

時刻創富
智財匯聚



CASH Financial Services Group Limited

2005 3Q Results
1 January to 30 September

CASH
FINANCIAL SERVICES GROUP
時富金融服務集團

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED ("STOCK EXCHANGE")

GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The principal means of information dissemination on GEM is publication on the internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM website in order to obtain up-to-date information on GEM-listed issuers.

This report, for which the Directors of CASH Financial Services Group Limited ("Company" or "CFSG") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange ("GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors of the Company, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

Results

The unaudited consolidated results of the Company and its subsidiaries ("Group") for the three months and the nine months ended 30 September 2005 together with the comparative figures for the last corresponding periods are as follows:

	Notes	Unaudited three months ended 30 September		Unaudited nine months ended 30 September	
		2005 HK\$'000	2004 HK\$'000 (restated)	2005 HK\$'000	2004 HK\$'000 (restated)
Turnover	(2)	57,429	50,695	155,357	176,468
Other operating income		1,077	118	1,807	4,533
Write back of bad and doubtful debts		-	3,900	-	6,913
Salaries, allowance and commission		(30,568)	(24,649)	(80,836)	(81,832)
Other operational and administrative expenses		(12,851)	(14,820)	(40,440)	(45,871)
Depreciation and amortisation		(1,434)	(4,959)	(8,576)	(14,861)
Net realised and unrealised gains on financial assets at fair value through profit or loss		(7,022)	-	(4,119)	-
Loss on trading of securities, options, futures and leveraged foreign exchange contracts		-	(16,600)	-	(21,661)
Finance costs		(2,632)	(2,763)	(7,224)	(5,664)
Profit (Loss) before taxation		3,999	(9,078)	15,969	18,025
Taxation	(3)	(300)	(217)	(450)	(467)
Profit (Loss) for the period		3,699	(9,295)	15,519	17,558
Attributable to shareholders:					
Equity holders of the Company		3,196	(9,726)	14,404	16,400
Minority interests		503	431	1,115	1,158
		3,699	(9,295)	15,519	17,558
Earnings (Loss) per share	(4)				
- Basic		0.4 cent	(1.3) cents	1.9 cents	2.6 cents
- Diluted		0.4 cent	N/A	N/A	N/A

Notes:

(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 GEM Listing Rules and the Hong Kong Accounting Standard ("HKAS") 34: Interim Financial Reporting.

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



(1) Basis of preparation and significant accounting policies (continued)

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

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.

(1) Basis of preparation and significant accounting policies (continued)

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\$2,016,000 during current period as compared with the same period last year.

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\$125,000.

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.



(1) Basis of preparation and significant accounting policies (continued)

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.

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.

(1) Basis of preparation and significant accounting policies (continued)

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 three months ended 30 September 2005		Unaudited nine months ended 30 September 2005	
	HK\$'000	2004 HK\$'000 (restated)	HK\$'000	2004 HK\$'000 (restated)
Fees and commission income	50,627	45,927	136,462	154,782
Interest income	6,802	4,768	18,895	21,686
	57,429	50,695	155,357	176,468

In prior period, loss on trading of securities, options and futures were 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.

(3) Taxation

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

The net deferred tax asset has not been recognised in the financial statements due to the unpredictability of future taxable profit streams.

(4) Earnings (Loss) per share

The calculation of basic and diluted earnings (loss) per share for the three months and the nine months ended 30 September 2005 together with the comparative figures for the prior periods is based on the following data:

	Unaudited three months ended 30 September 2005		Unaudited nine months ended 30 September 2005	
	HK\$'000	2004 HK\$'000	HK\$'000	2004 HK\$'000
Profit (Loss) for the purpose of basic and diluted earnings (loss) per share	3,196	(9,726)	14,404	16,400
Weighted average number of ordinary shares for the purpose of basic earnings (loss) per share	778,307,807	754,556,448	762,560,569	622,264,084
Effect of dilutive potential ordinary shares assumed exercise of share options and conversion of convertible notes	8,465,387	N/A	N/A	N/A
Weighted average number of ordinary shares for the purpose of diluted earnings (loss) per share	786,773,194	754,556,448	762,560,569	622,264,084

No diluted earnings (loss) per share for the periods in 2004 and the nine months period of 2005 have been presented because the exercise prices of the share options and the conversion prices of the convertible notes of the Company were higher than the average market price of the Company's shares for the periods.

