CASH 時富

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 1049)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2009

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The audited consolidated results of Celestial Asia Securities Holdings Limited ("Company" or "CASH") and its subsidiaries ("Group") for the year ended 31 December 2009 together with the comparative figures for the last corresponding year are as follows:

	Notes	**2009** HK$'000	2008 HK$'000
Revenue	(2)	**1,129,142**	1,312,746
Other operating income		**25,977**	10,645
Cost of sales for retailing business		**(503,046)**	(498,173)
Cost of sales and services for online game business		**(10,607)**	(59,077)
Salaries, allowances, commission and other related benefits		**(267,331)**	(319,664)
Other operating, administrative and selling expenses		**(401,684)**	(476,913)
Depreciation of property, plant and equipment		**(50,102)**	(46,607)
Finance costs		**(35,698)**	(30,453)
Net fair value gain/(loss) on financial assets at fair value through profit or loss		**13,783**	(239,721)
Fair value gain on derivative financial instruments		**3,067**	235
Fair value gain on investment properties		**52,455**	-
Fair value gain on embedded derivative of convertible note		**5,921**	-
Bad debt recovered		**-**	1,802
Reversal of bad and doubtful debts		**-**	176
Loss on disposal of property, plant and equipment		**(26)**	(4,241)
Loss on disposal of subsidiaries		**-**	(3,292)
Gain on dilution of shareholding in subsidiaries		**80,536**	41,655
Share of profit of associates		**5,247**	39,096
Impairment loss recognised on goodwill		**(2,718)**	(84,687)
Impairment loss recognised on intangible assets		**-**	(5,420)
Impairment loss recognised on accounts and other receivables and prepayments		**(6,805)**	(22,319)
Impairment loss recognised in respect of property, plant and equipment		**-**	(2,869)
Profit/(Loss) before income tax		**38,111**	(387,081)
Income tax expense	(4)	**(19,174)**	(9,425)
Profit/(Loss) for the year		**18,937**	(396,506)

	2009	2008
	HK$'000	HK$'000
Other comprehensive income		
Exchange difference on translation of foreign operations	**151**	183
Share of translation reserve of associates	**-**	6,809
Other comprehensive income for the year, including reclassification adjustments and net of tax	**151**	6,992
Total comprehensive income for the year	**19,088**	(389,514)
Profit/(Loss) for the year attributable to:		
Owners of the Company	**35,997**	(358,113)
Minority interests	**(17,060)**	(38,393)
	18,937	(396,506)
Total comprehensive income attributable to:		
Owners of the Company	**36,148**	(353,505)
Minority interests	**(17,060)**	(36,009)
	19,088	(389,514)

	Note	2009	2008
Earnings/(Loss) per share for profit/(loss) attributable to the owners of the Company during the year	(5)		
- Basic		**HK$0.19**	HK$(1.98)
- Diluted		**HK$0.18**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 31 December 2009 HK$'000	2008 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**179,018**	172,019
Prepaid lease payments		**15,133**	15,548
Investment properties		**163,712**	-
Available-for-sale investments		**-**	-
Goodwill		**146,071**	192,547
Interests in associates		**116,931**	111,684
Loan to an associate		**10,296**	10,296
Intangible assets		**50,790**	55,929
Other assets		**11,040**	9,447
Other deposits		**21,555**	-
Deposits paid for purchase of investment properties		**-**	63,271
Loan receivables		**5,392**	671
		719,938	631,412
Current assets			
Inventories		**43,454**	39,263
Account receivables	(6)	**507,163**	305,923
Loan receivables		**15,711**	13,677
Prepayments, deposits and other receivables		**45,720**	75,775
Tax recoverable		**9,381**	1,230
Amounts due from associates		**-**	260
Financial assets at fair value through profit or loss		**45,232**	79,155
Embedded derivative of convertible note		**15,667**	-
Bank deposits subject to conditions		**87,739**	101,719
Bank balances - trust and segregated accounts		**765,112**	542,079
Bank balances (general accounts) and cash		**278,987**	327,480
		1,814,166	1,486,561
Current liabilities			
Account payables	(7)	**1,159,544**	823,593
Deferred revenue		**923**	5,981
Accrued liabilities and other payables		**73,564**	85,714
Obligations under finance leases - portion due within one year		**135**	127
Borrowings - amounts due within one year		**484,228**	383,071
Derivative financial instruments		**-**	3,067
Loan from a minority shareholder		**27,437**	27,437
Taxation payables		**6,365**	24,072
		1,752,196	1,353,062
Net current assets		**61,970**	133,499
Total assets less current liabilities		**781,908**	764,911

	2009 HK$'000	2008 HK$'000
Non-current liabilities		
Convertible note	**28,172**	-
Obligations under finance leases - portion due after one year	**180**	315
Borrowings - amounts due after one year	**89,026**	128,271
Deferred tax liabilities	**17,134**	7,606
	134,512	136,192
Net assets	**647,396**	628,719

EQUITY

	2009 HK$'000	2008 HK$'000
Share capital	**20,551**	18,051
Reserves	**348,080**	240,344
Equity attributable to the Company's owners	**368,631**	258,395
Minority interests	**278,765**	370,324
Total equity	**647,396**	628,719

Notes:

(1) Adoption of new and amended Hong Kong Financial Reporting Standards

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

The accounting policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRSs and the impacts on the Group's financial statements, if any, are disclosed as below.

