

# Chairman's Letter

Dear fellow shareholders,

The year 2006 brought more solid growth for the CASH Group as well as Hong Kong. CASH Financial Services Group, our financial services business, reaped the benefit of a thriving market and our sterling efforts during the past few years, while re-engineering at Pricerite resulted in satisfactory results. All business units of the CASH Group gained numerous awards in their respective industries as well as Q-Mark Service Certifications during the past year. The CASH Group was also awarded Business Superbrands status in 2006. These successes, together with our operating results, provide the best testimony to our past endeavours and commitment to propelling the Group forward.

During the year, we remained on course with our diversification strategy. We extended our business line to include an online gaming operation and our geographic region to Mainland China.

Moli Group, our online game business, launched well-received online games in the Asia Pacific region. The Mainland China market is especially promising. According to an IDC survey, the Mainland China online gaming market increased by 73.5% in 2006 and the board is optimistic that online gaming will be one of our future drivers of growth.

In addition, after a year of solid growth in Hong Kong, our lifestyle business expanded to Mainland China to capitalise on the booming lifestyle market there. LZ LifeZtore opened its first store in Shanghai, which has proven to be a city of strong growth during the past decade with a double-digit increase in per capita family disposable income.

The CASH Group has experienced ups and downs along with the Hong Kong economy in the past 10 years. In fact, in the board's view, the Group is a miniature of the Hong Kong economy, given that financial services and retail management businesses are the pillar industries of both the Group and Hong Kong. Both have also been growing stronger, with moves into other promising business areas and into Mainland China to further strengthen our market position.



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Unlike a decade ago, Hong Kong is no longer simply a gateway to Mainland China. Instead, Hong Kong has been transformed into a service base for the vast hinterland, with its professionals providing a variety of quality services to assist the emergence of Mainland China as one of the world's economic powerhouses.

The CASH Group has also been developing itself in line with such a macro economic change. Today, the Group's fundamentals are strong and we are prepared for the challenge. With our solid operating platform in Hong Kong, diversified business streams with stable sources of income, experienced and talented human resources, internationally recognised service standards, and dedicated management team, we are confident and ready to take an assertive approach in developing our Mainland China business and to capitalise on its rising middle class.

In another noteworthy move, I would like to take this opportunity to express my gratitude to all our staff members, not only for their great effort in driving the Group forward, but also their voluntary work on behalf of the wider community. One outstanding contribution was "Building • Power", a community project organised by Pricerite, 3C Digital, Hong Kong Christian Service and The Hong Kong Institute of Architects. The project provided professional homecare services, home renovations and replacement of furniture and household items for needy families and resulted in an Outstanding Partnership Project Award from the Hong Kong Council of Social Service. We will continue to support different charitable and educational programmes and encourage staff volunteers to become involved in such work.

Last but not least, I would like to thank our board members and management team for their diligent guidance and untiring support during the past year.

Yours sincerely,



**Bankee P Kwan**

*Chairman*