



CLARIFICATION JOINT ANNOUNCEMENT

- Resignation of executive director of CASH

- Re-designation of director of CFSG

Reference is made to the joint announcement dated 1 August 2008 at 4:50 pm and 4:54 pm (“Joint Announcement”) posted by Celestial Asia Securities Holdings Limited (“CASH”) and CASH Financial Services Group Limited (“CFSG”) respectively in respect of the resignation of executive director.

The board of directors of CFSG wishes to clarify that Mr Wong Kin Yick Kenneth has been re-designated as a non-executive director of CFSG instead of resignation as a director of CFSG. CASH and CFSG would like to provide the following information to supersede all the information as contained in the Joint Announcement.

The board of directors of CASH and CFSG jointly announce that Mr Wong Kin Yick Kenneth (“Mr Wong”) has resigned as an executive director of CASH due to personal reason and has been re-designated as a non-executive director of CFSG with effect from 1 August 2008. Mr Wong confirmed that he has no disagreement with the board and there is no other matter relating to his resignation that needs to be brought to the attention of the shareholders of CASH.

Mr Wong was an executive director and chief executive officer of CFSG before the re-designation. The information of Mr Wong required to be disclosed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”) in relation to his re-designation are as follows:

- (1) Mr Wong, aged 50, joined the CFSG’s board on 11 August 2000. Mr Wong is a non-executive director of CFSG.
- (2) Mr Wong was an executive director of CFSG during the period from 11 August 2000 to 31 July 2008. He was also an executive director of CASH during the period from 3 November 2003 to 31 July 2008. Save as herein disclosed, Mr Wong has not held any other directorships in listed public companies during the three years preceding the date of this announcement.
- (3) Mr Wong has extensive experience in banking and finance. Mr Wong graduated from the Queen’s University at Kingston, Canada in 1981 with a Master’s degree of Business Administration and from the University of Toronto, Canada in 1979 with a Bachelor’s degree in Applied Science.

- (4) There is no service contract entered into between CFSG and Mr Wong but an appointment letter will be signed between CFSG and Mr Wong for a term of one year commencing from the date of his appointment. Mr Wong is required to retire, but be eligible for re-election, at each annual general meeting of CFSG subsequently to be held for each financial year. His remuneration will be recommended and fixed by the board of directors of CFSG with reference to the prevailing market rate.
- (5) Mr Wong has no relationship with any director, senior management, substantial shareholder or controlling shareholder of CFSG.
- (6) Within the meaning of Part XV of the Securities and Futures Ordinance, Mr Wong has the following personal interest:
- (i) 4,440,800 shares in CFSG; and
 - (ii) options with rights to subscribe for 800,000 and 500,000 shares in CASH at the prices of HK\$1.615 and HK\$2.450 each respectively.
- (7) Mr Wong was a director of the following company which has been put into liquidation:

Name of company : Celestial (International) Securities & Investment Limited (“CISI”)

Place of incorporation : Hong Kong

Nature of business : Money lending

Nature of the proceedings involved : Compulsory liquidation

Date of commencement of the proceedings : 25 April 2005

Amount involved : HK\$1,662,598.31 together with accrued interests

Development history of the proceedings : In 2003, Ka Chee Company Limited instituted a winding-up proceedings against CISI, a wholly-owned subsidiary of CFSG (Hong Kong Case no.: HCCW 317/2005) for an amount of HK\$1,662,598.31. A winding-up order was made by the court, a liquidator has been appointed to wind up CISI, and the winding-up procedure is still in progress. Details of the case are as follow:

- i. Ka Chee obtained judgment against CISI being rent and outgoing charges due and owing by CISI to Ka Chee in respect of a property known as all those shops Nos. 208-210 on the second floor of Olympia Plaza, No. 255 King’s Road, North Point, Hong Kong under a tenancy agreement made between Ka Chee as landlord and CISI as tenant on 23 April 2002.
- ii. CISI failed to settle the judgment sum despite demanded by Ka Chee.

- iii. CISI was wound up as it failed to settle the judgment debt to Ka Chee. The liability of CISI was ceased upon the making of the winding-up order and there is no need for the Group to bear any other liability.

Current position of the proceedings : The liquidator has been appointed and it is in progress of compulsory liquidation

CISI was a limited liability company and run into financial difficulty during the unprecedented unfavorable market environment in Hong Kong after “911” and “SARS”. CISI was a dormant company and the winding up of CISI will not have any material impact to the operation of the Group.

- (8) Save for disclosed above, the board of directors of CFSG is not aware of any other matters in relation to the re-designation of Mr Wong that need to be brought to the attention of the shareholders of CFSG or any information that should be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The board of directors of CASH would like to take this opportunity to thank Mr Wong for his valuable contribution to CASH during the past years.

On behalf of the board of CASH

Bankee P Kwan

Chairman

On behalf of the board of CFSG

Bankee P Kwan

Chairman

Hong Kong, 1 August 2008

As at the date hereof (after the resignation taking effect), the directors of CASH are:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Lin Che Chu George
Mr Law Ping Wah Bernard

Independent non-executive directors:

Mr Leung Ka Kui Johnny
Mr Wong Chuk Yan
Dr Chan Hak Sin

As at the date hereof (after the re-designation taking effect), the directors of CFSG are:-

Executive directors:

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

Non-executive directors:

Mr Wong Kin Yick Kenneth

Independent non-executive directors:

Mr Cheng Shu Shing Raymond
Dr Hui Ka Wah Ronnie
Lo Kwok Hung John