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised 2007)	Borrowing Costs
HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKAS 32 & HKAS 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 2 (Amendments)	Share-based Payment - Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Financial Instruments: Disclosure - Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) - Int 9 & HKAS 39 (Amendments)	Reassessment of Embedded Derivatives and Financial Instruments: Recognition and Measurement – Embedded Derivatives
HK(IFRIC) - Int 13	Customer Loyalty Programmes
HK(IFRIC) - Int 15	Agreements for the Construction of Real Estate
HK(IFRIC) - Int 16	Hedges of a Net Investment in a Foreign Operation
HK(IFRIC) - Int 18	Transfer of Assets from Customers
Various	Annual Improvements to HKFRSs 2008

Other than as noted below, the adoption of the new HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

<u>HKAS 1 (Revised 2007) Presentation of Financial Statements</u>

The adoption of HKAS 1 (Revised 2007) makes certain changes in the format and titles of primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group assets, liabilities, income and expenses are unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statements of comprehensive income". Comparatives have been restated to conform with the revised standard. The Group has applied changes to its accounting policies on presentation of financial statements and segment reporting retrospectively. However, the changes to the comparatives have not affected the consolidated statement of financial position at 1 January 2008 and accordingly the third statement of financial position as at 1 January 2008 is not presented.

HKFRS 7 (Amendments) Financial Instruments: Disclosure - Improving Disclosures About Financial Instruments

The amendments require additional disclosures for financial instruments which are measured at fair value in the statement of financial position. These fair value measurements are categorised into a three-level fair value hierachy, which reflects the extent of observable market data used in making the measurements. In addition, the maturity analysis for derivative financial liabilities is disclosed separately and should show remaining contractual maturities for those derivatives where this information is essential for an understanding of the timing of the cash flows. The Group has taken advantage of the transitional provisions in the amendments and has not provided comparative information in respect of the new requirements.

HKFRS 8 Operating Segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision maker. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been restated on a basis consistent with the new standard.

At the date of authorisation of these financial statements, certain new and amended HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

HKFRS 3 Business Combinations (Revised 2008)

The standard is applicable in reporting periods beginning on or after 1 July 2009 and will be applied prospectively. The new standard still requires the use of the purchase method (now renamed the acquisition method) but introduces material changes to the recognition and measurement of consideration transferred and the acquiree's identifiable assets and liabilities, and the measurement of non-controlling interests (previously known as minority interest) in the acquiree. The new standard is expected to have a significant effect on business combinations occurring in reporting periods beginning on or after 1 July 2009.

HKFRS 9 Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2013 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in the profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

HKAS 27 Consolidated and Separate Financial Statements (Revised 2008)

The revised standard is effective for accounting periods beginning on or after 1 July 2009 and introduces changes to the accounting requirements for the loss of control of a subsidiary and for changes in the Group's interest in subsidiaries. Total comprehensive income must be attributed to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. The directors do not expect the standard to have a material effect on the Group's financial statements.

Annual Improvements 2009

The HKICPA has issued Improvements to Hong Kong Financial Reporting Standards 2009. Most of the amendments become effective for annual periods beginning on or after 1 January 2010. The Group expects the amendment to HKAS 17 Leases to be relevant to the Group's accounting policies. Prior to the amendment, HKAS 17 generally required a lease of land to be classified as an operating lease. The amendment requires a lease of land to be classified as an operating or finance lease in accordance with the general principles in HKAS 17. The Group will need to reassess the classification of its unexpired leases of land at 1 January 2010 on the basis of information existing at the inception of those leases in accordance with the transitional provisions for the amendment. The amendment will apply retrospectively except where the necessary information is not available. In that situation, the leases will be assessed on the date when the amendment is adopted. The directors are currently assessing the possible impact of the amendment on the Group's results and financial position in the first year of application.

(2) Revenue

Revenue from the Group's principal activities recognised during the year is as follow:

	2009 **HK$'000**	2008 HK$'000
Fees and commission income	**223,486**	278,464
Interest income from margin financing and money lending operations	**23,139**	38,605
Online game subscription income	**29,473**	82,893
Sales of online game auxiliary products	**102**	27,020
Licensing income	**2,363**	6,724
Sales of furniture and household goods and electrical appliances, net of discounts and returns	**850,579**	879,040
	1,129,142	1,312,746

(3) Segment information

The executive directors of the Company have identified the Group's three services lines as operating segments.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

2009	**Financial services HK$'000**	**Online game services HK$'000**	**Retailing HK$'000**	**Total HK$'000**
Reportable segment revenue				
From external customers	246,625	31,938	850,579	1,129,142
Reportable segment profit/(loss)	6,049	(28,274)	2,575	(19,650)

Other information for the year ended 31 December 2009

2009	**Financial services HK$'000**	**Online game services HK$'000**	**Retailing HK$'000**	**Total HK$'000**
Amortisation of prepaid lease payments	-	-	(415)	(415)
Amortisation of intangible assets	-	(4,129)	-	(4,129)
Allowance for inventory obsolescence and written-off of inventory	-	-	235	235
Bad debt on account receivables and loans receivables recovered	(136)	-	-	(136)
Depreciation of property, plant and equipment	(9,412)	(6,143)	(14,661)	(30,216)
Impairment loss recognised on goodwill	(2,718)	-	-	(2,718)
Impairment loss on account and other receivables and prepayments	(176)	(6,525)	(104)	(6,805)
Revaluation deficit of buildings	-	-	(1,200)	(1,200)
(Loss)/Gain on disposal of property, plant and equipment	(555)	(205)	734	(26)
Finance costs	(7,398)	-	(4,139)	(11,537)
Interest income	23,139	-	-	23,139
Reportable segment assets	1,563,258	109,404	397,628	2,070,290
Additions to non-current segment assets	9,594	19	22,644	32,257
Reportable segment liabilities	1,283,587	7,623	290,968	1,582,178

2008	Financial services HK$'000	Online game services HK$'000	Retailing HK$'000	Total HK$'000
Reportable segment revenue				
From external customers	317,069	116,637	879,040	1,312,746
Reportable segment loss	(48,601)	(191,697)	(4,483)	(244,781)

