

IRG WMR



IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review

Week of 28 October - 3 November, 2007

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Equity Market Indicators					
Index	Closing Level (11/2/2007)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
S&P 500	1,509.65	-1.7%	-1.7%	6.4%	20.9%
Dow Jones Industrial Avg.	13,595.10	-1.5%	-1.5%	9.1%	26.8%
Dow Jones Tech. Index	491.88	1.0%	1.0%	19.2%	31.1%
Dow Jones Telecom. Index	322.06	-1.4%	-1.4%	23.8%	59.7%
NASDAQ Composite	2,810.38	0.2%	0.2%	16.4%	27.4%
The Street.com Net	302.72	0.05%	0.05%	22.4%	43.9%
Japan Nikkei 225	16,517.48	0.1%	0.1%	-4.1%	2.5%
JASDAQ	78.69	1.3%	1.3%	-8.7%	-39.6%
Japan Mothers	935.60	0.5%	0.5%	-15.8%	-63.2%
Korea KOSPI Composite	2,019.34	-0.4%	-0.4%	40.8%	46.4%
Korea Kosdaq	797.66	-0.2%	-0.2%	31.6%	15.4%
Taiwan Stock Exchange	9,273.09	-3.7%	-3.7%	18.5%	41.6%
Singapore Strait Times	3,715.32	-1.5%	-1.5%	24.4%	58.3%
Hong Kong Hang Seng	30,468.34	0.2%	0.2%	52.6%	104.8%
Hong Kong GEM	1,503.33	1.0%	1.0%	22.8%	49.2%
China Shanghai (A-Share)	6,065.53	3.4%	3.4%	115.5%	396.8%
China Shenzhen (A-Share)	1,452.48	0.5%	0.5%	155.0%	400.7%
China Shanghai (B-Share)	371.41	3.6%	3.6%	185.4%	498.9%
China Shenzhen (B-Share)	784.17	4.3%	4.3%	81.0%	300.9%

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Technology, Media, Telecommunications and Life Sciences Market Activity					
NASDAQ/NYSE TMT and Life Sciences IPO Filings					
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner
11/2/07	Name Media [NASDAQ: NAME]	Internet	US\$172.5	Online media business and marketplace for domain names	Credit Suisse
11/2/07	Success Factors [NYSE: SFX]	Software	US\$97.0	Provider of on-demand performance and talent management solutions software	Morgan Stanley/Goldman Sachs
10/30/07	Entropic Communications [NASDAQ: ENTR]	Semiconductor Equipment	US\$100.0	Designs, develops and markets systems solutions to enable connected home entertainment	Credit Suisse/Lehman Brothers

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 11/2/07	% Change From Offer
11/1/07	Giant Interactive [NYSE: GA]	Chinese developer of massively multiplayer online games	US\$920.9	US\$15.50	US\$19.20	23.87%
11/1/07	Deltek [NASDAQ: PROJ]	Provider of enterprise applications software and services	US\$42.9	US\$18.00	US\$17.50	-2.78%
11/1/07	Neutral Tandem [NASDAQ: TNDM]	Provides tandem interconnection services to phone carriers	US\$87.0	US\$14.00	US\$20.28	44.86%
10/31/07	Smile Communications [NASDAQ: SMLC]	Growth-oriented communication services provider	US\$122.8	US\$12.00	US\$12.00	0.00%
10/31/07	Soundbite Communications [NASDAQ: SDBT]	Provider of on-demand automated voice messaging solutions	US\$96.6	US\$8.00	US\$7.99	-0.13%

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
11/2/07	NetDragon Websoft, Inc. [HKSE: 8828]	Online Gaming	US\$170	Online game developer and operator	Bear Stearns	N/A

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size	Offer Price	Price on 11/2/07	% Change From Offer

Asian Markets: TMT and Life Sciences Convertibles						
Issuance Date	Issuer	Description of Issuer	Maturity Date	Size (US\$MM)	Per US\$10,000 converts to	Convertible Until
N/A						

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Weekly Highlights

International

Hardware

- **According to DisplaySearch, worldwide shipments of digital TVs (DTVs) will register a 38 percent growth to 101 million units in 2007 from the 73 million units shipped in 2006.** DisplaySearch also predicts that the number of DTVs shipped worldwide will reach 167 million units in 2011, a figure that will stand for 76 percent of total TV shipments. The report indicated that for the second quarter of 2007, Samsung had a 16.9 percent share of all digital TVs shipped worldwide, with Philips and LG Electronics trailing with each company accounting for 7 percent of the market.

