

Chairman's Statement

Dear shareholders,

On behalf of Ever Fortune International Holdings Limited, I would like to present my second report since my appointment as your chairman.

Since my appointment on 12 April 2006, I have concentrated my efforts to resolve problems inherited from the past, make arrangements to acquire appropriate business, streamline the group structure and seek a resumption of trading of the Company's shares on the Hong Kong Stock Exchange.

During 2006, serious incidents happened in Zhangjiakou Xing Fa Agricultural Development Company Limited (formerly Hebei Bashang Nursery Company Limited, below referred to as "Zhangjiakou Xing Fa"), our major subsidiary. First, on 8 September 2006, we announced that Zhangjiakou Xing Fa was involved in a bank guarantee, amounting to HK\$71,000,000 (including interest). This guarantee was signed by Zhangjiakou Xing Fa on 4 July 2005. At this stage, our company is now in close contact with our PRC legal advisors to resolve this situation. No concrete solution has now been reached. Second, we were informed that there is a further incident happened in Zhangjiakou Xing Fa which involved a bank guarantee of HK\$27,000,000 as a result of a borrowing by Henan Dragoncom Co Ltd from the Luoyang City Commercial Bank. This guarantee was issued on 15 June 2005 and Henan Dragoncom was owned by Han Jide, a former director of the company. As a court judgement has been obtained for this case, we are now discussing with our PRC legal adviser so as to arrive at an appropriate strategy to handle.

As a result of the above two incidents, our company has made a provision of approximately HK\$98,000,000. I would like to state that these two incidents happened before the current board was appointed and I consider that these behaviors are extremely unethical business practices. I am determined to use my best endeavours to look for appropriate ways to resolve the above matters.

In the past year, our operation in Hong Kong is normal. At the end of the year, our Group has acquired the right to manage the Lianyungang Exhibition Centre, which is in normal operation.

I am optimistic of the future. Our company has already engaged financial advisors to proceed with our application for resumption of trading of shares. Our company is also intended to acquire certain PRC projects in real estates and transportation, so as to boarden the scope of our business and expand our revenue basis.

At this juncture, I must thank all the staff and our professional advisers for their support, dedication and contribution to the Company during the past year. It is hopeful that the problematical assets will soon be divested of and we shall inject new efficient assets and human resources, so as to bring our company into a profitable condition and resume trading of our shares in the Stock Exchange to the benefit of all our shareholders.

We expect a better future achievement with our joint efforts.

Zhou Wenjun
Chairman

20 April 2007