Other information for the year ended 31 December 2008

2008	Financial services HK$'000	Online game services HK$'000	Retailing HK$'000	Total HK$'000
Amortisation of prepaid lease payments	-	-	(415)	(415)
Amortisation of intangible assets	-	(6,906)	-	(6,906)
(Allowance for)/Reversal of bad and doubtful debt	(900)	-	1,076	176
Reversal of allowance for inventories obsolescence	-	-	3,171	3,171
Impairment loss recognised on account and other receivables	-	(22,319)	-	(22,319)
Impairment loss recognised on intangible assets	-	(5,420)	-	(5,420)
Impairment loss recognised on goodwill	-	(84,687)	-	(84,687)
Depreciation of property, plant and equipment	(15,655)	(8,648)	(19,887)	(44,190)
Revaluation deficit of buildings	-	-	(1,388)	(1,388)
Gain/(Loss) on disposal of property, plant and equipment	35	-	(4,276)	(4,241)
Impairment loss recognised in respect of property, plant and equipment	-	-	(2,869)	(2,869)
Loss on disposal of subsidiaries	-	(3,292)	-	(3,292)
Finance costs	(5,904)	(749)	(3,481)	(10,134)
Interest income	38,605	-	-	38,605
Reportable segment assets	1,377,691	136,125	316,175	1,829,991
Additions to non-current segment assets	98,799	8,823	18,074	125,696
Reportable segment liabilities	998,689	30,654	242,330	1,271,673

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows :

	2009 **HK$'000**	2008 HK$'000
Reportable segment revenues	**1,129,142**	1,312,746
Other revenue	**-**	-
Group revenues	**1,129,142**	1,312,746
Reportable segment loss	**(19,650)**	(244,781)
Fair value gain on investment properties	**52,455**	-
Gain on dilution of shareholding in subsidiaries	**80,536**	41,655
Net fair value gain/(loss) on financial assets at fair value through profit or loss	**13,783**	(172,117)
Change in fair value of derivative financial instruments	**3,067**	8,734
Change in fair value of embedded derivative of convertible note	**5,921**	-
Interest charges on convertible note	**(5,537)**	-
Share of result of associates	**5,247**	39,096
Share-based compensation	**(8,131)**	-
Unallocated corporate income	**-**	1,802
Unallocated corporate expenses	**(89,580)**	(61,470)
Profit/(Loss) before income tax	**38,111**	(387,081)
Reportable segment assets	**2,070,290**	1,829,991
Investment properties	**163,712**	-
Interests in associates	**116,931**	111,684
Embedded derivative of convertible note	**15,667**	-
Financial assets at fair value through profit or loss	**45,232**	79,155
Unallocated corporate assets	**122,272**	97,143
Group assets	**2,534,104**	2,117,973
Reportable segment liabilities	**1,582,178**	1,271,673
Deferred tax liabilities	**10,143**	-
Convertible note	**28,172**	-
Other corporate liabilities	**266,215**	217,581
Group liabilities	**1,886,708**	1,489,254

Geographical segments

The Company is an investment holding company incorporated in Bermuda where the Group does not have any activities, the Group has the majority of its operations and workforce in Hong Kong, and therefore, Hong Kong is considered as the Group's country of domicile for the purpose of the disclosures as required by HKFRS 8 "Operating Segments".

The Group's segment revenue from external customers cannot be allocated based on geographic location of its customers. The following table provides an analysis of the Group's revenue by geographical market based on location of operations. The Group's revenue from external customers and its non-current assets, which is based on the location of the assets are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	2009	2008	**2009**	2008
	HK$'000	HK$'000	**HK$'000**	HK$'000
Hong Kong (Place of domicile)	**1,105,512**	1,201,650	**280,041**	396,317
Mainland China	**23,630**	79,786	**402,654**	224,128
Taiwan	**-**	31,310	**-**	-
Total	**1,129,142**	1,312,746	**682,695**	620,445

(4) Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2009	2008
	HK$'000	HK$'000
Current tax:		
– Hong Kong	**8,552**	9,055
– PRC	**-**	845
	8,552	9,900
Under/(Over)provision in prior years	**1,094**	(202)
	9,646	9,698
Deferred taxation charge/(credit)	**9,528**	(273)
	19,174	9,425

(5) Earnings/(Loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to the owners of the Company of HK$35,997,000 (2008: a loss of HK$358,113,000) and the weighted average number of ordinary shares of 190,710,627 (2008: 180,505,148) in issue during the year.

The calculation of diluted earnings per share is based on the adjusted profit attributable to owners of the Company of HK$41,534,000 (2008: Nil) and the weighted average number of ordinary shares of 236,963,197 outstanding during the year, after adjusting for the effects of all dilutive potential ordinary shares.

The adjusted profit attributable to owners of the Company is calculated based on the profit attributable to owners of the Company for the year ended 31 December 2009 of HK$35,997,000 (2008: Nil) as used in the calculation of basic earnings per share plus interest payable of HK$5,537,000 (2008: Nil) on the convertible notes.

The weighted average number of ordinary shares used in the calculation of diluted earnings per share is calculated based on the weighted average of 190,710,627 (2008: Nil) ordinary shares in issue during the year as used in the calculation of basic earnings per share plus the weighted average of 43,243,000 and 3,009,570 (2008: Nil and Nil) ordinary shares deemed to be issued at no consideration as if all the Company's convertible notes had been converted and share options had been exercised respectively.

For the year ended 31 December 2008, no diluted loss per share was presented as the exercise of share options was anti-dilutive.

