
SUMMARY

This summary aims to give you an overview of the information contained in this document. Because this is a summary, it does not contain all the information that may be important to you. You should read the whole of this document.

There are risks associated with any investment. Some of the particular risks associated with the Group are set out in the section headed “Risk factors” in this document. You should read that section carefully.

BUSINESS OVERVIEW

The Group is a financial services provider operating securities, futures and options, foreign exchange and commodities brokerage businesses in Hong Kong. The Group also provides financing services including margin financing and money lending; as well as a broad range of investment banking services including corporate finance, mergers and acquisitions advisory, capital raising, and underwriting. The Group also offers its clients asset management, wealth management and securities related research services. Shares are currently listed on GEM under stock code 8122. Most of the Group’s businesses are regulated and supervised by the SFC, the HKEx and/or the license office of the Companies Registry as well as self-regulated by CIB (a body of insurance brokers approved by OCI to implement self-regulation of insurance brokers in Hong Kong). Details of the relevant licensing regime (in particular, with regard to the securities and futures industries as well as the insurance industry in Hong Kong) and the licenses currently held by the relevant subsidiaries of the Company are set out in the paragraph headed “Regulatory requirements” under “Business” Section below. The Group provided financial services in Hong Kong during the Track Record Period. In addition, the Group offers its clients the channel to trade in some overseas financial instruments through third party intermediaries that are licenced to do so.

CASH, a Hong Kong based conglomerate involved in the provision of financial services (through the Group), home improvement as well as lifestyle products and services, and online game business, is the controlling shareholder of the Company. The shares of CASH is listed on the Main Board under stock code 1049. As at the Latest Practicable Date, CASH, through its wholly-owned subsidiary, CIGL, beneficially owned 940,221,198 Shares, representing approximately 45.27% of the issued share capital of the Company.

The Group’s securities and commodities brokerage business facilitates clients to trade securities, futures, options, commodities, and other fund related instruments in Hong Kong through traditional channels, as well as through Internet based and mobile phone based electronic trading platforms. The Group is categorised as a group B broker by the Stock Exchange, serving institutional clients, retail clients and traders.

SUMMARY

The Group provides securities brokerage services through Celestial Securities, one of the Hong Kong's largest retail brokerage operators. Celestial Securities is a licensed corporation under the SFO to engage in type 1 (dealing in securities) regulated activity as well as a Stock Exchange Participant.

The Group also provides Hong Kong and overseas commodities trading services, as well as trading services for Hang Seng Index Futures and Options, Mini-Hang Seng Index Futures Contracts, and Stock Futures. Such services are undertaken by Celestial Commodities, a wholly-owned subsidiary of the Company. Celestial Commodities is a licensed corporation under the SFO to engage in type 2 (dealing in futures contracts) regulated activity as well as a Futures Exchange Participant under the Futures Commission Merchant category of the Futures Exchange.

The Group provides margin and IPO financing as well as other financing services to its clients, and the contribution to the Group from the Group's financing services is significant. The Group's margin and IPO financing services are part and parcel of the Group's brokerage business as a whole. As such, the performance of the Group's financing services is significantly linked to the trading volume of securities and commodities executed through its brokerage operations. With margin and IPO financing services provided by the Group, the Group's clients are provided with facilities to maximise the use of their capital to trade in the market. The Group's financing services are mainly offered through the Company's wholly-owned subsidiaries, Celestial Securities and Celestial Investments (HK) Limited.

The Group offers its wealth management services through CASH Frederick Taylor. The Group's wealth management team analyses the needs of the clients and advises them on how to structure their investment programs and provides solutions in order to assist the clients to achieve their wealth management objectives.

The wealth management unit of the Group seeks to get-to-know and to build long-term professional relationships with clients. Through CASH Frederick Taylor, clients are offered a portfolio of investment products including international and local third party investment funds and insurance and non-insurance linked investment products.