(5) Reserves

Unaudited three months ended 30 September						
2005						2004
Notes	Share premium HK\$'000	Contributed surplus HK\$'000	Loan reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000	Total HK\$'000
Beginning of the three months period	61,956	173,550	1,068	(68,462)	168,112	167,922
Issue of new shares (b)	25,638	-	-	-	25,638	-
Share issue expenses	-	-	-	-	-	(441)
Arising from partial repayment of a convertible note	-	-	(274)	-	(274)	-
Net profit (loss) for the period	-	-	-	3,196	3,196	(9,726)
End of the three months period	87,594	173,550	794	(65,266)	196,672	157,755
Unaudited nine months ended 30 September						
2005						2004
Notes	Share premium HK\$'000	Contributed surplus HK\$'000	Loan reserve HK\$'000	Accumulated Losses HK\$'000	Total HK\$'000	Total HK\$'000
Beginning of the nine months period	61,956	186,377	-	(84,951)	163,382	80,148
Issue of rights shares (a)	-	-	-	-	-	64,137
Arising from adoption of HKAS 32	-	-	1,360	-	1,360	-
Issue of new shares (b)	25,638	-	-	-	25,638	-
Share issue expenses (a)	-	-	-	-	-	(2,930)
Amount transferred to set off accumulated losses (c)	-	(12,827)	-	12,827	-	-
Arising from partial repayment of a convertible note (d)	-	-	(566)	-	(566)	-
2004 final dividend paid	-	-	-	(7,546)	(7,546)	-
Net profit for the period	-	-	-	14,404	14,404	16,400
End of the nine months period	87,594	173,550	794	(65,266)	196,672	157,755



(5) Reserves (continued)

Notes:

- (a) On 17 May 2004, 377,278,224 shares of HK\$0.10 each were issued by way of rights issue at a subscription price of HK\$0.27 per share. The proceeds before expenses was, totalled approximately HK\$101.9 million.
- (b) On 15 September 2005, 132,000,000 shares of HK\$0.10 each were issued by way of subscription at a subscription price of HK\$0.27 per share. The proceeds before expenses were HK\$35,640,000. On 16 September 2005 and 26 September 2005, 650,000 share options and 12,675,000 share options respectively were exercised at the exercise price of HK\$0.34 per share, resulting in the issue of 650,000 shares and 12,675,000 shares of HK\$0.10 each on the respective date of exercise for a total consideration (before expenses) of HK\$4,530,500.
- (c) Pursuant to a minutes of a directors' meeting held on 30 May 2005, an amount of HK\$12,827,374 was transferred from the contributed surplus account to set off against the accumulated losses of the Company at 31 December 2004 of HK\$5,281,810.
- (d) 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\$10,000,000.

(6) Post balance sheet date events

Pursuant to the joint announcement of the Company and Celestial Asia Securities Holdings Limited ("CASH") dated 22 September 2005 ("Joint Announcement"), the Group shall undergo a major transaction for proposed acquisition and several fund raising transactions. On 23 September 2005, the place down of 145 million shares in the Company held by a controlling shareholder to independent third parties at HK\$0.40 each was completed. The corresponding top up of 145 million new shares in the Company to the controlling shareholder was then completed on 5 October 2005. This resulted in a fund raising of HK\$58 million, before expenses, for the Company.

On the other hand, under the conditional acquisition of the Netfield Group at a consideration of HK\$110 million as mentioned in the Joint Announcement, HK\$55 million was paid as deposit before the period end. Moreover, there exists further conditional placement to various independent third parties of 155 million new shares and top up subscription by the controlling shareholder of 120 million new shares in the Company. All of these conditional transactions are subject to approval by shareholders at a forthcoming special general meeting of the Company to be convened.