(6) Account receivables

	2009 **HK$'000**	2008 HK$'000
Account receivables arising from the business of dealing in securities and equity options:		
Clearing houses, brokers and dealers	**27,842**	72,199
Cash clients	**68,060**	36,425
Margin clients	**272,209**	97,185
Account receivables arising from the business of dealing in futures and options:		
Clients	**180**	65
Clearing houses, brokers and dealers	**134,570**	94,719
Commission receivables from brokerage of mutual funds and insurance-linked investment plans and products	**1,794**	2,349
Account receivables arising from the business of provision of corporate finance services	**650**	1,100
Account receivables arising from the business of provision of online game services	**1,858**	1,881
	507,163	305,923

The settlement terms of account receivables arising from the business of dealing in securities are two days after trade date, and account receivables arising from the business of dealing in futures and options are one day after trade date. Trade receivables to margin and cash clients arising from the business of dealing in securities are repayable on demand subsequent to settlement date. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of broking business.

In respect of the commission receivables from brokerage of mutual funds and insurance-linked investment plans and products and account receivables arising from the business of provision of corporate finance services and online game services, the Group allows a credit period of 30 to 90 days. The aged analysis is as follows:

	2009 HK$'000	2008 HK$'000
0-30 days	**2,483**	3,382
31-60 days	**910**	499
61-90 days	**141**	523
Over 90 days	**768**	926
	4,302	5,330

(7) Account payables

	2009 HK$'000	2008 HK$'000
Account payables arising from the business of dealing in securities and equity options:		
Clearing house	**30,076**	-
Cash clients	**548,749**	400,345
Margin clients	**210,329**	120,928
Account payables to clients arising from the business of dealing in futures and options	**228,823**	167,545
Account payables to clients arising from the business of dealing in leveraged foreign exchange contracts	**863**	357
Account payables arising from the online game services	**320**	2,334
Trade creditors arising from retailing business	**140,384**	132,084
	1,159,544	823,593

The settlement terms of accounts payable arising from the business of dealing in securities are two days after trade date. Trade payables to the margin and cash clients arising from the business of dealing in securities are repayable on demand subsequent to settlement date. No aged analysis is disclosed as in the opinion of directors, the aged analysis does not give additional value in view of the nature of business of share margin financing.

Account payables to clients arising from the business of dealing in futures and options and leveraged foreign exchange contracts are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures and options and leveraged foreign contracts position. The excesses of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand. No aged analysis is disclosed as in the opinion of directors of the Company, the aged analysis does not give additional value in view of the nature of these businesses.

The account payables amounting to HK$765,112,000 (2008: HK$542,079,000) was payable to clients and other institutions in respect of the trust and segregated bank balances received and held for clients and other institution in the course of the conduct of regulated activities. However, the Group does not have a currently enforceable right to offset these payables with the deposits placed.

Account payables arising from the online game services are payable for production of online game auxiliary products. The entire account payables are aged within 30 days.

Trade creditors arising from retailing business principally comprise amount outstanding for trade purpose and ongoing costs. The average credit period taken for trade purchase is 30 to 90 days.

The following is an aged analysis of trade creditors arising from retailing business at the reporting date:

	2009	2008
	HK$'000	HK$'000
0-30 days	**70,548**	54,166
31-60 days	**38,562**	34,877
61-90 days	**10,983**	17,537
Over 90 days	**20,291**	25,504
	140,384	132,084

(8) Dividends

Dividends payable to the owners of the Company attributable to the previous financial year, approved and paid during the year.

	2009	2008
	HK$'000	HK$'000
Dividend recognised as distribution during the year:		
2007 Final dividend paid – HK$0.04 per share	**-**	36,101

(9) Financial risk management and fair value measurements

The Group's major financial instruments include equity investments, embedded derivative of the convertible note, bank balances and deposits, borrowings, account receivables, other receivables, loans receivables, loan to an associate, account payables, other payables, derivative financial instruments and loan from a minority shareholder. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Categories of financial instruments

	2009	2008
	HK$'000	HK$'000
Financial assets		
Financial assets at fair value through profit or loss		
- Investments held for trading	**45,232**	79,155
Embedded derivative of the convertible note	**15,667**	-
Loans and receivables (including cash and cash equivalents)	**1,685,495**	1,339,850
Financial liabilities		
Amortised cost	**1,828,442**	1,399,760
Derivative financial liabilities	**-**	3,067

Market risk

Foreign currency risk

Foreign exchange risk is the risk of loss due to adverse movements in foreign exchange rate relating to foreign currency denominated account receivables with foreign brokers and bank balances. The management monitors foreign exchange exposure and will consider hedging significant foreign exposure should the need arises.

More than 90% of financial assets and financial liabilities of the Group are denominated in United States Dollar ("US$") or Hong Kong Dollars ("HK$"). As HK$ is pegged to US$, the Group does not expect any significant movements in the US$/HK$ exchange rates. No foreign currency sensitivity is disclosed as in the opinion of directors of the Company, the foreign currency sensitivity does not give additional value in view of insignificant movement in the US$/HK$ exchange rates and insignificant exposure of other foreign currencies as at the reporting date.

The policies to manage foreign currency risk have been followed by the Group since prior years and are considered to be effective.

Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to fair value interest rate risk in relation to fixed-rate bank balances, fixed-rate loan receivables and deposits with brokers. The Group currently does not have a fair value hedging policy.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings, loan receivables, loans to margin clients and bank balances. The Group currently does not have a cash flow interest rate hedging policy. However, management is closely monitoring its exposure arising from margin financing and other lending activities undertaken by allowing an appropriate margin on the interest received and paid by the Group. A 100 basis point (2008: 100 basis point) change is used when reporting cash flow interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate and HIBOR arising from the Group's variable interest rate instruments.

The sensitivity analysis is prepared assuming the financial instruments outstanding at the reporting date were outstanding for the whole year. As at 31 December 2009, if the interest rate of borrowings, loan receivables, loans to margin clients and bank balances had been 100 basis point higher/lower, the Group's profit would increase/decrease by HK$8,519,000 (2008: the Group's loss would increase/decrease by HK$3,638,000). This is mainly attributable to the bank interest expense under finance costs or interest income under revenue.

The policies to manage interest rate risk have been followed by the Group since prior year are considered to be effective.

