

CASH Financial Services Group Announces 2008 Interim Results

(Hong Kong, 15 August 2008) -- CASH Financial Services Group Limited (“CFSG”, or together with its subsidiaries, the “Group”) [SEHK: 510] today announces its unaudited 2008 interim results for the six months ended 30 June 2008 (“the period”).

During the period under review, the Group’s revenue was HK\$198.9 million, a 21.5% drop as compared to the same period last year. The mediocre performance was mainly due to the market doldrums since end of 2007. The lean operating structure and stringent internal control system of the Group successfully conserve its strong capital strength for the long-term development. The Group reported a net profit attributable to shareholders of HK\$41.0 million as at 30 June 2008.

The Group is committed to enhancing shareholder value and returns. In light of this, the Board declared the payment of an interim dividend of HK\$0.02 per share (2007: HK\$0.02 per share) for the period ended 30 June 2008. In celebration of the Group’s successful transfer-listing to the main board of the Hong Kong Stock Exchange in March this year, the Board further declared a special dividend of HK\$0.08 per share for the period ended 30 June 2008, making the total dividend to be paid for the period amounted to HK\$0.10 per share based on 412,263,405 shares (2007: HK\$0.02 per share based on 1,448,351,448 shares).

The Group’s total equity amounted to HK\$873.2 million on 30 June 2008 as compared to HK\$899.4 million at the end of 2007. The moderate change was a result of the growth in retained earnings while some was used for the distribution of 2007 final dividend. The liquidity ratio on 30 June 2008 remained healthy at 1.4 times, as compared to 1.3 times on 31 December 2007.

Despite the fact that the Group's commission and margin income dropped along with the market slump, CFSG's diversified income stream provided a stable platform for the Group to achieve long-term performance and future growth.

During the period, both the wealth management and asset management businesses of the Group gained healthy growth. The poor market sentiment also drove mainland corporations to seek alternative funding channels in place of bank borrowings. As a result, the investment banking division of the Group was engaged by a number of mainland corporations to assist in overseas funding raising exercises.

In 2008, CFSG's key development strategy was to develop the China market, with a wide range of product offerings and professional advisory services. During the period, CFSG completed its China expansion plan as targeted. The Group upgraded its Shanghai representative office to its Mainland headquarters by moving into a newly acquired office building, upgraded its Shenzhen operation centre into a Shenzhen branch office, and opened the Beijing and Chongqing branch offices as planned.

As a leading technology-focused financial services house, CFSG introduced the world's first 3D AI Broker, a real-time humanoid system that substantially enhances online communications. Chairman of CFSG, Mr. Bankee Kwan commented, "We will keep investing in infrastructure that is key to our positioning as a boundary-less financial service provider. With the PRC market as our future expansion focus, we will continue to enhance our platform with multi-faceted and diversified capabilities that meet our clients' investment and wealth management needs."

CFSG successfully moved its listing to the main board of the Hong Kong Stock Exchange in March 2008. A strong balance sheet, professional management, stringent financial control, comprehensive product offerings, and a people-oriented culture are some of the key strengths that helped to achieve this.

About CASH Financial Services Group (CFSG)

CASH Financial Services Group Limited (“CFSG”) is a leading financial services conglomerate that has been servicing clients in Hong Kong for more than 30 years. We offer a comprehensive range of premier financial products and services catering to the investment and wealth management needs of clients in China. We operate one of Hong Kong’s prime securities and commodities brokerages. Our investment banking division serves regional corporations on a broad range of corporate finance and financial advisory matters. Another professional arm of CFSG is wealth management, which offers mid to long-term investment products to better serve the various investment and financial planning needs of our clients. CASH Asset Management provides one-stop asset management service for corporate and individual clients to achieve highest return in this fast changing investment environment. The Group is listed on the main board of the Hong Kong Stock Exchange [SEHK: 510]. For more information, please visit www.cashon-line.com and www.cfsg.com.hk.

- END -

(Attachment: Unaudited consolidated results of the Group for the six months ended 30 June 2008)

CONSOLIDATED INCOME STATEMENT

The unaudited consolidated results of the Group for the six months ended 30 June 2008 together with the comparative figures for the last corresponding period are as follows:

	Unaudited	
	six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Continuing operations		
Revenue	198,891	253,479
Other operating income	2,189	670
Salaries, commission and related benefits	(88,051)	(100,167)
Depreciation	(6,420)	(2,674)
Finance costs	(7,621)	(37,004)
Other operating and administrative expenses	(47,799)	(43,339)
Net (decrease) increase in fair value of investments held for trading	(3,311)	14,323
Share of loss of associate	(1,876)	-
Profit before taxation	46,002	85,288
Taxation charge	(4,892)	(10,300)
Profit for the period from continuing operations	41,110	74,988
Discontinued operation		
Profit for the period from discontinued operation	-	27,832
Profit for the period	41,110	102,820

	Unaudited	
	six months ended 30 June	
	2008	2007
	HK\$'000	HK\$'000
Attributable to:		
Equity holders of the Company	41,035	101,605
Minority interests		
- Continuing operations	75	550
- Discontinued operation	-	665
	41,110	102,820
Dividend:		
Declared interim dividend of HK\$0.02 per share and special dividend of HK\$0.08 per share based on 412,263,405 shares (2007: interim dividend of HK\$0.02 per share based on 1,448,351,448 shares)	41,226	28,967
Dividends recognised as distribution during the period		
- payment of 2007 final dividend of HK\$0.03 per share	62,339	-
- payment of 2006 final dividend of HK\$0.02 per share	-	27,661
	62,339	27,661
Earnings per share		
From continuing and discontinued operation:		
- Basic	HK\$0.10	HK\$0.32
- Diluted	HK\$0.10	HK\$0.31
From continuing operations:		
- Basic	HK\$0.10	HK\$0.23
- Diluted	HK\$0.10	HK\$0.23
From discontinued operation:		
- Basic	N/A	HK\$0.08
- Diluted	N/A	HK\$0.08