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CASH
FINANCIAL SERVICES GROUP
時富金融服務集團
**CASH FINANCIAL SERVICES
GROUP LIMITED**
("CFSG")
*(Incorporated in Bermuda
with limited liability)*
(Stock code: 8122)

CASH 時富
**CELESTIAL ASIA SECURITIES
HOLDINGS LIMITED**
("CASH")
*(incorporated in Bermuda
with limited liability)*
(Stock code: 1049)

**DISCLOSEABLE TRANSACTION
FORMATION OF A JOINT VENTURE**

The Directors are pleased to announce that on 27 June 2007, CFSG through Marvel Champ (a company owned as to 65% by CFSG (a non-wholly-owned subsidiary of CASH) and as to 35% by an Independent Third Party) formed a joint venture with Nanyang Industrial (China) (a wholly-owned subsidiary of Nanyang Holdings) and Fit Team (a company owned as to 50% by VSC and as to 50% by another Independent Third Party) in equal shares through the joint venture entity, China Able. The purpose of China Able is to acquire, own and hold the Property through its indirect wholly-owned subsidiary, Changyu.

On 27 June 2007, Changyu entered into a MOU for the purchase of the Property from the Vendor at the price of RMB420 million (approximately HK\$429 million).

To fund the Joint Venture, each of the JV Partners agrees to contribute RMB80 million (approximately HK\$81.7 million). The balance of the consideration of the Total Property Costs in the amount of RMB210 million (approximately HK\$214.5 million) will be funded by bank loans with the Property as collateral security. If required by the bank providing the loan, each of the JV Partners will provide guarantees on a several basis in proportion to their respective equity interests in China Able. CFSG's (through Marvel Champ) share of the maximum commitment in terms of the initial transaction for the Joint Venture amounts to one-third (1/3) of the Total Property Costs.

As the percentage ratios of the maximum commitment in respect of the Joint Venture exceed 5% but are less than 25% of each of CFSG and CASH, the formation of the Joint Venture constitutes a discloseable transaction of each of CFSG and CASH under the GEM Listing Rules and the Listing Rules respectively. A circular containing further details of the Joint Venture will be despatched to each of the CFSG Shareholders and the CASH Shareholders as soon as practicable.

THE JOINT VENTURE

1. The Shareholders' Agreement

Date:	27 June 2007
Parties:	Marvel Champ, Nanyang Industrial (China), Fit Team, China Able and VSC.
Purpose:	To govern the respective rights and obligations of Marvel Champ, Nanyang Industrial (China) and Fit Team as JV Partners and the governance of the affairs of China Able and its subsidiaries.
Business:	The business of the Joint Venture is to acquire the Property pursuant to the MOU and to own, hold and manage the Property through Changyu, China Able's indirect wholly-owned subsidiary.
Constitution of the board:	A maximum of nine directors and the number of directors to be appointed by each JV Partner shall be determined on a pro-rata basis reflecting the ratio of their then respective shareholding percentage in China Able; initially, based on current shareholding percentages, the board comprises six directors, of which two are appointed by Marvel Champ, two are appointed by Nanyang Industrial (China) and two are appointed by Fit Team.
Pre-emption rights:	The Shareholders' Agreement contains pre-emption rights exercisable by the other JV Partners if any JV Partner wishes to dispose of its shares in China Able.
Contribution to investment amount:	<p>The registered capital and total investment amount of Changyu will be increased to US\$30 million (approximately RMB228.6 million) and US\$60 million (approximately RMB457.2 million) respectively.</p> <p>To fund the Joint Venture, each of the JV Partners agrees to contribute RMB80 million (approximately HK\$81.7 million). The balance of the consideration of the Total Property Costs in the amount of RMB210 million (approximately HK\$214.5 million) will be funded by bank loans with the Property as collateral security. If required by the bank providing the loan, each of the JV Partners will provide guarantees on a several basis in proportion to their respective equity interests in China Able.</p>

The JV Partners' initial contribution to the Joint Venture through China Able in the amount of RMB240 million (approximately US\$31.4 million) shall be made in equal proportions, i.e. one-third (1/3) by each of Marvel Champ, Nanyang Industrial (China), and Fit Team and will be paid in the manner as follows:

- (i) as capital contribution, the sum of RMB84 million (approximately US\$11.0 million) paid on the date of the Shareholders' Agreement;
- (ii) as shareholders' loans, the sum of RMB30 million (approximately US\$3.9 million) paid on the date of the Shareholders' Agreement;
- (iii) as capital contribution, the sum of RMB42 million (approximately US\$5.5 million) be paid on or before 30 July 2007;
- (iv) as capital contribution, the sum of RMB84 million (approximately US\$11.0 million) be paid on or before 30 August 2007.