Equity price risk

Equity price risk related to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of change in market prices (other than changes interest rate and foreign exchange rate). The directors of the Company manage the exposure by closely monitoring the portfolio of equity investments and derivative financial instrument.

Equity price sensitivity

The sensitivity analyses below have been determined based on the exposure to equity price risk at the reporting date. The analysis is prepared assuming the financial instruments outstanding at the reporting date were outstanding for the whole year. A 30 percent (2008: 30 percentage) change is used when reporting equity price risk internally to key management personnel and represents management's assessment of the reasonably possible change in equity price.

As at 31 December 2009, if the market bid prices of the Group's listed equity investments had been 30 percent higher/lower, the Group's profit would increase/decrease by HK$11,020,000 (2008: the Group's loss would decrease/increase by HK$23,747,000). This is mainly attributable to the changes in fair values of the listed investments held for trading.

For derivative financial instruments, as at 31 December 2008, the Group had obligations to take up equity securities based on the relevant contract. In addition, since these contracts were mark-to-market at reporting date, the Group would have profit and loss exposure in these contracts. No sensitivity analysis was prepared as the impact for the remaining contracts were expected to be insignificant.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk as the year end exposure does not reflect the exposure during the year. An unexpected decrease in market bid price may result in the Group suffering significant loss due to the leverage feature.

The policies to manage equity price risk have been followed by the Group since prior years and are considered to be effective.

Credit risk

As at 31 December 2009, the Group's maximum exposure to credit risk which will cause a financial loss to the Group in the event of the counterparties' failure to perform their obligations as at the reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position.

In order to minimise the credit risk on brokerage and financing operations, the Credit and Risk Management Committee is set up to compile the credit and risk management policies, to approve credit limits and to determine any debt recovery action on those delinquent receivables. With regard to provision of online game services, the Group has delegated a team responsible for determination of credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group’s credit risk is significantly reduced.

The Group does not have any significant concentration of credit risk as the exposure spread over a number of counterparties and customers.

Bank balances are placed in various authorised institutions and the directors of the Company consider the credit risk of such authorised institutions is low.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

Liquidity risk

As part of ordinary broking activities, the Group is exposed to liquidity risk arising from timing difference between settlement with clearing houses or brokers and customers. To address the risk, treasury team works closely with the settlement division on monitoring the liquidity gap. In addition, for contingency purposes, clean loan facilities are put in place.

DIVIDEND

The Board does not recommend the payment of any final dividend for the year ended 31 December 2009 (2008: Nil).

REVIEW AND OUTLOOK

Financial Review

Financial Performance

The Group recorded revenue of HK$1,129.1 million for the year ended 31 December 2009 as compared to HK$1,312.7 million for the previous year. The significant decrease in revenue was mainly due to a drop in financial services income recorded by the Group's financial services division (CFSG) in the current year under review. Like most of the local and worldwide financial services houses and retailers which had been worst hit by the financial crisis in half a century, the Group had encountered the toughest times during the first half of the current year. In the wake of the unprecedented financial crisis and economic downturn, the Group had swiftly come up with its strategic management decisions and pursued all necessary stringent measures and actions to weather these difficult moments in early 2009. Upon the implementation of the fiscal stimulus measures and loose monetary policies by various governments, various positive signs in the market had shown that the worst of this global financial crisis had been over and the economy had started to bottom out in the second half of the year. With the belief that the global economy and financial market had been back on track, the Board cautiously resumed the Group’s growth strategies for its businesses in Hong Kong and on the mainland. The Group posted a net profit of HK$18.9 million for the year ended 31 December 2009, after taking into account (1) an operating loss of HK$61.6 million recorded for the year; and (2) a gain of HK$80.5 million arising from a group restructuring in which the Group sold its entire equity interests in CASH Retail Management (HK) Limited to CFSG during the year. The significant drop in the revenue earned by the Group’s financial services business mainly accounted for the net operating loss for the current year.

Financial Services – CFSG

The Group recorded revenue of HK$246.6 million for its financial services business for the year ended 31 December 2009 as compared to the revenue of HK$317.1 million for the previous year. The significant decrease was attributable to the reduction in the commission income generated from the Group’s brokerage and wealth management businesses and interest income from its margin financing services, reflecting the harsh operating environment being faced by its financial services business, particularly in the first quarter of the year when the already bearish investment sentiment brought about by the financial crisis had been further clouded by the banks’ concerted actions to tighten, if not suspend, all sorts of credit lines in both local and global markets. This was the result of the fears that more financial and commercial giants had severe financial difficulties and would suffer the same fate of Lehman Brothers as the financial tsunami spread from the US to the rest of the world. Even though the investment sentiment in the local stock market had gradually improved since the second quarter of 2009 with the Hang Sang Index closing up 7,485 points to 21,872 at the end of the current year, however most of the local investors had been extremely cautious about their investments in the stock market after having suffered substantial financial losses in the worst financial crisis in half a century. Whilst the jittery local investors had yet to fully recover their confidence in the stock investments, the Group’s brokerage and wealth management businesses had been affected by the poor sentiment in the first quarter of 2009 but shown improvements in turnover from second to third quarters following the sharp rebound in the stock market during the April to September period when the optimistic sentiment began to take hold in the city after the governments all over the world began to pursue the quantitative easing monetary policies and economical stimulus measures to restore the financial orders and to pull their countries out of recession. The Group’s brokerage incomes were affected by the sluggish sentiment at the end of the last quarter when the trading volume in the stock market started to drop substantially after reaching its recent peaks in the third quarter of the year as many retail investors considered the valuation of the market being high after huge gains in the previous quarter or were affected by the diverse results for subscribing IPO shares in the last quarter of 2009 and saw the prices of several of these new shares fall below their respective IPO prices soon after their new listings on the stock market. These factors largely accounted for the less satisfactory results for its financial services business for the year ended 31 December 2009.

