

STATEMENT FROM THE CHIEF EXECUTIVE OFFICER



With six months of achievement and promising progress to the Group's credit this year, we plan to optimise the power of the Bel-Air brand as we strengthen our market foothold in Hong Kong and pursue our plans for expansion in mainland China and other parts of Asia Pacific.

PCPD recorded a consolidated turnover of approximately HK\$5,276 million for the six months ended June 30, 2006, compared with HK\$3,338 million for the corresponding period in 2005.

Net profit for the period was approximately HK\$703 million, compared with the previous year's HK\$263 million, while earnings per share for the six months were 29.23 Hong Kong cents, compared with 11.77 Hong Kong cents for the same period last year.

The board of directors has declared an interim dividend of 1.5 Hong Kong cents per ordinary share for the six months ended June 30, 2006.

HIGHLIGHTS OF THE SIX-MONTH PERIOD

The growing regional popularity of our prestigious Bel-Air complex continues to underscore the development's image as a trendsetter in luxury accommodation, which has been reflected in our sales performance so far this year.

Handover of completed apartments and houses to their new owners has been smooth, and the unique artistic ambience and luxurious amenities offered by the Club Bel-Air Peak Wing clubhouse have greatly impressed residents and prospective buyers since the official opening in the second quarter this year.

The increasing appeal of the Bel-Air brand serves to portray the Group as one of the market's foremost players in the kind of innovative and prestige property development that appeals to sophisticated lifestyle tastes the world over.

Moving to our activities in mainland China, PCPD embarked on an exciting project in Beijing in January this year when we acquired a site by public auction, with a plan to develop a highly-prestigious residential complex in the city's Chaoyang district.

We are confident that this project will act as a landmark project in our long-term development ambitions, thanks to superior design and quality, a lack of high-end residential accommodation in the prime Chaoyang location, convenient transportation links following the opening of a subway service in 2007 and valuable synergies with our adjacent premium-grade investment property, Pacific Century Place.

Housing a number of blue-chip commercial and diplomatic organisations, Pacific Century Place enjoyed an average occupancy rate of 96 per cent for the six months to end of June, 2006, generating HK\$109 million in what has proved to be healthy recurring income for the Group.

Meanwhile, our facilities management division has generated substantial experience in the successful running of properties in the luxury residential sector, premium-grade office blocks, retail developments, industrial sites and mission-critical ICT (Information and Communications Technologies) complexes.

PROSPECTS

Looking ahead, PCPD fully intends to capitalise on the positive sentiment that has been developing in Hong Kong's luxury property market, thanks to limited supply coupled with high demand.

With that in mind, the Group is poised to reap maximum benefit from the last two phases of our internationally-acclaimed Bel-Air development, which has positioned us well as a niche player with a superb reputation at the prestige end of the residential market.

Across the border, as work progresses on our milestone development in Beijing's Chaoyang area, we will continue to pursue other high-end opportunities as they open up in mainland China's rapidly-emerging property market.

Back in our home market, the first project in an innovative program of telephone exchange redevelopment is due to come to fruition at the end of 2008, with around 150 boutique apartments of the highest quality in Hong Kong's popular Western district.

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Robert Lee

Chief Executive Officer

September 14, 2006