

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements of the Company for the year ended 31st March, 2006.

CHANGE OF COMPANY NAME

Pursuant to a special resolution passed at a special general meeting held on 23rd May, 2006 and with the approval from the Registrar of Companies in Bermuda made on 26th May, 2006, the name of the Company was changed from Cheung Tai Hong Holdings Limited to Macau Prime Properties Holdings Limited with effect from 23rd May, 2006 and with the approval from the Hong Kong Companies Registry made on 22nd June, 2006, the registration of the name of the Company in Hong Kong was changed from Cheung Tai Hong Holdings Limited to Macau Prime Properties Holdings Limited. The new Chinese name of 澳門祥泰地產集團有限公司 was adopted to replace 祥泰行集團有限公司 for identification purpose only.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are property development and investment, manufacture and trading of medicine and health food, trading of motorcycles and securities investment. The activities of its principal subsidiaries are set out in note 44 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31st March, 2006 are set out in the consolidated income statement on page 29.

No dividend was paid during the year. The directors do not recommend the payment of a dividend.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 14 to the financial statements.

PRINCIPAL PROPERTIES

Particulars of the Group's principal properties at 31st March, 2006 are set out on page 96.

SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 33 to the financial statements.

DIRECTORS' REPORT

DISTRIBUTABLE RESERVES OF THE COMPANY

The Company's reserves available for distribution to shareholders as at 31st March, 2006 and 2005 were as follows:

	2006 <i>HK\$'000</i>	2005 <i>HK\$'000</i>
Contribution surplus	206,177	206,177
Deficit	(181,664)	(148,412)
	24,513	57,765

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS

The directors of the Company during the year and up to the date of this report were:

Executive directors:

Cheung Hon Kit (<i>Chairman</i>)	(appointed on 20th April, 2005)
Chan Fut Yan (<i>Managing Director</i>)	(appointed on 20th April, 2005)
Tse Cho Tseung	(resigned on 31st March, 2006)
Cheung Sze Man	(resigned on 24th May, 2005)

Non-executive directors:

Ho Hau Chong, Norman (<i>Deputy Chairman</i>)	(previously an independent non-executive director and re-designated on 11th August, 2005)
Lo Lin Shing, Simon	(previously an executive director and re-designated on 20th April, 2005)

Independent non-executive directors:

Wong Chi Keung, Alvin	
Kwok Ka Lap, Alva	
Chui Sai Cheong	(appointed on 9th September, 2005)
Zhang Shichen	(retired on 9th September, 2005)

DIRECTORS' REPORT

DIRECTORS AND DIRECTORS' SERVICE CONTRACTS *(Cont'd)*

Pursuant to Bye-law 86(2) of the Company's Bye-laws, Mr. Chui Sai Cheong, an independent non-executive director, being appointed by the board of directors (the "Board") during the year, shall retire at the annual general meeting (the "AGM"). Pursuant to Bye-law 87(1) and the Code on Corporate Governance Practices, Mr. Ho Hau Chong, Norman, a non-executive director, and Mr. Wong Chi Keung, Alvin, an independent non-executive director, will retire at the AGM by rotation. All retiring directors, being eligible, will offer themselves for re-election at the AGM. Mr. Cheung Hon Kit and Mr. Chan Fut Yan, executive directors, Mr. Lo Lin Shing, Simon, a non-executive director and Mr. Kwok Ka Lap, Alva, an independent non-executive director, continue in office for the ensuing year.

None of the directors being proposed for re-election at the forthcoming AGM has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The term of office of each non-executive director and independent non-executive director is the period up to his retirement by rotation in accordance with the Company's Bye-laws.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND CONVERTIBLE NOTES

As at 31st March, 2006, the interests and short positions of the directors and chief executive and/or their associates in the shares, underlying shares and convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Future Ordinance ("SFO")), which were required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), were as follows:

Long position

Convertible notes of the Company

Name of director	Capacity	Number of underlying shares	Approximate percentage of the issued share capital of the Company
Ho Hau Chong, Norman ("Mr. Ho")	Interest of controlled corporation <i>(Note)</i>	340,909,090 <i>(Note)</i>	53.99

Note: Each of Mr. Ho, the deputy chairman and a non-executive director of the Company, and his brother, Mr. Ho Hau Hay, Hamilton, owns 50% interest in Kopola Investment Company Limited ("Kopola") which beneficially owns HK\$150,000,000 zero coupon convertible notes due 2010. During the conversion period as specified under convertible notes agreement, Kopola has an option to convert the notes into 340,909,090 ordinary shares at a conversion price of HK\$0.44 per share specified in the convertible notes agreement.