Semiconductors

- **According to the Semiconductor Industry Association (SIA), global microchip sales posted a 5.9 percent growth in September mainly led by increase in consumer products such as PCs and cell phones.** In September, microchip sales reached US\$22.6 billion, compared with US\$1.3 billion last year. For the third-quarter, microchip sales went up 6 percent to US\$67.8 billion from US\$64 billion in the year-ago period. According to the data from SIA, sales of NAND flash memory went up 46.2 percent from the prior quarter, and 58.5 percent in September 2007 compared with September 2006. The report identified leaders in the chip market as including Intel Corp and Advanced Micro Devices Inc (AMD), the top two microchip processor makers, as well as flash memory makers such as SanDisk Corp.

Mobile/Wireless

- **According to IDC, the worldwide mobile phone market registered a healthy growth during the third quarter of 2007 with a shipment totaling 289.1 million units.** The report said worldwide shipments posted a 9 percent growth from the previous quarter and 13.8 percent from the same quarter a year ago. IDC attributed the growth to combined factors of high-volume shipments of affordable handsets into emerging markets and high-end, feature-packed devices into mature markets. The leading vendors improved both revenues and profits, with some of them generating double-digit operating profit margins.

Japan

Media, Entertainment and Gaming

- **According to a company spokesperson, Nintendo has decided to stop repairing the Famicom for reasons that stocks of spare parts are running out.** Famicom was the console that became famous with Super Mario Brothers and Dragon Quest. The family computer, which was sold as the Nintendo Entertainment System in the U.S. and Europe, made its world debut in Japan in 1983. It went on to sell some 62 million units worldwide. The decision to stop providing repair services for the Famicom is seen by industry observers as bringing about the end of the product.
- **Sony Corp disclosed that its Sony Pictures Entertainment division is looking into the possibility of selling or forging equity partnerships for half of its animation studio and an even larger portion of its digital-effects company.** Sources estimate that the outright sale of the animation studio and the digital-effects company could bring in around US\$500 million. Other media

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sources indicated that Sony Pictures had asked investment bank Houlihan Lokey Howard & Zukin to assess the value of the two divisions.

Mobile/Wireless

- **Casio Computer Co. Ltd. announced its plans to launch W-CDMA cell phones in Japan during the six months from October 2008 to March 2009.** Currently Casio makes CDMA-based phones and supplies them to Japan's KDDI Corp., Verizon Wireless in the United States and South Korea's LG Telecom Ltd. KDDI has CDMA-based networks, while NTT DoCoMo Inc and Softbank Corp. both offer cell phone services based on W-CDMA technology. Casio posted a 40.8 percent decline in its operating profit to 13.7 billion yen (US\$119.6 million) in April-September from a year earlier. The company said it looks to an operating profit of 37.2 billion yen (US\$324.2 million) in the current business year, compared to the consensus of 36.1 billion yen (US\$314.6 million) in a poll of 13 analysts by Reuters Estimates.
- **According to industry sources, IP Mobile Inc. gave back its mobile broadband license and filed for bankruptcy.** The move is seen by industry observers as the termination of what was supposed to be a new data-based telecom venture. Sources placed IP's debt at about 900 million yen (US\$7.8 million). The company was given a license in 2005 with the condition that it would launch the service within two years. At a certain point, Mori Trust Co. decided to be its largest shareholder in a bid to give the company creditworthiness but the firm continued to show instability. Its efforts to generate fresh funding from new sponsors also failed.

