



Bankee P KWAN

Chairman

Chairman's Letter

Dear fellow shareholders,

The CASH Group saw solid growth in 2005 as the pace of our expansion accelerated. During the year, our strategy of diversification in both our financial services and retail businesses remained on course and we made significant improvements in operating efficiencies and sales effectiveness.

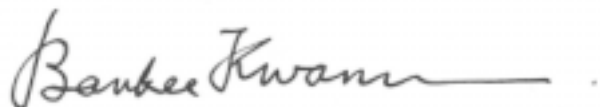
In our financial services business, we strengthened our leading position in the market by launching an asset management service in order to take advantage of opportunities arising from the economic recovery. We also bolstered our presence in the wealth management field despite lacklustre market conditions. Additional financial planning managers and premium relationship managers were recruited to serve the increasing number of high-net-worth individuals in Hong Kong and synergies boosted by continuing to integrate our brokerage and wealth management businesses. Meanwhile, our investment banking division entered into agreements with several PRC corporations to sponsor listings in Hong Kong in anticipation of a booming capital market in the coming year.

The Group's retail business progressed steadily in 2005. During the year, we further built on our strong market recognition to reposition Pricerite Stores (PSL) to be a "neat and clean" specialist and enhanced its operating efficiencies. The move brought encouraging results, driving PSL's solid performance. Leveraging on our sound financials, strong brand recognition, and extensive experience, we expanded 3C Digital to capitalise on the booming demand for digital products among local trend-seekers and tourists. In addition, with the economy stabilising and employment prospects improving, we launched LifeZtore at the end of 2005 to meet the lifestyle needs of the higher-spending younger generation.

Overall, the CASH Group remains cautiously optimistic about economic prospects in Hong Kong in 2006. Firm exports and domestic demand should continue to provide support for local economic growth, albeit at a slower pace than previous years. With our talented staff team, commitment to excellence, strong brand recognition and focused strategies for product diversification and cost efficiency, we are confident of effectively dealing with any challenges that the year ahead may bring, including soaring rents, high oil prices and escalating interest rates.

Last but not least, I would like to take this opportunity to express my gratitude to our board members and management team for their diligent guidance and unstinting support, and to all staff members for their hard work, loyalty and wide-ranging contributions to the CASH Group during the past year.

Yours sincerely,



Bankee P Kwan

Chairman