Further details of all the above-mentioned transactions were disclosed in the Joint Announcement.

Dividend

The Board does not recommend the payment of any interim dividend for the nine months ended 30 September 2005 (2004: Nil).

Review and Outlook

The quarter under review turned out to be eventful yet challenging for the equity markets longer term. China replaced its decade-long fixed currency peg with a managed floating regime and revalued its currency upward by 2.1%. This latest move by China represents another significant step in the country's ongoing currency reform. Globally, crude oil prices touched the US\$70 mark, causing jitters and posing threat to global economic growth. Hurricane Katrina, which caught the US by surprise, had been catastrophic and made matter worse. Inflationary pressure will likely rise and the current US interest rate up-cycle will likely be extended. On the domestic front, Disney Hong Kong was officially opened with much fanfare and hope that Hong Kong would strengthen its position as a tourist destination in the region. Its effect on the retail and tourism businesses is yet to be seen. Despite rising interest rates, the domestic economy appeared to be resilient, albeit with signs of slower growth.

Our business for the third quarter was in line with the general performance of the broad market, with a turnover of HK\$155.4 million. A net profit attributable to shareholders of HK\$14.4 million was recorded for the period ended 30 September 2005.

In September, we announced our plan to enter the online game industry by acquiring the Netfield Group, the holding company of Moli Group Limited ("Moli Group"), for a consideration of HK\$110 million. Moli Group is an online game developer and operator in the PRC. The transaction, upon approval at the shareholders' meeting, will be completed by end of this year. While we continue to grow our income from the mature brokerage business, this new strategic acquisition will allow us to participate in a high-growth business sector. In our view, the outlook for online games in China is exciting and bright. Already the second largest after South Korea in Asia, the online game industry in China has been growing by leaps and bounds in the past several years and this trend is expected to continue.



Product diversification and cost leadership remained the primary pillars of our business strategy. We continued to expand and strengthen our wealth management initiatives and investment banking activities. Revenue contribution from these two fast-growing businesses continued to rise. Our core brokerage business continued to show steady and healthy growth. During the quarter, the division increased its hire of sales agents by double-digit to position the company for the upcoming expansion.

In an effort to raise our international recognition, we brought in a new strategic investor, AvW Invest AG, an Austrian company listed in Vienna. AvW has agreed to explore cross-selling opportunities and assist us in making inroads into the European market. Together with our Saudi Arabian investment partner ARTAR Group, this alliance has also broadened our shareholding base that now extends from Asia and Middle East to Europe.

Looking ahead, concerns over high oil and energy prices, an extended up-cycle of US interest rates, and China's ability to maintain its strong economic growth will likely cause more volatility in global equity markets. While we have been on track with our business plan thus far, we remain vigilant to keep our cost structure lean and strive to diversify our income mix through strengthening existing businesses and entering new businesses that would leverage our technology and business platforms. Our goal is to position ourselves as clients' financial services house of choice with comprehensive product offerings that meet their diverse financial needs.

Directors' Interests in Securities

As at 30 September 2005, 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 Securities and Futures Ordinance ("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 rule 5.46 of the GEM Listing Rules were as follows:

A. The Company

(a) Long positions in the shares

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
Kwan Pak Hoo Bankee	Founder of a discretionary trust	-	386,775,434*	42.98
Wong Kin Yick Kenneth	Beneficial owner	1,720,000	-	0.19
Cheng Shu Shing Raymond	Beneficial owner	1,100,000	-	0.12
		2,820,000	386,775,434	43.29

- * The shares were held as to 12,948,000 shares by Cash Guardian Limited ("Cash Guardian") and as to 373,827,434 shares by Celestial Investment Group Limited ("CIGL"), a wholly-owned subsidiary of CASH. Mr Kwan was deemed to be interested in all these shares as a result of his interests in CASH through Cash Guardian as disclosed in the "Substantial Shareholders" below. On 5 October 2005, CIGL topped up its shareholding by an additional 145,000,000 shares.