Hardware

- **Kyocera Corp., Japan's largest electronics component maker, reported a 7.4 percent rise in its operating profit to 67.8 billion yen (US\$591 million) in the first half to September compared to a year earlier's operating profit of 63.3 billion yen (US\$552 million).** The company said its revenue climbed 3.4 percent to 636.5 billion yen (US\$5.5 billion) and attributed the performance to the profitability of its cellular phone business at home. However, its net profit reported a 5.4 percent decline to 50.6 billion yen (US\$441 million)

Ventures/Investments

- **Citigroup Inc. announced that it has signed an agreement to acquire all of Nikko Cordial Corp., Japan's third-largest brokerage, paying about US\$4.6 billion for the 32 percent it does not already own.** Earlier this year, Citigroup, invested about US\$8 billion to acquire 60 percent of Nikko this year. Nikko Cordial is Japan's third-largest brokerage and owns more than a quarter of online brokerage Monex Beans. One of the consolidated subsidiaries of Nikko Cordial is Nikko Beans, Inc., which specializes also in on-line brokerage services.

Korea

Internet

- **KT, South Korea's largest fixed-line telephone and Internet provider, announced its expansion plans to central Asia with its acquisition of 51 percent of shares in East Telecom, a fixed-line carrier, and a 60-percent stake in Super-iMax, a wireless broadband service operator.** KT said that through the two Internet infrastructures, KT plans to offer high-speed Internet services in 12 Uzbek cities from next year. East Telecom, which is expected to report US\$11 million in 2007 sales, competes with Uzbektelecom, the country's biggest telecoms company. Industry

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observers note that KT's acquisition of East Telecom and Super-iMax are the first done by a South Korean firm in Uzbekistan, which is the most populous country in the Central Asian region with 26.5 million people. With only 60,000 Internet users, it offers high growth potential for advanced communications services. KT also looks to the acquisitions as a strategy to enter central Asia's communications market of some 65 million people.

- **KT announced that that it will begin providing high-speed Internet services for passengers who travel between Busan and Osaka on ferries.** Observers note that this marks the first time that Internet services will be made available on a ferry traveling between the two countries. KT described the Internet service as using the country's Mugunghwa-5 satellite for passengers of the Panstar Dream of Panstarline.Com Co. The speed of the Internet service is compared to that available in the country's rural areas. KT said it is thinking of putting up similar services for other ferries in Korea and China, Russia, Taiwan and the Philippines.
- **According to the Bank of Korea, Internet-based banking use in the country posted a 9.5 percent rise in the third quarter from three months earlier.** South Korea's central bank ascribed mainly the increase to the rise in the number of people going online to make financial transactions. The report noted that Internet banking transactions reached an average 18.5 million per day in the July - September period, compared with 16.9 million in the second quarter. The data is based on online banking transactions to check financial records, transfer funds or take out loans. As of the end of September, the number of Internet banking subscribers registered with 17 local banks, the state-run Korea Post and HSBC stood registered a 5.8 percent growth to 42.5 million from three months earlier. The bank noted that even as the majority of the transactions were conducted via computers, those done via mobile banking and banking services via wireless handsets, accounted for 3.9 percent of the total.

Mobile/Wireless

- **KTF Co. Ltd. posted a 36 percent decline in its quarterly net profit to 62.9 billion won (US\$69.3 million) compared with the profit of 98.1 billion won (US\$108 million) it posted in a year earlier and the 51.1 billion won (US\$64 million) earned in the previous quarter.** The company said its revenue went up 7 percent to 1.7 trillion won (US\$1.8 billion), with its operating profit going down 27 percent to 120 billion won (US\$132 million). South Korea's No. 2 mobile phone operator explained the decline partly to higher marketing costs. Industry observers are forecasting for 2008 higher revenues from current users aided by a diminishing marketing costs in a stabilizing telecommunications market in the future. According to market data, KTF has 32 percent of South Korea's mobile market and market value of some US\$7 billion.
- **Orb Korea, a digital streaming company, announced the launching of a test version of its Orb Media Service for mobile phone users.** The service enables users to access content on their mobile phones that is stored on their personal computers and also allows users to view overseas Internet TV broadcasts. The company said those who want to try the service can download free software from the company's website.

