

STATEMENT FROM THE CHAIRMAN

It is gratifying to note that despite PCPD's short history, the Company is maturing swiftly and steadily, raising its profile significantly over a short space of time in one of the world's most dynamic and sophisticated property markets.



Despite soaring oil prices and rising interest rates, the Hong Kong economy demonstrated stability and resilience in 2005, generating market confidence as we work to develop our business at home and in other parts of the Asia-Pacific region.

Thanks to positive economic conditions in Hong Kong and continued growth in mainland China, along with optimistic property market sentiment and a balance achieved in market dynamics, we feel confident that our future will continue to show significant promise.

At home, Bel-Air continues to earn a reputation as a trendsetter in prestige residential development. The Bel-Air brand has become well established since its launch in 2003 and our sales team has performed well in a diverse market made up of buyers from all over the world. I am confident that this strong brand will assist us as we continue to create premium developments in the region.

Meanwhile, the Group has embarked on a top-end residential project in Chaoyang district, a major business and high-end residential area of Beijing. Particularly significant are the substantial synergies to be explored with our investment property, Pacific Century Place, which is next to the site and occupied by tenants comprising mainly bluechip multinational corporations and embassies.

In addition, we will continue to explore the potential in mainland China's thriving property market through co-operation between PCCW and its alliance partner, China Network Communications Group Corporation.

Our portfolio of premium-grade investment properties and proven facilities management capability continue to provide PCPD with a stable source of recurrent income.

Looking back, it is gratifying to note that despite PCPD's short history, the Company is maturing swiftly and steadily, raising its profile significantly over a short space of time in one of the world's most dynamic and sophisticated property markets.

With this in mind, I would like to offer my sincere thanks to our directors, as well as our management team and workforce, for their contribution to PCPD's success story so far. In addition, I would like to thank our shareholders and partners for their continued support.

A handwritten signature in black ink, consisting of a large, stylized 'L' shape with a small 'N' or similar mark at the bottom right.

Richard Li

Chairman

March 29, 2006