DIRECTORS' REPORT

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND CONVERTIBLE NOTES *(Cont'd)*

Other than as disclosed above, none of the directors or the chief executives nor their associates had any interests or short positions in any shares, underlying shares or convertible notes of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which required notification to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive is taken or deemed to have taken under such provisions of the SFO); or which were required pursuant to section 352 of the SFO to be entered into the register maintained by the Company; or which were required, pursuant to the Model Code contained in the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), to be notified to the Company or the Stock Exchange.

SHARE OPTIONS

There are two share option schemes adopted by the Company on 28th February, 1994 (the "1994 Scheme") and on 26th August, 2002 (the "2002 Scheme"). Pursuant to a resolution passed on 26th August, 2002, the 1994 Scheme was terminated.

Particulars of the Company's share option schemes are set out in note 34 to the financial statements.

The following table discloses movements in the Company's share options during the year:

	Date of grant	Exercise price <i>HK\$</i>	Number of share options of the Company		
			Outstanding at 1.4.2005	Cancelled/ Lapsed during the year	Outstanding at 31.3.2006
1994 Scheme					
Employee	19.6.1997	21.84	4,800	4,800	–
Employee	2.2.1998	2.00	2,000	2,000	–
Employee	17.11.1999	2.34	10,500	10,500	–
Employees	14.3.2000	6.60	10,000	10,000	–
Total employees			27,300	27,300	–

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

Interests of directors of the Company in competing businesses as at 31st March, 2006 required to be disclosed pursuant to Rule 8.10 of the Listing Rules were as follows:

Name of director	Name of company	Nature of competing business	Nature of interest
Cheung Hon Kit ("Mr. Cheung")	Wing On Travel (Holdings) Limited and its subsidiaries	Property business in the People's Republic of China (the "PRC")	As the managing director
	Manwide Holdings Limited (A non wholly-owned subsidiary of China Strategic Holdings Limited)	Property business in the PRC	As a director
	China Development Limited	Property investment in Hong Kong	As a director and shareholder
	Artnos Limited	Property investment in Hong Kong	As a director and shareholder
	Co-Forward Development Ltd	Property investment in Hong Kong	As a director and shareholder
	Orient Centre Limited	Property investment in Hong Kong	As a shareholder
	Super Time Limited	Property investment in Hong Kong	As a director and shareholder
	Asia City Holdings Ltd	Property investment in Hong Kong	As a director and shareholder
	Supreme Best Ltd	Property investment in Hong Kong	As a shareholder
Mr. Ho	Miramar Hotel and Investment Company, Limited and its subsidiaries	Property investment, property development and sales	As a director

DIRECTORS' REPORT

DIRECTORS' INTERESTS IN COMPETING BUSINESSES *(Cont'd)*

Name of director	Name of company	Nature of competing business	Nature of interest
Lo Lin Shing, Simon ("Mr. Lo")	The Kwong Sang Hong International Limited and its subsidiaries	Property development, sales of properties and property leasing	As a director
	Besteam Limited and its subsidiaries	Property development and property investment	As a director
	New World CyberBase Limited and its subsidiaries	Property investment	As the chairman and an executive director

Mr. Cheung is the Chairman of the Company who is principally responsible for the Group's strategic planning and management of the operations of the Board. His role is clearly separated from that of the Managing Director, Mr. Chan Fut Yan, who is principally responsible for the Group's operations and business development. Mr. Ho and Mr. Lo, being non-executive directors, do not participate in the daily management of the Group.

In addition, any significant business decision of the Group is to be determined by the Board. A director who has interest in the subject matter being resolved will abstain from voting. In view of the above, the Board considers that the interests of Mr. Cheung, Mr. Ho and Mr. Lo in other companies will not prejudice their capacity as directors nor compromise the interest of the Company and the shareholders of the Company.

