THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Celestial Asia Securities Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

MAJOR TRANSACTIONS OF

PROPOSED ACQUISITION BY NON-WHOLLY OWNED SUBSIDIARY
DEEMED DISPOSAL UPON DILUTION OF INTEREST IN NON-WHOLLY OWNED SUBSIDIARY
SUBSCRIPTION OF SHARES IN NON-WHOLLY OWNED SUBSIDIARY

A notice convening a special general meeting of Celestial Asia Securities Holdings Limited to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 20 December 2005 (Tuesday) at 9:45 am is set out on pages 144 to 145 of this circular. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no later than 48 hours before the time appointed for the holding of the meeting or any adjourned meeting. Completion and return of a form of proxy will not preclude you from attending and voting at the meeting should you so wish.

30 November 2005

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise :

"Accountants"	Deloitte Touche Tohmatsu, Certified Public Accountants and the auditors of the Company
"Acquisition"	the acquisition of the Sale Shares at the Consideration pursuant to the S&P Agreement
"Announcement"	the joint announcement made by the Company and CFSG on 22 September 2005 in respect of, among other things, the entering into the S&P Agreement, the Placing Agreement and the Subscription Agreement
"Associates"	has the same meaning ascribed in the Listing Rules
"Board"	the board of Directors
"Company"	Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange
"Directors"	the directors of the Company
"CFSG"	CASH Financial Services Group Limited, a company incorporated in Bermuda with limited liability and which securities are listed on GEM, and a non-wholly owned subsidiary of the Company
"CFSG Board"	the board of CFSG Directors
"CFSG Directors"	the directors of CFSG
"CFSG Group"	CFSG and its subsidiaries
"CFSG SGM"	the special general meeting of CFSG to be held to approve, inter alia, the S&P Agreement, the Placing Agreement and the Subscription Agreement

"CFSG Share(s)"	share(s) of HK$0.10 each in the share capital of CFSG
"CFSG Shareholder(s)"	holder(s) of the CFSG Shares
"CIGL"	Celestial Investment Group Limited, a wholly owned subsidiary of the Company and a controlling CFSG Shareholder
"Consideration"	HK$110 million, being consideration for the Sale Shares
"CRMG"	CASH Retail Management Group Limited, a company incorporated in Bermuda with limited liability and which securities are listed on the main board of the Stock Exchange and is an associated company of the Company
"Enlarged Group"	the Group including the Netfield Group on the assumption that completion of the Acquisition had taken place
"GEM"	the Growth Enterprise Market of the Stock Exchange
"Group"	the Company and its subsidiaries, including the CFSG Group
"Independent CFSG Shareholder(s)"	CFSG Shareholders other than CIGL and its Associates
"Latest Practicable Date"	25 November 2005, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Netfield"	Netfield Technology Limited, a company incorporated with limited liability in the British Virgin Islands
"Netfield Group"	Netfield and its subsidiaries, the business of which is set out in the section headed "Operation of Netfield Group and reason for the Acquisition"
"Placing"	the placing of the Placing Shares at the Placing Price pursuant to the Placing Agreement

"Placing Agent"	Celestial Securities Limited, being a corporation licensed under SFO to conduct types 1 and 3 regulated activities under SFO, and a wholly owned subsidiary of CFSG
"Placing Agreement"	the agreement entered into between CFSG and the Placing Agent on 15 September 2005 in relation to the Placing
"Placing Conditions"	the conditions of the Placing Agreement as set out in the sub-section of "Placing Conditions" under the section of "Placing Agreement" in this circular
"Placing Price"	HK$0.40 per Placing Share
"Placing Shares"	155 million new CFSG Shares to be placed under the Placing Agreement
"PRC"	the People's Republic of China
"Purchaser"	Vantage Giant Limited, a wholly-owned subsidiary of CFSG
"S&P Agreement"	the agreement entered into between the Purchaser and the Vendor on 15 September 2005 in relation to the Acquisition
"S&P Conditions"	the conditions of the Acquisition as set out in the sub-section of "S&P Conditions" under the section of "S&P Agreement" in this circular
"Sale Shares"	the 100% interest in Netfield including all the outstanding loans due from Netfield to the Vendor as at completion of the S&P Agreement
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be held to approve the S&P Agreement, the Placing Agreement and the Subscription Agreement
"Share(s)"	share(s) of HK$0.10 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares at the Subscription Price by CIGL pursuant to the Subscription Agreement
"Subscription Agreement"	the agreement entered into between CFSG and CIGL on 15 September 2005 in relation to the Subscription
"Subscription Conditions"	the conditions of the Subscription Agreement as set out in the sub-section of "Subscription Conditions" under the section of "Subscription Agreement" in this circular
"Subscription Price"	HK$0.40 per Subscription Share
"Subscription Share(s)"	120 million new CFSG Shares to be subscribed by CIGL under the Subscription
"Vendor"	Mr Lin Che Chu, an independent third party, who is not a connected person of the Company as defined under the Listing Rules
"HK$"	Hong Kong dollar(s), the currency of Hong Kong
"RMB"	Renminbi, the currency of the PRC

* *The exchange rates for HK$/RMB and US$/HK$ applied in this circular are HK$1:RMB1.05 and US$1:HK$7.8 respectively.*

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

Board of Directors:
Executive:
KWAN Pak Hoo Bankee
LAW Ping Wah Bernard
WONG Kin Yick Kenneth
KWOK Oi Kuen Joan Elmond
LI Yuen Cheuk Thomas

Independent Non-executive:
WONG Chuk Yan
LEUNG Ka Kui Johnny
CHAN Hak Sin

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:
21/F The Center
99 Queen's Road Central
Hong Kong

30 November 2005

To Shareholders

Dear Sir/Madam,

MAJOR TRANSACTIONS OF

PROPOSED ACQUISITION BY NON-WHOLLY OWNED SUBSIDIARY
DEEMED DISPOSAL UPON DILUTION OF INTEREST IN NON-WHOLLY OWNED SUBSIDIARY
SUBSCRIPTION OF SHARES IN NON-WHOLLY OWNED SUBSIDIARY

INTRODUCTION

On 22 September 2005, the Board made the Announcement that (among other things), members of the Group entered into (a) the S&P Agreement under which a subsidiary of CFSG, a non-wholly owned subsidiary of the Company, shall acquire the Sale Shares at the Consideration, (b) the Placing Agreement under which CFSG shall place through the Placing Agent the Placing Shares at the Placing Price, and (c) the Subscription Agreement under which CIGL, a wholly owned subsidiary of the Company, shall subscribe the Subscription Shares at the Subscription Price.

Under the Listing Rules, each of (a) the Acquisition under S&P Agreement, (b) the deemed disposal arising from the dilution of the Group's interest in CFSG upon the issue of the Placing Shares under the Placing Agreement, and (c) the Subscription under the Subscription Agreement, constitutes a major transaction of the Company and shall be subject to Shareholders' approval.

The purpose of this circular is to give you further information regarding the S&P Agreement, the Placing Agreement, the Subscription Agreement and the notice of the SGM at which ordinary resolutions will be proposed to approve the S&P Agreement, the Placing Agreement, and the Subscription Agreement.

S&P AGREEMENT

Date:	15 September 2005.
Vendor:	Mr Lin Che Chu, an independent third party, who is not a connected person of the Company (as defined under the Listing Rules).
Purchaser:	Vantage Giant Limited, a wholly-owned subsidiary of CFSG.
Sale Shares:	Being 100% interest in Netfield, including all the outstanding loans due from Netfield to the Vendor at completion of the S&P Agreement .
Consideration:	HK$110 million, which represents a premium of 366.1% to the net asset value of the Sale Shares of RMB24.8 million (equivalent to approximately HK$23.6 million) as at 31 August 2005 as per the unaudited management accounts of Netfield prepared under the PRC generally acceptable accounting principles. The Consideration was agreed between the Vendor and the Purchaser on an arm's length basis and it was and will be settled in cash in the following manner: (a) HK$55 million as deposit having been paid upon signing of the S&P Agreement; and (b) HK$55 million to be payable upon completion.

The payment of the deposit of HK$55 million was satisfied by the proceeds from a subsequent issue of 145 million new CFSG Shares (as announced in the Announcement) which was completed on 5 October 2005. The payment terms were determined after arm's length negotiation between the Vendor and the Purchaser and the Directors consider the payment terms are not unusual for transactions of this nature.

The Consideration of HK$110 million was determined after arm's length negotiation between the Purchaser and the Vendor with reference to (i) the number of subscribers of Netfield Group and the Consideration represents a value of approximately HK$110 per subscriber as at the date of the S&P Agreement; (ii) the net asset value of Netfield Group as shown in its unaudited management accounts as at 31 August 2005 and the Consideration represents a premium of about 366.1% over the net asst value of the Netfield Group as shown in its unaudited management accounts as at 31 August 2005; (iii) the companies engaged in online game businesses and listed on Nasdaq, USA, whose ratios of market capitalisation to their number of subscribers range from about HK$350 to HK$1,790 per subscriber and whose ratios of market capitalisation to their net asset value range from about 430% to 1,570%; and (iv) the recent researches conducted by the CFSG Directors on the annual consumption of online gamers in the PRC and the huge market growth potential of online game industry in the PRC.

In determining the Consideration and the prospects of the Netfield Group, the CFSG Directors have reviewed similar online game models in the market and having taken into consideration that the Netfield Group possesses the successful elements of online games in the market, including 3D (3 dimension) appearance, complete story-line, appealing avatars, freshness and full-motion graphics. Moreover, the personnel of the Netfield Group are experienced in the development of online games and the trial of the online game developed by the Netfield Group has returned encouraging results. Between 6 August 2005, the launch date of the trial period of an online game developed by the Netfield Group, and the Latest Practicable Date, the number of subscribers had grown from zero to around 1.1 million.

The CFSG Directors have also conducted research on the development and consumption of online games in the PRC and came to the conclusion that the popularity of online games could in the long run generate a scaleable income for the Group. In addition, on the basis of their previous experience developing online games for CFSG, the CFSG Directors have tried out the game developed by the Netfield Group and consider it to be of marketable quality. The CFSG Board thus considers that the Consideration is fair and reasonable.

The Directors concur with the above views of the CFSG Directors that the Consideration is fair and reasonable and believe in the popularity of the online game business in PRC. The Board considers that the Netfield Group could in the long run generate a scaleable income for the CFSG Group and the Group will benefit from sharing the results of the CFSG Group. The Board considers that the Acquisition is in the interest of the Shareholders and the Group as a whole.

S&P Conditions: The Acquisition is conditional upon, among other things,:–

(a) the completion of the Placing Agreement;

(b) the approval of the S&P Agreement by the CFSG Shareholders in the CFSG SGM;

(c) the completion of a due diligence review on Netfield Group by and to the satisfaction of the Purchaser;

(d) the issue of a PRC legal opinion on the legal establishment and the commercial arrangement of the Netfield Group in the PRC to the satisfaction of the Purchaser;

(e) a valuation on Netfield Group of not less than HK$110 million by an independent valuer (which has been appointed as at the Latest Practicable Date) acceptable to the Purchaser; and

(f) the approval of the Acquisition by the Shareholders in the SGM.

The due diligence review will include (i) a review of by the Purchaser, its professional and financial advisers, accountants of all the books, records, properties, assets and accounting and statutory records of the Netfield Group as well as a review and investigation on the financial, legal, commercial and taxation aspects of the Netfield Group and its title to its assets; (ii) an audited report for the eight months ended 31 August 2005 (prepared in accordance with the generally acceptable accounting principles in Hong Kong) and the post balance sheet events of the Netfield Group to be prepared by the Accountants in accordance with the generally acceptable accounting principles in Hong Kong; (iii) a review by the PRC legal advisers to the satisfaction of the Purchaser on the legal establishment and commercial arrangement of the Netfield Group in the PRC.

The S&P Conditions are required to be fulfilled on or before 31 December 2005, or such later date as may be agreed between the Vendor and the Purchaser. If the S&P Conditions are not fulfilled or waived by the Purchaser (except for conditions (a), (b) and (f)) by such date, any deposit or payment having been paid under the S&P Agreement shall be refunded within 3 business days and the S&P Agreement will terminate without any clause of damages against each other of the parties to the S&P Agreement. The Purchaser has no present intention to waive any of the S&P Conditions. CFSG will make further announcement if any of the S&P Conditions has been waived.

Up to the Latest Practicable Date, the due diligence review on the financial aspect of the Netfield Group is to the satisfactory of the Purchaser and the Purchaser is still in the process of reviewing the legal aspects. As at the Latest Practicable Date, the Due Diligence Review has not been completed and none of the S&P Conditions has been fulfilled (save as the issue of the PRC legal opinion of condition (d) above). It is expected that the S&P Conditions will be fulfilled at the time of completion of the S&P Agreement.

Completion:	Completion of the Acquisition shall be within 3 business days after all the S&P Conditions being fulfilled or waived (except for conditions (a), (b) and (f)) (or any extended period as agreed between the Vendor and the Purchaser).

PLACING AGREEMENT

Date:	15 September 2005.
Issuer:	CFSG.
Placing Agent:	Celestial Securities Limited, being a corporation licensed under SFO to conduct types 1 and 3 regulated activities under SFO, and a wholly owned subsidiary of CFSG.
Placees:	Parties who are not connected with the Company and its subsidiaries nor any of their directors, chief executives and substantial shareholders or any of their respective Associates, or the Vendor or its Associates, or parties acting in concert with any of them. There will be over 6 placees, all of whom will be independent professional, institutional and/or individual investors. Up to the Latest Practicable Date, the list of placees has not yet been confirmed.
Proceeds:	The gross proceeds from the Placing will be HK$62 million and the net proceeds will be approximately HK$61.3 million, representing a net Placing Price of approximately HK$0.395 per Placing Share.
Placing Shares:	155 million new CFSG Shares to be placed on a best-efforts basis.
Placing Price:	HK$0.40 per Placing Share which represents: • about 19.2% discount to the closing price of HK$0.495 per CFSG Share on 15 September 2005 (the last trading day prior to the Announcement); • about 5.5% premium to the average closing price of about HK$0.379 per CFSG Share based on the closing prices as quoted on the Stock Exchange for the 5 trading days prior to 15 September 2005;

- about 51.5% premium to the average closing price of about HK$0.264 per CFSG Share based on the closing prices as quoted on the Stock Exchange for the 3 months prior to 15 September 2005;

- about 27.0% premium to the closing price of HK$0.315 per Share on the Latest Practicable Date;

- about 23.8% premium over the latest unaudited net asset value of HK$0.323 per CFSG Share based on the unaudited net assets of the Group as at 30 June 2005.

The Placing Price for the Placing Shares was determined after arm's length negotiation between CFSG and the Placing Agent. Although the Placing Price represents a discount of 19.2% to the closing price of HK$0.495 per CFSG Share on 15 September 2005 (the last trading date prior to the Announcement), on the basis that (i) the Placing Price also represents a premium of about 5.5% and 51.5% to the average closing price for the 5 trading days and 3 months respectively prior to 15 September 2005 (the last trading date prior to the Announcement) and a premium of about 23.8% to the latest unaudited net asset value of HK$0.323 per CFSG Share, (ii) the placing of the Placing Shares will secure part of the funds for the Consideration, and (iii) the relatively thin trading volume of the CFSG Shares (which average daily volume was 3,602,909 CFSG Shares based on the one month trading volume prior to the suspension of the CFSG Shares, representing 2.32% of the Placing Shares) and the amount of new funds to be raised from the Placing, the CFSG Board is of the opinion that the Placing Price is fair and reasonable and in the interests of CFSG and CFSG Shareholders as a whole.

Ranking of the Placing Shares: The Placing Shares, when issued and fully paid, will rank pari passu in all respects with the then existing CFSG Shares at the date of allotment.

Placing Conditions: The Placing is conditional upon, among other things:

(a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares;

(b) the approval of the Placing Agreement by the Independent CFSG Shareholders (other than the placees of the Placing Shares, if they could be identified before the CFSG SGM who remain to hold CFSG Shares and have material interests in the Placing, and their respective Associates are also required to abstain from voting on this resolution) in the CFSG SGM;

(c) the fulfillment of the S&P Conditions (save for the completion of the Placing Agreement); and

(d) the approval of the issue of the Placing Shares by the Shareholders in the SGM.

The Placing Conditions are required to be fulfilled by 31 December 2005, or such later date as may be agreed by CFSG and the Placing Agent.

Placing commission: 1.25% (a normal market placing commission rate in market) on the aggregate placing amount received for the issue of the Placing Shares.

Completion: After the fulfilment of the Placing Conditions and before the completion of the Acquisition, and simultaneously with the Subscription (if the Subscription Conditions are fulfilled and the Subscription is to be completed) which shall be fixed and determined by CFSG, or any other date as CFSG and the Placing Agent may mutually agree.

The Placing Agreement is not conditional upon the Subscription Agreement. Completion of the Placing Agreement will be simultaneously with the Subscription (if the Subscription Conditions are fulfilled and the Subscription is be completed). The Subscription Agreement is conditional upon the Placing Agreement.

The entering into the Placing Agreement is to raise fund to pay the balance of the Consideration.

SUBSCRIPTION AGREEMENT

Date:	15 September 2005.
Issuer:	CFSG.
Subscriber:	CIGL.
Proceeds:	The gross proceeds for the Subscription will be HK$48 million and the net proceeds for the Subscription will be approximately HK$47.3 million representing a net Subscription Price of approximately HK$0.394 per Subscription Share.
Subscription Shares:	120 million new CFSG Shares.
Subscription Price:	HK$0.40 per Subscription Share, being same as the Placing Price.
Ranking of the Subscription Shares:	The Subscription Shares, when issued and fully paid, will rank pari passu in all respects with the then existing CFSG Shares at the date of allotment.
Subscription Conditions:	The Subscription is conditional upon, among other things,: (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares; (b) the approval of the Subscription Agreement by the Independent CFSG Shareholders in the CFSG SGM; (c) the simultaneous completion of the Placing Agreement; and (d) the approval of the Subscription by the Shareholders in the SGM. The Subscription Conditions are required to be fulfilled by 31 December 2005, or such later date as may be agreed by CFSG and CIGL.

Completion: After the fulfilment of the Subscription Conditions and simultaneously with the Placing which shall be fixed and determined by CFSG, or any other date as CFSG and CIGL may mutually agree.

The Subscription Agreement is conditional upon the Placing Agreement.

The reason for entering into the Subscription Agreement by CIGL is to maintain a sufficient level of shareholding in CFSG to enable CIGL to remain as the controlling shareholder of CFSG.

SHAREHOLDING STRUCTURE OF CFSG

The shareholding structure of CFSG and the Group's interest in CFSG before and after the issue of the Placing Shares and the Subscription Shares are as follows:

CFSG Shareholder	**Existing**		**After issue of Placing Shares**		**After issue of Placing Shares and Subscription Shares**	
	Number of CFSG Shares	*%*	*Number of CFSG Shares*	*%*	*Number of CFSG Shares*	*%*
CIGL and its subsidiaries	518,827,434	49.65	518,827,434	43.24	638,827,434	48.40
Other Directors, CFSG Directors and their respective Associates	18,212,000	1.74	18,212,000	1.52	18,212,000	1.38
Placees of Placing Shares	145,000,000	13.88	300,000,000	25.00	300,000,000	22.73
Vendor and its Associates	142,500	0.01	142,500	0.01	142,500	0.01
Other public	362,699,514	34.72	362,699,514	30.23	362,699,514	27.48
Total	1,044,881,448	100.00	1,199,881,448	100.00	1,319,881,448	100.00

After the issue of the Placing Shares and the Subscription Shares, CIGL will be interested as to 48.40% in the issued share capital of CFSG. As CIGL will continue to control the board of CFSG and all the major decisions of CFSG, CFSG will continue to remain as a subsidiary of the Company after the issue of the Placing Shares and the Subscription Shares. The Company will remain as the singly largest CFSG Shareholder and it is not expected there will have a change of control of CFSG.

OPERATION OF NETFIELD GROUP AND REASON FOR THE ACQUISITION

The Netfield Group commenced online game business in January 2005. It is an online game developer and operator in China. The Netfield Group was introduced to the CFSG Directors by the Vendor who is a business associate and an independent third party.

The Netfield Group has its own research and development team in Shanghai, and has developed its first three-dimensional massively multiplayer online role-playing game ("MMORPG") – "King of Pirate", which is accessible nationwide in China through its self-developed game portal – www.moliyo.com. The set-up allows millions of players, which approximately 1.1 million of players have already registered, to log on to the network servers in a virtual world at the same time. The "King of Pirate" is the only game which has been finalized and has been commercially launched. The Netfield Group has started to charge subscribers by monthly subscription at a fee of RMB30 and/or on a usage basis at a fee of RMB0.4 per hour since the official launch of the game on 15 November 2005. The Netfield Group is developing other MMORPGs and casual games which are in final development phase. **Save for the "King of Pirate", the Netfield Group has not developed any online game previously, and none of the games developed have been tested commercially (except for the official launch of the "King of Pirate").**

In considering the prospects of the Netfield Group, the CFSG Directors have reviewed similar online game models in the market and having taken into consideration that the Netfield Group possesses the successful elements of online games in the market, including 3D (3 dimension) appearance, complete story-line, appealing avatars, freshness and full-motion graphics. Moreover, the personnel of the Netfield Group are experienced in the development of online games and the trial of the "King of Pirate" has returned encouraging results. Between 6 August 2005, the launch date of the trial period of the "King of Pirate", and the Latest Practicable Date, the number of subscribers had grown from zero to around 1.1 million.

The CFSG Directors have also conducted research on the development and consumption of online games in the PRC and came to the conclusion that the popularity of online games could in the long run generate a scaleable income for the Group. In addition, on the basis of their previous experience developing online games for CFSG, the CFSG Directors have tried out the game developed by the Netfield Group and consider it to be of marketable quality.

Besides operating its own developed games, the Netfield Group has also obtained exclusive licenses from both overseas and domestic producers to localize and operate games, including board games, card games, puzzles, and various forms of trivia on the online game platform. Customers or players will be charged by monthly subscription or on a usage basis by purchasing prepaid cards online or through its established, extensive distribution network including convenience stores, software outlets and internet cafes throughout China.

Its game portal at www.moliyo.com is also an entertainment platform, providing contents through internet, including those focused on entertainment information of lifestyle and broad array of free and fee-based services such as MMORPG games, casual games, music, cartoon series, chat-room, e-mail and e-greeting cards. **As at the Latest Practicable Date, none of the games being developed by the Netfield Group or its game portal has started to generate income (except for the "King of Pirate" which has started to generate income since 15 November 2005).**

The CFSG Group has extensive experience in the online infrastructure development and operation. The CFSG Group was the first mover in Hong Kong in introducing and development the online trading platform for broking in securities and commodities. The CFSG Group has been seeking opportunities to enhance its services and widen its product range, using its robust systems and in-depth knowledge of the financial markets to broaden the financial horizons for its customers. In 2000, the CFSG Group had operated a website "www.e-finance.com.hk" with enhanced scope of services and functions to include lifestyle and entertainment information for its customers. It also had experience in organizing online games (i.e. real-time investment game, iGame) for its online subscribers, which gained a tremendous online data base of clients for not only online game services but also allow for cross selling of services among the different business units of the CFSG Group and the Group.

Operation of online games is generally of a pay-for-play revenue model. In view of the recent trend and popularity of the online game market, the CFSG Group believes that the operation of Netfield Group could in the long run generate a scalable revenue stream. With the experience and strong expertise in the operation and development of online services and the well established data base and online platform of CFSG, the CFSG Board and the Board believe that the operation of the Netfield Group could ride on the CFSG Group to be further expanded more effectively and cost-effective.

CONTRACTUAL ARRANGEMENTS OF NETFIELD

As foreign invested companies are currently not allowed to apply for the necessary licenses to operate online games in China, the Netfield Group conducts operations through Moliyo (Shanghai) Information Technology Limited (摩力游(上海)信息科技有限公司) ("Moliyo"), a PRC incorporated and wholly owned subsidiary of Netfield, through business contracts with Cathyway Digital Entertainment (Shanghai) Limited (上海嘉思華數字娛樂有限公司) ("Cathyway"), which is wholly owned by two PRC citizens (Mr Pan Long (潘龍) and Mr Li Zeng Rong (李正容)), who are independent third parties. Cathyway holds the licenses required to operate online games, while Moliyo owns the substantial majority of physical assets. The contractual arrangements comprise a series of agreements including the provision of a loan to the said two PRC citizens to establish Cathyway, a share pledge agreement by the said two PRC citizens to pledge their shares in Cathyway to Moliyo, undertakings by the said two PRC citizens to transfer their shares in

Cathyway to Moliyo, an equipment leasing agreement, a technology license agreement, a technical services agreement and other related agreements to permit Moliyo to capture the income from Cathyway. The contractual arrangements essentially make Moliyo the primary beneficiary of the licensed entity and as advised by Jin Mao Law Firm, the legal advisers to CFSG as to PRC laws, such contractual arrangements are legal and enforceable under PRC laws.

