

STATEMENT FROM THE CHAIRMAN



*P*CPD is well positioned to explore promising expansion opportunities in Hong Kong and mainland China, as the Company maintains a strong balance sheet.

Hong Kong's economy maintained strong positive momentum in the first half of 2006, with real GDP progressively rising for the past two years and supported by a healthier labour market and significant rises in tourism from mainland China and the rest of the world.

The Hong Kong property market remained stable over the interim period to June 30, 2006, with sentiment at the high end of the market kept relatively buoyant by a limited supply of premium stock.

I am pleased to report that Pacific Century Premium Developments Limited ("PCPD" or the "Company") is well positioned to explore promising expansion opportunities in Hong Kong and mainland China, as the Company maintains a strong balance sheet.

We continue to keep a sharp focus on the prestigious Bel-Air residential complex, where we plan to maximise our efforts and resources in the last two phases.

In mainland China, work has begun on a top-end residential project in Chaoyang district, a major business and high-end residential area of Beijing. This project represents a significant milestone in our expansion plans and offers substantial synergies with our adjacent investment property, Pacific Century Place, which is occupied by tenants comprising mainly blue-chip multinational corporations and diplomatic premises.

Our exploration of the potential in mainland China's thriving property market continues to progress, and further projects will be unveiled as our plans reach an appropriate level of maturity.

In addition, our premium-grade investment properties and proven facilities-management capability are expected to continue to generate a steady stream of income.

Lastly, I wish to take this opportunity to express my appreciation to our dedicated directors, management team and staff for their ongoing contribution to PCPD, and to thank our shareholders and business partners for their support.



Richard Li

Chairman

September 14, 2006