CASH Asset Management Limited launched the asset management business in June 2005 and provides tailored Hong Kong securities portfolio investment services, by offering clients medium to long-term securities investments solutions via discretionary managed portfolios, which are managed by the Group's professional fund managers.

SUMMARY

Founded in 1998, Celestial Capital, a licensed corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, provides both private and listed companies in Hong Kong and the PRC with a wide range of investment banking services in Hong Kong, including both GEM and Main Board listing sponsorship; underwriting and placing of securities; mergers and acquisitions advisory; corporate financial advisory as well as a range of capital raising and restructuring solutions services.

The Shares are currently listed on GEM under stock code 8122.

In September 2005, the Group entered into an agreement to purchase the entire issued share capital of Netfield, the holding company of Netfield Group which is an online game developer and operator based in the PRC, one of the Asia's largest online gaming markets, because the Group intended to capture opportunities to diversify its business to a fast growing industry. The Group selected online game business because it believed that its experience in development and operating online trading platform for securities and commodities brokerage business would enable them to become successful in the online game business. In 2006, the securities market in Hong Kong boomed and the Directors wished to adjust its strategies to put all its resources back to the securities market, therefore, on 9 January 2007, the Group sold the entire issued share capital of Netfield to CIGL, from then on, the Group would concentrate on financial services business while CIGL would concentrate on non-financial services businesses.

COMPETITIVE STRENGTHS

The Group has over the Track Record Period maintained a period of uninterrupted profit growth. The Directors believe that the Group's success hinges on the following competitive strengths:

- the Group has built well-established traditional and online securities and commodities trading platforms that are well recognised by the retail investment community in Hong Kong;
- the Group employs talents and resources including qualified and experienced professionals to provide a broad range of investment banking, wealth management, and asset management services;
- the Group is served by a dedicated and seasoned professional management team that has considerable experience in the financial services sector, as well as in technology infrastructure development and operations to support the Group's online securities and commodities trading activities; and
- the Group has multiple revenue streams and a diversified client base.

SUMMARY

BUSINESS STRATEGIES

The Group will continue to expand and grow its core financial services businesses, enhance and widen its products and services range, further diversify its revenue streams, and seek to create long-term value for the Shareholders. The Group will therefore focus its efforts so as to:

- expand its securities and commodities brokerage business and enhance the services and products offering to clients;
- continue to expand its investment banking services by targeting the growing pool of PRC related advisory deals involving Hong Kong listings, mergers and acquisitions and other corporate financial issues;
- continue to develop its asset management practice and build its managed account portfolio; and
- capitalise on the Greater China's growing demand for wealth management services by offering clients tailored financial solutions in order to meet their wealth management needs.

SUMMARY

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The summary consolidated income statements for the years ended 31 December 2004, 2005 and 2006 and for the seven months ended 31 July 2007 and the selected consolidated balance sheet information as at 31 December 2004, 2005 and 2006 and as at 31 July 2007 set out in the following tables are derived from, and should be read in conjunction with, the audited financial statements included in the Accountants' Report. The Group's financial statements have been prepared in accordance with HK GAAP.

