

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

	Notes	Attributable to equity holders of the Company						Convertible loan note equity reserve HK\$'000	Share option reserve HK\$'000	Minority interests HK\$'000	Total HK\$'000	
		Share capital HK\$'000	Share premium HK\$'000 (note(h))	Contributed surplus HK\$'000 (notes(i)&(j))	General reserve HK\$'000	Other Accumulated reserve HK\$'000 (note (k))	losses HK\$'000					Total HK\$'000
At 1 January 2004, as originally stated		36,548	279,272	16,724	1,160	12,314	(5,118)	340,900	-	-	121,210	462,110
Effects of changes in accounting policies (see note 3)		-	-	-	-	-	(781)	(781)	1,764	461	(580)	864
At 1 January 2004, as restated		36,548	279,272	16,724	1,160	12,314	(5,899)	340,119	1,764	461	120,630	462,974
Loss for the year, representing total recognised loss for the year		-	-	-	-	-	(143,954)	(143,954)	-	-	(18,040)	(161,994)
Increase 2.11% interest in subsidiary		-	-	-	-	-	-	-	-	-	(4,815)	(4,815)
Recognition of employee share option benefits	(a)	-	-	-	-	-	-	-	-	219	-	219
Recognition of equity component of convertible loan note of subsidiary		-	-	-	-	-	-	-	771	-	-	771
Arising from full repayment of convertible loan note of subsidiary	(b)	-	-	-	-	-	1,295	1,295	(1,764)	-	-	(469)
Issue of rights shares by subsidiary	(c)	-	-	-	-	-	-	-	-	-	47,532	47,532
Issue of new shares by subsidiary	(d)	-	-	-	-	-	-	-	-	-	4,586	4,586
Issue of right shares by subsidiary	(d)	-	-	-	-	-	-	-	-	-	16,193	16,193
Issue of new shares by the Company	(e)	7,200	16,560	-	-	-	-	23,760	-	-	-	23,760
Transaction cost attributable to issue of new shares	(e)	-	(655)	-	-	-	-	(655)	-	-	-	(655)
At 31 December 2004		43,748	295,177	16,724	1,160	12,314	(148,558)	220,565	771	680	166,086	388,102
Effect of changes in accounting policies (see note 3)		-	-	-	-	-	(48)	(48)	-	-	-	(48)
At 1 January 2005, as restated		43,748	295,177	16,724	1,160	12,314	(148,606)	220,517	771	680	166,086	388,054
Loss for the year, representing total recognised loss for the year		-	-	-	-	-	(37,022)	(37,022)	-	-	9,963	(27,059)
Recognition of employee share option benefits	(a)	-	-	-	-	-	-	-	-	203	-	203
Arising from partial repayment of convertible loan note of subsidiary	(b)	-	-	-	-	-	(151)	(151)	(190)	-	-	(341)
Amount transferred from share premium to contributed surplus	(f)	-	(195,665)	195,665	-	-	-	-	-	-	-	-
Amount transferred to set off accumulated losses	(g)	-	-	(195,665)	-	-	195,665	-	-	-	-	-
2004 final dividend paid by subsidiary		-	-	-	-	-	-	-	-	-	(3,677)	(3,677)
Issue of new shares by subsidiary	(c)	-	-	-	-	-	-	-	-	-	53,244	53,244
Issue of new shares by subsidiary	(d)	-	-	-	-	-	-	-	-	-	(46,343)	(46,343)
At 31 December 2005		43,748	99,512	16,724	1,160	12,314	9,886	183,344	581	883	179,273	364,081

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

Notes:

- (a) The Group has applied HKFRS 2 *Share-based payment* retrospectively in relation to the expensing of the fair value of share options of CASH Financial Service Group Limited ("CFSG") granted on 13 November 2003, 2 December 2003 and 6 October 2005 to Directors and employees determined at the date of grant of the share options, over the vesting period.
- (b) During the year ended 31 December 2004, CFSG has made full repayment of the outstanding convertible loan note issued on 28 September 2001 amounting to HK\$125,100,000. The consideration of HK\$125,100,000 was allocated into liability component and equity component. An equity component of approximately HK\$1,764,000 was released from the convertible loan note equity reserve.

During the year ended 31 December 2005, CFSG has made partial repayment of the convertible loan note issued on 1 September 2004 amounting to HK\$10,000,000. The consideration of HK\$10,000,000 was allocated into liability component and equity component. An equity component of approximately HK\$190,000 was released from the convertible loan note equity reserve.

- (c) (i) 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.
- (ii) In September 2005, 132,000,000 shares of HK\$0.10 each in CFSG were issued at a subscription price of HK\$0.27 per share.
- (iii) In September 2005, 13,325,000 share options in CFSG were exercised at an exercise price of HK\$0.34 per share, resulting in the issue of 13,325,000 shares of HK\$0.10 each.
- (iv) In October 2005, 145,000,000 top up shares of HK\$0.10 each in CFSG were issued to the Group, at the price of HK\$0.40 per share, resulting in the issue of 145,000,000 shares of HK\$0.10 each.
- (d) (i) In January 2004, 2,800,000 share options in CASH Retail Management Group Limited ("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.
- (ii) In September 2004, 133,298,562 shares of HK\$0.02 each in CRMG were issued by way of rights issue at a subscription price of HK\$0.35 per share.
- (iii) In November 2004, 200,000 share options in CRMG were exercised at the exercise price of HK\$0.316 per share, resulting in the issue of 200,000 shares of HK\$0.02 each.
- (iv) In April 2005, 83,000,000 shares of HK\$0.02 each in CRMG were issued at a subscription price of HK\$0.28 per share. The Group's interest in CRMG was consequently reduced from 66.52% to 59.17%.
- (v) In May 2005, 223,000,000 shares of HK\$0.02 each in CRMG were issued at subscription price of HK\$0.30 per share. The Group's interest in CRMG was further reduced from 59.17% to 45.60%.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2005

- (vi) In May 2005, 19,833,333 share options in CRMG were exercised at the exercise price of HK\$0.316 per share, resulting in the issue of 19,833,333 shares of HK\$0.02 each. The Group's interest in CRMG was further reduced from 45.60% to 44.69%.
- (e) Pursuant to an agreement dated 19 August 2004, 72,000,000 new shares of HK\$0.10 each of the Company were issued to Abdulrahman Saad Al-Rashid & Sons Company Limited ("ARTAR"), an independent third party, at the subscription price of HK\$0.33 per share upon completion of the agreement on 24 September 2004. The proceeds before expenses (amounted to HK\$655,000) of approximately HK\$23,760,000 were 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.
- (f) 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.
- (g) 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.
- (h) 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.
- (i) 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 contribution 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.
- (j) 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 set-off accumulated losses.
- (k) 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.
- (l) All the reserves of the Group are attributable to the Company and its subsidiaries.