

Chairman's Statement

RESULTS

For the year ended 31 December 2005, the Group's profit attributable to the shareholders rose to HK\$477 million from HK\$79 million for the thirteen months ended 31 December 2004. The improvement in net profit was mainly due to a HK\$420 million gain from revaluations of the Group's investment properties in Macau as well as a gain from the recovery of the loan advanced to a jointly controlled entity of HK\$18.5 million which had been previously written off.

Excluding property revaluations net of deferred tax, underlying net profit and earnings per share for 2005 amounted to HK\$57 million and 4.67 cents, representing an increase of 234% and 30% respectively over the previous thirteen months.

It should be noted that a number of new accounting standards which became effective on 1 January 2005 require restatement in the accounts of the Group's previously reported results.

DIVIDENDS

The Board of Directors has recommended the payment of a final dividend of HK\$0.02 per share for 2005. The final dividend will be payable on 9 May 2006 to shareholders registered as at 8 May 2006.

PROSPECTS

We changed our Company name to Polytec Assets Holdings Limited following the completion of corporate restructuring in early 2004. Since then, we have abandoned low-margin businesses and have been focusing on our new investment strategy. More importantly, over the past two years, the Group has received some solid support from our ultimate holding company, Polytec Group, and capitalized on its valuable experience in the Macau property market. Indeed, through a series of major asset acquisitions in Macau over the past 18 months, we have substantially strengthened the Group's foundations for future growth. The Group's 2005 earnings results have reflected a good start to the new management's strategic focus.

On 24 November 2005, the Group became a subsidiary company of Kowloon Development Company Limited, a property investment and development company listed on the Main Board of the Hong Kong Stock Exchange (stock code: 34). Following completion of the acquisition, the Group has positioned to become the property development and investment flagship in the Macau

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market for both the parent company and the ultimate holding company. The Group will indeed be benefited from this new arrangement as it will enable us to focus on the Macau property market and we will accelerate our property acquisition program amid the booming Macau economy.

Finally, I would like to thank the fellow directors for their advice and support and all our staff for their hard work and dedication.

Yeung Kwok Kwong

Chairman

Hong Kong , 30 March 2006