Summary consolidated income statements

	For the year ended 31 December			For the seven months ended 31 July	
	2004 HK\$'000 <i>Audited</i>	2005 HK\$'000 <i>Audited</i>	2006 HK\$'000 <i>Audited</i>	2006 HK\$'000 <i>Unaudited</i>	2007 HK\$'000 <i>Audited</i>
Continuing operations					
Revenue	239,972	213,557	345,977	196,991	322,366
Other operating income	7,710	2,721	2,178	716	879
Salaries, commission and related benefits	(119,778)	(108,303)	(151,449)	(88,517)	(123,873)
Depreciation	(15,906)	(10,606)	(7,056)	(3,808)	(4,548)
Finance costs	(8,748)	(14,568)	(49,024)	(24,172)	(45,827)
Other operating and administrative expenses	(58,570)	(56,316)	(77,477)	(41,571)	(52,977)
Reversal of allowance for (allowance for) bad and doubtful debts	1,139	702	(180)	(53)	79
Net (decrease) increase in fair value of listed investments held for trading	(20,140)	(3,298)	10,261	3,980	14,562
(Loss) gain on disposal of property and equipment	(7)	43	-	-	-
Convertible loan note settlement (expense) income	(310)	(85)	291	291	-
Profit before taxation	25,362	23,847	73,521	43,857	110,661
Taxation (charge) credit	(350)	3,440	(5,796)	(3,258)	(15,037)
Profit for the year/period for continuing operations	25,012	27,287	67,725	40,599	95,624
Discontinued operations					
(Loss) profit for the the year/period from discontinued operations	-	-	(27,527)	(13,990)	30,904
Profit for the year/period	25,012	27,287	40,198	26,609	126,528
Attributable to:					
Equity holders of the Company	24,588	26,626	39,944	26,320	126,540
Minority interests					
– Continuing operations	424	661	39	289	460
– Discontinued operations	-	-	215	-	(472)
	25,012	27,287	40,198	26,609	126,528
Dividends					
Proposed final dividend (2004: HK\$0.01 per ordinary share based on 754,556,448 Shares; 2005: nil; 2006: HK\$0.02 per ordinary share based on 1,382,051,448 Shares; 31 July 2006: nil; 31 July 2007: HK\$0.02 per ordinary share based on 1,448,351,448 Shares)	7,546	-	27,641	-	28,967
Earnings per Share					
From continuing and discontinued operations					
Basic, HK cents	3.3 ¹	2.8 ³	2.5 ³	1.7 ⁷	7.9 ⁹
Diluted, HK cents	N/A ²	2.6 ⁴	2.5 ⁶	1.6 ⁸	7.7 ¹⁰

SUMMARY

Notes:

1. Based on 744,642,827 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of basic earnings per Share for the year ended 31 December 2004.
2. For the year ended 31 December 2004, there was no dilutive effect on the earning per Share calculation.
3. Based on 964,557,144 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of basic earnings per Share for the year ended 31 December 2005.
4. Based on 1,095,497,009 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of diluted earnings per Share for the year ended 31 December 2005.
5. Based on 1,589,792,062 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of basic earnings per Share for the year ended 31 December 2006.
6. Based on 1,619,782,032 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of diluted earnings per Share for the year ended 31 December 2006.
7. Based on 1,581,562,346 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of basic earnings per Share for the seven months ended 31 July 2006.
8. Based on 1,624,999,712 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of diluted earnings per Share for the seven months ended 31 July 2006.
9. Based on 1,610,915,101 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of basic earnings per Share for the seven months ended 31 July 2007.
10. Based on 1,648,291,517 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 for the purpose of diluted earnings per Share for the seven months ended 31 July 2007.

Selected consolidated balance sheet information

	As at 31 December			As at
	2004	2005	2006	31 July
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>
Non-current assets	69,037	100,134	220,530	276,438
Current assets	963,338	1,055,031	1,559,155	2,182,769
Current liabilities	748,027	792,717	1,287,916	1,854,771
Net current assets	215,311	262,314	271,239	327,998
Total assets less current liabilities	284,348	362,448	491,769	604,436
Equity attributable to equity holders				
of the Company	243,704	360,818	484,031	602,054
Minority interests	810	1,471	3,761	1,618

SUMMARY

Revenue by segments

The following tables are an analysis of the Group's revenue by revenue types and business activity for the years ended 31 December 2004, 2005 and 2006, for the seven months ended 31 July 2007.

