

Chairman's Statement

To Our Shareholders,

It has been almost a decade since the handover of Hong Kong in 1997. Hong Kong has gone through both good times and bad times. During the past decade, Hong Kong has undoubtedly played an increasingly important role in the economic development of China.

The China 11th Five-Year Plan (2006-2010) was endorsed at the fourth session of the 10th National People's Congress in March 2006. The plan has embraced Hong Kong into the country's overall development framework, further strengthening the cooperation between Hong Kong and mainland cities. It also emphasizes the importance of reinforcing Hong Kong's reputation as the world's leading finance, trading and shipping centre. This shows the central government's full support to Hong Kong by paving the way to an immense room of development.

This new national plan is the first time Hong Kong being included in the China development roadmap. The inclusion does not just confirm the status of Hong Kong, but also signifies the close ties between Hong Kong and the rest of the country.

Hong Kong's history of success is built on its flexibility in the ever-changing global economy. Hong Kong should proactively explore the opportunities and challenges imposed by the 11th Five-Year Plan. This time, we are only being responsive to the grand plan laid down by the central government. Hopefully, Hong Kong is able to contribute to the formation of future Five-Year Plans.

Hong Kong is the home base of New World Group. Like most of the citizens, New World Group was born and grew up here. After over 30 years of operations, our business has expanded geographically to the whole Greater China. Nonetheless, New World Group is committed to Hong Kong irrespective of the changing economic climate. We base our investment strategies on quality, trust, synergy and initiative. We have an unparalleled sense of vision and a dedicated team of professionals who are determined to create value, improve lifestyles and reap substantial return for shareholders, partners, employees, and the communities in which we operate.

Dr. Cheng Yu-Tung

Chairman

Hong Kong, 10 October 2006



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Chairman