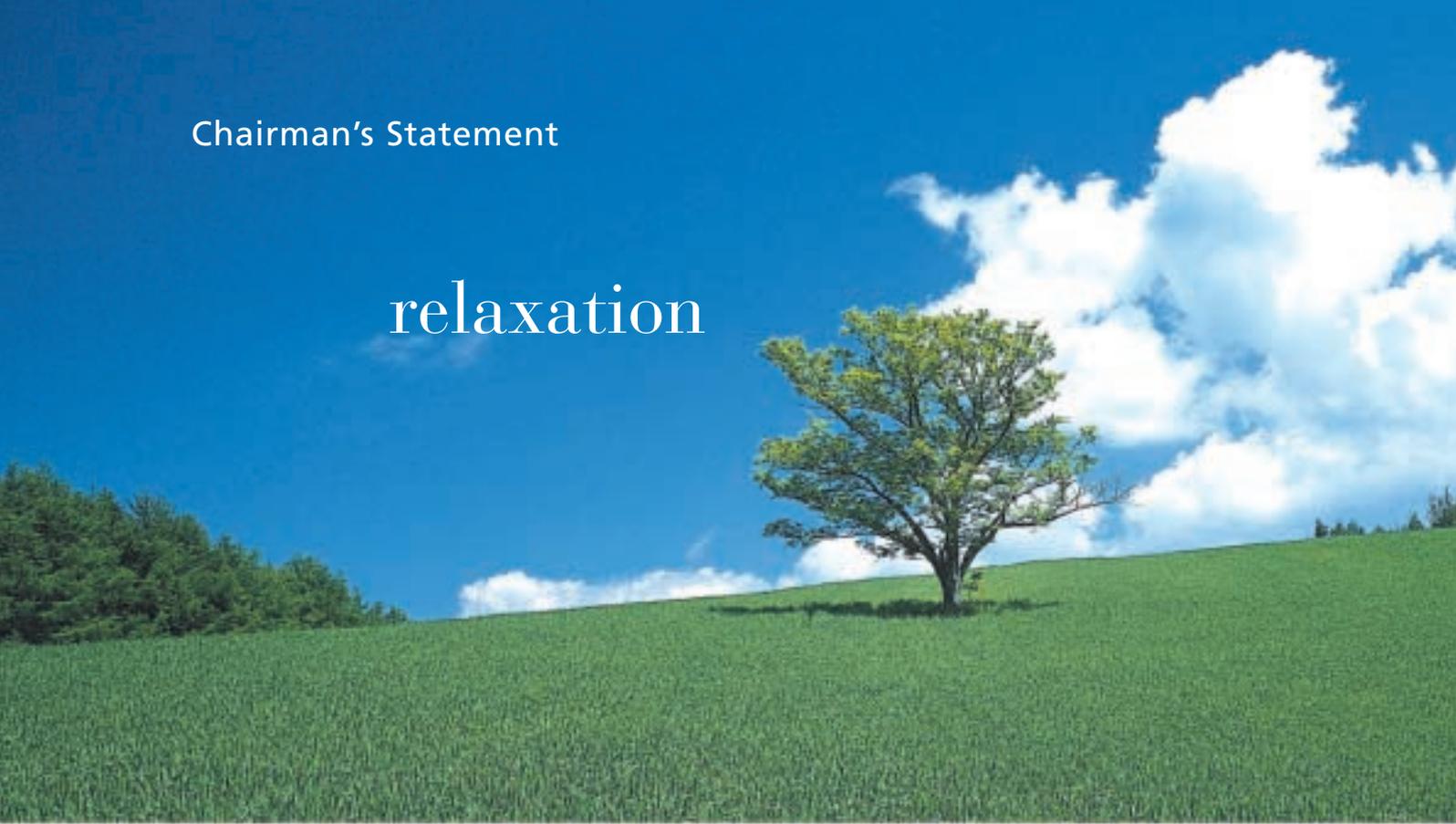


Chairman's Statement

relaxation



Zhu Lifu

Chairman



I am pleased to present the audited consolidated annual results of Jiuzhou Development Company Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 April 2006. The consolidated revenue of the Group for the year was approximately HK\$230,707,000 and the net profit attributable to shareholders was approximately HK\$34,805,000, representing an increase of approximately 7% and 71% respectively as compared with the figures restated in accordance with the new Hong Kong Financial Reporting Standards.

During the year under review, the performance of marine passenger transportation business surpassed that of the corresponding period last year. For the hotel business, owing to certain new hotels were completed for use in Zhuhai, resulting in extremely intense competition in the hotel industry, among which was the opening of a large attraction, Zhuhai Ocean Spring Resort. However, since the overall Zhuhai tourism industry still maintained its upward development trend, coupled with flexible operating strategy by the enterprise and its fully integrated resources, hotels and attractions successfully maintained results comparable to last year.

As the Group's resort hotel and attractions have been in operation for years, some facilities have depreciated or become outdated. In addition, to consolidate the brand of resort hotel and enrich the content of the Group's travel projects, the Group has started to engage internationally renowned consultancy firms to carry out comprehensive planning, transformation on the Group's hotels and attractions, in order to enhance the Group's competitiveness, optimise its resources and create better results with such transformation.

The boosting economic development in Pearl Delta Region and the continual increase in number of individual visitors, together with the hot trend of holiday resorts, are going to facilitate the continuous development of the Group's travel, hotel and marine passenger transportation businesses. The Board of Directors has full confidence in the prospect.

In addition, the Board of Directors will also seek suitable investment opportunities and potential projects in order to broaden and strengthen its profit base, consolidating the Group's leading position in the travel and marine passenger transportation business in Zhuhai. I, on behalf of the Board of Directors, would like to take this opportunity to express my sincere gratitude to the independent non-executive directors, Mr. Hui Chiu Chung, Mr. Chu Yu Lin, David and Mr. Albert Ho for their contributions to the Group over the past year, and the efforts made by all of the staff.

On behalf of the board

Zhu Lifu
Chairman

Hong Kong
24 August 2006