	For the year ended 31 December						For the seven months ended 31 July			
	2004		2005		2006		2006		2007	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
	<i>audited</i>		<i>audited</i>		<i>audited</i>		<i>unaudited</i>		<i>audited</i>	
Fees and commissions	210,729	87.8	178,719	83.7	263,032	76.0	153,322	77.8	248,995	77.2
Interest income	29,243	12.2	34,838	16.3	82,945	24.0	43,669	22.2	73,371	22.8
	<u>239,972</u>	<u>100.0</u>	<u>213,557</u>	<u>100.0</u>	<u>345,977</u>	<u>100.0</u>	<u>196,991</u>	<u>100.0</u>	<u>322,366</u>	<u>100.0</u>
Discontinued operation: Online game services income	-		-		37,251		8,315		35,111	
Consolidated	<u>239,972</u>		<u>213,557</u>		<u>383,228</u>		<u>205,306</u>		<u>357,477</u>	
	For the year ended 31 December						For the seven months ended 31 July			
	2004		2005		2006		2006		2007	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%

	<i>audited</i>		<i>audited</i>		<i>audited</i>		<i>unaudited</i>		<i>audited</i>	
Broking	204,092	85.0	171,628	80.4	247,547	71.6	145,481	73.9	240,006	74.4
Financing	29,243	12.2	34,838	16.3	85,054	24.6	44,194	22.4	73,371	22.8
Corporate finance	6,637	2.8	7,091	3.3	13,376	3.8	7,316	3.7	8,989	2.8
	<u>239,972</u>	<u>100.0</u>	<u>213,557</u>	<u>100.0</u>	<u>345,977</u>	<u>100.0</u>	<u>196,991</u>	<u>100.0</u>	<u>322,366</u>	<u>100.0</u>
Discontinued operation: Online game services	-		-		37,251		8,315		35,111	
Total	<u>239,972</u>		<u>213,557</u>		<u>383,228</u>		<u>205,306</u>		<u>357,477</u>	

SUMMARY

In addition to the traditional brokerage platform, the Group also provides the online brokerage platform to facilitate clients to trade securities. Set out below are the breakdowns of brokerage income and segment results from the traditional and online brokerage business of the Group during the Track Record Period:

	For the year ended 31 December						For the seven months ended 31 July			
	2004		2005		2006		2006		2007	
	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%	HK\$'000	%
Brokerage income:										
Traditional	184,814	90.6	154,189	89.8	225,238	91.0	132,200	90.9	212,318	88.5
Online	19,278	9.4	17,439	10.2	22,309	9.0	13,281	9.1	27,688	11.5
Total brokerage income	<u>204,092</u>	<u>100.0</u>	<u>171,628</u>	<u>100.0</u>	<u>247,547</u>	<u>100.0</u>	<u>145,481</u>	<u>100.0</u>	<u>240,006</u>	<u>100.0</u>
Segment results:										
Traditional	31,709	64.8	14,367	48.1	45,109	69.5	30,499	72.1	78,785	78.0
Online	17,227	35.2	15,480	51.9	19,808	30.5	11,797	27.9	22,268	22.0
Total segment profit from brokerage business	<u>48,936</u>	<u>100.0</u>	<u>29,847</u>	<u>100.0</u>	<u>64,917</u>	<u>100.0</u>	<u>42,246</u>	<u>100.0</u>	<u>101,053</u>	<u>100.0</u>
Segment profit margin (%) (Segment profit/ Brokerage income)										
Traditional		17.16%		9.32%		20.03%		23.07%		37.11%
Online		89.36%		88.77%		88.79%		88.83%		80.42%

SUMMARY

For further analysis of financial performance of the Group's business during the Track Record Period, please refer to the paragraph headed "Revenue by segments" and the paragraphs headed "Review of the audited consolidated results" and "The nine months ended 30 September 2007 compared to the nine months ended 30 September 2006" of the section headed "Financial information" of this document.

DIVIDEND POLICY

The Company may distribute dividends by way of cash or by other means that the Directors consider appropriate and which are allowable under the Bye-laws and applicable rules and regulations. The declaration, payment and the amount of dividends will be subject to the discretion of the Directors, and will depend on, among other things, the Group's operations, capital requirements and surplus, general financial conditions, contractual restrictions and such other factors as the Board may deem relevant.

