

Chairman's Statement

On behalf of the board (the "Board") of directors (the "Directors") of the Company, I have the pleasure in presenting the annual financial statements of the Group for the year ended 31 December 2006.

In 2006, the Group was successfully listed on the Main Board of the Stock Exchange. This was a new milestone in the Company's development, signifying a new chapter in the Group's history. The capital raised in the initial public offering exercise enabled us to further substantiate our development plans, to boost the core competency and to consolidate and build up our leading position in the industry. Nevertheless, 2006 was a challenging year for the Group. As to date, we have experienced three series of austerity measures implemented by the PRC Government since May 2004, the overheated PRC property market has been cooled down. Currently, China's property industry enrolled into a process of evolution to become normalised and focused on business consolidation within the industry, brand building and becoming more regulated in their operations. It is expected the professional standards will increase gradually in every aspect within the industry, which, directly or indirectly, driven the demand for property intermediary services.

In 2006, the Group's turnover was approximately RMB 74.8 million (2005: RMB115.9 million), representing a decrease of approximately 35.5% when compared to last year. The profit from ordinary activities attributable to shareholders was approximately RMB 19.20 million (2005 RMB 40.99 million), representing a decrease of approximately 53.2% over last year. The earnings per share was approximately RMB 11.0 cents (2005: RMB 27.32 cents). The Board had recommended the payment of a final dividend of HK\$2.40 cents per share for the year ended 31 December 2006.

In 2006, the Group kept expanding its business. The Group continued to focus on the sales of primary residential property but began to diversify our risk in engaging more pure commercial projects. As at 31 December 2006, the Group had 37 comprehensive property consultancy and agency projects on hand, a net increase of 6 projects when compared with the 31 projects at the year end of 2005.

Looking ahead, the Group will continue its strategy on the agency of small to medium-sized residential projects with low to medium prices as it is in line with prevailing property policy of the PRC government. In the meantime, the Group will expand its business into commercial property market and explore markets in other regions in the PRC with market growth potentials so as to acquire more business opportunities. We will sustain our efforts in staff development, step up and improve our management information system, and further enhance our brand exposure through stronger publicity, in order to consolidate our status as a leading "one-stop" agency business in the PRC, strengthen the profitability of the Group and generate satisfactory investment returns for the shareholders.

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Finally, I would like, on behalf of the Board, to thank our shareholders, customers and business partners for their unfailing support for the Company, and our staff for their hard work and contributions in the past year. Our heartiest gratitude to them all!

By order of the Board

Fortune Sun (China) Holdings Limited

Chiang Chen Feng

Chairman

24 April 2007

Hong Kong