Notwithstanding that Jin Mao Law Firm, the legal advisers to CFSG as to PRC laws, has opined that the contractual arrangements with Cathyway are legal and enforceable under PRC laws, no assurance can be made that the PRC regulatory authorities will not take a view contrary to the PRC legal counsel to CFSG. In addition, there are uncertainties regarding the interpretation and application of current or future PRC laws and regulations governing the enforcement and performance of the abovementioned contractual arrangements. In the event that any of the abovementioned contractual arrangements were found to be in violation of any existing or future PRC laws or regulations, it may cause significant disruption to the operation of Netfield and may adversely affect the result of CFSG.

DEEMED DISPOSAL

As a result of the allotment and issue by CFSG of the Placing Shares and the Subscription Shares (which remains conditional on the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Placing Shares and the Subscription Shares), the interest of CIGL in CFSG would be diluted. Accordingly, for the purposes of the Listing Rules, such dilution is treated as a deemed disposal by the Company. The deemed disposal constituted a major transaction for the Company under the Listing Rules.

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated net losses before and after taxation, minority interest and extraordinary items of the Group prepared in accordance with the generally acceptable accounting principles in Hong Kong for the year ended 31 December 2003 were about HK$51.0 million and HK$51.6 million respectively, and the audited consolidated net losses before and after taxation, minority interest and extraordinary items of the Group for the year ended 31 December 2004 were about HK$161.4 million and HK$144.2 million respectively. The unaudited consolidated net loss before and after taxation, minority interest and extraordinary items of the Group for the 6 months ended 30 June 2005 were about HK$20.7 million and HK$18.8 million respectively. The audited consolidated net assets of the Group as at 31 December 2004 were about HK$219.8 million. The unaudited consolidated net assets of the Group as at 30 June 2005 were about HK$198.5 million.

FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group recorded a net loss attributable to shareholders of HK$144.2 million for the year ended 31 December 2004. In the first half of 2005, the Group ceased to consolidate the sales and operating results of our retailing business group consequent upon CRMG ceasing as a subsidiary of the Group during the period. In the first half of 2005, the Group recorded a net loss attributable to shareholders of HK$18.8 million, the loss was greatly reduced from HK$35.9 million for the last corresponding period.

The CFSG Group (the Group's financial service division) recorded a net profit attributable to shareholders of HK$21.3 million for the year ended 31 December 2004 as compared with HK$10.7 million in the previous year. In the first half of 2005, the CFSG Group recorded a net profit attributable to shareholders of HK$11.2 million. This continued decent profit track record is testimonial to the success of the reengineering of its business model a couple of years ago, reflecting the marked improvement in the underlying corporate profitability longer term. The management remains positive on the overall performance for the full year.

The CFSG Group recorded a turnover of HK$97.9 million in the first half of 2005, as compared to HK$125.8 million in the first half of 2004. The decrease was in part a reflection of a directionless market environment throughout the first half of 2005 and in part a result of a change in accounting treatment for brokerage commission rebate. After the abolition of the minimum commission requirement, a significant portion of its commission rebates has been changed from a gross to a net basis. While this has technically reduced turnover, it did not have an actual impact on net profit.

Continued concerns over global economic slowdown, increase in US interest rates, further macroeconomic tightening in China triggered a sell-off in the emerging markets in March and April and dampened the market sentiment locally. Volatility in commodity and oil prices also led to corresponding price fluctuations in global equity markets. Geopolitically, the Cross-Strait relationship seemed to have improved after the historic visits to China by the opposition party leaders in Taiwan. Despite the continued pick-up in the domestic economy, the Hong Kong stock market in the second quarter was lackluster and directionless as inflow of hot money speculating on the RMB revaluation seemed to have reversed on the back of narrowing interest rate differential between the US and Hong Kong.

Taking advantage of the relatively slower market, the CFSG Group focused resources in the last few months to upgrade its operating and sales systems to get prepared for the upturn of the market. On the marketing side, we launched a series of campaigns to retain existing clients and attract new prospects. Feedback on these campaigns has been positive and encouraging.

Product diversification and cost leadership will continue to be its primary drivers of its business strategy. At the same time, the CFSG Group will continue to diversify its income stream through wealth management initiatives and expansion of investment banking activities. The CFSG Group continue to see a rising trend of income from both the wealth management and the investment banking divisions as a percent of the total revenue.

As part of the revenue and product diversification strategy, the CFSG Group launched its asset management service in June this year to seize opportunities inherent in the high-net-worth market, and to complement its strategy of providing a full suite of services to its clients. This newly added service will allow the CFSG Group to continue to expand its customer base and to further leverage on the cross-selling synergy within the CFSG Group. The CFSG Group will continue to expand and strengthen its wealth management and investment banking business.

In September, the CFSG Group entered into an agreement for acquisition of Netfield Group, an online game developer and operator in the PRC, for a consideration of HK$110 million. The transaction is subject to the approval of the shareholders at a special general meeting. In view of the recent trend and popularity of the online game market, the CFSG Group believes that the operation of Netfield Group could in the long run generate a scalable revenue stream. With the experience and strong expertise in the operation and development of online services and the well established data base and online platform of the Company, the Board believe that the operation of Netfield Group could ride on the CFSG Group to be further expanded more effectively and cost-effective. While the CFSG Group continues to grow its income from the mature brokerage business, this new strategic acquisition will allow us to participate in a high-growth business sector.

The CFSG Group had also entered into a top up agreement, the Placing Agreement and the Subscription Agreement in September for settlement of the consideration for acquisition of an online game and the balance as operating capital for the Netfield Group and the general working capital of the CFSG Group. The interest of the Group in CFSG would be diluted from approximately 49.65% as at the Latest Practicable Date to approximately 48.40% upon completion of the transactions. Such dilution of interest in CFSG is treated as a deemed disposal by the Company for the purpose of the Listing Rules.

As at 30 September 2005, the Group was holding a portfolio of listed and unlisted investments with a total value of approximately HK$36.5 million.

Save as aforesaid, the Group did not make any material acquisitions or disposals during the year ended 31 December 2004 and up to the date of this Circular. There was no significant investment held. The Group does not have any future plans for material investments or capital assets.

Our employees were remunerated according to their performance, working experience and market conditions. In addition to basic salaries and Mandatory Provident Fund schemes, we also offered staff benefits including medical schemes, discretionary share options, performance bonus and sales commission. We continue to organise training to employees in areas such as continuous professional training programmes required by regulatory bodies, product knowledge, language training, customer services, selling techniques, problem solving, time management, coaching, motivation, coaching and communication, etc. Meanwhile, we are also liaising with external consultants to conduct team building, service and selling training program.

Looking ahead, corporate profitability would likely come under pressure as competition from local and international players intensifies and funding costs are on the rise. While the CFSG Group remains vigilant to keep its cost structure lean and effective, the CFSG Group persist to diversify its income mix through different businesses. Its goal is to position itself as clients' financial services house of choice with comprehensive product offerings that meet their diverse financial needs.

EFFECTS OF THE TRANSACTIONS ON THE EARNINGS AND ASSETS AND LIABILITIES OF THE GROUP

Earnings

After the completion of the Acquisition, all the loss of the Netfield Group before completion of the Acquisition will be accounted for as the pre-acquisition loss in the financial statements which shall not have any effect on earnings on the Group.

Upon the completion of the Placing, the top up of shares and the Subscription of CFSG will give rise to an accounting profit of approximately HK$1,868,000 arising from gain on disposal of interest in CFSG.

Net assets

Based on the pro forma statement of assets and liabilities of the Group outlined in Appendix III to this circular, assuming the Acquisition had taken place on 30 June 2005, the Consideration for the Acquisition was HK$110,000,000 and the net assets value of the Netfield Group was HK$7,667,000, and the goodwill on consolidation upon completion of the Acquisition was HK$102,333,000. The total amount of net assets value of HK$7,667,000 acquired plus the goodwill of HK$102,333,000 after the Acquisition in the proforma statement of assets and liabilities was HK$110,000,000, being the same as the Consideration.

Upon the completion of the Placing, the top up of shares and the Subscription of CFSG will increase the net assets before and after minority interest of the Group by approximately HK$117,152,000 and HK$1,868,000 respectively.

FINANCIAL INFORMATION OF NETFIELD GROUP

The Netfield Group commenced online game business in January 2005. The following audited figures of the Netfield Group are extracted from the Accountants' Report of the Netfield Group in Appendix II to this circular. The audited net losses before and after taxation of the Netfield Group for the period from 31 October 2004 to 31 December 2004 were both RMB0. There was no set up costs for Netfield Group during the period from 31 October 2004 to 31 December 2004. Moli Group Limited was acquired by Netfield on 31 October 2004 at a consideration US$1 (equivalent to approximately RMB8.19) instead of setting up as a new shelf company. The US$1 was shown as share capital in the balance sheet of Netfield. The audited net losses before and after taxation of the Netfield Group for the 8-month period ended 31 August 2005 were both about RMB17.6 million (equivalent to approximately HK$16.8 million). The audited net assets value of the Netfield Group as at 31 December 2004 and 31 August 2005 were about US$1 (equivalent to approximately RMB8.19) and deficit of RMB17.6 million (equivalent to approximately HK$16.8 million).

BUSINESS, DISCUSSION AND ANALYSIS OF NETFIELD GROUP

Business and financial review for the period ended 31 August 2005

The Netfield Group commenced online game business at the beginning of 2005 and is an online game developer and operator in China. The rapid development of the internet in China in the recent years has led to the development and growth of the online game industry. According to International Data Corporation ("IDC") (the premier global provider of market intelligence, advisory services, and events for the information technology and telecommunications industries), the online game industry in China has seen a 48% growth in revenue in 2004 alone. It is estimated that the market will grow steadily over the next five years in view of rapid penetration of PC, internet and broadband network, and of wide acceptance of online games by both younger and older gamers as a popular entertainment at affordable prices. Since its commencement of the online game in January 2005, the Netfield Group had set up its own research and development team in Shanghai and successfully developed its first three-dimensional massively multiplayer online role-playing game ("MMORPG") – "King of Pirate", which is accessible nationwide in China through its self-developed game portal – www.moliyo.com. Since the launch of the test run on the "King of Pirate" in August 2005, approximately 1.1 million of players had already registered to play the online game via its game portal at www.moliyo.com as at the Latest Practicable Date. The Netfield Group has started to charge subscribers by monthly subscription at a fee of RMB30 and/or on a usage basis at a fee of RMB0.4 per hour since the official launch of the game on 15 November 2005. The Netfield Group had been developing other MMORPGs and casual games which were in final development phase. The Netfield Group has started to charge subscribers for playing the online games from 15 November 2005.

Besides operating its own developed games, the Netfield Group had also obtained exclusive licenses from both overseas and domestic producers to localize and operate games, including board games, card games, puzzles, and various forms of trivia on the online game platform.

Customers or players would be charged by monthly subscription or on a usage basis by purchasing prepaid cards online or through its established, extensive distribution network including convenience stores, software outlets and internet cafes throughout China.

Its game portal at www.moliyo.com is also an entertainment platform, providing contents through internet, including those focused on entertainment information of lifestyle and broad array of free and fee-based services such as MMORPG games, casual games, music, cartoon series, chat-room, e-mail and e-greeting cards.

The Netfield Group recorded an audited net loss of RMB17.6 million after taking into accounts the costs incurred before the commercial launch of the MMORPGs and casual games. The costs consisted mainly of staff costs of its research and development team and the sales and marketing costs to promote the online games.

Taking into account the reported loss for the period, the Netfield Group's total shareholders' equity stood at a deficit of RMB17.6 million on 31 August 2005.

With the operations being financed by a shareholder of the Netfield Group, the cash and bank balances were RMB7.8 million as at 31 August 2005 and there were no bank borrowings or charge on its group assets on the same day.

As at 31 August 2005, the Netfield Group did not have any material un-hedged foreign exchange exposure or interest rate mismatch. The Netfield Group had no material contingent liabilities.

At 31 August 2005, the Netfield Group was not holding any material investment. During the eight months ended 31 August 2005, the Netfield Group did not make any material acquisitions or disposals nor did it hold any significant investment. The Netfield Group does not have any future plans for material investments or addition of capital assets.

Employee information

As at 31 August 2005, the Netfield Group had a total of 120 employees. Total staff costs amounted to RMB5.5 million. Remunerations for the Group's employees were determined on the basis of their performance, experience and prevailing practice in the retail industry. The Netfield Group regularly reviews its compensation policies and remuneration packages. Apart from basic salary, welfare allowance and performance bonus, the Group also provides its employees with medical and other subsidies. The Group also contributes to the retirement benefit plans organized by the government under which the Group and its employees are required to make monthly contributions to these plans at certain percentages of the employees' salaries during the relevant periods.

FINANCIAL INFORMATION OF CFSG GROUP

The audited consolidated net profits before and after taxation, minority interest and extraordinary items of the CFSG Group prepared in accordance with the generally acceptable accounting principles in Hong Kong for the year ended 31 December 2003 were about HK$11.1 million and HK$10.7 million respectively, and the audited consolidated net profits before and after taxation, minority interest and extraordinary items of the CFSG Group for the year ended 31 December 2004 were about HK$22.1 million and HK$21.3 million respectively. The unaudited consolidated net profits before and after taxation, minority interest and extraordinary items of the CFSG Group for the 6 months ended 30 June 2005 were about HK$12.0 million and HK$11.2 million respectively. The audited consolidated net assets of the CFSG Group as at 31 December 2004 were about HK$238.8 million. The unaudited consolidated net assets of the CFSG Group as at 30 June 2005 were about HK$243.6 million.

GENERAL

The principal activities of the Group consist of (i) financial services provided via CFSG Group including online and traditional brokerage of securities, options, futures and leveraged foreign exchange contracts as well as mutual funds and insurance-linked investment products and their trading services, margin financing, corporate finance and other financial services; (ii) investment holding including property investment; (iii) business solutions.

Under the Listing Rules, each of (a) the Acquisition under S&P Agreement, (b) the deemed disposal arising from the dilution of the Group's interest in CFSG upon the issue of the Placing Shares under the Placing Agreement, and (c) the Subscription under the Subscription Agreement, constitutes a major transaction of the Company and shall be subject to Shareholders' approval.

SGM

Set out on pages 144 to 145 of this circular is a notice convening the SGM in which ordinary resolutions will be proposed to be considered and, if thought fit, be passed by the Shareholders for approving (a) the S&P Agreement, (b) the Placing Agreement, and (c) the Subscription Agreement. No Shareholder is required to abstain from voting for any resolutions at the SGM under the Listing Rules. All the resolutions at the SGM will be voted by show of hands unless a valid demand of poll is received by Shareholder(s).

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, please complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no later than 48 hours before the time appointed for the holding of the SGM. Completion and return of a form of proxy will not preclude you from attending and voting in the SGM should you so wish.

PROCEDURE TO DEMAND A POLL BY SHAREHOLDERS

Shareholders may demand a resolution to be taken by poll if:

(1) the demand is raised before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll; and

(2) the demand is made by:

(a) chairman of the meeting; or

(b) at least 3 registered Shareholders (as represented personally, or by proxy, or by corporate representative) entitled to vote at the meeting; or

(c) a registered Shareholder or registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) representing not less than 10% of the total voting rights of all Shares in issue that entitle the holders to vote at the meeting; or

(d) a registered Shareholder or registered Shareholders (as represented personally, or by proxy, or by corporate representative(s)) holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than 10% of the total sum paid up on all the Shares conferring that right.

RECOMMENDATION

The Directors are of the view that the Acquisition, the Placing and the Subscription are in the interest of the Company and the Shareholders as a whole. The Directors recommend the Shareholders to vote in favour of the ordinary resolutions as set out in the notice of the SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information set out in the appendices to this circular.

Yours faithfully,
On behalf of the Board
Bankee P Kwan
Chairman

1. UNAUDITED INTERIM RESULTS OF THE GROUP FOR THE SIX MONTHS ENDED 30 JUNE 2005

Set out below is an extract of the financial information of the Group from its interim report for the six months ended 30 June 2005.

(A) Consolidated Income Statement

For the six months ended 30 June 2005

		Unaudited six months ended 30 June	
		2005	**2004**
	Notes	*HK$'000*	*HK$'000* (restated)
Continuing operations			
Turnover	*(2)*	95,755	128,540
Cost of sales		–	(5,574)
Salaries, allowances and commission		(56,069)	(72,618)
Other operating, administrative and selling expenses		(46,788)	(36,484)
Depreciation and amortisation		(712)	(12,199)
Net realised and unrealised loss on financial assets at fair value through profit or loss		(4,378)	–
Loss on trading of securities, options, futures and leveraged foreign exchange contracts		–	(10,057)
Loss on deemed disposal of CASH Retail Management Group Limited ("CRMG") and its subsidiaries ("CRMG Group")	*(7)*	(974)	–
Share of profit in associates	*(4)*	5,197	–
Finance costs		(2,212)	(2,464)
Write back of bad and doubtful debts		–	3,013
Loss before taxation		(10,181)	(7,843)
Taxation	*(5)*	(150)	(250)
Loss for the period from continuing operations		(10,331)	(8,093)
Discontinued operation			
Loss for the period from discontinued operation	*(7)*	(10,507)	(21,372)
Loss for the period		(20,838)	(29,465)

	Notes	Unaudited six months ended 30 June 2005 HK$'000	2004 HK$'000 (restated)
Attributable to shareholders:			
Equity holders of the Company		(18,762)	(35,856)
Minority interest		(2,076)	6,391
		(20,838)	(29,465)
Loss per share	*(6)*		
From continuing and discontinued operations:			
– Basic		(4.3) cents	(9.8) cents
– Diluted		(4.3) cents	(9.8) cents
Loss per share	*(6)*		
From continuing operations:			
– Basic		(2.6) cents	(5.8) cents
– Diluted		(2.6) cents	(5.8) cents

(B) Consolidated Balance Sheet

As at 30 June 2005

	Notes	30 June 2005 (Unaudited) HK$'000	31 December 2004 (Audited) HK$'000
Non-current assets			
Property and equipment		15,937	149,120
Interests in associates	(12)	128,886	–
Investments		10,800	10,800
Goodwill		17,992	57,199
Intangible assets		8,177	9,092
Other assets		12,283	13,346
Loans receivable		16,200	19,334
		210,275	258,891
Current assets			
Inventories		–	59,013
Accounts receivable	(8)	405,260	365,047
Loans receivable		19,059	20,623
Prepayments, deposits and other receivables		13,792	44,020
Financial assets at fair value through profit or loss		25,063	–
Investments		–	64,700
Bank deposits under conditions		16,968	52,784
Bank balances – trust and segregated accounts		306,385	433,156
Bank balances (general accounts) and cash		102,459	236,147
		888,986	1,275,490

	Notes	30 June 2005 (Unaudited) HK$'000	31 December 2004 (Audited) HK$'000
Current liabilities			
Accounts payable	*(9)*	504,964	784,990
Accrued liabilities and other payables		68,203	97,901
Taxation payable		734	729
Obligations under finance leases – amount due within one year		146	93
Amount due to an associate	*(12)*	5,540	–
Bank borrowings – amount due within one year		166,453	181,777
		746,040	1,065,490
Net current assets		142,946	210,000
		353,221	468,891
Equity			
Capital and reserves attributable to the Company's shareholders			
Share capital	*(10)*	43,748	43,748
Reserves		154,719	176,091
		198,467	219,839
Minority interests		118,690	167,100
Total equity		317,157	386,939
Non-current liabilities			
Bank borrowings – amount due after one year		–	41,452
Convertible notes		–	40,500
Obligations under finance leases – amount due after one year		233	–
Financial liability of a convertible note	*(11)*	35,831	–
		36,064	81,952
		353,221	468,891

(C) Condensed Consolidated Cash Flow Statement

For the six months ended 30 June 2005

	Unaudited six months ended 30 June 2005	2004
	HK$'000	*HK$'000*
Net cash (used in) from operating activities	(40,933)	21,253
Net cash used in investing activities	(35,979)	(105,018)
Net cash (used in) from financing activities	(56,776)	46,605
Net decrease in cash and cash equivalents	(133,688)	(37,160)
Cash and cash equivalents at beginning of period	236,147	245,924
Cash and cash equivalents at end of period	102,459	208,764
Analysis of balances of cash and cash equivalents		
Bank balances (general) and cash	102,459	208,764

(D) Condensed Statement of Changes in Equity

For the six months ended 30 June 2005

		Unaudited six months ended 30 June 2005								
		Attributable to equity holders of the Company								
		Share capital	Share premium	Contributed surplus	General reserve	Loan reserve	Other reserve	Accumulated losses	Minority interest	Total
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2005 as previously reported as equity		43,748	295,177	16,724	1,160	–	12,314	(149,284)	–	219,839
Arising from adoption of HKAS 32		–	–	–	–	1,360	–	–	–	1,360
Balance at 1 January 2005, as previously reported as minority interest		–	–	–	–	–	–	–	167,100	167,100
Balance at 1 January 2005, as restated		43,748	295,177	16,724	1,160	1,360	12,314	(149,284)	167,100	388,299
Amount transferred from share premium to contributed surplus	*(a)*	–	(195,665)	195,665	–	–	–	–	–	–
Amount transferred to set off accumulated losses	*(b)*	–	–	(195,665)	–	–	–	195,665	–	–
2004 CASH Financial Services Group Limited ("CFSG") final dividend paid		–	–	–	–	–	–	(3,678)	–	(3,678)
Arising from partial repayment of a convertible note	*(c)*	–	–	–	–	(292)	–	–	–	(292)
Issue of new shares by CRMG in April 2005	*(f)*	–	–	–	–	–	–	–	20,223	20,223
Issue of new shares by CRMG in May 2005	*(g)*	–	–	–	–	–	–	–	(66,557)	(66,557)
Net loss for the period		–	–	–	–	–	–	(18,762)	(2,076)	(20,838)
Balance at 30 June 2005		43,748	99,512	16,724	1,160	1,068	12,314	23,941	118,690	317,157

		Unaudited six months ended 30 June 2004							
		Attributable to equity holders of the Company							
		Share capital	Share premium	Contributed surplus	General reserve	Other reserve	Accumulated losses	Minority interest	Total
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Balance at 1 January 2004 as previously reported as equity		36,548	279,272	16,724	1,160	12,314	(5,118)	–	340,900
Balance at 1 January 2004, as previously reported as minority interest		–	–	–	–	–	–	121,210	121,210
Balance at 1 January 2004, as restated		36,548	279,272	16,724	1,160	12,314	(5,118)	121,210	462,110
Issue of new shares by CRMG in January 2004	*(d)*	–	–	–	–	–	–	4,542	4,542
Issue of right shares by CFSG in May 2004	*(e)*	–	–	–	–	–	–	47,532	47,532
Net loss for the period		–	–	–	–	–	(35,856)	6,391	(29,465)
Balance at 30 June 2004		36,548	279,272	16,724	1,160	12,314	(40,974)	179,675	484,719

Notes:

(a) Pursuant to a special resolution passed on 30 May 2005, the share premium account of the Company as of 31 December 2004 was reduced by an amount of HK$195,665,196 and such amount was transferred to the contributed surplus account of the Company.

(b) Pursuant to the minutes of a directors' meeting held on 30 May 2005, an amount of HK$195,665,196 was transferred from the contributed surplus account to set off against the accumulated losses of the Company at 31 December 2004.

(c) It refers to the difference between the fair value amount allocated to the liability component of a convertible note and the repayment amount of HK$4,000,000.

(d) In January 2004, 2,800,000 share options in CRMG were exercised at the exercise price of HK$1.79 per share, resulting in the issue of 2,800,000 shares of HK$0.10 each in CRMG.

(e) In May 2004, 377,278,224 shares of HK$0.10 each in CFSG were issued by way of rights issue at a subscription price of HK$0.27 per share.

