



CHAIRMAN'S MESSAGE



The fiscal year 2003 marked the business expansion of New World CyberBase Limited into the market of the People's Republic of China ("PRC"). Dedicated to becoming a leading-edge IT and solutions provider, the Group had successfully and completely shifted its IT business operations to the PRC during the year and established a firm foothold with offices in Beijing, Shanghai and Guangzhou.

The Group achieved two major milestones this year. With the team effort in leveraging the growing trend of the information technology and solutions business in the PRC, the Group's IT segment results in the PRC were encouraging with a tremendous improvement compared with last year. This showed the shift of geographical focus was the right strategic move and that the Group

would benefit from the PRC market in the long run. In addition, while securing business growth, it was also important to maintain the Group's operating efficiency in such a difficult business environment. The Group had been very successful in reducing its net operation spending while fostering an expansion plan, thus resulting in a profitable IT business for the first time for the Group.

Looking ahead, despite tough market situation and a slowdown in IT spending in the global market, there will still continued high growth opportunities in the IT sector in the PRC as information technology was highlighted during the 16th Party Congress as one of the key drivers for economic growth of the country and progress towards digital revolution.

According to the figures released by the National Bureau of Statistics in June this year, the PRC's gross domestic product was expected to grow by 7% in 2003. The economic figures indicated the Chinese economy was still on the fast track, and the growth for the first half of 2003 was set to be no less than 8%.

The growing dependence on technology to help businesses increase operating efficiencies and competitiveness will remain unchanged. Survey results announced by International Data Corporation in February 2003 recorded Chinese companies to be bullish with 55% saying they planned to increase their IT spending. In order to benefit from this market environment, the Group has to strive for excellence in providing quality services and solutions to our prestigious customers.

IT solutions, one of core business streams last year had successfully secured strategic accounts across industries from government, enterprises to financial institutions. This was made possible by working closely with strategic partners while integrating our own software products & solutions spectrum. We took pride in winning customers' trust with our expertise and look forward to maintaining such a reputation in the market.

In early 2002, we acquired City Internet Holdings Corporation Limited. Such wholly-owned subsidiary had smoothly incorporated into the Group and operated under the brand name of ChinaQuest. This business complemented our existing core IT solutions business.

As a prized acquisition we had made, ChinaQuest is now one of the future stars of the Group. ChinaQuest, stepping into its fourth year of business, has established a premium quality of mapping and city information content throughout the PRC. In addition, the breadth of solutions combines the mapping content with the state-of-the-art technology, thus providing comprehensive solutions across industries, such as tracking solutions

for logistics companies, site selection solutions for banks and insurance companies. Throughout this year, the team has been working very hard towards this goal and has aspired to become one of the premium providers of PRC mapping content under the brand name ChinaQuest.

Extending from a strong development capability and in view of increasing demand for outsourcing services in the PRC market, the Group has expanded to develop an Outsourcing Development Center ("ODC"). Other than winning local or multinational IT companies as major customers, the ODC has successfully been awarded ISO 9001: 2000 Certification.

To complement a more comprehensive IT solution portfolio, NWCB has recently become the exclusive agent for China TDT Call Center in the PRC. This marked an important milestone in NWCB's extension into outsourcing services business in the area of Customer Relationship Management. We are not just marketing Call Center but also bringing our IT expertise and experience to in-house call centers with a call center solution. The solution would help a business to increase revenue by offering the highest level of customer care.

During the year, the Group established a solid business foundation based on a good understanding of the IT solution need of the PRC customers and built a healthy cost structure. In the coming years, the Group will leverage on such knowledge and skill sets to expand from a solution-based into a service-based business. The two core areas of focus in IT outsourcing services include Software Development and Call Center Services as well as Mobile Application Services.

According to the statistics report released by the Ministry of Information Industry in June 2003, the total number of mobile subscribers increased by 24 million between January and May this year, bringing a total number of mobile subscribers to 230 million in the PRC.

While the current wireless marketplace is thriving, Short Message Service ("SMS") has also been experiencing exponential growth in China. The total SMS revenues in China in 2002 were around US\$750 million and are expected to reach US\$16 billion by 2007, generating higher comparable revenues than all of Western Europe, according to a report by Pyramid Research.

It is expected that one of the key growth areas in the wireless arena is in the mobile data sector, mobile application services such as interactive games and entertainment services. The Group, capitalizing on its wholly-owned subsidiary in the PRC, ChinaQuest, a location-based services technology and service provider and also a major player in providing digital city mapping and city information, is well-positioned to capitalize on the value of providing city based directory and mapping based service via a wireless and online environment. In the years ahead, NWCB will be using ChinaQuest as a platform to springboard into the mobile application services of the PRC.

With valuable business opportunities ahead of us, in order to remain competitive in the market, we will continue to invest in developing our core capabilities in the areas of human resources expertise, technology development and quality service.

Our some 100 IT professionals are our assets to keep our business flourishing. We will continue expanding our business streams, recruit industry experts, seek acquisition or joint venture opportunities on high growth business which are complementary to our existing business to create shareholders' value.

On behalf of the Board of Directors, I would like to thank our valued shareholders, customers and working partners who have stood by NWCB with understanding during the year. Last but definitely not the least, I want to extend my sincere appreciation to all our employees for their dedication and hard work to the Group's development.

Lo Lin Shing, Simon
Chairman