Condition precedent:

The obligations under the Shareholders' Agreement shall be conditional upon:-

- (a) each of the JV Partners obtaining all necessary approvals from its shareholders for execution of the Shareholders' Agreement in accordance with the requirements under the Listing Rules (if any); and
- (b) the execution of the MOU.

If such conditions precedent are not fulfilled by 15 July 2007, then the Shareholders' Agreement shall terminate and the JV Partners are relieved from any further obligations hereunder, save for rights and obligations already accrued prior to such termination.

2. The MOU

On 27 June 2007, Changyu entered into the MOU for the purchase of the Property from the Vendor at the consideration of RMB420 million (approximately HK\$429 million) and the payment schedule for the consideration is as follows:

- (i) 20% thereof (i.e. RMB84 million (approximately HK\$85.8 million)) to be payable within 5 working days of the completion of the construction of Property;

- (ii) 10% thereof (i.e. RMB42 million (approximately HK\$42.9 million)) to be payable within 1 month from the receipt of the instalment in (i) above;
- (iii) 20% thereof (i.e. RMB84 million (approximately HK\$85.8 million)) to be payable upon the Vendor obtaining the building ownership certificate, which is expected to be between 20 August 2007 to 5 September 2007; and
- (iv) the balance thereof (i.e. 50%) (i.e. RMB210 million (approximately HK\$214.5 million)) to be payable within 7 working days of the signing of the formal agreement for sale and purchase «上海市商品房出售合同», which is expected to take place in around 18 September 2007.

3. The Property

The name of the Property is “靜安陽光企業中心” located at no. 535-561 Anyuan road, Jiangan district, Shanghai. The Property comprises a 11-storey office tower, which is erected upon single-storey retail podium above single-storey car parking basement. The total gross floor area is approximately 26,924.94 square metres comprising approximately 22,139.64 square metres of office space, 797.28 square metres of shop space, 3,856.39 square metres of car park basement (comprising 118 car park spaces) and 131.63 square metres of public utility room. The market value of the Property was estimated at RMB496 million (approximately HK\$506.6 million) by an independent professional valuer. The term of the land use right of the Property is 50 years from 15 July 2003.

4. Source of Funding

CFSG, through Marvel Champ, will fund its contribution to the Joint Venture by internal resources and bank borrowings. As at the date of this announcement, CFSG’s (through Marvel Champ) maximum commitment (including both capital contribution and financial support by way of provision of shareholders’ loans and guarantee, if any, for the benefit of the Joint Venture) to the Joint Venture is one-third (1/3) of the Total Property Costs. CFSG and CASH will monitor the amount of total commitment from time to time and comply with any requirements under the GEM Listing Rules and the Listing Rules respectively, where necessary.

5. Accounting Treatment

China Able will be recorded in the financial statements of CFSG and CASH using the equity method of accounting in accordance with Hong Kong Financial Reporting Standards. The indirect shareholding interest in China Able will be disclosed as “interests in associates” on the balance sheet, and any profit and loss of China Able will be disclosed as “results attributable to associates” in the income statement of CFSG and CASH.

REASONS FOR THE JOINT VENTURE

The CFSG Group and the CASH Group are also engaged in investment holding. The formation of China Able is for the purpose of participation in the Joint Venture for property investment in the PRC with other business partners. The CFSG Board and the CASH Board believe that the Joint Venture provides a good opportunity for the groups to invest in, and benefit from the property investment in the PRC. CFSG and/or CASH may take certain floors of the Property as headquarters' office in the PRC. The CFSG Board and the CASH Board believe that the formation of the Joint Venture and the terms of the Shareholders' Agreement are on normal commercial terms and such terms are fair and reasonable and in the interests of the respective CFSG Shareholders and CASH Shareholders as a whole.

As China Able is a newly formed company incorporated on 23 May 2007 for the purpose of the Joint Venture, it does not have any net profits for the preceding two years.

INFORMATION ON THE CFSG GROUP AND THE CASH GROUP

The current principal activities of CFSG Group are the provision of (a) online and traditional brokerage of securities, options, futures, and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products; (b) margin financing; (c) corporate finance; and (d) other financial services.

The current principal activities of the CASH Group consist of (a) provision of the above brokerage and financial services via CFSG; (b) retailing of furniture and household items and trendy digital products; (c) provision of online game services, sales of online game auxiliary products and licensing services; and (d) investment holding. CFSG is currently a subsidiary of CASH.

GENERAL

As the percentage ratios of the maximum commitment to the Joint Venture of each of CFSG and CASH under Rule 19.06 of the GEM Listing Rules and under Rule 14.07 of the Listing Rules respectively exceed 5% but are below 25%, the formation of the Joint Venture constitutes a discloseable transaction of each of CFSG and CASH under the GEM Listing Rules and the Listing Rules respectively. A circular containing further details of the Joint Venture will be despatched to each of the CFSG Shareholders and the CASH Shareholders as soon as practicable.