Software

- **MontaVista Software, Inc., a provider of Linux for intelligent devices and communications infrastructure, announced its acquisition of its joint venture in Seoul.** The move is seen as a bid by MontaVista to respond to the growing demand from South Korean device manufacturers and software developers for MontaVista embedded Linux software and services. MontaVista Software Korea Co., Ltd. was formed as a joint venture between MontaVista and other investors. It has been

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acquired in full by MontaVista Software, Inc, with the entire sales and services staff becoming part of MontaVista Software. MontaVista also announced that it has selected Young-Hoon Yoo as Korea Country Manager, the former head of South Korean operations for WebMethods and EMC Documentum and also a former manager of telecommunications business development in Asia for Cadence Design Systems.

- **Samsung Electronics announced that it has formed an alliance with Intel and Microsoft (MS) to create what they call a ``One-Stop Solution'' to provide better management circumstance for local corporate PC clients.** The solution is called Troika Solution @ Enterprise, described as the product of a marketing strategy for local corporate clients. In separate developments, Samsung has been discussing with KT to provide remote maintenance and supply services for office appliances.

Information Technology

- **Aladdin Knowledge Systems, an information security provider specializing in authentication, software DRM and content security, announced that South Korea's National Agricultural Cooperative Federation (NACF), known locally as NongHyup / NH Bank, will provide more than 10,000 of its customers with the USB-based Aladdin eToken.** The company said the deployment of the device, which is expected to secure online banking transactions, is set to begin this month. With more than 5,000 branches and cooperatives throughout the country, the NACF features the largest number of online banking customers in a country that has more than 40 million online banking customers across 19 banks.

Ventures/Investments

- **Samsung Electronics disclosed its acquisition of TransChip Israel Ltd., an Israel-based firm that makes image sensor for digital and mobile phone cameras.** The acquisition is estimated to be worth some US\$70 million and is Samsung's first purchase in 10 years. According to its spokesperson, Samsung would rename TransChip Samsung Semiconductor Israel R&D Center Ltd., the South Korean company's 17th R&D center in the world. Industry observers note that the last time Samsung acquired a firm was in 1997 when it bought the hardware systems business of 3DO Co, a U.S.-based entertainment software publisher in a deal worth US\$20 million.
- **According to industry sources, Australia-based investment bank Macquarie Bank is set to buy a 39.4 percent stake in Hanaro Telecom, South Korea's second-largest broadband service provider, in a ``block trade.'** The sources indicated that the bank will likely enter into an agreement with Hanarotelecom's largest shareholding group, which is composed of American International Group (AIG), TPG Capital and TVG Capital Partners, to buy 91.4 million shares valued at 12,000 won (US\$13.2) to 13,000 won (US\$14.3) per share in a block trade. The reports followed news identifying Macquarie as the preferred negotiator to take over a controlling stake in Hanarotelecom. There are reports saying that Macquarie had offered 12,000 won (US\$13.2) a share for the 39.4 percent stake in the local telephony service provider during the second round of bidding early in October. The AIG-led consortium's total stake, however, has been placed as reaching 1.1 trillion won (US\$1.2 billion) for 12,000 won (US\$13.2) per share.

