

Chairman's Message

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New World CyberBase has achieved drastic yet well-planned development in the fiscal year 2006. Ever since our inception in 1999, we have always positioned ourselves to be an innovative and energetic company, in the fields we are participating, and more importantly, in the way we always explore new fields that we think will optimise returns for our shareholders.

We implemented a number of major corporate developments and restructuring in the fiscal year 2006 and ultimately turned New World CyberBase into an investment holding company, which we believe will provide us with substantial flexibility to explore various promising segments.

In October 2005, we disposed of the entire technology business of the Group to New World Mobility (“NWM”) and in return, we received 16,153,846 shares from NWM at an issue price of HK\$1.30 per share. Over the years, we have successfully built and grown the technology business and we decided it was the right time to realise the investment as we continued to seek other investment opportunities.

One of these opportunities presented itself soon in November. In view of the fast growing aviation transportation market in the PRC and the under-explored private jet services industry in the country, we decided to pursue a rights issue and an issuance of convertible notes to raise fund for the purchase of a G200 aircraft and 50 per cent. interest in another G450 aircraft. The charter airline business has begun to contribute revenue in the fiscal year 2006. We were particularly encouraged to see the rights issue oversubscribed as it was a validation of our shareholders' approval of our business strategy.

Looking forward, we will be proactively study the feasibility of investing in businesses with good prospects. We are optimistic about our property investments business, which has been generating stable income for the Group in the fiscal year 2006. Given the positive market sentiment brought about by both regional and global economic recovery, coupled with favourable factors such as the widely anticipated near end of interest rate increments, the high GDP of China which has showed no signs of slowing down and the rapid growth of the PRC's peripheral cities, we will keep our eyes open for property investment opportunities in the PRC, particularly in the secondary cities.

We will also study the possibility of re-entering the technology business when opportunities arise as we have accumulated considerable experience in the field. We will proactively explore other areas, such as natural resources business in the PRC. As the wealth of the people grows, the demand for energy and resources will increase.

We are blessed to be able to do business at this time and in this place when the regional economy is on the upward path and we see a lot of opportunities arising in different sectors in the PRC. However, the business environment also posts a great challenge to the management for their knowledge and insight. We will review and adjust our investment spectrum from time to time, with an ultimate goal to create value for our shareholders.

I would like to take this opportunity to extend my gratitude to my fellow Directors, management and staff members for their contribution to the Group and our shareholders and the investment community for their support.

Lo Lin Shing, Simon
Chairman

