

Cancellation of June Agreement

On 26 September 2006, the Company and the Vendor entered a deed of Cancellation of the June Agreement. The parties agreed to mutually release and discharge each other from all obligations, duties, responsibilities, claims and liabilities arising out of or in connection with the June Agreement. None of the Company, the Vendor or the Warrantor is subject to any compensation or penalty as a result of the termination of the June Agreement. The termination of the June Agreement would not give rise to any material adverse impact on the Company.

Capital Reduction

On 26 September 2006, the Board proposed a revised capital reduction by reducing the nominal value of the ordinary shares in the authorised share capital of the Company from HK\$0.10 each to HK\$0.01 each. After the capital reduction, the authorised share capital of the Company would comprise New Shares of HK\$300 million divided into 30,000 million shares of HK\$0.01 each of which 2,444,243,232 New Shares would be in issue.

Sale and Purchase Agreement

On 26 September 2006, the Company and the Vendor entered a Sale & Purchase Agreement (the "SPA") to acquire the Target Companies for a total consideration of HK\$23,166,000 which will be satisfied by the allotment and issue to the Vendor of the Consideration Shares (being 351,000,000 New Shares of HK\$0.01 each in the capital of the Company) credited as fully paid at an issue price of HK\$0.066 per New Share. For further information on the terms of the SPA, please refer to the announcement of 28 September 2006, in respect of a disclosable and connected transaction which involves issue of new shares of the Company and cancellation of June Agreement.

PROPOSED CHANGE OF COMPANY NAME

The Board proposed to change the English name of the Company from "Compass Pacific Holdings Limited" to "Hygeia Land Holdings Limited" and adopt the Chinese translation of its name as "海吉亞萊控股有限公司" in lieu of "圓通控股有限公司" for identification purpose.

PROPOSED AMENDMENTS OF BYE-LAWS

Apart from the necessary amendments to the Bye-Laws regarding the capital reduction, the Board proposed to amend certain provisions of the Bye-Laws regarding the retirement of Directors to align with the Code on Corporate Governance Practices.

PROSPECTS

The bankruptcy of MG Rover Group Ltd in England in 2005 dealt a severe blow to the operations and performances of APG Group, especially its subsidiaries in Guangzhou, which are the targets of a number of litigations. In order to improve the Group's performance, the Board has been considering disposals of certain subsidiaries of the APG Group and curtailing the operations of its subsidiaries in Guangzhou. Upon completion of the acquisition of Hygeia Land companies, the Group will diversify into the development, manufacture, and distribution of food supplement and herbal health products in order to open new venues for generation of revenue and improvement in the Group's financial prospects.