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China

Internet

- **Giant Interactive, a Chinese online gaming company** Giant went public and closed at closing at **\$18.23 a share on the New York Stock Exchange, up from its IPO price of \$15.50 a share.** A total of 57.2 million American depositary shares were sold and placed the gross proceeds from the sale of ADSs at approximately US\$886.6 million. Giant said it aims to use the net proceeds from the IPO for general corporate purposes, including capital expenditures and funding possible future acquisitions. Merrill Lynch, Pierce, Fenner & Smith Incorporated and UBS Investment Bank were the joint global coordinators and joint book runners for this offering.
- **Cisco announced that it has signed a memorandum of understanding with Alibaba Group to look into ways to jointly offer collaboration and business management solutions to small and medium businesses.** Under the terms of the MOU, the two companies agreed to work in several areas, including provision of SMB-focused web collaboration services; joint marketing of SMB focused web-based business applications developed by WebEx and its technology partners; cooperation in expanding Alibaba Group's overseas market; strategic business development initiatives to enable software-as-a-service capabilities.
- **Chinese online payment provider 99Bill, a Chinese online payment provider, announced that it has entered into a strategic alliance with Perfect World Network, a Chinese gaming company, to jointly promote online game and online payment markets.** Under the alliance, 99Bill will provide PW Network with integrated B2B and B2C payment solutions covering debit cards, credit cards and prepaid refilling cards to all game titles. Industry observers see the newly forged alliance between 99Bill and Perfect World Network as coming at a time when the country's gaming authority is giving strong support to locally developed games. China's online gaming industry is expected to generate 9.7 billion yuan (US\$1.3 billion) this year.
- **Sohu.com reported third quarter earnings, total revenues amounting to US\$51.5 million, compared to revenues of US\$39 million in second quarter ended June 30, 2007.** Sohu said its net income for third quarter of 2007 was US\$9.7 million. The company's advertising revenues reported 11 percent quarter-on-quarter rise and a 32 percent year-on-year growth to US\$31.5 million. For the third quarter of 2007, Sohu's non-advertising revenues, which are attributed mainly from online games and wireless value-added services, were US\$20 million. The non-advertising revenues contributed 39 percent of total revenues. In third quarter of 2007, Sohu disposed its equity interest in an associated company for US\$0.6 million. Sohu looks to generating total revenues between US\$53.5 million to US\$55.5 million for the fourth quarter 2007.
- **According to media sources, Facebook and Myspace are looking to China as their main target for global expansion.** The firms are two of the most popular networking web sites in the U.S. Facebook hit the news lately after it received a US\$240 million investment from Microsoft, and now is planning an entry into the Chinese market. Facebook is expected to be in China this December, with its entry seen as happening via a series of acquisitions. A survey firm eMarketer predicts that Facebook will generate US\$125 million in advertisement income in 2007.
- **According to market sources, Alibaba was able to raise US\$1.5 billion in the second-biggest IPO of an Internet company following that of Google.** Industry observers see the sale by Alibaba, the biggest by a Chinese Internet company, as an index of the growth potential in China. The IPO was

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266 times oversubscribed with buyers ordered HK\$453 billion (US\$58.4 billion) of stock, 266 times the available to them.

Media, Entertainment and Gaming

- **Tianjin Broadcast & TV Network Company announced its selection of NDS VideoGuard conditional access to protect its new digital cable service.** With an existing network of more than 2 million analog subscribers in Tianjin, the company looks to the digital technology from NDS to support its Pay-TV business and security needs. Industry observers see NDS technology as enabling Tianjin Broadcast & TV Network to develop an industry leading digital platform capable of securely delivering enhanced, value added services to cable viewers.

Mobile/Wireless

- **China Mobile announced that it has started its consultation with TD mobile phone manufacturers, with the company indicating its plans to set the bidding for TD-SCDMA mobile phones in November.** Media sources said that China Mobile will spend a total of about 3 billion yuan (US\$402.3 million) to 4 billion yuan (US\$536.5 million) buying about 2 million to 3 million TD mobile phones, which will cover all the three class categories (high-end, middle-end and low-end).
- **Guangdong Mobile announced a service that will provide a free and unlimited capacity mobile e-mail service for its users.** Available to all users of Guangdong Mobile, the free and unlimited capacity mobile email service carries the advantages of both e-mail and mobile phones. To access the service, consumers can log onto Guangdong Mobile's website or mail.139.com, and enter their mobile email box to receive, send or manage their emails.
- **TCL Communication Technology Holdings announced its plans to re-launch Alcatel-branded handsets in the China market before the end of this year.** With Alcatel-Lucent recently signing a cooperation agreement with RIM (Research in Motion), the upcoming Alcatel-branded handsets will include a Blackberry-enabled model. TCL reported a 30 percent growth on year in its handset shipments to 3.6 million units in the third quarter this year. The shipments include the 1.2 million sent to the EMEA (Europe, the Middle East and Africa) markets. LTC looks to a 44 percent sequential growth in the fourth quarter.