(f) In April 2005, 83,000,000 shares of HK$0.02 each in CRMG at a subscription price of HK$0.28 per share were issued. The Group's interest in CRMG was reduced from 66.53% to 59.17%.

(g) In May 2005, 223,000,000 shares of HK$0.02 each in CRMG at subscription price of HK$0.30 per share were issued. The Group's interest in CRMG was reduced from 59.17% to 44.69%. Please refers to note (4) below for details.

(E) Notes to the Interim Accounts

(1) Basis of preparation and significant accounting policies

The unaudited interim financial statements of the Group have been prepared in accordance with the applicable requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules") and the Hong Kong Accounting Standard ("HKAS") 34: Interim Financial Reporting.

The accounting policies used in the unaudited interim financial statements are consistent with those followed in the preparation of the Group's annual audited financial statements for the year ended 31 December 2004 except as described below.

The Hong Kong Institute of Certified Public Accountants ("HKICPA", formerly the Hong Kong Society of Accountants) has undertaken to converge by 1 January 2005 all Financial Reporting Standards ("HKFRSs") with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board. As a result, the HKICPA has aligned HKFRSs with the requirements of IFRSs in all material respects.

The unaudited consolidated results of the Group have been prepared in accordance with the accounting principles generally accepted in Hong Kong. In 2005, the Group has adopted all HKFRSs pertinent to its operations. The applicable HKFRSs are set out below:

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after Balance Sheet Date
HKAS 12	Income Taxes
HKAS 14	Segment Reporting
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 18	Revenue
HKAS 19	Employee Benefits
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 23	Borrowings Costs
HKAS 24	Related Party Disclosure
HKAS 27	Consolidated and Separate Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 37	Provisions, Contingent Liabilities and Contingent Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets held for Sale and Discontinued Operation

The following new and revised HKFRSs adopted by the Group during the period have resulted in changes in the Group's accounting policies which will have effects on the results of the Group for the current or prior accounting period:

HKAS 1	Presentation of Financial Statements
HKAS 32	Financial Instruments: Disclosure and Presentation
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 2	Share-based Payments
HKFRS 3	Business Combinations
HKFRS 5	Non-current Assets held for Sale and Discontinued Operation

HKAS 1 has impacted the presentation of the following notable elements in the Group's condensed accounts:

– minority interests are presented within equity on the face of the condensed consolidated balance sheet while it was presented outside of equity previously;

- movement of minority interests is included in the consolidated statement of changes in equity while this was not required previously; and

- allocation of profit (loss) attributable to minority interests and equity holders of the Company are disclosed on the face of the condensed consolidated profit and loss account after profit for the period while the allocation to minority interests was previously disclosed as a separate line item before arriving at profit attributable to the equity holders of the Company.

The adoption of HKFRS 2 has resulted in a change in accounting policy for employee share options. Prior to the adoption, the provision of share options to employees did not result in a charge to the income statement. Following the adoption of HKFRS 2, the fair value of share options at grant date was amortised over the subsequent relevant vesting period.

However, the adoption of the HKFRS 2 has no material effect on the results for current nor prior accounting periods. Accordingly, no prior period adjustment is required.

The adoption of HKFRS 3, HKAS 36 and HKAS 38 has resulted in a change in the accounting policy for goodwill. Prior to the adoption, goodwill was:

- amortised on a straight-line basis over a period of not exceeding 20 years; and

- assessed for impairment at each balance sheet date.

In accordance with the provisions of HKFRS 3:

- the Group ceased amortisation of goodwill from 1 January 2005;

- accumulated amortisation as at 31 December 2004 has been eliminated with a corresponding decrease in the cost of goodwill; and

- from the year ending 31 December 2005 onwards, goodwill will be tested annually for impairment, as well as when there are indications of impairment.

As this new accounting standard has no retrospective effect, no prior period adjustment is required. The adoption of this new accounting standard reduced the amortisation of goodwill of approximately HK$2,258,000 during current period as compared with the same period last year.

Pursuant to HKFRS 5, the Company's interests in CRMG were classified as discontinued operation subsequent to the completion of share placement as detailed in note 4 below. The adoption of HKFRS 5 has resulted in the following changes in the accounts:

- a single amount on the face of the income statements comprising the aggregate of the post-tax loss of discontinued operation and the post-tax loss recognised on the disposal of interest in CRMG; and

- an analysis of the single amount into the revenue, expense, pre-tax loss of discontinued operations.

In addition, the comparative figures of the retailing operation engaged by CRMG are re-classified to conform with the current period's presentation.

The adoption of HKAS 32 and HKAS 39 has resulted in a change in accounting policy for recognition, measurement, derecognition and disclosure of financial instruments. Before 1 January 2005, short-term investments of the Group were presented as other investments and were stated in the balance sheet at fair value, and the convertible loans were stated as liabilities in the balance sheet at their principal amount and the liability and equity components of the convertible notes were not classified and presented separately.

The adoption of HKAS 39 has no retrospective effect but has resulted the following changes:

– redesignated all short-term investments into financial assets and such redesignation has no financial effect on the current and prior accounting periods except the changes in presentation;

– reclassified and presented separately the liability and equity components of the convertible notes; and

– remeasured those financial assets or financial liabilities that should be measured at fair value and those that should be measured at amortised value. The remeasurement of the convertible notes at fair value has increased the finance costs of the convertible notes for current period by approximately HK$397,000.

The adoption of other new HKFRSs does not result in substantial changes to the Group's accounting policies which will affect the result of the Group, but certain presentation and disclosures will be affected in this report and the 2005 annual report.

The new accounting policies adopted in the preparation of the result of the Group for the current period are:

Employee benefit costs

For share options granted under the share options scheme (the scheme approved by an ordinary resolution passed at the special general meeting of the Company held on 19 February 2002), the fair value of the employee services rendered in exchange for the grant of the options is recognised as an expense and credited to an employee share-based compensation reserve under equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted at grant date. At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognises the impact of the revision of the original estimates, if any, in the income statement, and a corresponding adjustment to the employee share-based compensation reserve over the remaining vesting period.

When the options are exercised, the proceeds received will be credited to share capital (nominal value) and share premium.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill is recognised as an asset and evaluated at least annually for impairment.

On disposal of a subsidiary, the attributable amount of goodwill will be included in the determination of the profit or loss on disposal.

Intangible assets

Intangible assets are included in the balance sheet at cost and amortised on a straight-line basis over their estimated useful lives.

Intangible assets are evaluated annually for impairment and reassessed for the useful life of such intangible assets.

Loans receivable and accounts receivable

Loans receivable and accounts receivable are stated at their nominal value as reduced by appropriate allowance for irrecoverable amounts.

Investments

With effect from 1 January 2005, investments of the Group are classified to financial assets at fair value through profit or loss. This category comprises financial assets held for trading if they are acquired principally for the purpose of selling in short term.

Investments under this category are stated at their fair value. Unrealised gains and losses arising from changes in fair value are included in the profit and loss account in the period in which they arise.

Accounts payable

Accounts payable are stated at their nominal value.

Borrowing

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the convertible note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in the shareholders' equity, net of income tax effects.

(2) Turnover

	Unaudited six months ended 30 June 2005	2004
	HK$'000	*HK$'000*
		(restated)
Continuing operations		
Fees and commission income	95,726	124,935
Interest income	29	44
Information technology advisory income and sale of computer accessories products	–	3,561
	95,755	128,540
Discontinued operation		
Sales of furniture and household goods, net of discounts and returns	369,414	415,262
Wholesale and retailing of branded household products	4,882	2,019
	374,296	417,281

In the prior period, loss on trading of securities, options and futures was classified as one of the items in turnover. The Directors consider that it is the common practice of the industry to show the results on trading of securities, options, futures and leveraged foreign exchange contracts as other operating income or expense in the income statement in order to be more informative to the readers. Accordingly, the comparative figure of the loss on trading of securities, options, futures and leveraged foreign exchange contracts was reclassified to conform with the current period's presentation.

In addition, subsequent to completion of share placements on 6 April 2005 and 19 May 2005, the Company's interest in CRMG was reduced from 66.53% as at 31 December 2004 to 44.69% at the end of the review period. Accordingly, the retailing operation engaged by CRMG was reclassified as discontinued operation under HKFRS 5 and had not been included in the turnover for the period. The comparative figures were reclassified to conform with the current period presentation.

(3) Income statement by business and geographical segments

Business segments

For management purposes, the Group is currently organised into three main operating divisions, namely, financial services, investment holding and other. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Financial services	Broking, financing, corporate finance services and wealth management
Investment holding	Strategic investments
Other	Business solutions

Segment information about these businesses for the six months ended 30 June 2005 and 30 June 2004 is presented below:

Income statement for the six months ended 30 June 2005

	Continuing operations			
	Financial services	**Investment holding**	**Other**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	95,726	–	29	95,755
Segment (loss) profit	11,208	–	29	11,237
Net realised and unrealised loss on financial assets at fair value through profit or loss				(4,378)
Loss on deemed disposal of CRMG Group				(974)
Share of profit in associates				5,197
Unallocated corporate expense				(21,263)
Loss before taxation				(10,181)
Taxation				(150)
Loss for the period from continuing operations				(10,331)
Loss for the period from discontinued operation				(10,507)
Loss after taxation and before minority interest				(20,838)

	Continuing operations			
	Financial services	**Investment holding**	**Other**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(restated)		(restated)	(restated)
Turnover	129,975	(4,996)	3,561	128,540
Segment (loss) profit	25,368	(4,996)	(9,328)	11,044
Loss on trading of securities, options, futures and leveraged foreign exchange contracts				10,547
Unallocated corporate expense				(29,434)
Loss before taxation				(7,843)
Taxation				(250)
Loss for the period from continuing operations				(8,093)
Loss for the period from discontinued operation				(21,372)
Loss after taxation and before minority interest				(29,465)

Geographical segments

The Group's turnover and loss before taxation for both periods were substantially derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

(4) Share of profit in associates

After the issue of the subscription shares and the placing shares by CRMG respectively during the period, the Group's interest in CRMG was reduced from 66.53% as at 31 December 2004 to 44.69% at the end of the review period. CRMG has ceased to be a subsidiary of our Group and is equity accounted for by our Group as an associate company. CRMG had been the only retail business in our Group before its ceasing as a subsidiary during the period. Accordingly, the operation of CRMG had been recognised and accounted for as a discontinued operation in the accounts for the period ended 30 June 2005.

(5) Taxation

	Unaudited six months ended 30 June 2005	2004
	HK$'000	*HK$'000*
Continuing operations:		
Hong Kong Profit tax:		
Current period	150	250
Share of taxation of associates	–	–
	150	250
Discontinued operation:		
Tax for the current period	–	–

Hong Kong profits tax for both periods has been provided at the rate of 17.5% on the estimated assessable profits for the Group companies after offsetting the respective tax losses brought forward.

No deferred tax asset in respect of tax losses has been recognised in the financial statements due to the unpredictability of future taxable profit streams.

(6) Loss per share

The calculation of basic and diluted loss per share for the six months ended 30 June 2005 together with the comparative figures for 2004 is based on the following data:

	Unaudited six months ended 30 June	
	2005	**2004**
	HK$'000	*HK$'000*
Continuing operations		
Loss for the purpose of basic and diluted loss per share	(11,247)	(21,178)
Discontinued operation		
Loss for the purpose of basic loss per share	(7,515)	(14,678)
Adjustment to the share of result of a subsidiary based on dilution of its earnings per share	N/A	(3)
Loss for the purpose of diluted loss per share	(7,515)	(14,681)
Continuing and discontinued operations		
Loss for the purpose of basic loss per share	(18,762)	(35,856)
Loss for the purpose of diluted loss per share	(18,762)	(35,859)
Weighted average number of ordinary shares for the purpose of basic loss per share	437,483,827	365,483,827
Effect of dilutive potential ordinary shares assumed exercise of share options	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	437,483,827	365,483,827
Loss per share		
Continuing operations		
Basic and diluted loss per share	(2.6) cents	(5.8) cents
Discontinued operation		
Basic loss per share	(1.7) cents	(4.0) cents
Diluted loss per share	(1.7) cents	(4.0) cents
Continuing and discontinued operations		
Basic loss per share	(4.3) cents	(9.8) cents
Diluted loss per share	(4.3) cents	(9.8) cents

The calculation of diluted loss per share for the period of 2005 did not:

(i) adjust the share of result of subsidiaries as the exercise prices of the outstanding share options of the subsidiaries were higher than the average market price of the subsidiaries' shares; and

(ii) assume the exercise of the Company's outstanding share options as the exercise prices of those options were higher than the average market price of the shares.

The calculation of diluted loss per share for the period of 2004 did not:

(i) adjust the share of result of a subsidiary as the subsidiary incurred loss; and

(ii) assume the exercise of the Company's outstanding share options as their exercise would result in a reduction in loss per share.

(7) Discontinued operation

Please refer to note 4 above of share of profit in associates for details.

The loss for the period from discontinued operation is analysed as follows:

		Unaudited five months ended 31 May 2005	**Unaudited six months ended 30 June 2004**
		HK$'000	*HK$'000*
Loss of discontinued operation for the period		(10,507)	(21,372)
Profit on deemed disposal of discontinued operation	*Note*	373	–
		(10,134)	(21,372)

The results of the discontinued operation for the interim reporting period are as follows:

	Unaudited five months ended 31 May 2005	**Unaudited six months ended 30 June 2004**
	HK$'000	*HK$'000*
Revenue	374,296	417,281
Cost of sales	(248,565)	(265,885)
Other operating, administrative and selling expenses	(123,963)	(156,933)
Depreciation and amortisation	(10,019)	(14,351)
Finance costs	(2,256)	(1,484)
Loss before taxation	(10,507)	(21,372)
Taxation	–	–
Loss for the period	(10,507)	(21,372)

Note: The profit on deemed disposal of discontinued operation is calculated as follows:

	At 31 May 2005 (Unaudited)		
	HK$'000	**The Group's interest**	*HK$'000*
The net assets of CRMG at the date of deemed disposal	162,999	59.17%	96,447
The net assets of CRMG after the date of the deemed disposal	235,735	44.69%	105,350
			8,903
Less: Attributable goodwill to the deemed disposal			(8,530)
Profit on deemed disposal			373
Net cash outflow arising from deemed disposal			98,569

The loss on deemed disposal of CRMG Group of approximately HK$974,000 included the loss on deemed disposal of approximately HK$1,347,000 upon completion of subscription of 83,000,000 new shares in CRMG in April 2005 and the profit on deemed disposal of approximately HK$373,000 (as shown above) upon completion of the placement of 223,000,000 new shares of CRMG in May 2005.

(8) Accounts receivable

	30 June 2005 (Unaudited) *HK$'000*	31 December 2004 (Audited) *HK$'000*
Accounts receivable arising from the business of dealing in securities and equity options:		
Clearing houses, brokers and dealers	80,561	16,168
Cash clients	45,101	86,935
Margin clients	192,644	183,287
Accounts receivable arising from the business of dealing in futures and options:		
Clearing houses, brokers and dealers	81,484	72,989
Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products	3,470	3,302
Accounts receivable arising from the business of provision of corporate finance services	2,000	510
Trade debtors	–	1,856
	405,260	365,047

The settlement terms of accounts receivable arising from the business of dealing in securities and equity options are two days after trade date, and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

Except for the loans to margin clients as mentioned below, all the accounts receivable arising from the businesses of dealing in securities and equity options aged within 30 days.

Loans to margin clients are secured by clients' pledged securities, repayable on demand and bear interest at commercial rates. 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.

Included in accounts receivable from margin clients arising from the business of dealing in securities is an amount due from an entity in which Kwan Pak Hoo Bankee has a beneficial interest and is a Director. Details of the amount due from the entity are as follows:

Name of company	**Balance at 30.06.2005**	**Balance at 31.12.2004**	**Maximum amount outstanding during the period**
	HK$'000	*HK$'000*	*HK$'000*
Cash Guardian Limited ("Cash Guardian")	10,405	10,178	10,504

The above balances are secured by pledged securities and repayable on demand, and bear interest at commercial rates which are similar to the rates offered to other margin clients.

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

	30 June 2005 (Unaudited)	**31 December 2004 (Audited)**
	HK$'000	*HK$'000*
0-30 days	3,369	4,167
31-60 days	1,751	619
61-90 days	50	307
Over 90 days	300	575
	5,470	5,668

(9) Accounts payable

	30 June 2005 (Unaudited) *HK$'000*	31 December 2004 (Audited) *HK$'000*
Accounts payable arising from the business of dealing in securities and equity options:		
Cash clients	271,960	353,113
Margin clients	47,912	64,168
Clearing houses, brokers and dealers	–	39,875
Accounts payable to clients arising from the business of dealing in futures and options	141,276	156,151
Accounts payable to clients arising from the business of dealing in leveraged foreign exchange contracts	2,526	3,599
Trade creditors	41,290	168,084
	504,964	784,990

The settlement terms of accounts payable arising from the business of dealing in securities are two days after trade date. Except for the amounts payable to margin clients, the age of these balances is within 30 days.

Amounts due to margin clients are repayable on demand. 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.

Accounts payable to clients arising from the business of dealing in futures, options and leveraged foreign exchange contracts are margin deposits received from clients for their trading of these contracts. 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, the aged analysis does not give additional value in view of the nature of these businesses.

The aged analysis of trade creditors at the balance sheet date is as follows:

	30 June 2005 (Unaudited) *HK$'000*	31 December 2004 (Audited) *HK$'000*
0-30 days	10,950	94,520
31-60 days	11,630	40,880
61-90 days	–	21,203
Over 90 days	18,710	11,481
	41,290	168,084

(10) Share capital

	Number of shares *'000*	Amount *HK$'000*
Ordinary shares of HK$0.10 each		
Authorised:		
At 1 January 2005 and 30 June 2005	1,000,000	100,000
Issued and fully paid:		
At 1 January 2005 and 30 June 2005	437,484	43,748

(11) Financial liability of a convertible note

The convertible note was issued to Abdulrahman Saad Al-Rashid & Sons Company Limited ("ARTAR"), an independent third party, by CFSG, a subsidiary of the Company. It bears interest rate of 3% per annum and will mature on 31 December 2006 or any other date mutually agreed between the CFSG Group and ARTAR. The holder of the note does not have the right to demand for repayment of any principal amount of the note prior to its maturity and the accrued interest of the note prior to interest payment date, and is not entitled to vote at general meeting of CFSG. CFSG has the right to repay early part or all of the amount and the accrued interest of the note at any time prior to the maturity date.

The effective interest rate of the liability component is close to then prevailing cost of funds in our financing business.

(12) Interests in associates

	30 June 2005 (Unaudited) *HK$'000*	31 December 2004 (Audited) *HK$'000*
Share of net assets	128,886	–
Loan due to an associate	(5,540)	–
	123,346	–

(13) Related party transaction

At the balance sheet date, the Group had amount due to associate companies of approximately HK$5,540,000 (31 December 2004: due to former subsidiaries of approximately HK$6,920,000), the amount was unsecured, non-interest bearing and had no fixed terms of repayment.

In addition, the Group entered into the following transactions with related parties:

		Unaudited six months ended 30 June	
	Notes	2005 *HK$'000*	2004 *HK$'000*
Directors' remuneration received	*(i)*	960	900
Rental expenses received	*(ii)*	420	456
		1,380	1,356

Notes:

(i) Directors' remuneration was paid by the associate companies to the Group based on the estimated time spent by the Directors on the management of the associate companies.

(ii) The associate companies paid rental expenses to a wholly-owned subsidiary of the Company. The charge is calculated at the effective rate charged to the wholly-owned subsidiary of the Company by the head landlord with reference to the floor area occupied by the associate companies.

(14) Post balance sheet events

(i) Pursuant to the joint announcement made by CRMG and the Company on 25 May 2005 and the circular dated 30 June 2005 issued by the Company, CRMG proposed to issue a convertible note ("Convertible Note") with nominal value of HK$108,000,000 to an independent third party, AustChina Information Techology Pyt Limited ("AustChina"). The Convertible Note will bear zero coupon and has maturity date on 31 August 2007. The conversion price of Convertible Note is HK$0.45 (subject to adjustment) and can be exercisable after the expiry of 6 months from the issue date of the Convertible Note.

On 30 June 2005, such proposal was subjected to the conditions as set out in the circular dated 30 June 2005.

On 20 July 2005, all the conditions were fulfilled and the Convertible Note was then issued by CRMG on 15 August 2005.

(ii) Pursuant to the announcement made by CRMG on 26 August 2005, the CRMG Group entered into following two agreements on 24 August 2005:

(a) a sale and purchase agreement ("S&P Agreement") with Mr Qian Song Wen, an independent third party, as vendor ("Vendor") in relation to the proposed acquisition of all the issued shares and all shareholders' loan interest in Timecastle International Limited ("Timecastle") at a consideration of HK$500,000,000 (subject to adjustment) which will be partly settled by the issue of the New Convertible Note (as defined hereunder) and partly financed by the proceeds from the placing of the Placing Shares (as defined hereunder). Timecastle will be ultimately holding the beneficial interest in 東方銀座商業（北京）有限公司 after the reorganization as more particularly stated in the announcement; and

(b) an agreement with a placing agent in relation to the proposed issue of a maximum of 100,000,000 new shares in CRMG ("Placing Shares") at a placing price of not less than HK$0.45 per placing share to raise a new fund of HK$45 million.

A new convertible note at principal value of HK$180,000,000 ("New Convertible Note") shall be, at the completion of the S&P Agreement, issued by CRMG to the Vendor. The New Convertible Note will bear zero coupon and has maturity date on 31 December 2007. The conversion price of the New Convertible Note is HK$0.45 (subject to adjustment) and can be exercisable after the expiry of 6 months from the issue date of the New Convertible Note.

As at the date of the report, the above proposals were subjected to the conditions, including, inter alia, approval from independent shareholders at a special general meeting of CRMG to be convened and as more particularly set out in the announcement.

2. AUDITED CONSOLIDATED RESULTS OF THE GROUP

(A) Consolidated Profit and Loss Account

For the year ended 31 December

Set out below are the audited consolidated profit and loss accounts of the Group for the years ended 31 December 2002, 2003 and 2004 extracted from the audited financial statements of the Group for the relevant years.