Save as disclosed above, none of the directors of the Company was interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate. In addition, none of the directors or their spouses or children under the age of 18 had any right to subscribe for securities of the Company or had exercised any such right during the year.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed under the heading "Connected Transactions" as set out below, there were no other contract of significance, to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

DIRECTORS' REPORT

CONNECTED TRANSACTIONS

Connected transactions undertaken by the Company during the year and up to date of this report, as disclosed in note 41 to the financial statements, are set out below:

- (a) As stated in the announcement on 20th April, 2005 and the circular dated 23rd May, 2005, on 8th April, 2005, the Company entered into seven subscription agreements with seven subscribers. On 20th April, 2005, the Company entered into another two subscription agreements and a placing agreement with two subscribers and a placing agent, respectively. Each of the subscription agreements and the placing agreement were not inter-conditional on each other.

Of the nine subscribers, seven of them were fund subscribers whose funds were managed by global asset management firms (the "Fund Subscribers"), with the remaining two subscribers being Loyal Concept Limited ("Loyal Concept") and Kopola. Pursuant to the subscription agreements, the Fund Subscribers, Loyal Concept and Kopola, had in aggregate conditionally agreed to subscribe by cash for the HK\$956 million unsecured zero coupon convertible notes due 2010 proposed to be issued by the Company pursuant to the subscription agreements (the "2010 Subscription Convertible Notes") with principal amounts of HK\$356 million, HK\$450 million and HK\$150 million, respectively (the "Subscription"). Loyal Concept is an indirect wholly-owned subsidiary of Hanny Holdings Limited ("Hanny"), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange. Loyal Concept and Hanny were not connected persons of the Company. Kopola is 50% held by Mr. Ho, and therefore an associate of Mr. Ho. As Mr. Ho was a connected person of the Company under Rule 14A.11 of the Listing Rules, the subscription of the 2010 Subscription Convertible Notes by Kopola constituted a connected transaction of the Company under the Listing Rules.

Pursuant to the placing agreement, the placing agent would procure, on a best effort basis, no less than six placees to subscribe by cash for the HK\$44 million zero coupon convertible notes due 2010 proposed to be issued by the Company (the "Placing Convertible Notes") with a principal amount of HK\$44 million (the "Placing"). None of the placees would be the subscribers.

The Subscription and Placing were completed in August 2005.

During the year ended 31st March, 2006, HK\$21.5 million and HK\$2.5 million of the 2010 Subscription Convertible Notes and the Placing Convertible Notes were converted into 48,863,636 and 5,681,817 ordinary shares, respectively, of HK\$0.01 each in the capital of the Company at a conversion price of HK\$0.44 per share.

Kopola had not converted any of its 2010 Subscription Convertible Notes during the year ended 31st March, 2006.

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CONNECTED TRANSACTIONS *(Cont'd)*

- (b) As stated in the announcement on 28th April, 2006 and the circular dated 22nd May, 2006 (the "Circular"), on 27th April, 2006, the Company entered into seventeen conditional subscription agreements with different subscribers. On the same date, the Company entered into a placing agreement with a placing agent. Each of the subscription agreements and the placing agreement are not inter-conditional on each other.

Of the seventeen subscribers, four of them were fund subscribers who were funds managed by Stark Investments (Hong Kong) Limited ("Stark Investments"), a manager of the fund subscribers (the "Stark Funds"), with the remaining thirteen subscribers being Hanny, ITC Corporation Limited ("ITC") and the eleven other note subscribers. Pursuant to the subscription agreements, the Stark Funds, Hanny, ITC and eleven other note subscribers had in aggregate conditionally agreed to subscribe by cash for an aggregate of HK\$1,000 million 1% convertible notes due 2011 proposed to be issued by the Company pursuant to the subscription agreements (the "2011 Subscription Convertible Notes") with principal amount of HK\$123 million, HK\$270 million, HK\$30 million and HK\$577 million, respectively. ITC is a company incorporated in Bermuda with limited liability and its shares are listed on the Stock Exchange. ITC, through its subsidiary, held approximately 24.28% of the issued share capital of Hanny as at 18th May, 2006, the latest practicable date of the Circular. Hanny and the Stark Funds are connected persons of the Company pursuant to the Listing Rules by virtue of its approximately 20.71% and 17.26% interest in the total issued ordinary shares of HK\$0.01 each in the share capital of the Company, respectively, as at the date of the subscription agreements entered. Therefore, the subscription of the 2011 Subscription Convertible Notes by Hanny and Stark Funds constituted connected transactions of the Company under the Listing Rules.