Software

- **Intel announced that its global investment business entity will invest US\$10.5 million into Zhejiang Supcon Technology Company to provide optimized solutions for China.** Intel said the investment will be coursed through its global investment business entity. Under the agreement, the two companies will work together to develop and promote innovative industrial automatization solutions based on Intel's technology in China. In addition, Intel will help Supcon build some channels out of China as well business relations with companies from other industries.
- **China TransInfo Technology announced that it has entered into a solution partnership with Oracle.** Under the alliance, Oracle is expected to provide China TransInfo with all Oracle products at discount price and technical support. Part of the agreement will see the two companies periodically conducting transportation segment channel conferences to discuss share market and client resources. According to Chin TransInfo, the solution partnership is seen as boosting its brand recognition and profile in the industry at the same time helping them both to enter the GIS marketplace in the country.

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- **AsiaInfo reported for the third quarter period ended September 30, 2007, a 17 percent growth in its revenue to US\$32.4 million.** The company said its total operating expenses for the third quarter of 2007 went up 19 percent year-over-year to US\$13 million. As of September 30, 2007, AsiaInfo had cash and cash equivalents, restricted cash and short term investments totaling US\$174.4 million.

Hardware

- **Amoi reported a total loss of 109.9 million yuan (US\$14.7 million) in the third quarter, compared to the 13 million yuan (US\$1.7 million) profit it posted in the same period of last year.** Amoi attributed the results to intense competition in the market and among the different brands. Given this performance and even as it looks to an improvement of the operations in the fourth quarter, Amoi forecasts a net loss of profit for the full year of 2007.
- **For the second fiscal quarter ended Sept. 30, 2007, Lenovo Group reported a 20 percent rise in its consolidated revenue, year over year, to US\$4.4 billion.** Lenovo PC said that for the third consecutive quarter, its PC shipments posted a year-over-year growth of 23 percent, which is beyond the industry's average growth rate of 15.7 percent. Lenovo Greater China posted a year-to-year 26.5 percent to US\$1.8 billion in consolidated revenue in the second quarter. Lenovo said its China business accounted for 41 percent of total revenue in the quarter. As of Sept. 30, 2007, Lenovo's net cash reserves totaled US\$1.7 billion.
- **Suning, a Chinese electronics retailer, revealed its decision to enter into a strategic partnership with Acer for the computer manufacturer to bring its products to about 200 Suning stores in Chinese mainland before the end of this year.** Under the alliance, Acer said it will work with Suning to explore China's PC market. Acer said it aims to sell 150,000 Acer computers through Suning stores next year. As part of the agreement, Acer has given Suning the exclusive rights to sell Acer's Extensa series in China.

Telecommunications

- **China Netcom, one of the leading telecommunication service providers in China, announced the opening of its European operation in London.** China Netcom's senior vice president called the European office as "a window for future cooperation" with its European partners. Before its European branch was opened in London, China Netcom has set up its branches in Hong Kong, the U.S., Germany and Japan.

Taiwan

Hardware

- **High Tech Computer (HTC) and Brightpoint, a distributor of wireless devices, jointly announced their entering a distribution agreement, which will see Brightpoint providing distribution and customized logistics services to HTC on a global basis.** The global distribution agreement is an extension of the cooperation between the two companies which began at the end of 2006 when Brightpoint began to distribute HTC products in the U.S. and Canada. Brightpoint, together with its Europe-based subsidiary Dangaard Telecom, shipped some 64 million handsets in 2006.
- **According to industry sources, LCD panel maker Chi Mei Optoelectronics (CMO) is planning to enter the thin-film solar energy market through a new subsidiary in the future.** The company

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said the project is expected to get the approval of the board soon. CMO originally planned to enter the crystalline silicon market with rumors indicating that it was near ready to place orders with a European equipment maker. However, the project now is under suspension after CMO completed more research on the market.