		2004	2003	2002
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
			(restated)	(restated)
Turnover	*4*	1,124,389	1,033,831	1,102,628
Other operating income		11,599	22,634	–
Reversal of impairment loss previously recognised in respect of property and equipment		–	900	–
Cost of sales		(598,895)	(541,246)	(572,018)
Salaries, allowances and commission	*6*	(234,776)	(204,697)	(236,810)
Other operating, administrative and selling expenses		(339,682)	(316,525)	(380,168)
Depreciation and amortisation		(53,674)	(55,946)	(61,834)
Loss on trading of securities, options, futures and leveraged foreign exchange contracts		(23,789)	(5,560)	(5,600)
Finance costs	*7*	(11,398)	(7,593)	(5,162)
Allowance for bad and doubtful debts		(7,630)	(1,073)	(95,687)
Impairment loss recognised in respect of investments		(15,500)	–	(57,000)
Impairment loss recognised in respect of goodwill	*16*	(10,000)	–	(27,209)
Impairment loss recognised in respect of property and equipment	*13*	(2,060)	–	(64,153)
Impairment loss recognised in respect of goodwill held in reserves		–	(300)	–
Impairment loss recognised in respect of club membership		–	–	(1,330)

	Notes	2004 HK$'000	2003 HK$'000 (restated)	2002 HK$'000 (restated)
		(161,416)	(75,575)	(404,343)
Gain on expiry of warrants		–	–	59,573
Write back of loan to an associate		–	24,600	(219,828)
Loss before taxation	*10*	(161,416)	(50,975)	(564,598)
Taxation	*11*	(356)	(134)	1,779
Loss before minority interests		(161,772)	(51,109)	(562,819)
Minority interests		17,606	(520)	122,236
Net loss attributable to shareholders		(144,166)	(51,629)	(440,583)
Loss per share	*12*			
– Basic		HK$(0.37)	HK$(0.15)	HK$(1.41)
– Diluted		HK$(0.37)	HK$(0.15)	HK$(1.41)

(B) Consolidated Balance Sheet

At 31 December

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Non-current assets				
Property and equipment	13	149,120	134,072	190,301
Investments	15	10,800	15,500	–
Goodwill	16	57,199	70,808	55,260
Intangible assets	17	9,092	10,922	12,752
Other assets	18	13,346	21,504	31,191
Loans receivable	19	19,334	–	2,217
		258,891	252,806	291,721
Current assets				
Inventories	20	59,013	61,295	65,391
Accounts receivable	21	365,047	497,728	172,591
Loans receivable	19	20,623	700	1,200
Prepayments, deposits and other receivables		44,020	79,041	77,271
Investments	15	64,700	61,200	52,534
Taxation recoverable		–	6	6
Bank deposits under conditions	22	52,784	36,565	26,890
Bank balances – trust and segregated accounts		433,156	382,056	285,020
Bank balances (general accounts) and cash		236,147	245,924	257,651
		1,275,490	1,364,515	938,554

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Current liabilities				
Accounts payable	23	784,990	739,479	490,026
Accrued liabilities and other payables		97,901	72,647	84,515
Taxation payable		729	513	279
Obligations under finance leases – amount due within one year	24	93	504	681
Bank borrowings – amount due within one year	25	181,777	322,442	205,542
		1,065,490	1,135,585	781,043
Net current assets		210,000	228,930	157,511
		468,891	481,736	449,232
Capital and reserves				
Share capital	26	43,748	36,548	30,548
Reserves	27	176,091	304,352	345,257
		219,839	340,900	375,805
Minority interests		167,100	121,210	72,674
Non-current liabilities				
Bank borrowings – amount due after one year	25	41,452	19,500	–
Convertible notes	28	40,500	–	–
Obligations under finance leases – amount due after one year	24	–	126	753
		81,952	19,626	753
		468,891	481,736	449,232

(C) Balance Sheet

At 31 December 2004

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Non-current assets				
Property and equipment	13	552	1,320	2,619
Investments in subsidiaries	14	–	–	–
		552	1,320	2,619
Current assets				
Prepayments, deposits and other receivables		1,928	1,928	2,214
Amounts due from subsidiaries		216,506	336,456	370,316
Bank balances and cash		63	9	66
		218,497	338,393	372,596
Current liabilities				
Accrued liabilities and other payables		640	340	340
Net current assets		217,857	338,053	372,256
		218,409	339,373	374,875
Capital and reserves				
Share capital	26	43,748	36,548	30,548
Reserves	27	174,661	302,825	344,327
		218,409	339,373	374,875

(D) Consolidated Statement of Changes in Equity

For the year ended 31 December

	Total Equity
	HK$'000
At 1 January 2002	902,571
Issue of shares due to exercise of warrants	109
Repurchase of shares	(26,719)
Gain on expiry of warrants recognised in the income statement	(59,573)
Net loss for the year	(440,583)
At 31 December 2002 and 1 January 2003	375,805
Impairment loss recognised in the income statement in respect of goodwill held in reserves	300
Issue of new shares	16,500
Share issue expenses	(76)
Net loss for the year	(51,629)
At 31 December 2003 and 1 January 2004	340,900
Issue of new shares	23,760
Share issue expenses	(655)
Net loss for the year	(144,166)
At 31 December 2004	219,839

(E) Consolidated Cash Flow Statement

For the year ended 31 December

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Operating activities				
Loss before taxation		(161,416)	(50,975)	(564,598)
Adjustments for:				
Advertising and telecommunication services expenses	29	11,213	13,269	5,746
Allowance for bad and doubtful debts		7,630	1,073	95,687
Allowance for inventory obsolescence and write-off of inventories		19,041	7,195	4,990
Allowance for loan to an associate		–	–	219,828
Amortisation of intangible assets		1,830	1,830	1,830
Amortisation of goodwill		6,928	4,351	6,135
Depreciation and amortisation of property and equipment		44,916	49,765	53,869
Deemed gain on partial disposal of interest in Pricerite Group Limited ("Pricerite")		(769)	–	–
Dividends from investments		(1,015)	–	–
Gain on partial disposal of interest in CASH Financial Services Group Limited ("CFSG")		–	(6,321)	–
Gain on expiry of warrants		–	–	(59,573)
Impairment loss recognised in respect of goodwill held in reserves		–	300	–
Impairment loss recognised in respect of club memberships		–	–	1,330
Impairment loss recognised in respect of investments		15,500	–	57,000

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Impairment loss recognised in respect of goodwill		10,000	–	27,209
Impairment loss recognised in respect of property and equipment		2,060	–	64,153
Reversal of impairment loss previously recognised in respect of property and equipment		–	(900)	–
Interest expenses		11,398	7,593	5,162
Loss on disposal of property and equipment		4,746	1,941	6,081
Operating cashflow before movements in working capital		(27,938)	29,121	(75,151)
Increase in inventories		(16,759)	(3,099)	(16,398)
Decrease (Increase) in accounts receivable		131,457	(324,054)	72,514
(Increase) Decrease in loans receivable		(38,118)	1,644	13,779
Decrease (Increase) in prepayments, deposits and other receivables		26,022	(5,808)	24,208
Increase in investments		(3,500)	(8,666)	(19,032)
Decrease (Increase) in bank balances – trust and segregated accounts		(51,100)	(97,036)	77,614
Increase (Decrease) in accounts payable		45,511	249,453	(58,020)
Increase (Decrease) in accrued liabilities and other payables		25,254	(16,858)	(21,707)
Cash from (used in) operations		90,829	(175,303)	(2,193)
Hong Kong Profits Tax paid		(134)	–	(12)
Hong Kong Profits Tax refunded		–	–	166
Dividends received		1,015	–	–
Interest paid		(11,376)	(7,550)	(5,162)
Net cash from (used in) operating activities		80,334	(182,853)	(7,201)

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Investing activities				
Additional payment for acquisition of a subsidiary	*16(ii)*	(1,400)	–	–
Expenses paid for subscription of CFSG's rights shares		(800)	–	–
Proceeds from disposal of property and equipment		381	15,825	22,333
Purchase of property and equipment		(67,151)	(9,918)	(58,593)
Purchase of investments		(10,800)	(15,500)	–
Statutory and other deposits (paid) refunded		(1,601)	363	4,100
Acquisitions of subsidiaries (net of cash and cash equivalents acquired)		–	(2,706)	(40,600)
Loan to an associate		–	–	(55,362)
Decrease in club memberships		–	329	–
Proceeds from partial disposal of interest in CFSG		–	12,335	–
Net cash (used in) from investing activities		(81,371)	728	(128,122)
Financing activities				
(Decrease) Increase in trust receipt loans		(3,782)	8,444	34,197
(Increase) Decrease in bank deposits under conditions		(16,219)	(9,675)	16,855
(Decrease) Increase in bank loans		(86,603)	136,600	(51,100)
(Decrease) Increase in bank overdrafts		(28,328)	(8,644)	66,856
Repayments of obligations under finance leases		(537)	(804)	(2,544)
Proceeds on issue of convertible notes		40,500	–	–
Proceeds on issue of shares		23,760	16,500	109
Share issue expenses		(655)	(76)	–
Contributions from minority shareholders		66,476	30,642	–

	Notes	2004 HK$'000	2003 HK$'000	2002 HK$'000
Repurchase of shares		–	–	(26,719)
Interest paid on obligations under finance leases		(22)	(43)	(173)
Share issue expenses paid by CFSG and Pricerite		(3,330)	(2,546)	–
Net cash (used in) from financing activities		(8,740)	170,398	37,654
Net decrease in cash and cash equivalents		(9,777)	(11,727)	(97,669)
Cash and cash equivalents at beginning of year		245,924	257,651	355,320
Cash and cash equivalents at end of year		236,147	245,924	257,651
Being:				
Bank balances and cash		236,147	245,924	257,651

(F) Notes to the Financial Statements

1. General

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on The Stock Exchange of Hong Kong Limited ("Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 14.

2. Potential impact arising from the recently issued accounting standards

In 2004, the Hong Kong Institute of Certified Public Accountants ("HKICPA") issued a number of new and revised Hong Kong Accounting Standards ("HKASs") and Hong Kong Financial Reporting Standards ("HKFRSs") (herein collectively referred to as the "New HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005. The Group has not early adopted these New HKFRSs in the financial statements for the year ended 31 December 2004.

The Group has commenced considering the potential impact of these New HKFRSs. Based on management's preliminary assessment, the adoption of HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets" in the annual period beginning on 1 January 2005 will result in cessation of amortisation of goodwill to the income statement. Pursuant to HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets", goodwill is to be recognised as an asset and reviewed for impairment at least annually and any impairment is recognised immediately in the income statement while the Group's current policy is to amortise goodwill on a straight-line basis over its useful economic life. During the year ended 31 December 2004, the amortisation of goodwill charged to the income statement amounted to approximately HK$6,928,000.

Management is still considering the potential impact of other New HKFRSs but is not yet in a position to determine whether other New HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. Other New HKFRSs may result in changes on how the results and financial position are prepared and presented in future.

3. Significant accounting policies

The financial statements have been prepared under the historical cost convention, as modified for the revaluation of investments in securities, and in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 December each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition.

Goodwill arising on acquisitions prior to 1 January 2001 continues to be held in reserves, and will be charged to the income statement at the time of disposal of the relevant subsidiary, or at such time as the goodwill is determined to be impaired.

Goodwill arising on acquisitions after 1 January 2001 is capitalised and amortised on a straight-line basis over its useful economic life. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet as a separate intangible asset.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

Property and equipment

Property and equipment are stated at cost less depreciation and amortisation, and accumulated impairment losses, if any.

Depreciation and amortisation are provided to write off the cost of items of property and equipment over their estimated useful lives after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Leasehold land	Over the lease terms
Buildings	20 years
Leasehold improvements	The shorter of the lease terms and 5 years
Furniture, fixtures and equipment	3 to 5 years
Motor vehicles	3 years

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership of the assets concerned to the Group. Assets held under finance leases are capitalised at their fair values at the date of acquisition. The corresponding liability to the lessor, net of interest charges, is included in the balance sheet as a finance lease obligation. Finance costs, which represent the difference between the total leasing commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

All other leases are classified as operating leases and the annual rentals are charged to the income statement on a straight-line basis over the relevant lease term.

Investments

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose, are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year.

Intangible assets

Intangible assets are included in the balance sheet at cost and amortised on a straight-line basis over their estimated useful lives.

Club memberships

Club memberships are stated at cost less any identified impairment loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs to completion and costs to be incurred in marketing, selling and distribution.

Revenue recognition

Sales of goods are recognised when goods are delivered and title has passed.

Fees and commission income are recognised on a trade date basis when the services are rendered.

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

Realised profits and losses arising from trading of financial products, including equities, futures and option contracts as well as leveraged foreign exchange contracts which are not for hedging purposes, are accounted for in the period in which the contracts/positions are closed as the difference between the net sales proceeds and the carrying amount of the financial products. Open contracts/positions are valued at market rate with unrealised profits and losses included in the income statement.

Dividend income from investment is recognised when the shareholders' rights to receive payment have been established.

Information technology advisory income is recognised when the services are rendered.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items of income or expense that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates ruling on the balance sheet date. Profits and losses arising on exchange are dealt with in the income statement.

On consolidation, the assets and liabilities of the Group's operations outside Hong Kong are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rate for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's reserves. Such translation differences are recognised as an income or as an expense in the period in which the operation is disposed of.

Retirement benefits costs

Payments to the Group's retirement benefits schemes are charged as an expense as they fall due.

4. Turnover

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
		(restated)
Sales of furniture and household goods, net of discounts and returns	884,339	842,063
Fees and commission income	210,729	173,610
Interest income	29,321	17,404
Information technology advisory income	–	754
	1,124,389	1,033,831

In previous years, loss on trading of securities, options, futures and leveraged foreign exchange contracts was classified as one of the items in turnover. The Directors consider that it is the common practice of the industry to show the results on trading of securities, options, futures and leveraged foreign exchange contracts as other operating income or expense in the income statement in order to be more informative to the readers. Accordingly, the comparative figure of the loss on trading of securities, options, futures and leveraged foreign exchange contracts was reclassified to conform with the current year's presentation.

5. Business and geographical segments

Business segments

For management purposes, the Group is currently organised into four main operating divisions, namely, financial services, retailing, investment holding and others. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Financial services	Broking, financing, corporate finance services and wealth management
Retailing	Sales of furniture and household goods
Investment holding	Strategic investments
Others	Brand management and business solutions

Income statement for the year ended 31 December 2004

	Financial services *HK$'000*	Retailing *HK$'000*	Investment holding *HK$'000*	Others *HK$'000*	Consolidated *HK$'000*
Turnover	239,972	873,398	5	11,014	1,124,389
Segment profit (loss)	20,038	(90,472)	(15,495)	(25,715)	(111,644)
Unallocated corporate expenses					(49,772)
Loss before taxation					(161,416)
Taxation					(356)
Loss after taxation and before minority interests					(161,772)

Balance sheet as at 31 December 2004

	Financial services	**Retailing**	**Investment holding**	**Others**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Segment assets	1,039,186	438,611	10,800	5,002	1,493,599
Unallocated corporate assets					40,782
Consolidated total assets					1,534,381
LIABILITIES					
Segment liabilities	788,527	265,017	–	2,604	1,056,148
Unallocated corporate liabilities					91,294
Consolidated total liabilities					1,147,442

Other information for the year ended 31 December 2004

	Financial services	**Retailing**	**Investment holding**	**Others**	**Unallocated**	**Consolidated**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Additions of property and equipment	7,137	20,026	–	608	39,380	67,151
(Write back of) Allowance for bad and doubtful debts	(1,139)	6,269	–	–	2,500	7,630
Depreciation and amortisation	21,653	27,658	–	170	4,193	53,674
Impairment losses	–	12,060	15,500	–	–	27,560
Loss on disposal of property and equipment	7	4,646	–	93	–	4,746

Income statement for the year ended 31 December 2003

	Financial services *HK$'000*	**Retailing** *HK$'000*	**Investment holding** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
Turnover (restated)	191,102	836,006	150	6,573	1,033,831
Segment profit (loss)	9,988	(36,467)	24,450	(9,882)	(11,911)
Unallocated corporate expenses					(39,064)
Loss before taxation					(50,975)
Taxation					(134)
Loss after taxation and before minority interests					(51,109)

Balance sheet as at 31 December 2003

	Financial services *HK$'000*	**Retailing** *HK$'000*	**Investment holding** *HK$'000*	**Others** *HK$'000*	**Consolidated** *HK$'000*
ASSETS					
Segment assets	1,067,201	515,679	15,500	2,827	1,601,207
Unallocated corporate assets					16,114
Consolidated total assets					1,617,321
LIABILITIES					
Segment liabilities	805,249	284,629	–	15,703	1,105,581
Unallocated corporate liabilities					49,630
Consolidated total liabilities					1,155,211

Other information for the year ended 31 December 2003

	Financial services HK$'000	Retailing HK$'000	Investment holding HK$'000	Others HK$'000	Unallocated HK$'000	Consolidated HK$'000
Additions of property and equipment	782	9,544	–	66	10	10,402
Allowance for bad and doubtful debts	1,073	–	–	–	–	1,073
Depreciation and amortisation	21,354	32,758	–	173	1,661	55,946
Impairment loss recognised in respect of goodwill held in reserves	–	–	300	–	–	300
Loss on disposal of property and equipment	1,364	577	–	–	–	1,941

Geographical segments

The Group's turnover and loss before taxation for both years are substantially derived from Hong Kong. Accordingly, no analysis by geographical segment is presented.

6. Salaries, allowances and commission

	THE GROUP 2004 HK$'000	2003 HK$'000
Salaries, allowances and commission represents the amounts paid and payable to the Directors and employees and comprises of:		
Salaries, allowances and commission	226,947	199,165
Contributions to retirement benefits schemes	7,829	5,532
	234,776	204,697

7. Finance costs

	THE GROUP 2004 HK$'000	2003 HK$'000
Interest on:		
Bank overdrafts and loans wholly repayable within five years	11,376	7,550
Finance leases	22	43
	11,398	7,593

8. Directors' remuneration

	THE GROUP 2004 HK$'000	2003 HK$'000
Fees:		
Executive Directors	–	–
Independent non-executive Directors	200	200
Other remuneration paid to Executive Directors:		
Salaries, allowances and other benefits	10,073	7,376
Contributions to retirement benefits schemes	362	315
Total remuneration	10,635	7,891

The remuneration of the Directors fell within the following bands:

	THE GROUP 2004 *Number of Directors*	2003 *Number of Directors*
HK$1,000,000 or less	7	8
HK$1,000,001 to HK$1,500,000	2	3
HK$1,500,001 to HK$2,000,000	1	–
HK$3,000,001 to HK$3,500,000	1	–
	11	11

During the year, no remuneration was paid by the Group to the Directors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors has waived any remuneration during the year.

9. Employees' remuneration

The five highest paid employees included two (2003: one) Directors of the Company, details of whose remuneration is set out in note 8 above. The details of the remuneration of the remaining three (2003: four) individuals are as follows:

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Salaries, allowances and benefits in kind	4,301	5,597
Contributions to retirement benefits schemes	118	219
Performance related incentive payments	182	–
	4,601	5,816

Their remuneration were within the following band:

	2004	**2003**
	Number of employees	*Number of employees*
HK$1,000,001 to HK$1,500,000	2	2
HK$1,500,001 to HK$2,000,000	1	2

10. Loss before taxation

	THE GROUP 2004 HK$'000	2003 HK$'000
Loss before taxation has been arrived at after charging (crediting):		
Advertising and promotion expenses	40,194	44,906
Allowance for inventory obsolescence and write-off of inventories (included in cost of sales)	19,041	7,195
Amortisation of intangible assets (included in depreciation and amortisation)	1,830	1,830
Amortisation of goodwill (included in depreciation and amortisation)	6,928	4,351
Auditors' remuneration	2,680	2,400
Depreciation and amortisation of property and equipment		
Owned assets	44,558	49,370
Leased assets	358	395
	44,916	49,765
Loss on disposal of property and equipment	4,746	1,941
Operating lease rentals in respect of land and buildings		
Minimum lease payments	125,912	126,133
Contingent rents	3,233	2,390
	129,145	128,523
Net foreign exchange gain	(3,560)	(8,339)
Dividends from investments	(1,015)	–
Deemed gain on partial disposal of interest in Pricerite	(769)	–
Gain on partial disposal of interest in CFSG	–	(6,321)

11. Taxation

	THE GROUP 2004 HK$'000	2003 HK$'000
Hong Kong Profits Tax:		
Provision for the year	350	134
Underprovision in prior year	6	–
	356	134

Hong Kong Profits Tax is calculated at 17.5% on the estimated assessable profits for both years.

The taxation charge for the year can be reconciled to the loss before taxation per the consolidated income statement as follows:

	2004	2003
	HK$'000	*HK$'000*
Loss before taxation	(161,416)	(50,975)
Taxation at income tax rate of 17.5%	(28,248)	(8,921)
Tax effect of estimated tax losses not recognised	16,385	15,115
Tax effect of expenses not deductible for tax purpose	17,745	5,402
Tax effect of income not taxable for tax purpose	(988)	(6,080)
Tax effect of utilisation of estimated tax losses previously not recognised	(4,532)	(6,101)
Underprovision of taxation in prior years	6	–
Others	(12)	719
Taxation charge for the year	356	134

The following are the major deferred tax liabilities and assets recognised and the movements thereon during the current and the prior reporting years:

	Accelerated tax depreciation	Estimated tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2003	(8,572)	8,572	–
Credit (Charge) to income statement	4,786	(4,786)	–
Effect of change in tax rate	(803)	803	–
At 31 December 2003 and 1 January 2004	(4,589)	4,589	–
Credit (Charge) to income statement	95	(95)	–
At 31 December 2004	(4,494)	4,494	–

For the purpose of balance sheet presentation, certain deferred tax assets and liabilities have been offset in accordance with the conditions set out in Statement of Standard Accounting Practice 12 (Revised).

At the balance sheet date, the Group has unused estimated tax losses of HK$587,250,000 (2003: HK$520,070,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK$25,680,000 (2003: HK$26,223,000) of such losses. No deferred tax asset has been recognised in respect of the remaining estimated tax losses HK$561,570,000 (2003: HK$493,847,000) due to the unpredictability of future profit streams.

12. Loss per share

The calculation of basic and diluted loss per share for the year ended 31 December 2004 together with the comparative figures for 2003 is based on the following data:

	2004 *HK$'000*	**2003** *HK$'000*
Loss for the purposes of basic and diluted loss per share	(144,166)	(51,629)
Weighted average number of ordinary shares for the purpose of basic loss per share	384,959,237	340,333,142
Effect of dilutive potential ordinary shares assumed exercise of share options	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted loss per share	384,959,237	340,333,142

The calculation of diluted loss per share for the both years did not:

(i) adjust the share of result of subsidiaries as the exercise prices of the outstanding share options of the subsidiaries were higher than the average market price of the subsidiaries' shares; and

(ii) assume the exercise of the Company's outstanding share options as the exercise prices of those options were higher than the average market price of the shares.

13. Property and equipment

	Leasehold land and buildings *HK$'000*	Construction in progress *HK$'000*	Leasehold improve-ments *HK$'000*	Furniture, fixtures and equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
THE GROUP						
COST						
At 1 January 2004	55,000	10,000	96,970	186,388	3,360	351,718
Additions	39,380	–	9,863	17,908	–	67,151
Disposals	–	–	(12,848)	(11,248)	(220)	(24,316)
At 31 December 2004	94,380	10,000	93,985	193,048	3,140	394,553
ACCUMULATED DEPRECIATION AND AMORTISATION AND IMPAIRMENT						
At 1 January 2004	21,668	10,000	53,888	131,136	954	217,646
Provided for the year	3,197	–	18,079	22,497	1,143	44,916
Impairment loss recognised in the income statement	–	–	899	1,161	–	2,060
Eliminated on disposals	–	–	(10,214)	(8,892)	(83)	(19,189)
At 31 December 2004	24,865	10,000	62,652	145,902	2,014	245,433
NET BOOK VALUES						
At 31 December 2004	69,515	–	31,333	47,146	1,126	149,120
At 31 December 2003	33,332	–	43,082	55,252	2,406	134,072

During the year, the Directors reassessed the recoverable amount of the property and equipment of those shops of which their tenancy agreements would be expired in 2005 and would not be renewed and recognised an impairment loss of approximately HK$2,060,000 (2003: nil).

The leasehold land and buildings of the Group are situated in Hong Kong and under medium-term leases.

The leasehold land and buildings with a net book value of approximately HK$65,705,000 (2003: HK$29,425,000) held by the Group were pledged to secure general banking facilities granted to the Group.

The net book values of furniture, fixtures and equipment of HK$47,146,000 and motor vehicles of HK$1,126,000 included an amount of HK$83,000 (2003: HK$142,000) and HK$334,000 (2003: HK$772,000) respectively in respect of assets held under finance leases.

	Leasehold improvements	Furniture, fixtures and equipment	Total
	HK$'000	*HK$'000*	*HK$'000*
THE COMPANY			
COST			
At 1 January 2004 and 31 December 2004	8,426	11,130	19,556
ACCUMULATED DEPRECIATION			
At 1 January 2004	7,106	11,130	18,236
Provided for the year	768	–	768
At 31 December 2004	7,874	11,130	19,004
NET BOOK VALUES			
At 31 December 2004	552	–	552
At 31 December 2003	1,320	–	1,320

14. Investments in subsidiaries

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Unlisted shares, at cost	60,793	60,793
Impairment loss recognised	(60,793)	(60,793)
	–	–

The following table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

Name	Place of incorporation	Paid up issued share capital	Proportion of nominal value of issued share capital held by the Company %	Principal activities
CFSG	Bermuda	Ordinary HK$75,455,644	51.27	Investment holding
CASH E-Trade Limited	Hong Kong	Ordinary HK$4,000,000	51.27	Provision of management services
CASH Payment Services Limited	Hong Kong	Ordinary HK$2	51.27	Provision of payment gateway services
Celestial Capital Limited	Hong Kong	Ordinary HK$22,000,000	51.27	Provision of corporate finance services
Celestial Commodities Limited	Hong Kong	Ordinary HK$10,000,000	51.27	Futures and options broking and trading
Celestial Investments (HK) Limited	Hong Kong	Ordinary HK$2	51.27	Money lending
Celestial Securities Limited ("CSL")	Hong Kong	Ordinary HK$120,000,000	51.27	Securities, equity options broking and trading and provision of share margin financing
icoupon Limited	British Virgin Islands	Ordinary US$1	51.27	Investment holding
CASH Frederick Taylor Limited ("CASH Frederick Taylor")	Hong Kong	Ordinary* HK$1,000,000	35.89	Financial advisory consultancy

Name	Place of incorporation	Paid up issued share capital	Proportion of nominal value of issued share capital held by the Company %	Principal activities
Pricerite	Bermuda	Ordinary HK$13,333,856	66.53	Investment holding
Pricerite Stores Limited ("PSL")	Hong Kong	Ordinary HK$5,001,000	66.53	Retailing of furniture and household goods
Pricerite.com.hk Limited	Hong Kong	Ordinary HK$2	66.53	Retailing of furniture and household goods through a website
3C Digital Limited ("3C")	Hong Kong	Ordinary** HK$100	39.92	Retailing of digital products and electrical appliances
Cosmos Global Limited	Hong Kong	Ordinary HK$2	66.53	Wholesale and retailing of branded household products
E-Tailer Holding Limited	British Virgin Islands	Ordinary US$1	66.53	Trading of securities

* *The Group holds a 35.89% effective interest in CASH Frederick Taylor and controls a 51.27% of voting power at general meetings of CASH Frederick Taylor through the 51.27% interest in CFSG.*

** *The Group holds a 39.92% effective interest in 3C and controls a 60% of voting power at general meeting of 3C through the 66.53% interest in Pricerite.*

The principal place of operation of the subsidiaries is in Hong Kong. All the subsidiaries shown above are indirectly held by the Company.