Pursuant to the placing agreement, the placing agent would procure, on a best effort basis, no less than six placees to subscribe by cash for up to 833,332,000 new ordinary shares of HK\$0.01 each in the share capital of the Company at HK\$0.60 per share (the "Placing"). The aggregate amount of the Placing would be approximately HK\$500 million before expenses. The subscription was approved by shareholders in a special general meeting held on 8th June, 2006 and was completed on 15th June, 2006.

Also see note 42(c) to the financial statements.

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SUBSTANTIAL SHAREHOLDERS

As at 31st March, 2006, the interests and short positions of any substantial shareholders or other persons (not being directors or chief executive of the Company) in the shares and underlying shares of the Company which have been disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO and have been recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO were as follows:

Long position

(a) *Ordinary shares of HK\$0.01 each of the Company*

Name of shareholder	Capacity	Number of issued shares held	Approximate percentage of the issued share capital of the Company
OZ Asia Master Fund, Ltd. ("OZ Asia")	Beneficial owner	7,556,818 <i>(Note)</i>	1.20
OZ Master Fund, Ltd. ("OZ Master")	Beneficial owner	32,215,909 <i>(Note)</i>	5.10
OZ Management, L.L.C. ("OZ Management")	Investment manager	39,772,727 <i>(Note)</i>	6.30
JPMorgan Chase & Co. ("JPMorgan")	Beneficial owner	7,325,000	1.16

Note: OZ Management was taken interest as an investment manager in 7,556,818 shares and 32,215,909 shares held by OZ Asia and OZ Master.

(b) *Convertible notes of the Company*

Name of holder	Capacity	Number of underlying shares <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
OZ Asia	Beneficial owner	44,261,363 <i>(Note 2)</i>	7.01
OZ Master	Beneficial owner	181,875,000 <i>(Note 2)</i>	28.80
OZ Management	Investment manager	226,136,363 <i>(Note 2)</i>	35.81

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SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Long position *(Cont'd)*

(b) Convertible notes of the Company (Cont'd)

Name of holder	Capacity	Number of underlying shares <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Highbridge International LLC ("Highbridge International")	Beneficial owner	90,909,090 <i>(Note 3)</i>	14.40
Highbridge Capital Management LLC ("Highbridge Capital")	Investment manager	90,909,090 <i>(Notes 3 and 5)</i>	14.40
Highbridge GP, Ltd. ("Highbridge GP")	Interest of controlled corporation	90,909,090 <i>(Notes 3 and 4)</i>	14.40
Clive Harris	Interest of controlled corporation	90,909,090 <i>(Note 4)</i>	14.40
Michael Austin	Interest of controlled corporation	90,909,090 <i>(Note 4)</i>	14.40
JPMorgan	Interest of controlled corporation	90,909,090 <i>(Note 5)</i>	14.40
Chu Yuet Wah	Interest of controlled corporation	1,022,727,272 <i>(Note 6)</i>	161.97
Ma Siu Fong	Interest of controlled corporation	1,022,727,272 <i>(Note 6)</i>	161.97
Kingston Finance Limited ("Kingston")	Security interest	1,022,727,272 <i>(Note 6)</i>	161.97
Loyal Concept	Beneficial owner	1,022,727,272 <i>(Notes 6 and 7)</i>	161.97
Hanny Magnetics (B.V.I.) Limited ("Hanny Magnetics")	Interest of controlled corporation	1,022,727,272 <i>(Note 7)</i>	161.97

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SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Long position *(Cont'd)*

(b) Convertible notes of the Company (Cont'd)

