



Chairman's Statement

On behalf of the board of directors (the "Board"), I am pleased to present to the shareholders the annual report of eCyberChina Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 30 June 2006.

RESULTS

During the year under review, the Group's turnover was HK\$43 million, representing an increase of over 11 times compared to the last year of HK\$3.6 million, excluded discontinued operation. Loss attributable to the shareholders was HK\$24 million (2005: profit of HK\$15.2 million).

DIVIDEND

The Board resolved not to declare any dividend for the year ended 30 June 2006 (2005: Nil).

BUSINESS REVIEW

In the past year, the Group finally obtained the legal title in respect of the ownership of the properties at Charity Plaza in Shanghai. A portion of the properties was sold and the remaining units are being rented out for generating revenue.

The Group entered into a sale and purchase agreement for the disposal of the properties at 30/F., Wu Chung Building, 213 Queen's Road East at HK\$104 million in October 2005 and this transaction was completed in May 2006.

The above two issues, which formed the basis of disclaimer of opinion in the previous year's Auditors Report have now been resolved.



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FUTURE PROSPECT

The Group is now in a clean position with all audit qualifications and uncertainties removed. The management is working aggressively with financial advisors and lawyers on the resumption of trading of the company stocks on the Stock Exchange of Hong Kong. If the resumption is successful, the Group will consider acquiring additional capital to repay all high interest bearing loans to minimise financial costs. Other than property investment and property related business, the Group will make use of its resources to explore new businesses, which will generate greater returns and steady income to the Group.

A series of macroeconomic control measures recently implemented in China were aimed at preventing the property market from overheating. The Group expects these measures will create little impact to the market. However, in a long run, it will benefit the property sector by ensuring a healthier business environment.

The management will continue put its best effort to explore new businesses to enhance the value of the Company; to keep the operating expenses at the minimum level and maintain the resources for future developments.

APPRECIATION

I would to take this opportunity to express my sincerest thanks and appreciation to our diligent staff for their loyalty and support to the Group during the year.

On behalf of the Board

Ho Chi Wing

Chairman

Hong Kong, 25 October 2006