

On behalf of the Board of Directors (“the Directors”), I am pleased to announce the annual results of Skyfame Realty (Holdings) Limited (“Skyfame Realty” or “the Group”) for the year ended 31 December 2005.

The year 2005 saw dynamic changes in the Group’s business development directions and strategies. Subsequent to the change in the Group’s substantial shareholders and directorship at the end of 2004, the Group sold all its non-profitable businesses and directed strategic focus on property development in the PRC, especially premium grade property projects in Guangzhou.

The Chinese economy is booming with GDP and disposable income of the population rising. These phenomena have been breeding demand for different kinds of property, including niche prime property much sought-after in particular in Guangzhou, the economic hub of the Pan-Pearl River Delta Region. Given the rise in demand for quality property exceeds supply, we have strong confidence in our prospects in the city’s property market. In the next couple of years, the Group will concentrate on seizing the premiere grade property market in Guangzhou. The Group will be prudent in considering acquisition of premium quality land in the city.

The Group’s first project in Guangzhou is a top-notch residential and commercial complex tower located on North Tianhe Road. It is among the few prime sites still available for development in the heart of the central business district of the city. The complex is expected to become a major landmark in Guangzhou. In the long term, borrowing the experience of this successful project, the Group plans to explore more quality property projects with promising potential in the PRC so as to build an extensive premium grade property portfolio.

The new management team of Skyfame Realty comprises all veterans in the property development field. They have extensive understanding of and experience in developing high quality, large scale and award-winning property projects. Riding on our previous success and adhering to our proven management philosophy, the Group will adopt a prudent land reserve strategy to create a quality reserve by acquiring prime sites for building properties that appeal to the high-end market. We will also seek to fortify our reputation and brand image by exercising stringent quality control on our projects.

The Group announced in February 2006 its new name — Skyfame Realty (Holdings) Limited. Our Chinese name “天譽” speaks to our credibility and our belief that integrity and prudence are essential attributes of a successful property developer. The name also reflects the primary business focus of the Group. The management’s business development strategies and blueprints are clear and forward looking. The team is dedicated to enhancing the Group’s development and to bringing fruitful returns to shareholders in the near future.

Finally, on behalf of the Directors, I would like to pay tributes to the management team and all our staff for their hard work and contributions in the past year. I wish to thank all our business partners and shareholders for their full confidence and continuous support for the Group.

**Yu Pan**  
*Chairman*

Hong Kong, 28 March 2006