Retail Management – CASH Retail Management Group ("CRMG")

In the first half of the current year, CRMG's retail business had been hit hard by the weak consumer spending during a global downturn that had seen people suffer pay cuts and lay-offs. At the height of the financial crisis with the domestic economy going into a recession which would be much worse than that caused by the Asian financial crisis, the Board had decisively consolidated its retail outlets by closing down 5 underperforming shops in the first quarter of the year. The closure of the 5 shops together with the poor consumer sentiment across the city amid the economic downturn had resulted in a significant drop in the turnover of CRMG in the first half of the year. As Hong Kong's economy had gradually returned to stability in the middle of the second quarter of the year, CRMG had since then seen the sales begin to pick up and 3 new stores were opened in the second half of the year in order to recoup some loss in sales due to the closure of the 5 shops in early days of 2009 when the Group had encountered the most difficult business environments in recent years. To reinforce our consumers' confidence in its retail business and to further strengthen its position as leading retailer of high quality furniture and household products, CRMG had pursued a differentiation strategy by rendering more valued added services to its clients while keeping its commitment to continued provision of products of high quality at reasonable prices. CRMG recorded a mild drop in revenue to HK$850.6 million (2008: HK$879.0 million) but had still been able to achieve breakeven results for the year ended 31 December 2009.

Online Game Business – Moli Group

For the year ended 31 December 2009, Moli Group's revenue fell by 72.6% year-on-year to HK$31.9 million. In view of last year's unsatisfactory performance for the online game business, a thorough organizational and operational reengineering in Moil Group had been undertaken during the first half of the year, which had caused to postpone the commercial launch of a major game, namely "Radiant Arcana" until late 2009. The development of two other major games had even been suspended during the year and had been resumed only recently after the successful launch of "Radiant Arcana" near the end of 2009. This, in turn, had accounted for the substantial drop in revenue for the year under review. With the stringent cost controls implemented alongside the reengineering during the year, Moli Group had recorded a reduction in the operating loss to HK$28.3 million from a loss of HK$191.7 million for the last corresponding year. With the reengineering having been completed in 2009, Moli Group will continue to launch new games, either developed in-house or licensed from local or overseas developers, on a regular basis on various styles of storylines and designs to expand and diversify its game portfolio. Moli Group will take strict measures to combat the operations of illegal private servers to secure the stability of Moli Group's normal operations.

Liquidity and Financial Resources

The Group's total equity amounted to HK$647.4 million on 31 December 2009 as compared to HK$628.7 million at the end of the previous year. The change was the combined result of the increase in retained earnings due to the reported profit for the year and the issue of 25 million new shares to new investors in August 2009, raising net proceeds of approximately HK$49.8 million.

As at 31 December 2009, the Group had total interest bearing borrowings of approximately HK$601.7 million, as compared to HK$511.8 million at the end of the previous year. The increase in the borrowings was mainly due to a rise in demand of margin financing from the broking clients near the end of the current year.

Among the above borrowings, HK$154.1 million were collateralised by its margin clients' securities pledged to the Group. Other borrowings totally of HK$291.5 million were secured by the leasehold and investment properties, securities and pledged deposits respectively. The remaining borrowings were unsecured.

As at 31 December 2009, our cash and bank balances including the trust and segregated accounts totalled HK$1,131.8 million as compared to HK$971.3 million at the end of the previous year. The increase in the cash balances was mainly due to the increase in deposits by our broking clients whose confidence in the stock market had been recovered near the end of the current year. The liquidity ratio on 31 December 2009 remained healthy at 1.0 time, as compared to 1.1 times on 31 December 2008.

The gearing ratio, which represents the ratio of interest bearing borrowings of the Group divided by the total equity, was 0.93 on 31 December 2009 as compared to 0.81 on 31 December 2008, which was kept at a conservatively low level. On the other hand, we have no material contingent liabilities at the year-end.

Foreign Exchange Risks

As at the end of the year, the Group did not have any material un-hedged foreign exchange exposure or interest rate mismatch.

Material Acquisitions and Disposals

In February 2009, the acquisition of an investment holding company, which owns three properties in Hong Kong and the PRC, was completed. A convertible note in the principal amount of HK$43,243,000 was issued by the Company to the controlling shareholder as consideration for the acquisition. Also, the Group entered into an agreement to acquire the remaining 30% equity interest in a non-wholly-owned subsidiary from minority shareholders at a consideration of HK$1,400,000 in cash. Completion took place on 20 February 2009.

In March 2009, the Group entered into an agreement with an independent third party to dispose of an unlisted share investment of the Group at the consideration of HK$13,980,000 in cash. Completion took place on the same date of the agreement of 24 March 2009.

In April 2009, the Group entered into a preliminary agreement with an independent third party to dispose of a residential property in Hong Kong at the consideration of HK$51,000,000 in cash. Completion took place on 15 July 2009.

In the second half of the year, the Company completed the disposal of 100% equity interests in CASH Retail Management (HK) Limited (together with its subsidiaries "Retail Group", which mainly engages in the retail business in Hong Kong, are part of CRMG's retail management division) to CFSG at the aggregate consideration of HK$310,340,000, which was settled as to HK$60 million by cash deposit and the remaining balance by the issue of convertible notes in the principal amount of HK$250,340,000 by CFSG. The convertible notes had been fully repaid by CFSG during the year.

Save as aforesaid, the Group did not make any material acquisitions or disposals during the year ended 31 December 2009.

Capital Commitment

As at 31 December 2009, the Group does not have any material outstanding capital commitment.

Material Investments

As at 31 December 2009, the Group was holding a portfolio of listed investments and unlisted investment funds with market values of approximately HK$45.2 million and net gain on listed investments and unlisted investment funds totally of HK$13.8 million was recorded for the year.

We do not have any future plans for material investments, nor addition of capital assets.