Name of holder	Capacity	Number of underlying shares <i>(Note 1)</i>	Approximate percentage of the issued share capital of the Company
Hanny	Interest of controlled corporation	1,022,727,272 <i>(Note 7)</i>	161.97
Kopola	Beneficial owner	340,909,090 <i>(Note 8)</i>	53.99
Mr. Ho	Interest of controlled corporation	340,909,090 <i>(Note 8)</i>	53.99
Ho Hau Hay, Hamilton	Interest of controlled corporation	340,909,090 <i>(Note 8)</i>	53.99
Centar Investments (Asia) Ltd. ("Centar")	Beneficial owner	44,318,181 <i>(Note 9)</i>	7.02
Shepherd Investments International, Ltd. ("Shepherd")	Beneficial owner	199,431,818 <i>(Note 9)</i>	31.58
Stark Asia Master Fund, Ltd. ("Stark Asia")	Beneficial owner	119,659,090 <i>(Note 9)</i>	18.95
Stark International	Beneficial owner	79,772,727 <i>(Note 9)</i>	12.63
Stark Investments	Investment manager	443,181,816 <i>(Note 9)</i>	70.19

DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS *(Cont'd)*

Long position *(Cont'd)*

(b) Convertible notes of the Company (Cont'd)

Notes:

1. The underlying shares represent the new shares to be issued upon full conversion of the 2010 Subscription Convertible Notes and the Placing Convertible Notes (the "Convertible Notes") held by respective holders and placees of the Convertible Notes both at a conversion price of HK\$0.44 per share issued by the Company on 11th August, 2005.
2. OZ Management was taken interest as an investment manager in HK\$19,475,000 and HK\$80,025,000 Convertible Notes held by OZ Asia and OZ Master.
3. Highbridge GP was taken to have an interest in HK\$40,000,000 Convertible Notes held by Highbridge International since Highbridge International is a wholly-owned subsidiary of Highbridge Master L.P. ("Highbridge Master") which, in turn, is a wholly-owned subsidiary of Highbridge GP. Highbridge Capital is an investment manager of Highbridge Master.
4. Each of Mr. Clive Harris and Mr. Michael Austin owns 50% interest in Highbridge GP.
5. JPMorgan was taken to have an interest in HK\$40,000,000 Convertible Notes held by Highbridge Capital since Highbridge Capital is 55% owned by JPMorgan Asset Management Holdings Inc. which, in turn, is a wholly-owned subsidiary of JPMorgan.
6. Mrs. Chu Yuet Wah and Ms. Ma Siu Fong own 51% and 49% interest in Kingston, respectively which beneficially owns a security interest of HK\$450,000,000 Convertible Notes held by Loyal Concept.
7. Hanny and Hanny Magnetics were taken to have an interest in HK\$450,000,000 Convertible Notes owned by Loyal Concept since Loyal Concept is a wholly-owned subsidiary of Hanny Magnetics which, in turn, is a wholly-owned subsidiary of Hanny, shares of which are listed on the Stock Exchange.
8. Each of Mr. Ho and his brother, Mr. Ho Hau Hay, Hamilton owns 50% interest in Kopola which beneficially owns HK\$150,000,000 Convertible Notes.
9. Stark Investments was taken interest as an investment manager in HK\$19,500,000, HK\$87,750,000, HK\$52,650,000 and HK\$35,100,000 Convertible Notes respectively held by Centar, Shepherd, Stark Asia and Stark International.

Other than as disclosed above, the Company had not been notified of any other persons who had interests or short positions in the shares and/or underlying shares of the Company, which were required to be recorded in the register required to be kept by the Company pursuant to section 336 of Part XV of the SFO.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31st March, 2006, the aggregate amount of turnover attributable to the Group's five largest customers were less than 30% of the Group's total turnover. The aggregate amount of purchases attributable to the Group's five largest suppliers accounted for approximately 44% of the Group's total purchases and the purchase attributable to the Group's largest supplier was approximately 21% of the Group's total purchases.

None of the directors, their associates or any shareholders (which to the knowledge of the directors owns more than 5% of the Company's issued share capital) has any interest in any of the Group's five largest suppliers.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31st March, 2006, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

DIRECTORS' REPORT

DONATION

During the year, the Group made charitable and other donations of HK\$10,000.

EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emolument of the directors of the Company is decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees, details of the scheme are set out in note 34 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws or the laws in Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

SUFFICIENCY OF PUBLIC FLOAT

The Company has maintained a sufficient public float throughout the year ended 31st March, 2006.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report, which is on pages 22 to 27 of this annual report.

POST BALANCE SHEET EVENTS

Details of the significant post balance sheet events are set out in note 42 to the financial statements.

AUDITORS

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Cheung Hon Kit

Chairman

Hong Kong, 27th July, 2006