CHAIRMAN'S STATEMENT

On behalf of the Board of Directors (the "Board") of New Times Group Holdings Limited (the "Company"), I present herein the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2006.

Turnover of the Group for the year ended 31 March 2006 was about HK$5.4 million, representing an increase of about 8% from approximately HK$5.0 million for the corresponding year under review. The increase in revenue was mainly due to the increase in rental income from our office premises in Beijing by approximately HK$447,000. The Group recorded a consolidated loss attributable to shareholders of about HK$2.9 million (2005: HK$17.9 million (as restated)). The loss was mainly attributed to the loss on disposal of financial assets at fair value through profit or loss which amounted to about HK$1.4 million (2005: loss of HK$9.9 million). Nevertheless, the Group was able to reduce the loss by approximately 84% as compared to last year and was mainly due the decrease in the loss on disposal of financial assets at fair value through profit or loss by about HK$8.5 million, together with reduction in the administrative expenses of the Group of about HK$4.4 million as a result of a more stringent control of the Group's overhead.

Loss per share for the year was HK0.67 cent (2005: HK4.13 cents) and the Board does not recommend any final dividends for this financial year (2005: Nil).

BUSINESS REVIEW

Continuing Operations

Property Investments and Development

The property investments and development business continued to be the principle business of the Group and contributed approximately 84% of the Group's total turnover for the year. Gross rental income in certain commercial properties in Beijing, PRC for the year amounted to about HK$4.5 million (2005: HK$4.1 million), representing a growth of approximately 10% from last financial year. The increase in turnover was mainly due the official appreciation of the Renminbi, together with the occupancy rate picking up for the current year. With the improvement in the macroeconomic outlook of Mainland, and the urbanization program implemented by the Beijing municipal government, the management expects the Beijing property market would enter into a the stage of stable development stage. When opportunities arise and at reasonable terms, the management may dispose properties so as to release capital for further investments to strengthen the earning stream and bring to the shareholders greater value in the long run.

As mentioned in the Company's last annual reports, the Group acquired an industrial land situated at Shenzhen, PRC through the acquisition of Smart Wave Limited. The development site is approximately 60,000 square meters and the gross floor area of approximately 107,700 square meters. Construction work is in progress. Pre-sale schedule has already started and received a satisfactory response with sales deposit of approximately HK$22 million recorded for the year under review.

BUSINESS REVIEW *(Continued)*

Continuing Operations *(Continued)*

Investments and Financial Services

As mentioned in the Company's last annual reports, the Group has been focused on property investment and development business and further downsized the investment and financial services business. In this connection, a loss on disposal of financial assets at fair value through profit and loss of approximately HK$1.4 million (2005: loss of HK$9.9 million) was recorded for the year under review.

Interest income derived from the financial services operations was also reduced by approximately 3% to approximately HK$0.86 million as compared to approximately HK$0.9 million for the corresponding year in 2005.

Discontinued Operation

Trading

As mentioned in the Company's last annual reports, the Group had failed to introduce strategic partners to rejuvenate the trading business. Accordingly, in a Board meeting in July 2004, the management ceased the trading operations so as to save further resources and focus on the Group's property investment and development business and other potential businesses in the coming future.

LIQUIDITY AND FINANCIAL RESOURCES

Financial Position

The financial position of the Group remains healthy for the year under review.

As at 31 March 2006, the Group had a net current assets of about HK$4.5 million (2005: HK$0.93 million), which included a cash balance of about HK$1.7 million (2005: HK$2.6 million) and with a current ratio of 1.1 (total current assets to total current liabilities) (2005: 1).

As at 31 March 2006, the Group has total short term bank borrowings amounted around HK$9.6 million, bearing an interest rate of 7.254% per annum and is due within one year. The borrowings are secured by certain of the Group's leasehold land and land use rights in Mainland China with a net book value of approximately HK$37.7 million. As at 31 March 2006, the gearing ratio is 7% (total bank borrowings to shareholders' equities) (2005: Nil) and interest expenses is about HK$967,000 (2005: HK$464,000).

On 30 March 2006, the Company announced the issue of the Convertible Notes in the principal amount of HK$5 million to raise additional working capital for the Group. The issuance was completed subsequent to the balance sheet date. Further in April/May 2006, the subscriber exercised the conversion right and a total of 30,303,030 new shares of the Company were issued accordingly.

LIQUIDITY AND FINANCIAL RESOURCES *(Continued)*

Contingent Liability

The Group did not have any material contingent liabilities as at 31 March 2006.

Capital Investments and Commitments

During the year under review, except for the construction expenditures in relation to the construction of properties on certain industrial land in Shenzhen, PRC, the Group did not incur any material capital investment or expenditure. As at 31 March 2006, the Group had capital commitment in respect of the construction cost in relation to certain industrial land in Shenzhen, PRC amount to HK$54.5 million (2005: HK$62.5 million).

Pursuant to a contractual arrangement with the constructor of the land, the constructor will recover the construction cost out of the net proceeds from the sale or rental generated from the properties constructed on the land in the 18-month period from completion of the construction of the properties on the land. In the event that the net proceeds from the sale or rental generated over the aforesaid period is insufficient to repay the constructor the full amount of the construction cost, the shortfall would be satisfied by the transfer of certain properties on the land with an equivalent market value (calculated on the basis of the then prevailing market price of those properties) to the constructor in full and final settlement of any liability of the Group towards the constructor in relation to the construction cost.

Foreign exchange and interest rate exposure

The Group mainly earned revenue and incurred cost in Hong Kong Dollar and Renminbi. The directors consider the impact of foreign exchange of the Group is minimal. Although the management believes the impact will be minimal, the management will closely monitor the fluctuation in currencies and take appropriate actions when condition arises.

Employment, training and remuneration policy

As at 31 March 2006, the Group's operations engaged a total of about 15 staffs and workers. The remuneration policy of the Group's employees are reviewed and approved by the executive directors based on individual experience and qualifications as well as the job responsibilities and market conditions at the relevant time. Discretionary bonus is linked to the profit performance of the Group as well as individual performance. During the year, no share options were granted to any director or employee of the group. Staff benefits include accommodation, medical schemes and Mandatory Provident Fund Scheme for Hong Kong employees, and state-sponsored retirement plans for employees in the People's Republic of China.

PROSPECTS

Looking forward to the coming future, the Group will continue to plan its future through reforms and continuing improvement. By adopting a prudent approach in its business development and financial strategy, the Group hopes to take advantage of new business opportunities with strong market momentum and potential. The management will continue to search for any potential investment opportunities that can benefit the Group in the long term.

ACKNOWLEDGEMENTS

On behalf of the directors, I would like to express my heartfelt thanks to our shareholders for their continued support and to our staff for their valuable contributions in the past. We will carry on dedicating our efforts towards the Group's long term development.

Chan Chi Yuen
Chairman

Hong Kong
26 July 2006