15. Investments

	THE GROUP					
	Investment securities		**Other investments**		**Total**	
	2004	**2003**	**2004**	**2003**	**2004**	**2003**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Equity securities:						
Non-current						
Unlisted, at cost	312,200	317,000	–	–	312,200	317,000
Impairment loss recognised	(301,400)	(301,500)	–	–	(301,400)	(301,500)
	10,800	15,500	–	–	10,800	15,500
Current						
Listed in Hong Kong, at market value	–	–	64,700	61,200	64,700	61,200
	10,800	15,500	64,700	61,200	75,500	76,700

16. Goodwill

	THE GROUP
	HK$'000
COST	
At 1 January 2004	111,500
Arising on additional payment for acquisition of a subsidiary *(note (ii))*	1,400
Arising on subscription of CFSG's rights shares	1,919
At 31 December 2004	114,819
AMORTISATION AND IMPAIRMENT	
At 1 January 2004	40,692
Charged for the year	6,928
Impairment loss recognised *(note (iii))*	10,000
At 31 December 2004	57,620
NET BOOK VALUES	
At 31 December 2004	57,199
At 31 December 2003	70,808

Notes:

(i) The amortisation period adopted for goodwill is from 3 to 20 years.

(ii) Pursuant to the sales and purchase agreement relating to the sale and purchase of 700,000 shares in the issued capital of CASH Frederick Taylor (formerly known as Frederick Taylor International Financial Services Limited) entered into between the Group and the vendors dated 1 July 2003, the Group undertook to pay the vendors an additional amount of HK$1,400,000 if certain conditions could be fulfilled in 2004. As these conditions were fulfilled, the Group paid a total amount of HK$1,400,000 to the vendors. Accordingly, the consideration for the acquisition of CASH Frederick Taylor was adjusted.

(iii) Due to continuous losses incurred by the subsidiaries principally engaging in wholesale and retailing of furniture and household goods, the Directors reassessed the recoverable amount of the goodwill arising on acquisition of these subsidiaries and recognised an impairment loss of approximately HK$10,000,000 which was determined with reference to the estimated amount obtainable from the sale of these subsidiaries less cost of disposal.

17. Intangible assets

	THE GROUP *HK$'000*
COST	
At 1 January 2004 and 31 December 2004	18,235
AMORTISATION	
At 1 January 2004	7,313
Charged for the year	1,830
At 31 December 2004	9,143
NET BOOK VALUES	
At 31 December 2004	9,092
At 31 December 2003	10,922

Intangible assets represent trading rights in the exchanges in Hong Kong and are amortised over 10 years.

18. Other assets

	THE GROUP 2004 HK$'000	THE GROUP 2003 HK$'000
Club memberships	3,929	3,929
Statutory and other deposits	6,617	5,016
Prepayment for advertising and telecommunication services	8,531	19,744
Less: Prepayment for advertising and telecommunication services classified as a current asset and included in prepayments, deposits and other receivables	(5,731)	(7,185)
	13,346	21,504

19. Loans receivable

The maturity of the loans receivable is as follows:

	THE GROUP 2004 HK$'000	THE GROUP 2003 HK$'000
Matured within 180 days	17,039	700
Matured between 181 days to 365 days	3,584	–
Matured within one year	20,623	700
Matured over one year	19,334	–
	39,957	700

Loans receivable with an aggregate carrying value of approximately HK$22,968,000 are secured by pledged marketable securities.

20. Inventories

	THE GROUP 2004 HK$'000	THE GROUP 2003 HK$'000
Finished goods held for sale	59,013	61,295

Finished goods of nil (2003: HK$564,000) are carried at net realisable value.

21. Accounts receivable

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Accounts receivable arising from the business of dealing in securities and equity options:		
Clearing houses, brokers and dealers	16,168	93,675
Cash clients	86,935	49,975
Margin clients	183,287	285,895
Accounts receivable arising from the business of dealing in futures and options:		
Clearing houses, brokers and dealers	72,989	56,045
Commission receivable from brokerage of mutual funds and insurance-linked investment plans and products	3,302	2,909
Accounts receivable arising from the business of provision of corporate finance services	510	1,058
Trade debtors	1,856	8,171
	365,047	497,728

The settlement terms of accounts receivable arising from the business of dealing in securities and equity options are two days after trade date, and accounts receivable arising from the business of dealing in futures and options are one day after trade date.

Except for the loans to margin clients as mentioned below, all the accounts receivable arising from the businesses of dealing in securities and equity options aged within 30 days.

Loans to margin clients are secured by clients' pledged securities, repayable on demand and bear interest at commercial rates. 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.

Included in accounts receivable from margin clients arising from the business of dealing in securities is an amount due from an entity in which Kwan Pak Hoo Bankee has a beneficial interest and is a Director. Details of the amount due from the entity are as follows:

Name of company	Balance at 31.12.2004	Balance at 1.1.2004	Maximum amount outstanding during the year
	HK$'000	*HK$'000*	*HK$'000*
Cash Guardian Limited ("Cash Guardian")	10,178	9,732	10,590

The above balances are secured by pledged securities and repayable on demand, and bear interest at commercial rates which are similar to the rates offered to other margin clients.

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

	2004	2003
	HK$'000	*HK$'000*
0-30 days	4,167	8,666
31-60 days	619	332
61-90 days	307	484
Over 90 days	575	2,656
	5,668	12,138

22. Bank deposits under conditions

	THE GROUP 2004	2003
	HK$'000	*HK$'000*
Other bank deposits *(Note (a))*	16,018	15,808
Pledged bank deposits *(Note (b))*	36,766	20,757
	52,784	36,565

Notes:

(a) Pursuant to a letter of undertaking given by the Group to a bank, the Group covenant to maintain deposits of not less than HK$15,000,000 (2003: HK$15,000,000) with a bank as a condition precedent to an overdraft facility granted by the bank.

(b) The Group's bank deposits of HK$36,766,000 (2003: HK$20,757,000) were pledged to banks to secure general banking facilities granted to subsidiaries.

23. Accounts payable

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Accounts payable arising from the business of dealing in securities and equity options:		
Cash clients	353,113	373,929
Margin clients	64,168	69,289
Clearing houses, brokers and dealers	39,875	–
Accounts payable to clients arising from the business of dealing in futures and options	156,151	120,644
Accounts payable to clients arising from the business of dealing in leveraged foreign exchange contracts	3,599	–
Trade creditors	168,084	175,617
	784,990	739,479

The settlement terms of accounts payable arising from the business of dealing in securities are two days after trade date. Except for the amounts payable to margin clients, the age of these balances is within 30 days.

Amounts due to margin clients are repayable on demand. 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.

Accounts payable 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 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, the aged analysis does not give additional value in view of the nature of these businesses.

The aged analysis of trade creditors at the balance sheet date is as follows:

	2004	**2003**
	HK$'000	*HK$'000*
0-30 days	94,520	63,016
31-60 days	40,880	44,563
61-90 days	21,203	42,449
Over 90 days	11,481	25,589
	168,084	175,617

24. Obligations under finance leases

	THE GROUP			
	Minimum lease payments		Present value of minimum lease payments	
	2004	2003	2004	2003
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts payable under finance leases				
Within one year	96	518	93	504
In the second to fifth year inclusive	–	128	–	126
	96	646	93	630
Less: Future finance charges	3	16	–	–
Present value of lease obligations	93	630	93	630
Less: Amount due for payment within one year			93	504
Amount due for payment after one year			–	126

The Group leased certain of its furniture, fixtures and equipment and motor vehicles under finance leases. The average lease term is 2 to 4 years. Interest rates are charged at commercial rates and fixed at the respective contract dates. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group's obligations under finance leases are secured by the lessor's charge over the leased assets and are secured by guarantees given by a subsidiary.

25. Bank borrowings

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Bank overdrafts	40,132	68,460
Bank loans	125,897	212,500
Trust receipt loans	57,200	60,982
	223,229	341,942
Unsecured	–	1,850
Secured	223,229	340,092
	223,229	341,942

The maturity profile of the above loans and overdrafts is as follows:

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
On demand or within one year	181,777	322,442
More than one year, but not exceeding two years	6,634	6,000
More than two years, but not exceeding five years	34,818	13,500
	223,229	341,942
Less: Amount due within one year shown under current liabilities	(181,777)	(322,442)
Amount due after one year	41,452	19,500

The bank borrowings bear interest at commercial rates. These borrowings are used to finance the financing business and the retail business of the Group.

At 31 December 2004, the Group's bank borrowings of HK$223,229,000 (2003: HK$340,092,000) were secured by:

(a) corporate guarantees from certain subsidiaries of the Company and the Company;

(b) marketable securities of the Group's clients (with clients' consent);

(c) pledge of the Group's certain leasehold land and buildings; and

(d) pledge of HK$36,766,000 (2003: HK$20,757,000) bank deposits.

In addition, pursuant to a letter of undertaking given by the Group to a bank, the Group covenant to maintain deposits of not less than HK$15,000,000 (2003: HK$15,000,000) with a bank as a condition precedent to an overdraft facility granted by the bank.

26. Share capital

	Notes	**Number of shares** *'000*	**Amount** *HK$'000*
Ordinary shares of HK$0.10 each			
Authorised:			
At 1 January 2003 and 1 January 2004		500,000	50,000
Increase during the year	*(a)*	500,000	50,000
At 31 December 2004		1,000,000	100,000
Issued and fully paid:			
At 1 January 2003		305,484	30,548
Issue of new shares		60,000	6,000
At 31 December 2003 and 1 January 2004		365,484	36,548
Issue of new shares	*(b)*	72,000	7,200
At 31 December 2004		437,484	43,748

Notes:

(a) Pursuant to an ordinary resolution passed on 9 February 2004, the authorised share capital of the Company was increased from HK$50,000,000 to HK$100,000,000 by the creation of an additional 500,000,000 shares of HK$0.10 each.

(b) Pursuant to an agreement dated 19 August 2004, 72,000,000 new shares of HK$0.10 each were issued to Abdulrahman Saad Al-Rashid & Sons Company Limited ("ARTAR"), an independent third party, at the subscription price of HK$0.330 per share upon completion of the agreement on 24 September 2004. The proceeds of approximately HK$23,760,000 was used as to approximately HK$20,000,000 for the development of the international business while the balance as the general working capital of the Group.

27. Reserves

	Share premium *HK$'000*	Contributed surplus *HK$'000*	General reserve *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Total *HK$'000*
THE GROUP						
At 1 January 2003	268,848	457,461	1,160	12,314	(394,526)	345,257
Impairment loss recognised in respect of goodwill	–	300	–	–	–	300
Issue of new shares	10,500	–	–	–	–	10,500
Share issue expenses	(76)	–	–	–	–	(76)
Amount transferred to write off accumulated losses	–	(441,037)	–	–	441,037	–
Net loss for the year	–	–	–	–	(51,629)	(51,629)
At 31 December 2003 and 1 January 2004	279,272	16,724	1,160	12,314	(5,118)	304,352
Issue of new shares	16,560	–	–	–	–	16,560
Share issue expenses	(655)	–	–	–	–	(655)
Net loss for the year	–	–	–	–	(144,166)	(144,166)
At 31 December 2004	295,177	16,724	1,160	12,314	(149,284)	176,091

	Share premium *HK$'000*	Contributed surplus *HK$'000*	Accumulated Losses *HK$'000*	Total *HK$'000*
THE COMPANY				
At 1 January 2003	266,810	518,554	(441,037)	344,327
Issue of new shares	10,500	–	–	10,500
Share issue expenses	(406)	–	–	(406)
Amount transferred to write off accumulated losses	–	(441,037)	441,037	–
Net loss for the year	–	–	(51,596)	(51,596)
At 31 December 2003 and 1 January 2004	276,904	77,517	(51,596)	302,825
Issue of new shares *(Note 26 (b))*	16,560	–	–	16,560
Share issue expenses	(655)	–	–	(655)
Net loss for the year	–	–	(144,069)	(144,069)
At 31 December 2004	292,809	77,517	(195,665)	(174,661)

Notes:

(a) All the reserves of the Group are attributable to the Company and its subsidiaries.

(b) The contributed surplus of the Group represents the difference between the nominal value of the share capital of the subsidiaries acquired pursuant to the group reorganisation in 1994 and the nominal value of the issued share capital of the Company issued in exchange thereof, and the net amount arising from the reduction of share premium account, capital reduction and the amounts transferred to write-off accumulated losses.

(c) The other reserve of the Group represents the reserve arising from the distribution of shares of CASH on-line Limited (now renamed CFSG) in year 2000.

(d) The contributed surplus of the Company represents the difference between the consolidated net asset value of the subsidiaries acquired in 1994 when its entire issued share capital was acquired by the Company pursuant to the group reorganisation, and the nominal amount of the Company's share issued in consideration for such acquisition, and the net amount arising from the reduction of share premium account, capital reduction and amounts transferred to write-off the accumulated losses.

(e) Under the Companies Act 1981 of Bermuda, the share premium of the Company can be used in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

(f) Under the Companies Act 1981 of Bermuda, contributed surplus is available for distribution to shareholders. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if:

(i) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the company's assets would thereby less than the aggregate of its liabilities and its issued share capital and share premium accounts.

28. Convertible notes

The convertible note was issued by CFSG and is payable to ARTAR, an independent third party. It bears interest at a rate of 3% per annum and is matured on 31 December 2006 or any other date mutually agreed between the Group and ARTAR. The holder of the note does not have the right to demand for repayment of any principal amount of the note prior to its maturity and the accrued interest of the note prior to the interest payment date, and is not entitled to vote at general meetings of CFSG. CFSG has the right to repay early part or all of the amount and the accrued interest of the note at any time prior to the maturity date. The note is transferable to persons who are not a connected person of the Group with the consent of the Group provided that such consent is not required for transfer to the wholly-owned subsidiaries of ARTAR. At 31 December 2004, the outstanding amount of the convertible note was HK$40,500,000 convertible into a total number of 150,000,000 shares of CFSG at the initial conversion price of HK$0.27 (subject to adjustment).

29. Major non-cash transactions

Pursuant to an agreement entered into between the Group and a third party, the third party agreed to procure its group companies to provide advertising and telecommunication services to the Group. The fee for these services will be used to offset the prepayment for advertising and telecommunication services which the Group paid. During the year, the Group utilised advertising and telecommunication services amounting to approximately HK$11,213,000 (2003: HK$13,269,000).

30. Contingent liabilities

(a) In prior years, Cheung Yiu Wing ("Cheung"), the former chairman and a shareholder of King Pacific International Holdings Limited ("KPI"), filed a statement of claim against the Company alleging that the Company had orally agreed to purchase from Cheung 50 million shares of KPI at a price of HK$1.90 per share and seeking relief against the Company for, inter alia, damages. No discussions had been made between the Company and Cheung in relation to any purchase or intention to purchase the said shares as claimed by Cheung and no agreement of whatever nature, oral or written, had been entered into between the Company and Cheung. The Directors do not envisage the claim by Cheung will be held valid. Accordingly, no provision was made in the financial statements.

(b) In prior year, Bates Hong Kong Limited ("Bates HK") filed a statement of claim against, inter alia, CASH Assets Limited ("CAL") and PSL, alleging that CAL and PSL had agreed to appoint Bates HK as its advertising agent with monthly retainer fee in the sum of HK$320,000 payable to Bates HK. The Company had not appointed Bates HK as its advertising agent and no agreement of whatever nature, oral or written, had been entered into among CAL, PSL and Bates HK to such effect. The Directors do not envisage the claim by Bates HK being will be held valid. Accordingly, no provision was made in the financial statements.

(c) In prior year, Bates China Limited ("Bates China") filed a statement of claim against, inter alia, CAL and Pricerite, alleging that CAL and Pricerite had agreed to appoint Bates China as its advertising agent with monthly retainer fee in the sum of HK$150,500 payable to Bates China. Pricerite had not appointed Bates China as its advertising agent and no agreement of whatever nature, oral or written, had been entered into among CAL, Pricerite and Bates China to such effect. The Directors do not envisage the claim by Bates China will be held valid. Accordingly, no provision was made in the financial statements.

(d) In prior year, Pang Po King Cannie ("Pang") filed a statement of claim against CSL, alleging that CSL, without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with CSL to buy 1,046,000 shares of Takson Holdings Limited. The subject transactions were made with knowledge and authority of Pang. The Directors do not envisage the claim by Pang will be held to be valid. Accordingly, no provision was made in the financial statements.

(e) In prior year, Chan Pit Wah ("Chan") filed a statement of damages against the PSL alleging that a forklift truck of PSL rolled over Chan's right foot and he has claimed for damages of approximately HK$1,780,000 with interest and costs thereof. During the year ended 31 December 2004, the Group made a provision of HK$570,000. No provision was made for the remaining amount as in the opinion of the legal advisor, it is not practicable at this stage to determine with certainty the amount of damages to be awarded to the plaintiff.

(f) During the year, Innovision Products Limited ("Innovision") filed a statement of claim against PSL alleging that PSL owed Innovision of approximately HK$520,000 in respect of goods supplied to PSL and the interest on the said amount. An amount of approximately HK$249,000 has been recognised in the financial statements. No provision for the remaining amount has been made in these financial statements as in the opinion of the Directors, the amount of the potential liability is not significant.

(g) The Company has given guarantees to bank in respect of general facilities granted to its subsidiary. The extent of such facilities utilised by the subsidiaries at 31 December 2004 amounted to approximately HK$26,848,000 (2003: HK$39,606,000).

31. Operating lease commitments

At the balance sheet date, the Group and the Company had commitments for future minimum lease payments under non-cancellable operating leases in respect of land and buildings which fall due as follows:

	THE GROUP		**THE COMPANY**	
	2004	**2003**	**2004**	**2003**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	95,833	121,505	5,059	6,544
In the second to fifth year inclusive	117,775	152,706	21,267	19,631
After five years	–	2,873	–	–
	213,608	277,084	26,326	26,175

Operating lease payments represent rentals payable by the Group for office premises and retail shops. Leases are mainly negotiated for an average term of six years and rentals are fixed for an average of three years. In addition to the fixed rentals, pursuant to the terms of certain rental agreements, the Group has to pay a rental based on certain percent of the gross sales of the relevant shop.

32. Share option schemes

(A) Share option schemes of the Company

Pursuant to an ordinary resolution passed at the special general meeting of the Company held on 19 February 2002, the Company adopted the share option scheme ("New Option Scheme") to replace the share option scheme adopted on 29 March 1994 ("Old Option Scheme"). All the options granted under the Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Old Option Scheme. The major terms of the New Option Scheme are summarised as follows:

(i) The purpose was to provide incentives to:

- award and retain the participants who have made contributions to the Group, including CFSG and its subsidiaries ("CFSG Group") and Pricerite and its subsidiaries ("Pricerite Group") (together "CASH Group"); or

- attract potential candidates to serve the CASH Group for the benefit of the development of the CASH Group.

(ii) The participants included any employee, director, consultant, adviser or agent of any member of the CASH Group.

(iii) The maximum number of shares in respect of which options might be granted under the New Option Scheme must not exceed 10% of the issued share capital of the Company as at the date of approval of the New Option Scheme and such limit might be refreshed by shareholders in general meeting. The maximum number of shares was 36,548,382 shares, representing 8.35% of the issued share capital of the Company as at the date of the Annual Report. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.

(iv) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

(v) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of Directors and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the board of Directors upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to the Company.

(viii) The exercise price of an option must be the highest of:

- the closing price of the shares on the date of grant which day must be a trading day;

- the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and

- the nominal value of the share.

(ix) The life of the New Option Scheme is effective for 10 years from the date of adoption until 18 February 2012.

The following table discloses details of the Company's share options held by the Directors and the employees of the Group and movements in such holdings during the year:

					Number of options					
Name of scheme	**Date of grant**	**Exercise price per share** *(HK$)*	**Exercise period**	*Notes*	**outstanding as at 1/1/2003**	**granted in 2003**	**lapsed in 2003** *(Note (3))*	**outstanding as at 31/12/2003 and 1/1/2004**	**lapsed in 2004** *(Note (3))*	**outstanding as at 31/12/2004**
Directors										
Old Option Scheme	10/1/2000	16.000	10/1/2001-9/1/2003		500,000	–	(500,000)	–	–	–
	6/11/2000	5.400	16/5/2001-15/5/2003	*(2)*	1,500,000	–	(1,500,000)	–	–	–
	31/8/2001	2.600	1/3/2002-28/2/2004	*(2)*	1,500,000	–	–	1,500,000	(1,500,000)	–
New Option Scheme	2/5/2002	1.320	2/5/2002-30/4/2003		16,500,000	–	(16,500,000)	–	–	–
	2/5/2002	1.320	1/11/2002-31/10/2003	*(2)*	1,100,000	–	(1,100,000)	–	–	–
	2/12/2003	0.502	2/12/2003-30/11/2005		–	16,000,000	–	16,000,000	(1,000,000)	15,000,000
					21,100,000	16,000,000	(19,600,000)	17,500,000	(2,500,000)	15,000,000
Employees										
Old Option Scheme	28/7/2000	9.800	1/2/2001-31/1/2003	*(1)*	50,000	–	(50,000)	–	–	–
	6/11/2000	5.400	16/5/2001-15/5/2003	*(2)*	1,000,000	–	(1,000,000)	–	–	–
	6/11/2000	5.400	16/5/2001-15/5/2003	*(1)*	300,000	–	(300,000)	–	–	–
	2/2/2001	4.800	16/8/2001-15/8/2003	*(1)*	300,000	–	(300,000)	–	–	–
	31/8/2001	2.600	1/3/2002-28/2/2004	*(2)*	3,000,000	–	–	3,000,000	(3,000,000)	–
New Option Scheme	2/5/2002	1.320	2/5/2002-30/4/2003		3,000,000	–	(3,000,000)	–	–	–
	2/5/2002	1.320	1/11/2002-31/10/2003	*(2)*	1,500,000	–	(1,500,000)	–	–	–
					9,150,000	–	(6,150,000)	3,000,000	(3,000,000)	–
					30,250,000	16,000,000	(25,750,000)	20,500,000	(5,500,000)	15,000,000

Notes:

(1) The options are vested in 4 tranches as to (i) 25% exercisable from the commencement of the exercise period; (ii) 25% exercisable from the expiry of 6 months from the commencement of the exercise period; (iii) 25% exercisable from the expiry of 12 months from the commencement of the exercise period; and (iv) 25% exercisable from the expiry of 18 months from the commencement of the exercise period.

(2) The options are vested in 2 tranches as to (i) 50% exercisable from the commencement of the exercise period; and (ii) 50% exercisable from the expiry of 6 months from the commencement of the exercise period.

(3) The lapsed options were due to expiry or cessation of employment of participants with the Group.

(4) No option was granted, exercised or cancelled during the year.

The exercise in full of the outstanding 15,000,000 share options at 31 December 2004 would, under the present capital structure of the Company, result in the issue of 15,000,000 additional shares for a total cash consideration, before expenses, of approximately HK$7,530,000.

