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CASH FINANCIAL SERVICES GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 510)

**Discloseable Transaction
Disposal of a property in Hong Kong**

On 25 July 2011, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the Provisional Agreement by which the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at the consideration of HK\$123,500,000 to be settled in cash.

As the relevant Percentage Ratios for the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

INTRODUCTION

The Vendor and the Purchaser entered into the Provisional Agreement under which the Vendor shall sell to the Purchaser the Property at the Consideration.

THE PROVISIONAL AGREEMENT

Date : 25 July 2011

Vendor : Richwell Target Limited, a wholly-owned subsidiary of the Company

Purchaser : Big Star Asia Pacific Limited

So far as the Directors are aware, the principal activity of the Purchaser is property investment.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Purchaser and the ultimate beneficial owner of the Purchaser are third parties independent of the Company and connected persons (as defined under the Listing Rules) of the Company.

Consideration : HK\$123,500,000 to be settled in cash.

The terms of the Provisional Agreement were determined after arm's length negotiation with reference to the current market conditions and were on normal commercial terms. The Board considers that the terms of the Provisional Agreement are fair and reasonable and are in the best interest of the Company and the Shareholders.

Payment terms : The Consideration will be paid by the Purchaser in the following manner:

- (a) HK\$3,705,000 has been paid as an initial deposit upon the signing of the Provisional Agreement;
- (b) HK\$8,645,000 will be paid as a further deposit upon the signing of the formal sale and purchase agreement on or before 25 August 2011; and
- (c) the balance of the Consideration in the sum of HK\$111,150,000 will be paid upon completion of the Disposal on or before 25 October 2011.

The deposits payable under (a) and (b) above shall be paid to the Vendor's solicitors as stakeholders who may release the same to the Vendor provided that the balance of the Consideration is sufficient to discharge the existing legal charge or mortgage.

Completion : According to the Provisional Agreement, the formal sale and purchase agreement in respect of the Property is to be signed on or before 25 August 2011 and the completion of the sale and purchase of the Property is to take place on or before 25 October 2011.

Leaseback of the Property : Upon completion, the Vendor agreed to leaseback the Property from the Purchaser at a monthly rent of HK\$410,000 (excluding rates and government rent). The tenant will be in the name of a fellow subsidiary of the Vendor and the tenancy period shall be 24 months commencing from the date of completion of the sale and purchase of the Property.

PROPERTY

The Property is located at Pricerite Group Building, No. 6 Hong Ting Road, Sai Kung, New Territories (Lot No. 1002 in Demarcation District 215) and is beneficially owned by the Vendor.

The market value of the Property as contained in the valuation report issued by an independent qualified professional valuer was HK\$70,000,000 as at 31 December 2010. The carrying value of the Property in the accounts of the Vendor was HK\$70,000,000 as at 31 December 2010.

The Property is currently used by the Group as a warehouse. No profit or loss was attributable to the Property for each of the two years ended 31 December 2010. The disposal of the Property is expected to result in a gain before taxation of approximately HK\$53,500,000 to the Group as compared with the carrying value of the Property of HK\$70,000,000 as at 31 December 2010.

INFORMATION ON THE GROUP

The current principal activities of the Group consist of provision of (a) online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products, (b) principal investments of securities and options, (c) margin financing and money lending services, (d) corporate finance services; and (e) sales of furniture and household items and electrical appliances.

REASON FOR THE DISPOSAL AND USE OF PROCEEDS

The Board considers that the Disposal provides an opportunity for the Group to realise the Property at a reasonable market price. The net proceeds for the sale of the Property is expected to be approximately HK\$122.2 million and is intended to be used as the working capital of the Group including the development and expansion of our retail business in Hong Kong and Mainland China.

The Directors consider that the Disposal, the terms of which have been determined on an arm's length basis with reference to the current market conditions, are fair and reasonable and in the best interest of the Company and the Shareholders as a whole.

GENERAL

As the relevant Percentage Ratios for the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules.

DEFINITIONS

“Board”	the board of Directors
“Company”	CASH Financial Services Group Limited (stock code: 510), a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
“Consideration”	HK\$123,500,000 to be settled in cash
“Directors”	the director(s) of the Company
“Disposal”	the transaction contemplated under the Provisional Agreement, being the disposal of the Property by the Vendor to the Purchaser at the Consideration

“Group”	the Company and its subsidiaries
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Percentage Ratios”	the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules
“Provisional Agreement”	the provisional sale and purchase agreement dated 25 July 2011 entered into between the Vendor and the Purchaser in relation to the Disposal
“Property”	the property located at Pricerite Group Building, No. 6 Hong Ting Road, Sai Kung, New Territories (Lot No. 1002 in Demarcation District 215)
“Purchaser”	Big Star Asia Pacific Limited
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary shares of HK\$0.02 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Richwell Target Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company

By Order of the Board
Suzanne W S Luke
Company Secretary

Hong Kong, 25 July 2011

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Chan Chi Ming Benson
Mr Law Ping Wah Bernard
Mr Cheng Man Pan Ben
Ms Cheng Pui Lai Majone

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Mr Lo Kwok Hung John
Mr Lo Ming Chi Charles