Issue Mandate, we consider such potential maximum dilution to shareholdings of the Independent Shareholders to be acceptable.

CONCLUSION

Having taken into consideration the above principal factors and reasons, we are of the view that the New Issue Mandate is fair and reasonable, so far as the Independent Shareholders are concerned and that the New Issue Mandate is in the interests of the Company and the Independent Shareholders as a whole. Accordingly, we 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 New Issue Mandate.

Yours faithfully,
For and on behalf of
Grand Vinco Capital Limited
Alister Chung
Managing Director



CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

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 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong on 22 December 2010 (Wednesday) at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. **“THAT** conditional on the Listing Committee of the Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the shares of HK\$0.02 each in the issued share capital of the Company, with effect from 9:30 a.m. on the business day next following the day on which this resolution is passed by the shareholders of the Company, each of the issued and unissued share of HK\$0.10 in the share capital of the Company be sub-divided into five shares of HK\$0.02 each (“Share Subdivision”) so that the authorised share capital of the Company will be HK\$300,000,000 divided into 15,000,000,000 shares of HK\$0.02 each immediately following the Share Subdivision, and any director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to any of the foregoing as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to any of the foregoing and the transactions contemplated thereunder.”
2. **“THAT**
 - (a) subject to paragraph 2(c), the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
 - (b) the approval in paragraph 2(a) shall authorise the directors of the Company during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

NOTICE OF THE SGM

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to the approval in paragraph 2(a), otherwise than pursuant to a Rights Issue (as hereinafter defined) or any option scheme or similar arrangement for the time being adopted for the grant or issue to participants of the Company, its subsidiaries, and its ultimate holding company (if any) which is also listed on the Stock Exchange and its subsidiaries, of shares or right to acquire shares in the Company shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of this resolution and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

1. the conclusion of the next annual general meeting of the Company;
2. the expiration of the period within which the next annual general meeting of the Company is required by the bye-laws of the Company or any applicable law to be held; and
3. the revocation or variation of this resolution by an ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”

NOTICE OF THE SGM

3. “**THAT** conditional on the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the shares in the Company to be issued pursuant to the exercise of any options (“Options”) to be granted under the existing share option scheme and any other share option scheme(s) of the Company, the directors be and are hereby authorised, at their absolute discretion, to grant Options to the extent that the shares in the Company issuable upon the full exercise of all Options shall not be more than 10% of the issued share capital of the Company as at the date of this resolution.”

By order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 7 December 2010

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

*Head office and principal place of
business in Hong Kong:*
21/F Low Block
Grand Millennium Plaza
181 Queen’s Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or, if he is holder of more than one share, 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 correspondence address of the Company in Hong Kong at 28/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a 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.