(B) Share option schemes of CFSG

Pursuant to an ordinary resolution passed at the special general meeting of CFSG held on 19 February 2002, CFSG adopted the share option scheme ("CFSG New Option Scheme") to replace the share option scheme adopted on 20 November 2000 ("CFSG Old Option Scheme"). All the options granted under the CFSG Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the CFSG Old Option Scheme. The major terms of the CFSG New Option Scheme are summarised as follows:

(i) The purpose was to provide incentives to:

- award and retain the participants who have made contributions to the CASH Group; or

- attract potential candidates to serve the CASH Group for the benefit of the development of the CASH Group.

(ii) The participants included any employee, director, consultant, adviser or agent of any member of the CASH Group.

(iii) The maximum number of shares in respect of which options might be granted under the CFSG New Option Scheme must not exceed 10% of the issued share capital of CFSG as at the date of approval of the CFSG New Option Scheme and such limit might be refreshed by shareholders in general meeting. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the CFSG New Option Scheme and any other share option scheme must not exceed 30% of the share in issue from time to time.

(iv) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the CFSG New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

(v) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of CFSG and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the board of directors of CFSG upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to CFSG.

(viii) The exercise price of an option must be the highest of:

- the closing price of the shares on the date of grant which day must be a trading day;

- the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and

- the nominal value of the share.

(ix) The life of the CFSG New Option Scheme is effective for 10 years from the date of adoption until 18 February 2012.

The following table discloses details of the share options granted by CFSG and held by the Directors and the employees of the CASH Group and movements in such holdings during the year:

					Number of options							
Name of scheme	Date of grant	Exercise price per share (HK$)	Exercise period	*Notes*	outstanding as at 1/1/2003	lapsed in 2003	adjusted on 4/11/2003	granted in 2003	outstanding as at 31/12/2003 and 1/1/2004	adjusted on 24/4/2004	lapsed in 2004	outstanding as at 31/12/2004
Directors												
CFSG Old Option Scheme	26/3/2001	0.83	1/10/2001-30/9/2004	*(1),(2)&(3)*	4,000,000	–	4,160,000	–	8,160,000	2,448,000	(10,608,000)	–
												–
CFSG New Option Scheme	3/11/2003	0.46	3/11/2003-31/10/2004	*(2)*	–	–	–	8,750,000	8,750,000	2,625,000	(11,375,000)	–
	2/12/2003	0.34	2/12/2003-30/11/2005	*(2)*	–	–	–	19,600,000	19,600,000	5,880,000	(3,185,000)	22,295,000
					4,000,000	–	4,160,000	28,350,000	36,510,000	10,953,000	(25,168,000)	22,295,000
Employees												
CFSG Old Option Scheme	26/3/2001	0.83	1/10/2001-30/9/2004	*(1),(2)&(3)*	1,000,000	–	1,040,000	–	2,040,000	612,000	(2,652,000)	–
	27/3/2001	0.83	1/10/2001-30/9/2004	*(1),(2)&(3)*	645,000	(275,000)	384,800	–	754,800	220,320	(975,120)	–
												–
CFSG New Option Scheme	3/11/2003	0.46	3/11/2003-31/10/2004	*(2)*	–	–	–	3,750,000	3,750,000	1,125,000	(4,875,000)	–
	2/12/2003	0.34	1/6/2004-31/5/2006	*(2)&(3)*	–	–	–	17,750,000	17,750,000	5,115,000	(1,675,000)	21,190,000
					1,645,000	(275,000)	1,424,800	21,500,000	24,294,800	7,072,320	(10,177,120)	21,190,000
					5,645,000	(275,000)	5,584,800	49,850,000	60,804,800	18,025,320	(35,345,120)	43,485,000

Notes:

(1) The number and the exercise price of options which remained outstanding on 27 October 2003 have been adjusted due to rights issue of shares in CFSG with effect from 4 November 2003. The exercise price per share was adjusted from HK$2.20 to HK$1.08.

(2) The number and the exercise price of options which remained outstanding have been adjusted due to rights issue of shares in CFSG with effect from 24 April 2004. The exercise prices per share were adjusted from HK$1.08 to HK$0.83, from HK$0.60 to HK$0.46 and from HK$0.44 to HK$0.34.

(3) The options are vested in 2 tranches as to (i) 50% exercisable from the commencement of the exercise period; and (ii) 50% exercisable from the expiry of 12 months from the commencement of the exercise period.

(C) Share option schemes of Pricerite

Pursuant to an ordinary resolution passed at the special general meeting of Pricerite held on 19 February 2002, Pricerite adopted the share option scheme ("Pricerite New Option Scheme") to replace the share option scheme adopted on 21 January 1994 ("Pricerite Old Option Scheme"). All the options granted under the Pricerite Old Option Scheme shall remain valid and unchanged and shall be treated in accordance with the terms under the Pricerite Old Option Scheme. The major terms of the Pricerite New Option Scheme are summarised as follows:

(i) The purpose was to provide incentives to:

- award and retain the participants who have made contributions to the CASH Group; or

- attract potential candidates to serve the CASH Group for the benefit of the development of the CASH Group.

(ii) The participants included any employee, director, consultant, adviser or agent of any member of the CASH Group.

(iii) The maximum number of shares in respect of which options might be granted under the Pricerite New Option Scheme must not exceed 10% of the issued share capital of Pricerite as at the date of approval of the Pricerite New Option Scheme and such limit might be refreshed by shareholders in general meeting. However, the total maximum number of shares which might be issued upon exercise of all outstanding options granted and yet to be exercised under the Pricerite New Option Scheme and any other share option scheme must not exceed 30% of the shares in issue from time to time.

(iv) The maximum number of shares in respect of which options might be granted to a participant, when aggregated with shares issued and issuable (including exercised and outstanding options and the options cancelled) under any option granted to the same participant under the Pricerite New Option Scheme or any other share option scheme within any 12 month period, must not exceed 1% of the shares in issue from time to time.

(v) There was no requirement for a grantee to hold the option for a certain period before exercising the option save as determined by the board of directors of Pricerite and provided in the offer of grant of option.

(vi) The exercise period should be any period fixed by the board of directors of Pricerite upon grant of the option but in any event the option period should not go beyond 10 years from the date of offer for grant.

(vii) The acceptance of an option, if accepted, must be made within 28 days from the date of grant with a non-refundable payment of HK$1.00 from the grantee to Pricerite.

(viii) The exercise price of an option must be the highest of:

- the closing price of the shares on the date of grant which day must be a trading day;
- the average closing price of the shares for the 5 trading days immediately preceding the date of grant; and
- the nominal value of the share.

(ix) The life of the Pricerite New Option Scheme is effective for 10 years from the date of adoption until 18 February 2012.

The following table discloses details of the share options granted by Pricerite and held by the Directors and the employees of the CASH Group and movements in such holdings during the year:

					Number of options											
Name of scheme	Date of grant	Exercise price per share *(HK$)*	Exercise period	*Notes*	outstanding as at 1/1/2003	adjusted on 6/5/2003	lapsed in 2003	granted in 2003	outstanding as at 31/12/2003 and 1/1/2004	adjusted on 2/3/2004	adjusted on 11/9/2004	exercised during the year	cancelled during the year	lapsed in 2004	outstanding as at 31/12/2004
Directors																
Pricerite Old Option Scheme	12/6/2001	4.200	16/6/2001-15/6/2003	*(1)*	21,600,000	(20,520,000)	(1,080,000)	–	–	–	–	–	–	–	–
	17/1/2002	4.200	1/2/2002-31/1/2004	*(1)*	59,000,000	(56,050,000)	(1,000,000)	–	1,950,000	–	–	–	–	(1,950,000)	–
Pricerite New Option Scheme	2/12/2003	0.316	2/12/2003-30/11/2004	*(2)&(3)*	–	–	–	3,000,000	3,000,000	12,000,000	2,000,000	(200,000)	(5,466,666)	(11,333,334)	–
	2/12/2003	0.316	1/12/2004-30/11/2005	*(2)&(3)*	–	–	–	1,000,000	1,000,000	4,000,000	666,666	–	–	–	5,666,666
					80,600,000	(76,570,000)	(2,080,000)	4,000,000	5,950,000	16,000,000	2,666,666	(200,000)	(5,466,666)	(13,283,334)	5,666,666
Employees																
Pricerite Old Option Scheme	12/6/2000	6.400	13/6/2000-12/6/2003	*(1)&(4)*	3,519,000	(3,035,250)	(483,750)	–	–	–	–	–	–	–	–
	17/1/2002	4.200	1/2/2002-31/1/2004	*(1)*	42,500,000	(38,000,000)	(2,750,000)	–	1,750,000	–	–	–	–	(1,750,000)	–
Pricerite New Option Scheme	2/12/2003	0.316	2/12/2003-30/11/2004	*(2)&(3)*	–	–	–	2,800,000	2,800,000	–	–	(2,800,000)	–	–	–
	2/12/2003	0.316	1/12/2004-30/11/2005	*(2)&(3)*	–	–	–	3,500,000	3,500,000	14,000,000	2,333,334	–	–	–	19,833,334
					46,019,000	(41,035,250)	(3,233,750)	6,300,000	8,050,000	14,000,000	2,333,334	(2,800,000)	–	(1,750,000)	19,833,334
					126,619,000	(117,605,250)	(5,313,750)	10,300,000	14,000,000	30,000,000	5,000,000	(3,000,000)	(5,466,666)	(15,033,334)	25,500,000

Notes:

(1) The number and the exercise price of options which remained outstanding on 6 May 2003 have been adjusted due to share consolidation of Pricerite for 20 shares into 1 share with effect from 6 May 2003. The exercise prices per share were adjusted from HK$0.21 to HK$4.20 and from HK$0.32 to HK$6.40.

(2) The number and the exercise price of options which remained outstanding have been adjusted due to share subdivision of Pricerite for 1 share into 5 shares with effect from 2 March 2004. The exercise price per share was adjusted from HK$1.79 to HK$0.358.

(3) The number and the exercise price of options which remained outstanding have been adjusted due to rights issue of shares in Pricerite with effect from 11 September 2004. The exercise price was adjusted from HK$0.358 to HK$0.316.

(4) The options are vested in 3 tranches as to (i) 1/3 exercisable from the commencement of the exercise period; (ii) 1/3 exercisable from the expiry of 12 months from the commencement of the exercise period; and (iii) 1/3 exercisable from the expiry of 24 months from the commencement of the exercise period.

33. Retirement benefits schemes

The Group operates Mandatory Provident Fund Schemes ("MPF Schemes") under rules and regulations of Mandatory Provident Fund Schemes Ordinance for all its employees in Hong Kong and terminated the defined contribution pension scheme ("Old Scheme") on 1 December 2000. All the employees of the Group in Hong Kong are required to join the MPF Schemes. In respect of those employees who leave the Group prior to completion of qualifying service period for the employer's voluntary contributions (represents contributions in excess of the mandatory requirements under the Mandatory Provident Fund Schemes Ordinance plus all the assets transferred from the Old Scheme) become fully vested, the relevant portion of the voluntary contributions forfeited will be reverted to the Group. Contributions are made based on a percentage of the employees' salaries and are charged to income statement as they become payable in accordance with the rules of the MPF Schemes. The assets of the MPF Schemes are held separately from those of the Group in an independently administrated fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Schemes.

The employer's contributions to the retirement benefits schemes charged to the income statement and the forfeited voluntary contributions credited to the income statements amounted to approximately HK$8,052,000 (2003: HK$6,360,000) and HK$223,000 (2003: HK$828,000) respectively for the year ended 31 December 2004.

34. Commitments

(a) Interest rate swap

At 31 December 2004, the Group had an outstanding Hong Kong dollar interest rate swap agreement with a bank under which the Group agreed to pay the bank a fixed interest on the contract sum of HK$21,000,000 (2003: HK$27,000,000) as set out in the agreement. In return, the bank agreed to pay the Group an interest at HIBOR rate.

(b) Underwriting commitment

At 31 December 2004, the Group had a underwriting commitment of HK$27,200,000 in respect of the subscription of 40,000,000 shares of Emperor (China Concept) Investments Limited under the requirement of a corporate finance business. The deal was completed on 21 January 2005. The underwriting commitment of the Group was then fully discharged.

(c) Capital commitments

At the balance sheet date, the Group had the following capital commitments:

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Capital expenditure commitment in respect of the acquisition of property and equipment contracted for but not provided in the financial statements	–	216
Capital expenditure commitment in respect of the acquisition of a subsidiary whose principal asset is a property in Beijing contracted for but not provided in financial statements	–	233,740
	–	233,956

(d) Forward foreign exchange contracts

At the balance sheet date, the Group had the following notional amounts of forward foreign exchange contracts:

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Buying of Euro	–	107
Buying of Japanese yen	–	77
Selling of Japanese yen	–	77
	–	261

(e) Other commitment

At the balance sheet date, the Group had the following other commitment:

	THE GROUP	
	2004	**2003**
	HK$'000	*HK$'000*
Contracted commitment in respect of an agency fee for the acquisition of a subsidiary whose principal asset is a property in Beijing contracted for but not provided in financial statements	–	5,012

35. Related party transactions

The Group had the following related party transactions:

(a) During the year, the Group received interest from margin financing of approximately HK$736,000 (2003: HK$870,000) from Cash Guardian, in which Kwan Pak Hoo Bankee has a beneficial interest and is a Director. The interest was calculated at commercial rates which were similar to the rates offered to other margin clients.

(b) During the year ended 31 December 2003, 60,000,000 existing shares of HK$0.10 each held by Cash Guardian were placed to various independent investors at a price of HK$0.275 on 27 May 2003 and 60,000,000 new shares of HK$0.10 each were issued to Cash Guardian at the same price on 3 June 2003 upon completion of a top up agreement dated 22 May 2003.

36. Post balance sheet events

(a) On 23 November 2004, the Group entered into a provisional sale and purchase agreement with a third party to dispose of a residential property in Hong Kong at a consideration of HK$45,000,000. The sale was completed on 13 January 2005.

(b) On 23 March 2005, Pricerite and two subscribers entered into agreements pursuant to which the subscribers agreed to subscribe for a total of 83,000,000 new ordinary shares of HK$0.02 each at the subscription price of HK$0.28 per share. The net proceeds of approximately HK$23.2 million will be used as general working capital for Pricerite. The subscription of 83,000,000 new ordinary shares of Pricerite was completed on 6 April 2005. On 4 April 2005, Pricerite and the placing agent entered into an agreement pursuant to which Pricerite agreed to issue and the placing agent agreed to procure placees to subscribe for a maximum of 223,000,000 new ordinary shares of HK$0.02 each at the placing price of HK$0.30 per share. The net proceeds of approximately HK$65.7 million will be used for the expansion of the retail business of Pricerite in China and as general working capital for Pricerite. In order to facilitate the placing of 223,000,000 new ordinary shares of Pricerite, an ordinary resolution will be proposed at a special general meeting of Pricerite to increase the authorised share capital of Pricerite from HK$15,000,000 to HK$30,000,000 by the creation of 750,000,000 new ordinary shares of HK$0.02 each. The placing of 223,000,000 new ordinary shares of Pricerite and the proposed increase of the authorised share capital of Pricerite is subject to the approval from the shareholders of Pricerite in a special general meeting to be convened. The Company's interest in Pricerite was decreased from 66.52% to 59.17% immediately after the issue of the subscription shares by Pricerite and will be further decreased to 45.60% immediately after the issue of the placing shares by Pricerite.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular received from the independent reporting accountants, Deloitte Touche Tohmatsu, Hong Kong.

Deloitte.
德勤

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香港中環干諾道中111號
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111 Connaught Road Central
Hong Kong

30 November 2005

The Directors
Celestial Asia Securities Holdings Limited

Dear Sirs,

We set out below our report on the financial information regarding Netfield Technology Limited ("Netfield") and its subsidiaries (hereinafter collectively referred to as the "Netfield Group") for the period from 31 October 2004 (date on which Mr Lin Che Chu, the sole shareholder of Netfield, acquired the entire issued share capital of Moli Group Limited ("Moli")) to 31 December 2004 and eight months ended 31 August 2005 ("Relevant Periods") for inclusion in a circular issued by Celestial Asia Securities Holdings Limited ("Company") dated 30 November 2005 ("Circular") in connection with the major transaction in respect of the proposed acquisition of the entire interest of the Netfield Group by CFSG.

Netfield was incorporated in the British Virgin Islands ("BVI") on 6 July 2005 as a private owned company with limited liability. On 10 August 2005, Netfield acquired the entire issued share capital of Moli from Mr Lin Che Chu at a consideration of US$1 and became the holding company of the Netfield Group. The Netfield Group is principally engaged in the operation of online game business in the People's Republic of China ("PRC"). As at the date of this report, particulars of the Netfield's subsidiaries are as follows:

Name	Form of business structure	Date and country of incorporation/ registration	Issued/ registered and fully paid capital	Proportion of nominal value of issued/registered capital held by Netfield Directly	Indirectly	Principal activities
Moli *(note (i))* (previously known as Halo IP Limited)	Incorporated	2 June 1999 The BVI	US$1	100%	–	Investment holding

Name	Form of business structure	Date and country of incorporation/ registration	Issued/ registered and fully paid capital	Proportion of nominal value of issued/registered capital held by Netfield Directly	Indirectly	Principal activities
摩力游(上海)信息科技有限公司 (translated as Moliyo (Shanghai) Information Technology Limited ("Moliyo")) *(note (ii))*	Wholly foreign owned enterprise	31 January 2005 The PRC	US$2,000,000	–	100%	Online game developer
上海嘉思華數字娛樂有限公司 (translated as Cathyway Digital Entertainment (Shanghai) Limited ("Cathyway")) *(note (iii))*	Private company with limited liability	20 December 2004 The PRC	RMB1,000,000	–	100% *(note (iv))*	Online game operator

Notes:

(i) No audited financial statements have been prepared by Moli since its date of incorporation as there was no statutory audit requirement for this company. On 31 October 2004, Mr Lin Che Chu acquired the entire issued share capital of Halo IP Limited, which was inactive, at a consideration of US$1. On 12 January 2005, the name of this company was changed from Halo IP Limited to Moli.

(ii) No audited financial statements have been prepared since its date of registration as this company was newly established in 2005. The director of this company represented that its first statutory audited financial statements will be issued up to the financial year ending 31 December 2005. As set out in the business license issued by the relevant government authority in Shanghai, the operating period of this company is from 31 January 2005 to 31 January 2025.

(iii) No audited financial statements have been prepared since its date of registration to 31 December 2004 as in the opinion of the director of this company, the duration is so short, it is not worthwhile to prepare a set of financial statements for the period from the date of registration to 31 December 2004. The director of this company represented that its first set of statutory audited financial statements will be issued up to the financial year ending 31 December 2005. As set out in the business license issued by the relevant government authority in Shanghai, the operating period of this company is from 20 December 2004 to 19 December 2014.

(iv) Cathyway is owned by Mr Pan Long (潘龍) and Mr Li Zeng Rong (李正容) (together the "PRC Citizens"). Due to the contractual arrangements between Moliyo and Cathyway which comprise a series of agreements including the provision of a loan to the PRC Citizens to establish Cathyway, a share pledge agreement by the PRC Citizens to pledge their shares in Cathyway to Moliyo, an equipment leasing agreement, a technology license agreement, a technical services agreement, undertakings for share transfer and other related agreements, Moliyo has a beneficial interest and control in Cathyway. Also, based on legal advice from the legal advisers to CFSG as to the PRC laws, such contractual arrangements are legal and enforceable under the PRC laws. Accordingly, Cathyway which qualifies as a special purpose entity under Hong Kong Accounting Standard ("HKAS") and Interpretation 12 Consolidation – Special Purpose Entities is accounted for as a subsidiary of Netfield in accordance with HKAS 27 Consolidated and Separate Financial Statements.

As a basis for forming an opinion on the financial information of the Netfield Group for the purpose of this report, the financial statements of the Netfield Group for the Relevant Periods which are prepared in accordance with Hong Kong Financial Reporting Standards ("Underlying Financial Statements") were audited by us in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). We have examined the Underlying Financial Statements of the Netfield Group for the Relevant Periods. Our examination was made in accordance with the Auditing Guideline "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The financial information of the Netfield Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustment was considered necessary to adjust the Underlying Financial Statements.

The Underlying Financial Statements are the responsibility of the director of Netfield. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the financial information set out in this report from the Underlying Financial Statements, to form an independent opinion on the financial information and to report our opinion to you.

In our opinion, the financial information gives, for the purpose of this report, a true and fair view of the state of affairs of the Netfield Group as at 31 December 2004 and 31 August 2005 and of Netfield as at 31 August 2005 and of the results and cash flows of the Netfield Group for the Relevant Periods.

(A) FINANCIAL INFORMATION

Consolidated income statements

	Notes	For the period from 31 October 2004 to 31 December 2004 RMB'000	Eight months ended 31 August 2005 RMB'000
Turnover	3	–	–
Bank interest income		–	11
Operating and administrative expenses		–	(17,657)
Loss before taxation	5	–	(17,646)
Taxation	8	–	–
Loss for the period		–	(17,646)

Balance sheets

		THE NETFIELD GROUP		NETFIELD
		At 31 December 2004	**At 31 August 2005**	**At 31 August 2005**
	Notes	*RMB'000*	*RMB'000*	*RMB'000*
Non-current assets				
Property, plant and equipment	*9*	1,000	2,668	–
Investments in subsidiaries	*10*	–	–	–
		1,000	2,668	–
Current assets				
Other receivables, deposits and prepayments	*11*	–	740	–
Amount due from a subsidiary	*12*	–	–	1
Bank balances and cash	*11*	504	7,826	–
		504	8,566	1
Current liabilities				
Other payables and accruals	*13*	1,000	3,185	–
Amount due to a shareholder	*14*	504	25,694	–
		1,504	28,879	–
Net current (liabilities) assets		(1,000)	(20,313)	1
		–	(17,645)	1
Capital and reserve				
Share capital	*15*	–	1	1
Accumulated loss		–	(17,646)	–
		–	(17,645)	1

Consolidated statement of changes in equity

	Share capital	Accumulated loss	Total
	RMB'000	*RMB'000*	*RMB'000*
	(Note 15)		
At date on which Mr Lin Che Chu acquired the entire issued share capital of Moli and at 31 December 2004	1	–	1
Arising from transfer of the entire issued share capital of Moli from Mr Lin Che Chu to Netfield	(1)	–	(1)
Issue of shares by Netfield	1	–	1
Net loss for the period from 1 January 2005 to 31 August 2005	–	(17,646)	(17,646)
At 31 August 2005	1	(17,646)	(17,645)

Consolidated cash flow statements

	Note	For the period from 31 October 2004 to 31 December 2004	Eight months ended 31 August 2005
		RMB'000	*RMB'000*
OPERATING ACTIVITIES			
Loss before taxation		–	(17,646)
Adjustments for:			
Depreciation		–	229
Interest income		–	(11)
Operating cashflows before movements in working capital		–	(17,428)
Increase in other receivables, deposits and prepayments		–	(740)
Increase in other payables and accruals		–	3,185
Cash used in operations		–	(14,983)
Interest received		–	11
NET CASH USED IN OPERATING ACTIVITIES		–	(14,972)
CASH USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	*16*	–	(2,897)
FINANCING ACTIVITIES			
Increase in amount due to a shareholder		504	25,190
Capital paid		–	1
CASH FROM FINANCING ACTIVITIES		504	25,191
NET INCREASE IN CASH AND CASH EQUIVALENTS		504	7,322
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		–	504
CASH AND CASH EQUIVALENTS AT END OF PERIOD		504	7,826
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		504	7,826

(B) NOTES TO THE FINANCIAL INFORMATION

1. Basis of Preparation

(a) Moli was incorporated on 2 June 1999 under the name of Halo IP Limited. On 31 October 2004, Mr Lin Che Chu, the sole shareholder of Netfield, acquired the entire issued share capital of Moli. On 20 December 2004, the PRC Citizens established Cathyway. As set out in the business license issued by the relevant government authority in Shanghai, the operating period of Cathyway is from 20 December 2004 to 19 December 2014. On 31 January 2005, Moli established Moliyo. As set out in the business license issued by the relevant government authority in Shanghai, the operating period of Moliyo is from 31 January 2005 to 31 January 2025. Due to the contractual arrangements between Moliyo and Cathyway, Moliyo has a beneficial interest and control in Cathyway. Thus Cathyway is accounted for as a subsidiary. On 6 July 2005, Mr Lin Che Chu established Netfield and accordingly, no balance sheet of Netfield has been presented as at 31 December 2004. On 10 August 2005, Netfield acquired the entire issued capital of Moli from Mr Lin Che Chu and become the holding company of the Netfield Group.

