

“Increasing Core Business and Exploring New Markets by Facilitating Existing Strengths”

On behalf of the board (the “Board”) of directors (the “Directors”) of Zhongtian International Limited (the “Company”) and its subsidiaries (collectively the “Group”), I present the annual results and the audited financial statements of the Group for the year ended 31 December 2006.

In 2006, the Group, based in Shangdong Province, continued to perform the upgrade and maintenance for the Shandong provincial rural credit cooperatives (“RCC”) information network and successfully assisted and completed the construction of a provincial RCC information network for Hubei Province, which earned high praise from both the customers and the industry. The Company was then further fortified as a national brand for financial software in the PRC, and the Group's position as a leading financial software developer was consolidated, that creating a solid basis for our long term development. The successful completion of the construction of provincial RCC information network in the provinces of Hubei and Shangdong will generate steady income for the Group.

Turnover of the Group for the year ended 31 December 2006 was approximately RMB23,466,000, representing a decrease of 77.3% from the previous year. The decline in turnover was attributable to: 1. a decrease in project payment led by the intensifying competition among counterparties; 2. a huge contribution of manpower and funds by the Group for the completion of the construction of provincial RCC information network for Hubei Province. Although these measures incurred more costs for the Group and reduced the net profit for the year, the completion of the project exposed our strengths to the competitors as well as established our solid goodwill in the customer base, lying concrete foundation for our further exploration of new markets of the year.

For increasing the Company's competitiveness and earnings and maintaining the Group's high rank in the software development, we launched two major measures by firstly strengthening the marketing activities and exploring new markets in aggressive manner and secondly by injecting funds to the acquisition of Qingdao Zhongtian Software Park Company Limited. The land owned by such company will be constructed to a research and development centre for the purpose of providing strong base to our software research and development. We were fully confident that such investment will lay down a solid basis for better results of the Group in future.

Looking ahead, in view of the relatively large proportion of RCC that have yet to construct their information network, plus the expanding market of information network in the urban commercial banking sector, the Group, aiming at entering into such sector, will leverage on its excellent reputation and solid goodwill and will continuously expand its market share in the RCC information network development in the PRC. On the non-financial front, we invested considerable manpower and funds in the core projects and the research and development over past few years. The relevant software products have been successfully developed. It is anticipated they will create benefits for the Group in the coming years.

Zhongtian International Limited

Chen Jun

Chairman