- **Phison Electronics, a controller designer, and Wintek, an LCD panel maker, announced their signing of a memorandum of understanding (MOU) to establish a company that specializes in digital photo frame production.** The two companies said they will have even stake in the new entity to be formed. The new company will have an initial capital size of NT\$200 million (US\$6.1 million). Under the partnership, Phison will be the corresponding NAND flash chip and controller supplier while Wintek will supply small- and medium-size panels.
- **According to a company filing with the Taiwan Stock Exchange (TSE), Innolux Display, a panel maker, will issue global depository receipts (GDRs) worth over US\$1.3 billion on the London Stock Exchange beginning this November.** The company said the fund is to be used for its sixth-generation (6G) plant project. In July, the chairman and president of Innolux disclosed that the company was planning to set up an LCD panel plant in Vietnam and a 6G LCD panel plant in Taiwan.
- **Meshcom Technologies, a provider of wireless mesh networking technology and solutions, announced that it has entered into a cooperation with Taiwan-based Ruby Tech, which offers industrial grade wireless communication products including L2 switches, EDGE routers and outdoor access points.** The report said that the integration of Meshcom's advanced mesh technology into these products will provide customized mesh networking solutions for various industrial applications. According to the company, Meshcom's mesh software solution has been tested to provide high performance and stability, and strong security over wireless networks.

Hong Kong

Internet

- **According to industry sources, Hong Kong is set to implement the second phase of the Unsolicited Electronic Messages Ordinance (UEMO) and with it the accompanying Unsolicited Electronic Messages Regulation, in December this year.** According to the territory's Commerce and Economic Development Bureau, the second phase of the UEMO will set up rules for sending commercial electronic messages. Under this phase, senders of unsolicited emails are required to give accurate sender information and facility for unsubscribing in a message. The regulation also states that senders are not allowed to withhold calling line identification when sending pre-recorded voice messages and fax; to honor the recipients' unsubscribe requests and not to send commercial electronic messages to any telephone/fax numbers listed on a do-not-call register to be established by the Telecommunications Authority. Failure to comply with enforcement notices may result to a fine of HK\$100,000 on first conviction, and up to HK\$500,000 on second and subsequent conviction.

Ventures/Investments

- **According to media sources, Hong Kong's CLP Holdings Ltd. has revealed its plans to bid for electricity assets in Australia, India, Singapore and other countries in Southeast Asia.** Sources were quoting CLP Chief Executive Andrew Brandler as saying that the company would be interested in the energy assets in New South Wales, which accounts for about 40 percent of Australia's electricity market. Brandler has also indicated that CLP and its Japanese partner, Mitsubishi Corp.

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could seek help from financial investors to boost their chances of securing at least one of the three utilities being sold by Singapore's Temasek Holdings Pte. Ltd.

Singapore/Malaysia/Philippines/Indonesia

Media, Entertainment and Gaming

- **Perfect World Co., Ltd., a leading online game developer and operator in China, announced that it has entered into a new agreement with PT. Lyto Datarindo Fortuna, an online games publisher in Indonesia, to license the Company's Perfect World II game in Indonesia.** Perfect World II is a large-scale 3D MMORPG online game that was first launched in China in November, 2006. The game has also been licensed to companies in eleven countries and regions, including Taiwan, Hong Kong, Macau, Malaysia, Singapore, Thailand, Japan, Vietnam, Korea, Brazil and the Philippines. Currently, it is being operated in Taiwan, Hong Kong, Macau, Malaysia, Singapore, Japan, Vietnam, Korea and Philippines. Pt. Lyto Datarindo Fortune is headquartered in Jakarta, with more than 10 branch offices and gathering station throughout Indonesia. Lyto said it aims to continue to establish relationships with other game developers to bring bigger and better online entertainment to the Indonesia.