For the year ended 31 December 2004, a final dividend of HK\$0.01 per Share was declared and paid. No dividend was declared for the year ended 31 December 2005. For the year ended 31 December 2006, an interim dividend of HK\$0.03 per Share and a final dividend of HK\$0.02 per Share were declared and paid. Interim dividend of HK\$0.02 per Share for the six months ended 30 June 2007 had been proposed and paid.

The Directors expect that, in the future, dividends (if any) will be paid on a semi-annual basis, and the interim dividends and the final dividends (if any), in respect of any financial year, will be paid in or around October of that year and June of the following year respectively.

SUMMARY OF RISK FACTORS

There are certain risks involved in the Group's operations. These risks can be categorised into (a) risks relating to the Group and its businesses, (b) risks relating to the industry in which the Group operates, (c) risks relating to the Asia Pacific Region, (d) risks relating to the Shares and (e) risks relating to this document.

Risks relating to the Group and its businesses

- Volatility of the securities and futures markets
- Fluctuations in interest rates
- Competition in financial services industry
- Failure to introduce new products and services in time

SUMMARY

- Regulatory environment and nature of businesses
- The Group’s risk management and internal control systems
- Litigation and disciplinary actions
- Failure to detect illegal or improper activities including money laundering risk
- Potential claims and liabilities in relation to information retrieved from the Group’s websites
- Financing business
- Financial advisory business
- Future capital requirements
- Past dividends should not be used as a reference for the Company’s future dividend policy
- Dependence on computer network infrastructure
- Computer hardware and data storage risk
- Use of the name and trademark “CASH” in English (CASH), and “時富” in Chinese (時富)

Risks relating to the industry in which the Group operates

- Brokerage commission rates
- Reliance on computers and electronic systems
- Computer network security
- Legal and regulatory restrictions
- Taxation in Hong Kong

Risks relating to the Asia Pacific Region

- Economic and political considerations

Risks relating to the Shares

- Marketability and possible price volatility of the Shares
- Dilution of Shareholders’ equity interests

SUMMARY

Risks relating to this document

- Forward looking statements

INTRODUCTION STATISTICS

	For the year ended 31 December 2006	For the seven months ended 31 July 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Audited consolidated profit for the year/period	40,198	126,528
Audited consolidated profit attributable to equity holders of the Company	39,944	126,540
Earnings per Share (from continuing and discontinued operations)		
– Basic	2.5 HK cents (<i>Note 1</i>)	7.9 HK cents (<i>Note 3</i>)
– Diluted	2.5 HK cents (<i>Note 2</i>)	7.7 HK cents (<i>Note 4</i>)
	As at 31 December 2006	As at 31 July 2007
	<i>HK\$'000</i>	<i>HK\$'000</i>
Audited consolidated net asset value	487,792	603,672
Audited consolidated equity attributable to equity holders of the Company	484,031	602,054
Total Shares in issue immediately after the Introduction		2,076,972,027
Number of Shares held in public hands immediately after the Introduction		721,693,269
Board lot size (Shares)		4,000
Closing price per Share as at the Latest Practicable Date		HK\$0.59
Estimated market capitalisation based on the closing price per Share as at the Latest Practicable Date		HK\$1,225,413,496
Number of registered Shareholders as at the Latest Practicable Date		3,221

SUMMARY

Notes:

1. Based on 1,589,792,062 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 used for the purpose of calculating the basic earnings per Share for the year ended 31 December 2006.
2. Based on 1,619,782,032 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 used for the purpose of calculating the diluted earnings per Share for the year ended 31 December 2006.
3. Based on 1,610,915,101 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 used for the purpose of calculating the basic earnings per Share for the seven months ended 31 July 2007.
4. Based on 1,648,291,517 Shares, being the weighted average number of Shares adjusted for the rights issue on 21 November 2007 used for the purpose of calculating the diluted earnings per Share for the seven months ended 31 July 2007.