The financial information of the Netfield Group only cover the period from 31 October 2004 to 31 December 2004 and eight months ended 31 August 2005 although Moli was incorporated on 2 June 1999 as pursuant to Statement of Standard Accounting Practice 27 "Accounting for Group Reconstructions", the control of the Netfield Group by Mr Lin Che Chu was effective from 31 October 2004 which represented the earliest date available for the purpose of the financial information of the Netfield Group.

The consolidated income statements and consolidated cash flow statements include the results and cash flows of the Netfield Group as if the current group structure had been in existence since 31 October 2004 or the respective date of the incorporation of Netfield or dates of registration of Moliyo and Cathyway, where this is a shorter period. The consolidated balance sheets of the Netfield Group as at 31 December 2004 and 31 August 2005 have been prepared to present the assets and liabilities of the Netfield Group as at 31 December 2004 and 31 August 2005 as if the current group structure had been in existence as at those dates.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

(b) The financial information has been prepared, for the purpose of this report, on the basis that the Netfield Group will continue to operate as a going concern notwithstanding the fact that the Netfield Group has net liabilities of approximately RMB17,645,000 as at 31 August 2005 as CFSG has agreed to provide adequate funds to enable the Netfield Group to meet in full its financial obligations as they fall due for the foreseeable future upon completion of the proposed acquisition of the entire interest of the Netfield Group by the Company.

2. Significant Accounting Policies

A number of new Hong Kong Financial Reporting Standards ("HKFRSs"), HKAS and Interpretations (hereinafter collectively referred to as "new HKFRSs") were issued by the HKICPA that are effective for the accounting periods beginning on or after 1 January 2005. The financial information during the Relevant Periods has been prepared in accordance with the new HKFRS.

The HKICPA has issued the following standards and interpretations ("INT") that are not yet effective. The Netfield Group has commenced considering the potential impact of the following standards and interpretations but is not yet in a position to determine whether these standards and interpretations would have a significant impact on how the results of operations and financial position of the Netfield Group are prepared and presented. These standards and interpretations may result in changes in the future as to how the results and financial position are prepared and presented.

HKFRS 6	Exploration for and Evaluation of Mineral Resources
HKFRS 7	Financial Instruments: Disclosures
HKFRS – INT 4	Determining whether an Arrangement contains a Lease
HKFRS – INT 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
HK – INT 4	Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases
HKAS 19 (Amendment)	Actuarial Gains and Losses, Group Plans and Disclosures
HKAS 39 (Amendment)	Cash Flow Hedge Accounting of Forecast Intragroup Transactions
HKAS 39 (Amendment)	The Fair Value Option
HKAS 1 (Amendment)	Capital Disclosure
HKAS 39 and HKFRS 4 (Amendment)	Financial Guarantee Contracts

HK (IFRIC) – INT 6	Liabilities arising from participating in a specific market – waste electrical and electronic equipments

The financial information has been prepared on the historical cost convention and in accordance with the following principal accounting policies which conform with the accounting principles generally accepted in Hong Kong including applicable HKFRSs issued by the HKICPA.

Revenue recognition

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental payable under operating leases is credited or charged to the income statement respectively on a straight-line basis over the term of the relevant lease.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial information, the results and financial position of each entity which are expressed in Renminbi, which is the functional currency of Netfield, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in income statement for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in income statement for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Netfield Group's foreign operations (including comparatives) are expressed in Renminbi using exchange rates prevailing on the balance sheet date. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are classified as equity and transferred to the Netfield Group's translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Retirement benefits costs

Payments to defined contribution retirement benefits plans are charged as expenses as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution plans where the Netfield Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefits plan.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Netfield Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Netfield Group intends to settle its current tax assets and liabilities on a net basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised only if it is anticipated that the development costs incurred on a clearly-defined project will be recovered through future commercial activity. The resultant asset is amortised on a straight-line basis over its useful life.

Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged so as to write off the cost of items of property, plant and equipment, over their estimated useful lives and after taking the account their estimated residual value, using the straight-line method at the following rates per annum:

Leasehold improvements	The shorter of the lease term and 5 years
Computer and equipment	5 years

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

Impairment

At each balance sheet date, the Netfield Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Netfield Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the income statement.

Investments in subsidiaries

Investments in subsidiaries are included in Netfield's balance sheet at cost less any identified impairment loss.

Financial instrument

Financial assets and financial liabilities are recognised on the Netfield Group's balance sheet when the Netfield Group becomes a party to the contractual provisions of the instrument.

Other receivables, deposits and prepayments

Other receivables, deposits and prepayments are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

Cash and cash equivalents which comprise bank balances and cash are short-term highly liquid investments that and are readily convertible to a known amount of cash with insignificant risk of changes in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Netfield Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Netfield Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Other payables and accruals as well as amount due to a shareholder

Other payables and accruals as well as amount due to a shareholder are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by Netfield are recorded at the proceeds received, net of direct issue costs.

3. Turnover

The Netfield Group is principally involved in the operation of online game business and did not generate any income from the operation of online business during the Relevant Periods. During the Relevant Periods, the Netfield Group's first newly developed online game was still undergoing trial run and the Netfield Group did not charge the subscribers for playing the game during the trial run period.

4. Business and Geographical Segments

The Netfield Group is primarily engaged in the online game business in the PRC. All identifiable assets of the Netfield Group are located in the PRC. Accordingly, no business and geographical segment analysis is presented.

5. Loss Before Taxation

	For the period from 31 October 2004 to 31 December 2004	**Eight months ended 31 August 2005**
	RMB'000	*RMB'000*
Loss before taxation has been arrived at after charging:		
Depreciation	–	229
Operating lease rentals in respect of office premises	–	165
Advertising and promotion expenses	–	8,595
Staff costs:		
Director's remuneration	–	1,032
Other staff costs:		
– Salaries and other benefits	–	4,322
– Retirement benefits schemes contribution	–	132
	–	5,486

6. Director's Emoluments

The emoluments paid or payable to the sole director, Mr Lin Che Chu, was as follows:

	For the period from 31 October 2004 to 31 December 2004	Eight months ended 31 August 2005
	RMB'000	*RMB'000*
Fees	–	–
Other emoluments	–	1,032
Contributions to retirement benefits scheme	–	8
Total emoluments	–	1,040

The aggregate emoluments of the sole director were ranged between HK$1,000,001 and HK$1,500,000.

During the Relevant Periods, no emoluments or discretionary bonus were paid by the Netfield Group to the above-mentioned individual as an inducement to join or upon joining the Netfield Group or as compensation for loss of office and no director of the Netfield Group waived or agreed to waive any emoluments or discretionary bonus.

7. Employees' Emoluments

Of the five individuals with the highest emoluments in the Netfield Group, one was director, whose emoluments are set out in note 6 above. The emoluments of the remaining four highest paid individuals during the Relevant Periods were as follows:

	For the period from 31 October 2004 to 31 December 2004	Eight months ended 31 August 2005
	RMB'000	*RMB'000*
Salaries and other benefits	–	655
Contributions to retirement benefits schemes	–	8
	–	663

The aggregate emoluments of each of these remaining four highest paid individuals were less than HK$1,000,000.

8. Taxation

Moliyo is entitled to a tax rate of 15% because it was registered in 張江高科技園區 (translated as Shanghai Zhang Jiang High Technological Zone). No provision for the PRC income tax has been made in the financial information as the Netfield Group did not have any assessable profits.

The taxation for the period can be reconciled to the loss before taxation per the income statements as follows:

	For the period from 31 October 2004 to 31 December 2004	Eight months ended 31 August 2005
	RMB'000	*RMB'000*
Loss before taxation	–	17,646
Taxation at the income tax rate of 15%	–	2,647
Tax effect of expenses not deductible for tax purpose	–	(166)
Tax effect of deferred tax assets not recognised	–	(2,481)
Taxation for the period	–	–

At 31 August 2005, the Netfield Group had unused tax losses of approximately RMB3,306,000 and deductible temporary differences of approximately RMB13,233,000 available for offset against future profits. No deferred tax asset has been recognised in respect of such losses and such deductible temporary differences due to unpredictability of future profit streams.

9. Property, Plant and Equipment

THE NETFIELD GROUP

	Leasehold improvement	**Computer and equipment**	**Total**
	RMB'000	*RMB'000*	*RMB'000*
COST			
Additions during the period and balance at 31 December 2004	162	838	1,000
Additions during the period	–	1,897	1,897
At 31 August 2005	162	2,735	2,897
ACCUMULATED DEPRECIATION			
Provided for the period and balance at 31 December 2004	–	–	–
Provided for the period	39	190	229
At 31 August 2005	39	190	229
NET BOOK VALUES			
At 31 December 2004	162	838	1,000
At 31 August 2005	123	2,545	2,668

10. Investments in Subsidiaries

NETFIELD

	At 31 August 2005
	RMB
Unlisted equity investments, at cost	8

11. Other Current Financial Assets

THE NETFIELD GROUP

Other receivables, deposits and prepayments mainly comprise other receivables from and deposits paid to third parties.

The directors consider that the carrying amount of the current financial assets listed above approximates their fair value.

Bank balances and cash comprise short-term bank deposits and cash with an original maturity of three months or less. The carrying amount of these assets approximates their fair value. At the balance sheet dates, bank balances and cash were denominated in Renminbi which is not freely convertible into other currencies.

Credit risk

The Netfield Group's principal financial assets are bank balances and cash and other receivables.

The Netfield Group's credit risks are primarily attributable to other receivables.

No allowances for bad and doubtful receivables as other receivables, which represent staff advances for operational use, are recognised in the income statement when there are expenses incurred.

The Netfield Group has no significant concentration of credit risk, with exposure spread over various counterparties.

Interest rate risk

The Netfield Group has exposure to interest rate risk through the impact of the rate changes on the bank balances.

Foreign currency risk

The Netfield Group's foreign currency risk is insignificant as the Netfield Group's transactions are mainly denominated in Renminbi.

Liquidity risk

During the Relevant Periods, the Netfield Group was financed by its sole shareholder. As mentioned in Note 1(b), the Company has agreed to provide adequate funds to ensure the Netfield Group to meet in full its financial obligations as they fall due for the foreseeable future upon the completion of the proposed acquisition of the entire interest of the Netfield Group by the Company.

12. Amount Due from a Subsidiary

NETFIELD

The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

13. Other Current Financial Liabilities

THE NETFIELD GROUP

Other payables and accruals principally comprise amounts outstanding for ongoing costs.

The director considers that the carrying amounts of the current financial liabilities listed above approximate their fair value.

14. Amount Due to a Shareholder

THE NETFIELD GROUP

The amount is unsecured, non-interest bearing and has no fixed terms of repayment.

Pursuant to the sales and purchase agreement dated 15 September 2005 entered into between the Company and Mr Lin Che Chu, the amount due to the shareholder on date of the completion of the sales and purchase agreement will be assigned to the Company.

15. Share Capital

	US$	*RMB Equivalent*
Authorised:		
50,000 ordinary shares of US$1 each	50,000	414,000
Issued and fully paid:		
1 ordinary share of US$1 each at date of incorporation	1	8
99 ordinary shares of US$1 each issued during the period	99	820
100 ordinary shares of US$1 each at 31 August 2005	100	828

The share capital as at 31 December 2004 represented the issued share capital of US$1 of Moli. The authorised share capital of Moli is 500,000 ordinary shares of US$1 each.

16. Major Non-Cash Transaction

On 29 December 2004, the Netfield Group purchased property and equipment amounting to RMB1,000,000 which was settled during the eight months ended 31 August 2005.

17. Retirement Benefits Schemes

The Netfield Group operates various benefits schemes for its full-time employees in accordance with the relevant PRC regulations and rules, including provision of housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury insurance and pregnancy insurance. Pursuant to the existing schemes, the Netfield Group contributes 7%, 5%, 17%, 2%, 0.5% and 0.5% of the basic salary of its employees to the housing provident fund, medical insurance, retirement insurance, unemployment insurance, labour injury and pregnancy insurance respectively.

18. Operating Lease Commitments

The Netfield Group as lessee

At the balance sheet date, the Netfield Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and which fall due as follows:

	THE NETFIELD GROUP	
	At 31 December 2004	**At 31 August 2005**
	RMB'000	*RMB'000*
Within one year	–	259
In the second to fifth year inclusive	–	281
	–	540

Operating lease payments represent rentals payable by the Netfield Group for its office premises. Leases are negotiated for a period of three years with fixed rental.

19. Loss Per Share

Loss per share is not presented herein as such information is not considered meaningful for the purpose of this report.

(C) DIRECTOR'S REMUNERATION

Save as disclosed in this report, no other remuneration has been paid or is payable to Netfield's director by the Netfield Group during the Relevant Periods.

Under the arrangements presently in force, the aggregate emoluments payable to the director of Netfield for the year ending 31 December 2005 is estimated to be approximately RMB1,560,000.

(D) SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of any of the companies in the Netfield Group have been prepared in respect of any period subsequent to 31 August 2005.

Yours faithfully,
Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The accompanying unaudited pro forma statement of adjusted combined assets and liabilities of the Enlarged Group has been prepared to illustrate the effect of the issue of the 145 million top up CFSG Shares at the top up price of HK$0.40 each, the proposed acquisition of the entire interest of Netfield Group by CFSG for a total consideration of HK$110,000,000, the proposed issue of the 155 million Placing Shares at the Placing Price of HK$0.40 each and the proposed subscription of the 120 million Subscription Shares at the Subscription Price of HK$0.40 each ("Transactions").

The unaudited pro forma statement of adjusted combined assets and liabilities of the Enlarged Group gives effect to the above acquisition as if it has consummated on 30 June 2005 and is prepared based upon historical financial information as set out in the Accountants' Report of Netfield Group in Appendix II to the circular and the unaudited consolidated financial statements of the Group as at 30 June 2005 as extracted from the interim results of the Group for the period ended 30 June 2005 after giving effect to the pro forma adjustments described in the accompanying notes.

The unaudited pro forma statement of adjusted combined assets and liabilities was prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Group for any future financial periods.

	The Group (Unaudited)	Top up issue of 145 million new CFSG Shares after place down	Netfield Group	Pro forma adjustment for the assignment of amount due to a shareholder to the Group	Pro forma adjustment for the acquisition of Netfield Group	Placement of the Placing Shares	Pro forma adjustment upon completion of the Placing, the top up of CFSG Shares and subscription of CFSG Shares	Enlarged Group
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets								
Non-current assets								
Property and equipment	15,937		2,542					18,479
Interests in associates	128,886							128,886
Investments	10,800							10,800
Intangible assets	8,177							8,177
Other non-current assets	28,483							28,483
Goodwill	17,992				102,333		(2,848)	117,477
	210,275		2,542		102,333		(2,848)	312,302

	The Group (Unaudited)	Top up issue of 145 million new CFSG Shares after place down	Netfield Group	Pro forma adjustment for the assignment of amount due to a shareholder to the Group	Pro forma adjustment for the acquisition of Netfield Group	Placement of the Placing Shares	Pro forma adjustment upon completion of the Placing, the top up of CFSG Shares and subscription of CFSG Shares	Enlarged Group
	Note 1	*Note 2*	*Note 3*	*Note 4*	*Note 5*	*Note 6*	*Note 7*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Current assets								
Trade and other receivables	438,111		705					438,816
Financial assets at fair value through profit and loss	25,063							25,063
Bank balances – trust and segregated accounts	306,385							306,385
Bank balances and cash	119,427	58,000	7,453		(110,000)	62,000		136,880
	888,986	58,000	8,158		(110,000)	62,000		907,144
Current liabilities								
Trade and other payables	573,167		3,033					576,200
Obligations under finance leases – amount due within one year	146							146
Amount due to an associate	5,540							5,540
Amount due to a shareholder			24,470	(24,470)				
Taxation payable	734							734
Bank borrowings	166,453							166,453
	746,040		27,503	(24,470)				749,073
Net current assets (liabilities)	142,946	58,000	(19,345)	24,470	(110,000)	62,000		158,071
Total assets less current liabilities	353,221	58,000	(16,803)	24,470	(7,667)	62,000	(2,848)	470,373
Non current liabilities								
Obligations under finance leases – amount due after one year	233						233	
Convertible notes	35,831						35,831	
	36,064						36,064	
Net assets (liabilities)	317,157	58,000	(16,803)	24,470	(7,667)	62,000	(2,848)	434,309

Notes:

(1) The unaudited financial figures were extracted from the 2005 interim report of the Company prepared in accordance with the applicable requirements of the Listing Rules and the Hong Kong Accounting Standard ("HKAS") 34 : Interim Financial Reporting and Hong Kong Financial Reporting Standard ("HKFRSs").

(2) The amount represents the completion of the top up issue of 145 million new CFSG Shares at a price of HK$0.40 per CFSG Share on 5 October 2005 after the completion of the placement of 145 million existing CFSG Shares at a price of HK$0.40 per CFSG Share held by CIGL to independent third parties on 23 September 2005 ("Top Up Arrangement"). The proceed for the issue of 145 million new CFSG Shares had been applied to settle the first deposit upon signing the S&P Agreement.

(3) This column represents the historical audited financial information of the Netfield Group as at 31 August 2005 prepared under HKFRS as set out in accountants' report of the Netfield Group in RMB in Appendix II to the circular which is translated into HK$ at HK$1:RMB1.05.

(4) Pursuant to the S&P Agreement, the amount due to a shareholder, amounting to approximately HK$24,470,000, on date of the completion of the S&P Agreement will be assigned to the Group.

(5) This column represents:

Goodwill arising form the acquisition of the Netfield Group and is calculated as follows :

	HK$'000
Cost of acquisition	110,000
Net liabilities value of Netfield Group*	16,803
Assignment of amount due to a shareholder to the Group *(Note 4)*	(24,470)
	102,333

* In accordance with HKFRS3 : Business Combinations, goodwill is the difference between the fair value of the consideration given and the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. It is assumed that the net liabilities value of the Netfield Group is equal to net fair value of the Netfield Group identifiable assets, liabilities and contingent liabilities.

(6) This represents completion of conditional Placing Agreement for the issue of 155 million Placing Shares at the Placing Price of HK$0.40 per Placing Share to independent third parties by CFSG for the acquisition of Netfield Group ("Share Placement").

(7) The adjustment represents goodwill which arose from the acquisition of CFSG in prior years adjusted for the deemed disposal of 8.12% interest in CFSG. The Group's interest in CFSG would decrease from 51.27% (the Group's shareholding in CFSG as at 30 June 2005) to 43.15% (the Group's shareholding in CFSG upon completion of the Top Up Arrangement, the Share Placement and the subscription of 120 million Subscription Shares at a price of HK$0.40 per Subscription Share by CFSG) assuming the Transactions had been completed at 1 July 2005. The shareholding interest of the Group in CFSG as shown above was different from the shareholding interest as shown under the paragraph headed

"Shareholding Structure of CFSG" in the "Letter from the Board" as the proforma statement of adjusted combined assets and liabilities was prepared based on the shareholding interest of the Group in CFSG as at 30 June 2005 and the then shareholding interest after the Top Up Arrangement, the Share Placement and the issue of the Subscription Shares whereas, the shareholding interet included in the "Letter from the Board" was prepared based on the shareholding interest of the Group in CFSG (after the issue of 132 million CFSG Shares on 15 September 2005 and the Top Up Arrangement) as at the Latest Practicable Date and the then shareholding interest after the Share Placement and the issue of the Subscription Shares.

(8) The net assets value of the Group and the Enlarged Group attributable to the equity holders of the Group and minority interest are as follows:

	The Group	**Enlarged Group**
	HK$'000	*HK$'000*
Equity holders of the Group	198,467	200,335
Minority interest	118,690	233,974
	317,157	434,309

(9) The Group's unaudited financial figures extracted from the 2005 interim report and the accountants' report of the Netfield Group were both prepared in accordance with the new HKFRS and no adjustment was considered necessary.

B. REPORT FROM DELOITTE TOUCHE TOHMATSU

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the independent reporting accountants, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

Deloitte.
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30 November 2005

The Directors
Celestial Asia Securities Holdings Limited
21/F The Center
99 Queens' Road Central
Hong Kong

Dear Sirs,

We report on the pro forma financial information of Celestial Asia Securities Limited ("Company") and its subsidiaries (hereinafter collectively referred to as the "Group") set out in Appendix III-A of the circular dated 30 November 2005 issued in connection with the proposed acquisition of the entire interest of Netfield Technology Limited and its subsidiaries (hereinafter together with the Group collectively referred to as the "Enlarged Group") by a non-wholly owned subsidiary, deemed disposal upon dilution of interest in a non-wholly owned subsidiary and subscription of shares in a non-wholly owned subsidiary ("Circular"), which has been prepared, for illustrative purposes only, to provide information about how the above transactions might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the directors of the Company to prepare the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work with reference to the Statements of Investment Circular Reporting Standards and Bulletin 1998/8 "Reporting on Pro Forma Financial Information pursuant to the Listing Rules" issued by the Auditing Practices Board in the United Kingdom, where applicable. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma financial information with the directors of the Company.

Our work does not constitute an audit or a review 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 accordingly we do not express any such assurance on the pro forma financial information.

The pro forma financial information has been prepared on the basis set out in Appendix III-A of the Circular for illustrative purpose only and, because of its nature, it may not give an indicative financial position of the Enlarged Group as at 30 June 2005 or at any future date.

Opinion

In our opinion:

a) the unaudited pro forma financial information has been properly compiled on the basis stated;

b) such basis is consistent with the accounting policies of the Group; and

c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

Yours faithfully,
DELOITTE TOUCHE TOHMATSU
Certified Public Accountants
Hong Kong

C. STATEMENT OF INDEBTEDNESS

Borrowing

As at 30 September 2005, the Group had convertible notes with fair value of HK$30.5 million. The maturity date of the convertible note was 31 December 2006.

As at 30 September 2005, the Group had total bank borrowings of approximately HK$146.0 million, comprising bank loans of HK$131.0 million, which were drawn to finance securities margin financing to our clients, overdraft of HK$15.0 million and unsecured loan of HK$77.5 million. The aforesaid bank loans were collateralised by our margin clients' securities pledged to us in turn by them for the purpose of securing their financing from us.

As at 30 September 2005, cash deposits of approximately HK$0.9 million were pledged for a bank guarantee of HK$0.9 million granted to a subsidiary. In addition, pursuant to a letter of undertaking provided by the Group to a bank, the Group covenant to maintain deposits of not less than HK$15.0 million with the bank as a pre-condition for an overdraft facility of HK$15.0 million granted by the bank. Therefore, a bank deposit of approximately HK$16.1 million was held for this purpose.

Contingent liabilities

As at 30 September 2005, the Group had litigations as disclosed in the paragraph "Litigation" in Appendix IV to this circular.

Save as aforesaid, the Group had no other material contingent liabilities as at 30 September 2005.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any outstanding debt securities, term loans, bank overdrafts, liabilities under acceptance, acceptance credits, hire purchase commitments, mortgages and charges, at the close of business on 30 September 2005.

The Board has confirmed that, save as disclosed above, there has not been any material change in the indebtedness, commitments or contingent liabilities of the Group since 30 September 2005.

D. LIQUIDITY, FOREIGN CURRENCY AND CAPITAL COMMITMENTS

Liquidity ratio

As at 30 September 2005, the Group's cash and bank balances were HK$239.9 million. Our liquidity ratio was 1.2 times on 30 September 2005.

Capital commitments

Save as the balance of the Consideration of HK$55.0 million to be paid by CFSG under the S&P Agreement, the Group did not have any material capital commitment as at 30 September 2005.

Foreign exchange risk

All of the Group's borrowings are in Hong Kong dollar, with the interest rates priced at close to banks' funding costs. By using effective instruments to hedge any adverse changes in interest rates, our exposure to both foreign currency and interest rate fluctuation was insignificant. As at 30 September 2005, the Group did not have any material un-hedged foreign exchange exposure or interest rate mismatch.

E. WORKING CAPITAL

The Directors are of the opinion that taking into account the Enlarged Group's existing cash and bank balances, the present available banking facilities, an overdraft facility granted from a third party, the net proceeds from the proposed issue of the Placing Shares, the Enlarged Group has sufficient working capital for its present requirements for the next twelve months in the absence of unforeseen circumstances.