Industry and Economic Review

The repercussions of the financial crisis that started in 2008 continued to prevail through 2009, resulting in a contraction in Hong Kong GDP by 2.7% in real terms as compared with 2008. Total exports of goods and services recorded decreases of 12.6% and 0.7% in real terms respectively from 2008.

Despite difficult operating environment, with total retail sales decreased by 0.8% in volume and average daily turnover value on the Stock Exchange decreased about 14%, our businesses had seen stabilisation and gradual improvements in 2009, especially in the second half of the year. Thanks to our early moves to tackle challenges brought about by the financial crisis, as well as grasping opportunities followed by the improving economic conditions.

Business Review and Outlook

FINANCIAL SERVICES - CFSG

Securities Broking

The wary investors were extremely cautious about investment especially in the first quarter of 2009, after having suffered in the unprecedented financial crisis. Thanks to our diversified income stream, lean cost base, and an efficient and reliable operating structure, CFSG proved to be one of the most resilient financial services companies in Hong Kong.

In preparation for a slowdown in securities trading activities, in early 2009, CFSG stroke a more balanced business mix to smooth out the impact of the reduced market turnover. To further grasp opportunities presented by recovery from the financial crisis, CFSG strengthened its sales forces and service offerings, enhanced the securities dealing system, and revamped the internet trading platform.

Wealth Management

The business unit successfully transformed itself from a financial planning focused entity into a comprehensive wealth management service provider by re-engineering its operations in late 2008 and re-branding to CASH Wealth Management Limited in June to reflect the new positioning. The objective was to smooth out revenue volatility by increasing income diversity and cohering resources from the Group. With an aim to equip the frontline sales force with multiple tools that cater to clients' every investment needs, the business has enhanced its service platform to include MPF, General Insurance, assets management and securities broking. The repositioning makes it ready to become a fully-fledged financial service company to provide total wealth management solutions. The new model, with added service scope, has also helped attract new talents from both within and outside the industry with added service scope. The mix of new talents also sparked new ideas and working chemistry within the team.

Business wise, the unit continued to recover from the financial tsunami in the second half of the year with a significant increase in revenue. Turnover was picking up as a result of the sizing up of teams, increase in marketing activities, and return of investors' confidence.

Asset Management

During the year, CFSG's strategy to diversify revenue sources successfully weathered it through the unprecedented financial turmoil since 2008, especially when the poor investment sentiment prevailed in early 2009. Asset under CFSG's management was doubled while general market gained only by 52%. To seize opportunities arisen, CASH Asset Management further introduced the Thematic Investment Plan Service (TIPS) in early 2010 to attract more interest groups to investment.

Investment Banking

During 2009, the investment banking group maintained its strategy to focus on financial advisory and corporate transactions and took a proactive approach to placing and fund raising for existing and new clients. The strategy was effective in generating steady income. In light of the steaming IPOs and the secondary market activities locally, the corporate finance business will continue to seek fund raising and IPO opportunities in addition to financial advisory services for M&As and corporate transactions.

China Development

Despite the economic downturn, CFSG has been unwavering in developing the Mainland market. In early 2010, the Group opened a new office in Xiamen in addition to the existing offices in Beijing, Shanghai, Shenzhen and Chongqing. The move complemented its China strategy to have a more comprehensive geographical coverage in China. During the year, CFSG's operations in China were successfully qualified for the agency license to promote insurance and investment products in Shanghai. The qualification further enhanced its competitiveness in China's investment and wealth management market.

New Business

To diversify its business and broaden the sources of revenues, so as to mitigate volatility of the financial market and to increase shareholder returns, in the second half of 2009, CFSG completed its acquisition of Pricerite Stores Limited, the leading home furnishing specialist in Hong Kong. Moreover, CFSG has started several new businesses during the year, such as the immigration advisory, launch of the world's most comprehensive financial social networking portal, CASH SNS, to grasp various market opportunities arose from the change in investment behaviour.

We are cautiously optimistic towards the outlook of 2010, which is a year CFSG focuses on enhancing profit and hastening growth. With PRC market as our future expansion focus, we aim to equip a platform with multi-faceted and diversified capabilities in preparation for the eventual opening up of the Mainland financial market. In the meantime, CFSG will continue to work with our Mainland partners for further business opportunities.

RETAIL MANAGEMENT – PRICERITE

Pricerite, along with most Hong Kong retailers, experienced a turbulent year in 2009. The global financial crisis hit the economy at the end of 2008, impacting on our retail business during the first quarter of 2009, especially Chinese New Year, the peak sales season for the year. Sales performance was characterised by a fundamental change in consumer spending patterns that adversely affected store traffic and sales, particularly durable and big-ticket items such as large furniture series.

At the end of 2008, we initiated precautionary measures to adapt our cost structure and retail strategies to the change in the economic conditions following the global financial crisis, including consolidation of our retail network, improvement in operating efficiencies and reallocation of product mix. These measures were successful in bringing the business round, achieving a healthy inventory and financial position, and securing our market leading position.

Faced with a change in customer buying preferences, we focused product development on easy-to-assemble small furniture items and functional necessities, such as modular storage systems and storage cabinets. By expanding the product range of such categories, we offered affordable choices to customers and helped them to better utilise their space, offsetting the effect of a sales drop in large furniture items.

Business started to stabilise and pick up in the second quarter with the economy showing signs of bottoming out and a strong rebound in the local property market. To seize this market opportunity, we expanded our furniture selection and launched a wider series of products focusing on newness, simplicity and exceptional value. At the same time, our unwavering commitment to value and outstanding services continued to gain recognition from customers as evidenced by the continuous growth in Pricerite membership. Numbers exceeded 200,000 by the end of the year.

As both the local economic conditions and our business showed increasingly positive signs of recovery, we resumed our growth strategy in the second half of the year. We accelerated our market expansion plan by opening three new stores in prime locations and launching a comprehensive branding campaign to promote our new brand image, products, personalised service and cosier shopping environment.