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

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options		Percentage to issued shares as at 30 September 2005 (%)
					outstanding as at 1 January 2005	outstanding as at 30 September 2005	
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 – 30/11/2005	0.34	(3)	3,185,000	3,185,000	0.35
Law Ping Wah Bernard	2/12/2003	2/12/2003 – 30/11/2005	0.34		3,185,000	3,185,000	0.35
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 – 30/11/2005	0.34		3,185,000	3,185,000	0.35
Cheng Man Pan Ben	2/12/2003	1/6/2004 – 31/5/2006	0.34	(1)	650,000	650,000	0.07
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 – 30/11/2005	0.34		3,185,000	3,185,000	0.35
					13,390,000	13,390,000	1.47

Notes:

- (1) 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.
- (2) No option was granted, exercised, lapsed or cancelled during the period.
- (3) Mr Kwan Pak Hoo Bankee is also the substantial shareholder of the Company.
- (4) The options are held by the Directors in the capacity of beneficial owner.

(c) Aggregate long positions in the shares and the underlying shares

Name	Number of shares	Number of underlying shares	Aggregate in number	Percentage to issued shares as at 30 September 2005 (%)
Kwan Pak Hoo Bankee	386,775,434	3,185,000	389,960,434	43.33
Law Ping Wah Bernard	-	3,185,000	3,185,000	0.35
Wong Kin Yick Kenneth	1,720,000	3,185,000	4,905,000	0.54
Cheng Man Pan Ben	-	650,000	650,000	0.07
Kwok Oi Kuen Joan Elmond	-	3,185,000	3,185,000	0.35
Cheng Shu Shing Raymond	1,100,000	-	1,100,000	0.12
	389,595,434	13,390,000	402,985,434	44.76

B. Associated corporations (within the meaning of SFO)

1. CASH

(a) Long positions in the shares

Name	Capacity	Number of shares		Shareholding (%)
		Personal	Other interest	
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
Cheng Man Pan Ben	Beneficial owner	63,500	-	0.01
Kwok Oi Kuen Joan Elmond	Beneficial owner	2,700,000	-	0.62
		7,859,700	164,028,376	39.28

* The shares were held by 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 "Substantial Shareholders" below.

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

Name	Date of grant	Exercise period	Exercise price per share (HK\$)	Number of options		Percentage to issued shares as at 30 September 2005 (%)
				outstanding as at 1 January 2005	outstanding as at 30 September 2005	
Kwan Pak Hoo Bankee	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	3,000,000	0.69
Law Ping Wah Bernard	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	3,000,000	0.69
Wong Kin Yick Kenneth	2/12/2003	2/12/2003 – 30/11/2005	0.502	1,000,000	1,000,000	0.23
Kwok Oi Kuen Joan Elmond	2/12/2003	2/12/2003 – 30/11/2005	0.502	3,000,000	3,000,000	0.69
				10,000,000	10,000,000	2.30

Note: The options are held by the Directors in the capacity of beneficial owner.

(c) *Aggregate long positions in the shares and the underlying shares*

Name	Number of shares	Number of underlying shares	Aggregate in number	Percentage to issued shares as at 30 September 2005 (%)
Kwan Pak Hoo Bankee	164,028,376	3,000,000	167,028,376	38.18
Law Ping Wah Bernard	5,096,200	3,000,000	8,096,200	1.85
Wong Kin Yick Kenneth	-	1,000,000	1,000,000	0.23
Cheng Man Pan Ben	63,500	-	63,500	0.01
Kwok Oi Kuen Joan Elmond	2,700,000	3,000,000	5,700,000	1.31
	171,888,076	10,000,000	181,888,076	41.58

2. CASH Retail Management Group Limited

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

(b) Aggregate long positions in the shares and the underlying shares

Name	Number of shares	Aggregate in number	Percentage to issued shares as at 30 September 2005 (%)
Kwan Pak Hoo Bankee	446,572,587	446,572,587	44.99

Save as disclosed above, as at 30 September 2005, 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).