F. MATERIAL ADVERSE CHANGES

The Directors are not aware as at the Latest Practicable Date of any material adverse change in the financial or trading position of the Group since 31 December 2004, the date to which the latest published audited financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

2. DIRECTORS' INTERESTS

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies were as follows:

A. The Company

1. Long positions in the Shares

		Number of Shares		
Name	**Capacity**	**Personal**	**Other interest**	**Shareholding** *(%)*
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	164,028,376*	37.49
Law Ping Wah Bernard	Beneficial owner	5,096,200	–	1.16
Kwok Oi Kuen Joan Elmond	Beneficial owner	2,700,000	–	0.62
Li Yuen Cheuk Thomas	Beneficial owner	2,501,875	–	0.57
		10,298,075	164,028,376	39.84

* The Shares were held by Cash Guardian Limited ("Cash Guardian"). Mr Kwan was deemed to be interested in all these shares as a result of his interests in Cash Guardian as disclosed in the section headed "Substantial Shareholders" below.

2. *Long positions in the underlying Shares – options under share option schemes*

Name	Date of grant	Exercise period	Exercise price per Share *(HK$)*	Number of options outstanding	Percentage to issued Shares *(%)*
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.69
Law Ping Wah Bernard	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.69
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.23
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	0.69
Li Yuen Cheuk Thomas	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	0.23
				11,000,000	2.53

B. Associated corporations (within the meaning of the SFO)

1. *CFSG*

(a) Long positions in the shares

Name	Capacity	Number of shares: Personal	Number of shares: Other interest	Shareholding *(%)*
Kwan Pak Hoo Bankee	Founder of a discretionary trust	–	534,219,434*	51.12
Wong Kin Yick Kenneth	Beneficial owner	1,720,000	–	0.16
		1,720,000	534,219,434	51.28

* The shares were held as to 15,392,000 shares by Cash Guardian and as to 518,827,434 shares by CIGL, a wholly-owned subsidiary of the Company. Mr Kwan was deemed to be interested in all these shares as a result of his interests in the Company through Cash Guardian as disclosed in the section headed "Substantial Shareholders" below.

(b) Long positions in the underlying shares – options under share option schemes

Name	Date of grant	Exercise period	Exercise price per share (HK$)	Number of options outstanding	Percentage to issued shares (%)
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 – 30/11/2005	0.34	3,185,000	0.35
	6/10/2005	6/10/2005 – 31/10/2006	0.38	7,800,000	0.75
Law Ping Wah Bernard	2/12/2003	2/12/2003 – 30/11/2005	0.34	3,185,000	0.35
	6/10/2005	6/10/2005 – 31/10/2006	0.38	7,800,000	0.75
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 – 30/11/2005	0.34	3,185,000	0.35
	6/10/2005	6/10/2005 – 31/10/2006	0.38	7,800,000	0.75
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 – 30/11/2005	0.34	3,185,000	0.35
	6/10/2005	6/10/2005 – 31/10/2006	0.38	7,800,000	0.75
Li Yuen Cheuk Thomas	2/12/2003	2/12/2003 – 30/11/2005	0.34	3,185,000	0.35
	6/10/2005	6/10/2005 – 31/10/2006	0.38	7,500,000	0.72
				54,625,000	5.47

2. *CRMG*

(a) Long positions in the shares

Name	Capacity	Number of shares: Other interest	Shareholding (%)
Kwan Pak Hoo Bankee	Founder of a discretionary trust	446,572,587*	44.99

* The shares were held as to 3,000,000 shares by Cash Guardian and as to 443,572,587 shares by CIGL and its subsidiaries. Mr Kwan was deemed to be interested in all these shares as a result of his interests in the Company through Cash Guardian as disclosed in the "Substantial Shareholders" below.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their associates had any personal, family, corporate or other beneficial interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO).

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name	Capacity	Number of Shares	Shareholding *(%)*
Jeffnet Inc *(Note 1)*	Trustee of a discretionary trust	164,028,376	37.49
Cash Guardian *(Note 1)*	Beneficial owner	164,028,376	37.49
Mr Al-Rashid, Abdulrahman Saad ("Mr Al-Rashid") *(Note 2)*	Interest in a controlled corporation	72,000,000	16.46
Abdulrahman Saad Al-Rashid & Sons Company Limited ("ARTAR") *(Note 2)*	Beneficial owner	72,000,000	16.46

Notes:

(1) This refers to the same number of Shares held by Cash Guardian (which is 100% beneficially owned by Jeffnet Inc ("Jeffnet")). Jeffnet held these shares as trustee of The Jeffnet Unit Trust, units of which were held by a discretionary trust established for the benefit of the family members of Mr Kwan Pak Hoo Bankee. Pursuant to the SFO, Mr Kwan and Jeffnet were deemed to be interested in the Shares held by Cash Guardian.

(2) This refers to the same number of Shares were held by ARTAR, which was a 45% owned controlled corporation of Mr Al-Rashid. Pursuant to the SFO, Mr Al-Rashid was deemed to be interested in the Shares held by ARTAR.

Save as disclosed above, as at the Latest Practicable Date, no other parties were recorded in the register required by the SFO to be kept as having an interest of 5% or more of the issued share capital of the Company.

4. DIRECTORS' INFORMATION

The biographical details and information of each of the Directors required for disclosure under the Listing Rules is as follows:

Bankee Pak-hoo KWAN

Chairman, 46, MBA, BBA, FFA, CMP(HK), MHKIM, MHKSI

Mr Bankee Kwan joined the Board on 9 March 1998. He is in charge of the Group's strategic business development and executive management. Mr Kwan has extensive experience in corporate management, strategic planning, marketing management, financial advisory and banking. Before joining the Group, he served as the managing director of a number of Hong Kong listed companies and held senior executive positions in several leading international banks in Hong Kong. Mr Kwan is a firm believer of education and public affairs and actively participates in philanthropic activities in these areas. He is a John Harvard fellow of Harvard University, USA, a member of the Harvard University Asia Center Advisory Committee, USA, an honorary university fellow of The Open University of Hong Kong, a trustee of New Asia College of The Chinese University of Hong Kong, an honorary member of the Board of Trustees of Nanjing University, PRC and an honorary advisor of China Charity Federation. He is also an honorary advisor to LiPACE of The Open University of Hong Kong and Academy of Oriental Studies of Peking University, PRC, and an advisory professor of Nanjing University, PRC. Mr Kwan is a member of the Chinese People's Political Consultative Conference, Shanghai Committee, and the chairman of the Hong Kong Retail Management Association. Mr Kwan is also the substantial shareholder of the Company and the chairman of CFSG and CRMG. His business address is 21/F The Center, 99 Queen's Road Central, Hong Kong.

Bernard Ping-wah LAW

CFO, 47, MBA, FCCA, FCPA, MHKSI

Mr Bernard Law joined the Board on 9 March 1998. He is in charge of the Group's financial and accounting management. Mr Law has extensive experience in financial management and accountancy. Before joining the Group, he served as finance director and group financial controller for several Hong Kong listed companies and corporations. Mr Law is also the CFO of CFSG and CRMG. His business address is 21/F The Center, 99 Queen's Road Central, Hong Kong.

Kenneth Kin-yick WONG

Deputy CEO, 47, MBA, BASc

Mr Kenneth Wong joined the Group on 2 May 2000 and was appointed to the Board on 3 November 2003. He is in charge of the Group's business development in the Greater China region and the financial services businesses. Mr Wong has extensive experience in the banking and finance field. Prior to joining the Group, he held senior management positions in a number of top-tier global financial institutions where he was responsible for overseeing the development of various business areas within the Greater China region, gaining vast professional knowledge in credit, capital markets, and commercial and institutional banking. Mr Wong is also the CEO of CFSG. His business address is 21/F The Center, 99 Queen's Road Central, Hong Kong.

Joan Elmond Oi-kuen KWOK

Executive Director, 37, MBA, BA, FCIS

Ms Joan Kwok joined the Group on 20 March 1998 and was appointed to the Board on 3 October 2000. She is in charge of the Group's corporate governance. Ms Kwok has extensive experience in the company secretarial profession, corporate finance and corporate development. Before joining the Group, she served as the company secretary of several Hong Kong listed companies and held senior executive positions in the fields of corporate development and general management. Ms Kwok is also the Company Secretary of the Company and an executive director and the company secretary of CFSG as well as the company secretary of CRMG. Her business address is 21/F The Center, 99 Queen's Road Central, Hong Kong.

Thomas Yuen-cheuk LI

Executive Director, 43, MBA, BBA, MHKSI

Mr Thomas Li joined the Board on 6 May 1998. He is the president of the Group's business development in China and participates in the Group's retailing business in Hong Kong. Mr Li has extensive experience in marketing and general management. Before joining the Group, he held senior executive positions of several leading international banks in Hong Kong and was responsible for business and marketing development, and corporate management. Mr Li is also an executive director of CRMG. His business address is 21/F The Center, 99 Queen's Road Central, Hong Kong.

Chuk-yan WONG

Independent Non-executive Director, 45, MSc(Bus Admin), BBA, CFA, CGA

Mr Wong joined the Independent Board on 3 June 1998. Mr Wong has extensive investment management experience in the global financial markets and is a portfolio manager of a large renowned investment counsel in Toronto, Canada and is responsible for the company's equity investments in the Asia Pacific region. Mr Wong is also a member of the Audit Committee of the Company. His business address is 55/F Scotia Plaza, 40 King Street West, Toronto, Ontario, Canada M5H 4A9.

Johnny Ka-kui LEUNG

Independent Non-executive Director, 48, LL.B

Mr Johnny Leung joined the Independent Board on 25 October 2000. Mr Leung has extensive experience in the legal field and is the managing partner of a legal firm in Hong Kong. Mr Leung is also a member of the Audit Committee of the Company, and is also an independent non-executive director and a member of the audit committee of CRMG. His business address is 16/F The Chinese Bank Building, 61 Des Voeux Road, Central, Hong Kong.

Hak-sin CHAN

Independent Non-executive Director, 44, PhD, MBA, BBA

Dr Chan joined the Independent Board on 25 October 2000. Dr Chan has extensive experience in the academia in the USA as professor, researcher and consultant in the fields of corporate finance and international marketing and is a faculty member of the Department of Marketing at The Chinese University of Hong Kong. Dr Chan is also a member of the Audit Committee of the Company. His business address is Department of Marketing, The Chinese University of Hong Kong, Shatin, New Territories.

5. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors or their respective associates had any interest in a business which competes or may compete with the business of the Group.

6. SERVICE CONTRACT

As at the Latest Practicable Date, no Director has a service contract with the Company in respect of his/her service to the Company in the capacity of a Director which is not expiring or determinable by the Company within one year without payment of compensation other than statutory compensation.

7. INTEREST OF DIRECTORS IN GROUP ASSETS

Since 31 December 2004, the date to which the latest published audited accounts of the Group have been made up, none of the Directors has, or has had, any direct or indirect interest in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to, any member of the Group.

8. LITIGATION

On 29 August 2002, Pang Po King Cannie ("Pang") filed a statement of claim against the Placing Agent, a wholly owned subsidiary of CFSG, alleging that the Placing Agent, without knowledge or authority of or instructions from Pang, had misused the account opened by Pang with the Placing Agent to buy 1,406,000 shares in Takson Holdings Limited. The CFSG Directors confirmed that the subject transactions were made with knowledge of and authority from Pang. The CFSG Directors do not envisage the claim by Pang will be held valid. The case was in progress and it was in the discovery stage as at the Latest Practicable Date.

Cheung Yiu Wing ("Cheung"), a director and a shareholder of the former King Pacific International Holdings Limited ("KPI"), filed a statement of claim for HK$60,500,000 against the Company on 18 January 2000 claiming that the Company had orally agreed to purchase from Cheung 50 million shares in KPI at a price of HK$1.90 per share. Cheung claimed against the Company for, inter alia, damages. In July 2005, the court had delivered the judgment in favour of the Company. Cheung had filed a notice of appeal and the hearing date is to be fixed by the Court soon The Board is of the view that the appeal of Cheung will not be successful.

Save as disclosed above, neither the Company nor any other company in the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against either the Company or any other company in the Group.

9. MATERIAL CONTRACTS

The following contracts are contracts that are or may be material, not being contracts entered into during the ordinary course of business, and have been entered into by the Company or its subsidiaries within two years preceding the Latest Practicable Date:

(a) the underwriting agreement dated 29 September 2003 entered into between CFSG and the Company in relation to the underwriting for the rights issue of 251,518,816 rights shares of HK$0.10 each at HK$0.25 per right shares on the basis of two rights shares for every existing share held in CFSG;

(b) the conditional sale and purchase agreement dated 19 December 2003 entered into between Mr John Rui Ming Long, as the vendor, and Cheer Forever Limited, a wholly-owned subsidiary of the Company, as purchaser for the sale and purchase of the entire equity interest of Rainbow Day Investments Limited. The vendor and the purchaser have subsequently entered into a cancellation agreement on 24 May 2004 to cancel the sale and purchase agreement;

(c) the underwriting agreement dated 18 March 2004 entered into between CFSG and the Company in relation to the underwriting for the balance of the rights shares not taken up by the controlling shareholders of HK$0.10 each at HK$0.27 per right share on the basis of 1 rights share for every 1 existing share held in CFSG;

(d) the agreement dated 16 August 2004 entered into between CFSG and ARTAR in relation to the issue of a convertible note of the principal amount of HK$40,500,000 at the initial conversion price HK$0.27 by CFSG;

(e) the agreement dated 16 August 2004 entered into between CFSG and CIGL, in relation to the proposed issue of 132,000,000 new subscription Shares at the subscription price of HK$0.27 each by the Company;

(f) the agreement dated 19 August 2004 entered into between the Company and ARTAR as subscriber in relation to the proposed issue of the 72,000,000 new subscription Shares at the subscription price of HK$0.33 each in the Company;

(g) the underwriting agreement dated 25 August 2004 entered into between CRMG and Celestial Capital Limited, a non-wholly owned subsidiary of the Company, in relation to the underwriting for the rights issue of about 133,298,562 rights shares of HK$0.02 each at HK$0.35 per right share on the basis of 1 rights share for every 4 existing shares held in CRMG;

(h) the sale and purchase agreement dated 3 November 2004 entered into between CIGL and CRMG in relation to the acquisition of the entire issued share capital of Cosmos Global Assets Limited and the shareholder's loan by the CRMG and its subsidiaries from CIGL at the consideration of HK$9,678,092 to be settled in cash;

(i) the sale and purchase agreement dated 23 November 2004 entered into between Excel Smart Profits Limited, a wholly-owned subsidiary of the Company, as vendor and Power Link Transportation Limited as purchaser in relation to the disposal of a residential property in Hong Kong at a consideration of HK$45,000,000 to be settled in cash;

(j) the two subscription agreements both dated 23 March 2005 entered into between CRMG and respectively Mr Pun So and Ms Tin Yuen Sin Carol as subscribers in relation to the subscription of a total of 83,000,000 new shares in CRMG at the subscription price of HK$0.28 each;

(k) the placing agreement dated 4 April 2005 entered into between CRMG and the Placing Agent, in relation to the placing of a maximum of 223,000,000 new shares in CRMG at the placing price of HK$0.30 each;

(l) the agreement dated 23 May 2005 entered into between Pricerite Development Limited, an associated company of the Company, and AustChina Information Technology Pyt Limited in relation to the proposed cooperation to develop retail business in the PRC;

(m) the sale and purchase agreement dated 24 August 2005 entered into between Sundynasty International Limited, an associated company of the Company, as purchaser and Qian Song Wen as vendor in relation to the proposed acquisition of the entire interest in a Timecastle International Limited which subsidiary operates a department store in Beijing, the PRC, at a consideration of HK$500,000,000 (subject to adjustment);

(n) the placing agreement dated 24 August 2005 entered into between CRMG and the Placing Agent in relation to the proposed placing of 45,000,000 shares in CRMG at a placing price of HK$0.45 per share;

(o) the S&P Agreement;

(p) the Placing Agreement;

(q) the Subscription Agreement; and

(r) the place down and top-up agreement dated 22 September 2005 entered into among CFSG, CIGL and the Placing Agent in relation to (i) the place down by the Placing Agent on behalf of CIGL of 145 million shares in CFSG at a placing price of HK$0.40 per share, and (ii) a top up by CIGL of 145 million new shares in CFSG at a subscription price of HK$0.40 per share.

10. EXPERTS

The following are the qualification of the experts who have given opinion or advice which are contained in this circular:–

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants
Jin Mao Law Firm ("Jin Mao")	PRC lawyers

As at the Latest Practicable Date, each of the Accountants and Jin Mao was not interested beneficially in the Shares or shares in the Company or its subsidiaries and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for Shares or shares in any members of the Group.

As at the Latest Practicable Date, each of the Accountants and Jin Mao did not have any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or its subsidiaries or are proposed to be acquired or disposed of by or leased to the Company or its subsidiaries since 31 December 2004, being the date up to which the latest published audited consolidated accounts of the Company were made up.

Each of the Accountants and Jin Mao has given and has not withdrawn its written consent to the issue of this circular with the inclusion of and reference to their name in the form and context in which it appears.

11. MISCELLANEOUS

(a) The qualified accountant of the Company is Mr Cheng Man Pan Ben, a Certified Public Accountant.

(b) The joint secretaries of the Company are Ms Kwok Oi Kuen Joan Elmond and Ms Luke Wing Sheung Suzanne, both fellow members of the Institute of Chartered Secretaries and Administrators.

(c) The head office and the principal place of business of the Company in Hong Kong is at 21/F The Center, 99 Queen's Road Central, Hong Kong. The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(d) The principal share registrars and transfer office of the Company in Bermuda is The Bank of Bermuda Limited at The Bank of Bermuda Building, 6 Front Street, Hamilton HM 11, Bermuda. The branch share registrars and transfer office of the Company in Hong Kong is Standard Registrars Limited at G/F Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.

(e) The English text of this circular shall prevail over the Chinese text.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 21/F The Center, 99 Queen's Road Central, Hong Kong during normal business hours on any day up to the holding of the SGM:–

(a) the memorandum of association and bye-laws of the Company;

(b) the material contracts referred to in paragraph 9 above;

(c) the accountants' report of the Netfield Group, the text of which is set out in Appendix II to this circular;

(d) the letter from the Accountants in respect of the pro forma financial statement of the assets and liabilities of the Enlarged Group as set out in Appendix III to this circular;

(e) the PRC legal opinion from Jin Mao;

(f) the letters of consent from the Accountants and Jin Mao referred to in paragraph 10 above;

(g) the audited financial statements of the Group for the three financial years ended 31 December 2002, 31 December 2003 and 31 December 2004;

(h) the unaudited interim report of the Group for the six months ended 30 June 2005; and

(i) the circular dated 25 April 2005 of the Company in relation to a discloseable transaction for deemed disposal arising from the issue of placing shares by CRMG, and the circular dated 30 June 2005 of the Company in relation to a possible very substantial disposal for a deemed disposal arising from the issue of a convertible note by CRMG.

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting ("Meeting") of Celestial Asia Securities Holdings Limited ("Company") will be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 20 December 2005, Tuesday, at 9:45 am for the purpose of considering and, if thought fit, passing the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT** the acquisition pursuant to the sale and purchase agreement ("S&P Agreement") entered into between Vantage Giant Limited ("Purchaser"), a non-wholly owned subsidiary of the Company, and Mr Lin Che Chu ("Vendor") on 15 September 2005 in relation to the acquisition by the Purchaser from the Vendor the 100% interest in Netfield Technology Limited ("Netfield"), including all outstanding loans due from Netfield to the Vendor as at the completion of the S&P Agreement, at the consideration of HK$110,000,000 be, subject to several conditions as set out in the S&P Agreement and described in the circular of the Company dated the same date of this notice ("Circular") including, inter alia, the completion of the Placing Agreement as defined and as described in resolution numbered 2 of this notice, hereby approved and ratified and the directors of the Company ("Directors") be and are hereby authorized to do such things or make such arrangement as they may think fit to give effect to the completion of the S&P Agreement."

2. "**THAT**, the proposed placing of 155,000,000 million new shares ("Placing Share(s)") of HK$0.10 each ("Share(s)") in CASH Financial Services Group Limited ("CFSG"), a non-wholly owned subsidiary of the Company, at the placing price of HK$0.40 per Placing Share pursuant to the placing agreement ("Placing Agreement") entered into between CFSG and Celestial Securities Limited ("Placing Agent"), a wholly owned subsidiary of CFSG, on 15 September 2005 be, subject to several conditions as set out in the Placing Agreement and as described in the Circular including, inter alia, the S&P Agreement becoming unconditional (save for the completion of the Placing Agreement), hereby approved and ratified and the Directors be and are hereby authorized to do such things or make such arrangement as they may think fit to give effect to the completion of the Placing Agreement."

3. "**THAT**, the subscription agreement ("Subscription Agreement") entered into between the CFSG and Celestial Investment Group Limited ("CIGL"), a wholly owned subsidiary of the Company, on 15 September 2005 in relation to the proposed subscription by CIGL of 120,000,000 million new Shares ("Subscription Share(s)") at the subscription price of HK$0.40 per Subscription Share be, subject to several conditions as set out in the Subscription Agreement and as described in the Circular including, inter alia, the simultaneous completion of the Placing Agreement, hereby approved and ratified and the Directors be and are hereby authorized to do such things or make such arrangement as they may think fit to give effect to the completion of the Subscription Agreement."

By order of the Board
Kwok Oi Kuen Joan Elmond
Company Secretary

Hong Kong, 30 November 2005

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
21/F The Center
99 Queen's Road Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, in the event of a poll, vote on his behalf. A proxy need not be a member of the Company. A form of proxy is also enclosed for the meeting.

2. In order to be valid, the form of proxy must be deposited at the principal place of business of the Company in Hong Kong at 21/F The Center, 99 Queen's Road Central, Hong Kong together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or other authority, not less than 48 hours before the time for holding the special general meeting or any adjournment thereof.

CELESTIAL ASIA SECURITIES HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code #1049)

FORM OF PROXY

Form of Proxy for use at the special general meeting ("SGM") of Celestial Asia Securities Holdings Limited ("Company") to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 20 December 2005, Tuesday, at 9:45 am

I/We[1] ____

of ____

being the registered holder(s) of[2] ____________________ shares of HK$0.10 each ("Share(s)")

in the share capital of the Company, HEREBY APPOINT[3] ____________________

____ of

____

or failing him, the Chairman of the meeting or anyone so appointed by the Chairman, to act for me/us as my/our proxy at the SGM (or at any adjournment thereof) to be held at 21/F The Center, 99 Queen's Road Central, Hong Kong on 20 December 2005, Tuesday, at 9:45 am to consider and, if thought fit, pass the resolutions set out in the notice convening the SGM and at the said meeting to vote for me/us and on my/our behalf in respect of said resolutions as hereunder indicated or, if no such indication is given, as my/our proxy thinks fit.

ORDINARY RESOLUTIONS	FOR[4]	AGAINST[4]
1. To approve the sale and purchase agreement.		
2. To approve the placing agreement.		
3. To approve the subscription agreement.		

Dated: ____________________ Signature[5]: ____________________

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of Shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the Shares registered in your name(s).
3. Please insert the name and address of the proxy desired. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE MEETING OR ANYONE SO APPOINTED BY THE CHAIRMAN WILL ACT AS YOUR PROXY. ANY ALTERATION MADE IN THIS FORM OF PROXY MUST BE INITIALLED BY THE PERSON WHO SIGNS IT**.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PUT A TICK IN THE BOX MARKED "FOR" BESIDE THE RESOLUTION. IF YOU WISH TO VOTE AGAINST A RESOLUTION, PUT A TICK IN THE BOX MARKED "AGAINST" BESIDE THE RESOLUTION**. Failure to complete the boxes will entitle your proxy to cast his vote at his own discretion. Your proxy will also be entitled to vote at his own discretion on any resolution which has been properly put to the meeting other than those referred to in the notice convening the meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, must be under its common seal or the hand of an officer duly authorised in that behalf.
6. Where they are joint registered holders of any Share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting in person or by proxy, that one of the said persons so present whose names stands first on the register of members of the Company in respect of such Share shall alone be entitled to vote in respect thereof.
7. To be valid, this form of proxy, together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at 21/F The Center, 99 Queen's Road Central, Hong Kong, not less than 48 hours before the time appointed for holding of the meeting or adjourned meeting (as the case may be).
8. A proxy need not be a member of the Company but must attend the meeting in person to represent you.
9. Completion and delivery of this form of proxy will not preclude you from attending and voting at the meeting if you so wish.