



Lo Lin Shing, Simon
Chairman

The fiscal year 2004 was a challenging but yet exciting year for the team at New World CyberBase Limited ("NWCB"). We had focused on two business arenas, IT outsourcing services and mobile Internet services. We successfully expanded our business streams from software solutions to outsourcing services. In addition, we established a firm foundation for our mobile Internet business in the People's Republic of China ("PRC").

The unexpected outbreak of Severe Acute Respiratory Syndrome in the PRC was one of the challenges we had to face during the first half of the year. The solutions and outsourcing services business slowed down significantly during that period. Despite the challenges and difficulties, with the continuous

CHAIRMAN'S MESSAGE

commitment of the NWCB team, business recovery was made in the second quarter of the fiscal year and there was solid progress in business expansion in the rest of the year.

In the area of IT outsourcing services, we have successfully secured our existing business and achieved its steady growth through maintaining long term customer relationships. In addition, new growth area for IT outsourcing service will be the expansion of service offerings in value added call center services and data management while taking advantage of the global trends of companies looking to outsource to China.

Our vision to transform from a solutions company to a service company is coming into place as we continue to move ahead to establish our market position in the mobile Internet environment.

NWCB, upholding the plan to capitalize its expertise in the mobile Internet's Location Based Services ("LBS") technology, set sail in this business path during this fiscal year. In the mobile Internet business, NWCB focused to deliver services in the area of city infotainment (information and entertainment) and mobile entertainment.

In the area of city infotainment, NWCB, leveraging on ChinaQuest's LBS and mapping technology, successfully launched three service offerings, our first fee-based city infotainment website www.chinaquest.com, short messaging services

C H A I R M A N ' S M E S S A G E

("SMS") and wireless application protocol ("WAP") LBS city directory service in Shanghai. These services set a foundation to expand our service offerings in other mobile Internet portfolio and in other parts of PRC market.

In the area of mobile entertainment, NWCB provided a series of entertainment services, from interactive SMS entertainment services including ringtone download to mobile games for the young generation. This is also complemented with the recent launch of our cross platform interactive entertainment site www.ijcool.com which consists of comprehensive entertainment and trendy content for the multimedia messaging services ("MMS") WAP and interactive voice response ("IVR") consumers.

We also successfully leveraged on the accumulated experience in IT services to set up a firm operating foundation for our mobile Internet business. In doing so, we leverage on our call center infrastructure to set up a best-in-class customer service operations. Our professional IT service team came into play in building up a quality network and systems operations. Lastly the 10 years of software development experience served as the basis of setting the foundation of our Research and Development of the most advanced mobile Internet technology.

We see the increasingly explosive growth potential of the wireless value-added market with the growing number of Internet and mobile users in the market. According to the Ministry of Information Industry ("MII"), PRC is the world's largest wireless market with over 268.7 million mobile phone users as of the end of 2003. Also, the Internet market in the PRC has experienced fast growth in recent years. According to the China Internet Network Information Center, the number of Internet users in China has risen from approximately 8.9 million by end of 31 December, 1999, to approximately 79.5 million by 31 December, 2003.

NWCB aims to establish ourselves as a leading brand in the mobile Internet industry in the PRC. We will continue to provide innovative cross platform mobile entertainment and city infotainment services to the young population. We will emphasize the importance of content delivery through the most advanced technology such as MMS, WAP and IVR.

In the coming years, the challenge will be to face a highly competitive market environment while the MII continues to regulate the wireless value-added industry. NWCB's strategic initiatives in facing this challenge will be to continue product innovations, creative marketing and channel network expansion.

In summary, we recognize the challenges ahead of us. Mobile Internet and IT outsourcing services will be the two stable business pillars of NWCB. We strive to provide high quality & innovative services through maintaining a strong team of over 100 IT professionals who are our assets to keep our business flourishing. In delivering successful results we will focus on the execution of our plans and strategies. We work hard to secure a base-line growth in our existing business in the area of IT outsourcing while pushing the edge in winning our market position in the fast growing mobile Internet market.

Finally, on behalf of the Board of Directors, I would like to thank our management and all colleagues for their hard work and dedication during the previous year as well as valued shareholders, customers and working partners who have stood by NWCB. I understand that I can count on my colleagues' continued support in NWCB's expansion in this exciting and competitive environment.

Lo Lin Shing, Simon
Chairman