Share Option Scheme

Details of share options to subscribe for shares in the Company having been granted to and held by participants under the share option scheme of the Company during the nine months ended 30 September 2005 were as follows:

Date of grant	Exercise period	Exercise price per share (HK\$)	Notes	Number of options			outstanding as at 30 September 2005
				outstanding as at 1 January 2005	exercised during the period (Note(3))	lapsed during the period (Note(4))	
Directors							
2/12/2003	2/12/2003 – 30/11/2005	0.34	(1)	12,740,000	-	-	12,740,000
2/12/2003	1/6/2004 – 31/5/2006	0.34	(1)&(2)	650,000	-	-	650,000
				13,390,000	-	-	13,390,000
Employees							
2/12/2003	2/12/2003 – 30/11/2005	0.34		9,555,000	-	(6,370,000)	3,185,000
2/12/2003	1/6/2004 – 31/5/2006	0.34	(2)	20,540,000	(13,325,000)	(2,795,000)	4,420,000
				30,095,000	(13,325,000)	(9,165,000)	7,605,000
				43,485,000	(13,325,000)	(9,165,000)	20,995,000

Notes:

- (1) Details of the options granted to the Directors are set out in the section headed "Directors' Interests in Securities".
- (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 12 months from the commencement of the exercise period.
- (3) On 16 September 2005 and 26 September 2005, 650,000 share options and 12,675,000 shares options were exercised at the exercise price of HK\$0.34 per share. The weighted average closing price of the Company's shares immediately before the date of exercise was HK\$0.495 per share and HK\$0.470 per share respectively.
- (4) The lapsed options were due to cessation of employment of participants with the Group.
- (5) No option was granted or cancelled during the period.

Substantial Shareholders

As at 30 September 2005, 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 of the Company 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	386,775,434	42.98
Cash Guardian (Note (1))	Interest in a controlled corporation	386,775,434	42.98
CASH (Note (1))	Interest in a controlled corporation	373,827,434	41.54
CIGL (Note (1))	Beneficial owner	373,827,434	41.54
Mrs Nina Wang (Note (2))	Interest in a controlled corporation	49,732,640	5.53

Notes:

- (1) The shares were held as to 12,948,000 shares by Cash Guardian and as to 373,827,434 shares by CIGL (a wholly owned subsidiary of CASH). On 5 October 2005, CIGL topped up its shareholding by an additional 145,000,000 shares. CASH was owned as to approximately 37.49% by Cash Guardian (which was 100% beneficially owned by Jeffnet Inc). Jeffnet Inc 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. Pursuant to the SFO, Mr Kwan, Jeffnet Inc and Cash Guardian were deemed to be interested in all the shares held by CIGL through CASH. The above interest has already been disclosed as other interest of Mr Kwan in the section headed "Directors' Interests in Securities" above.
- (2) The 49,732,640 shares were held as to 43,136,000 shares by Hampstead Trading Limited and 6,596,640 shares by another company, both of which were 100% beneficially owned by Mrs Nina Wang. Mrs Wang was deemed to be interested in all these shares held by the two companies pursuant to the SFO.

Save as disclosed above, as at 30 September 2005, 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.



Competing Interests

None of the Directors or the management shareholders of the Company (as defined under the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group.

Review of Results

The Group's unaudited consolidated results for the nine months ended 30 September 2005 have not been reviewed by the auditors of the Company, but have been reviewed by the Audit Committee of the Company.

Purchase, Sale or Redemption of the Company's Securities

During the nine months ended 30 September 2005, neither our Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board
Bankee P Kwan
Chairman

Hong Kong, 9 November 2005

As at the date hereof, the executive Directors are Mr Kwan Pak Hoo Bankee, Mr Law Ping Wah Bernard, Mr Wong Kin Yick Kenneth, Mr Cheng Man Pan Ben and Ms Kwok Oi Kuen Joan Elmond, and the Independent Non-executive Directors are Mr Cheng Shu Shing Raymond, Dr Hui Ka Wah Ronnie and Mr Lo Kwok Hung John.