In 2010, we will put greater emphasis on communicating Pricerite's core values of outstanding quality, exceptional service, comfortable shopping environment and social responsibility. As such, we have revamped our corporate logo to better reflect our operating philosophies, such as service from the heart, customers always come first, and our "Green" commitment.

ONLINE GAME – MOLI GROUP

During the year, the Group re-engineered Moli's management structure, product pipeline, operational cost structure and business focus, dedicating more resources to proprietary game development projects.

The Group arranged several user pilot tests for the updated patch of "Radiant Arcana Online"--- "Runes of Magic". The game was commercially launched by the year end.

To comply with regulatory requirements in Mainland China, several "lottery" and "treasure box" monetisation features in our games were cancelled. To mitigate the adverse impact of the loss of revenue, we timely launched several operational and promotional measures. With the implementation of cost-rationalisation measures during the year, Moli's cost base has been substantially trimmed down, increasing operational efficiency.

We released the Indonesian version of "King of Pirate Online". In addition, targeting players and operational requirements in different geographical segments, we launched several expansion packs and patch updates for Hong Kong, Taiwan and other Southeast Asia operations. All these measures enjoyed a positive reception from our global partners and players.

The Group expects the growth momentum of the PRC online gaming industry to continue in the years ahead. Given the positive reaction of players towards local gaming content and the regulatory metrics, the Group's product strategy in 2010 will focus on proprietary gaming development and licensed games developed by local teams. We plan to launch two to three online games in a variety of styles in the coming year. We will also continue to explore opportunities for local partnerships to extend our player base.

To realise sustainable growth for the Group, we remain dedicated to improving our capabilities and effectiveness in maintaining our technical platform. We will also strive to promote our operational capabilities and extend our promotional and sales network. We believe such an approach will lay a solid foundation for further development of game pipelines and content updates for existing games. In addition, we will continue to work closely with law enforcement units to combat pirate servers and hacking and adopt strict defensive measures to mitigate internet security risks in order to provide an enjoyable online gaming experience for our players.

We will dedicate more resources to long-term online gaming development projects and recruit more high-calibre game developers and designers. Leveraging the competitive edge offered by our proprietary game development engine, we will build and develop further high-quality online game titles. We believe this strategy will be effective in expanding our game pipeline and extending the life cycle of existing games.

In relation to overseas business development, we will actively drive licensing operations of "King of Pirate Online" via synchronisation of game patches in different regions and release of expansion packs. We will continue to strengthen our efforts in research and development, especially content management and operational support, in order to fulfil the requirements of players in different regions. Given the forthcoming release of our proprietary online games and the exciting growth of the global online gaming market, we will also continue to expand our overseas licensing network and global player base by publishing more game titles in more regions.

EMPLOYEE INFORMATION

At 31 December 2009, the Group had 1,494 employees, of which 1,166 were at the CFSG Group. Our employees were remunerated according to their performance, working experience and market conditions. The total amount of remuneration cost of employees of the Group for the year under review was approximately HK$270.1 million.

Benefits

The Company and some of its subsidiaries provide employee benefits including mandatory provident fund scheme, medical insurance scheme, discretionary share options, performance bonus and sales commission for their staff. The Company also provides its employees in the PRC with medical and other subsidies, and contributes to the retirement benefit plans.

Training

The Group has implemented various training policies and organised a number of training programs aimed specifically at improving the skills of its employees and generally to increase the competitiveness, productivity and efficiency of the Group including training in areas such as product knowledge, customer service, selling techniques, team building, communication, presentation, coaching, quality management and also professional regulatory training programs as required by regulatory bodies. The Group also arranges for relevant staff, who are licensed persons under the SFO, to attend the requisite training courses to fulfill/comply with the continuous professional training as prescribed in the SFO.

The Group conducts an initial staff orientation for new employees in order to familiarise them with the Group's history and strategy, corporate culture, quality management measures, rules and regulations. This orientation is designed to integrate the employees into the Group and, the Directors believe, helps improve productivity of new employees at an early stage.

CORPORATE GOVERNANCE

The Board has adopted a set of corporate governance principles ("Principles") which aligns with the requirements set out in the Code on Corporate Governance Practices ("CG Code") and the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Rules Governing the Listing of Securities on the Stock Exchange. The Board had also in writing made specific enquiry to each executive director ("ED(s)") and independent non-executive director ("INED(s)") in respect of the due compliance of the rules and principles relevant to the Model Code. During the financial year ended 31 December 2009, the Principles had been duly complied with except for the deviations summarised as follows:

CG Code	Deviation and reason
A.2.1 The roles of Chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual	Mr Kwan Pak Hoo Bankee, Chairman of the Board, also assumes the role of CEO of the Company with effect from 8 May 2009. The dual role of Mr Kwan provides a strong and consistent leadership to the Board and is critical for efficient business planning and decisions of the Group. The balance of power and authorities is ensured by the operation of the senior management and the Board, which comprise experienced and high caliber individuals.

Save for the above, the Company has been in compliance with the CG Code and the Model Code throughout the year under review.

REVIEW OF RESULTS

The Group's audited consolidated results for the year ended 31 December 2009 have been reviewed by the Audit Committee of the Company.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

During the year ended 31 December 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company listed securities.

SCOPE OF WORK OF GRANT THORNTON

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2009 as set out in the preliminary announcement have been agreed by the Group's auditors, Grant Thornton, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Grant Thornton on the preliminary announcement.

On behalf of the Board
Bankee P Kwan
Chairman & CEO

Hong Kong, 15 April 2010

As at the date hereof, the Board comprises:-

Executive directors:

Mr Kwan Pak Hoo Bankee
Mr Law Ping Wah Bernard
Mr Ng Kung Chit Raymond

Independent non-executive directors:

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