Nanyang Holdings is an investment company and the principal businesses of its group include textile business, property investment and investment in securities.

The principal businesses of Fit Team's group are trading and stockholding of construction materials, manufacturing and trading of industrial products, property investment and finance business.

Based on the above information provided by Nanyang Holdings and Fit Team and, to the best of the knowledge, information and belief of the CFSG Board and the CASH Board after having made all reasonable enquiries, each of Nanyang Holdings and Fit Team and its ultimate beneficial owners is an Independent Third Party.

DEFINITIONS

“Marvel Champ”	Marvel Champ Investments Limited, a joint venture company incorporated in the British Virgin Islands, which is indirectly owned as to 65% by CFSG and as to 35% by an Independent Third Party
“CASH”	Celestial Asia Securities Holdings Limited (stock code: 1049), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange
“CASH Group”	CASH and its subsidiaries
“CASH Shareholders”	the shareholders of CASH
“CFSG”	CASH Financial Services Group Limited (stock code: 8122), a company incorporated in Bermuda, whose shares are listed on the Growth Enterprises Market of the Stock Exchange. CFSG is also a non-wholly-owned subsidiary of CASH
“CFSG Group”	CFSG and its subsidiaries
“CFSG Shareholders”	the shareholders of CFSG
“Changyu”	昌裕（上海）房地產經營有限公司，an indirect wholly-owned subsidiary of China Able and incorporated in the PRC
“China Able”	China Able Limited, a company incorporated in the British Virgin Islands on 23 May 2007, which is owned by Marvel Champ, Nanyang Industrial (China) and Fit Team in equal shares
“Fit Team”	Fit Team Holdings Limited, a company incorporated in the British Virgin Islands, which is owned as to 50% by VSC and as to 50% by a third party, which are Independent Third Parties
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprises Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	to the best of the knowledge, information and belief of CFSG Board and CASH Board having made all reasonable enquiry, such company(ies) or person(s) and its ultimate beneficial owners are third parties independent of CFSG and CASH and connected persons (as defined under the GEM Listing Rules and the Listing Rules (as the case may be)) of CFSG and CASH respectively

“Joint Venture”	the joint venture formed through China Able for the acquisition, ownership and management of the Property
“JV Partners”	the shareholders from time to time of China Able
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange on the Stock Exchange
“MOU”	a memorandum of understanding dated 27 June 2007 entered into between the Vendor and Changyu for the acquisition of the Property
“Nanyang Holdings”	Nanyang Holdings Limited (stock code: 212), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange, and an Independent Third Party
“Nanyang Industrial (China)”	Nanyang Industrial (China) Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of Nanyang Holdings, and an Independent Third Party
“PRC”	the People’s Republic of China
“Property”	“靜安陽光企業中心” located at no. 535-561 Anyuan road, Jiangan district, Shanghai
“Shareholders’ Agreement”	the joint venture shareholders’ agreement dated 27 June 2007 entered into among Marvel Champ, Nanyang Industrial (China), Fit Team, China Able and VSC in respect of China Able
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning attributed it under the GEM Listing Rules and the Listing Rules (as the case maybe)
“Total Property Costs”	the consideration/price for the Property amounting to RMB420 million (approximately HK\$429 million) pursuant to the MOU plus an estimated RMB30 million (approximately HK\$30.6 million) working capital
“Vendor”	上海靜安城建投資有限公司, a state-owned company incorporated in the PRC, and an Independent Third Party, being the owner of the Property
“VSC Group”	VSC and its subsidiaries

“VSC”	Van Shung Chong Holdings Limited (stock code: 1001), a company incorporated in Bermuda, whose shares are listed on the main board of the Stock Exchange and an Independent Third Party
“HK\$”	Hong Kong dollar(s), the currency of Hong Kong
“RMB”	Renminbi, the currency of the PRC
“US\$”	United States dollars, the currency of the United States

For illustration purposes, amounts in RMB in this announcement have been translated into HK\$ at HK\$1.00 = RMB0.979, and amounts in US\$ have been translated into RMB at US\$1.00 = RMB7.620.

On behalf of the CASH Board
Bankee P Kwan
Chairman

On behalf of the CFSG Board
Bernard P Law
Director

Hong Kong, 27 June 2007

As at the date hereof, the executive directors of CASH are Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Wong Kin Yick Kenneth and Mr Lin Che Chu George, and the independent non-executive directors of CASH are Mr Leung Ka Kui Johnny, Mr Wong Chuk Yan and Dr Chan Hak Sin.

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

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

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

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