Telecommunications

- **VSNL, a leading communications solutions provider, announced that it is getting ready with the construction of the TGN-Intra Asia cable system, which will be constructed by Tyco Telecommunications (US) Inc., an industry pioneer in undersea communications technology and marine services.** The TGN-Intra Asia submarine cable is a new 4 fiber pair cable system linking Singapore, Hong Kong, and Japan with an additional connection to the Philippines, and, maybe, Vietnam. This cable is expected to provide up to 3.8 Tbit/s (Terabits per second) of capacity to the Asia-Pacific market. The TGN-Intra Asia cable, when combined with the Tata Indicom Cable System (TIC) and the TGN-Pacific cable system (both of which are capable of supporting 7+ Tbit/s of traffic), will complete VSNL's multi-Terabit capability from India to Asia and onward to the US.
- **Following the approval of the firm's application to construct, operate and maintain a digital personal communications network, Bell Telecommunications Philippines Inc., a multilicensed phone firm, has become the 10th mobile-phone operator in the country.** The company, also known as BellTel, joins other cellular-phone firms in the country that include Smart Communications Inc., Globe Telecom, Pilipino Telephone Corp., Touch Mobile, Sun Cellular, Bayan Telecommunications Inc., Express Telecom, Next Mobile Inc. and Connectivity Unlimited Resource Enterprise Inc. BellTel's provisional authority, which is known as a license to operate, is good for 18 months.

Software

- **According to industry sources, Malaysia-based Green Packet Networks (GPN) has signed three new partnerships with Bahrain-based companies in a bid to respond to the market demand for new generation networking solutions based on GPN's Self Organizing Network (SON) technologies.** The companies are: Etisalcom, Bahrain Advanced Technology Company (Batec) and Al Muallim. GPN, a wireless broadband technology and next-generation mobile solutions firm, currently has 24 partners in 12 countries in the Middle East and North Africa region.

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United States/Canada

Internet

- **McAfee Inc. announced its acquisition of ScanAlert Inc., a firm that runs daily scans on its more than 75,000 web sites, for US\$51 million.** The deal also includes an agreement by McAfee to pay up to US\$24 million more if certain financial targets are met. Earlier, McAfee said its third-quarter profit more than doubled to US\$62.9 million.
- **Napster Inc. reported a net loss of US\$5.1 million for the fiscal quarter ended Sept. 30, compared to the net loss of US\$9 million it reported during the same period a year ago.** The company ascribed the narrowing of the loss to its online music service posting higher revenue from subscriptions and mobile music sales amidst a decline in paid subscribers. Napster said its net revenue for the most recent quarter went up 24 percent to US\$31.6 million from US\$25.5 million in the year-ago period. Napster also reported a decline in its paid subscribers to 750,000 from about 770,000 in the first quarter. Napster projected a net loss of some US\$5 million in the third quarter.
- **According to sources, Sprint Nextel Corp. is considering making a shift in its plans to offer high-speed wireless Internet service using WiMax technology.** Sprint is said to be thinking of a number of options, which include the spinning off of its WiMax unit and merging it with Clearwire. The wireless carrier is also in the midst of deciding who the next CEO for the company would be. Reports indicate that Sprint remains committed to WiMax as it will allow customers to get wireless Internet connections through laptops and cellphones at speeds on par with landline speeds.

Media, Entertainment and Gaming

- **For the fiscal second quarter, video-game software publisher Electronic Arts Inc. (EA) posted a net loss of US\$195 million, compared with a profit of US\$22 million it reported in the same period a year ago.** The company ascribed the loss mainly to an accounting change that saw the company recognizing the sales of online-enabled games on a deferred basis. EA reported an 18 percent decline in its revenue to US\$640 million from US\$784 million a year ago even with US\$296 million in sales of online-related products will be accounted for in future periods. The company said its adjusted earnings, excluding the change in revenue recognition and other items, reached US\$87 million up from US\$65 million a year earlier.

Software

- **BroadSoft, Inc., a provider of VoIP application software, announced the expansion of its relationship with GlobalLogic Inc. to include application development.** BroadSoft explains its alliance with GlobalLogic as a move to assist in the development of client software on mobile end devices. These fixed-mobile convergence (FMC) clients extend control of an enterprise's VoIP telephony system to the handset, allowing mobile workers to access call logs and corporate directories, and modify calling features while on the go. BroadSoft provides VoIP application software that enables the delivery of hosted telephony and multimedia services. BroadSoft provides VoIP applications to 7 of the top 10 and 13 of the top 25 largest carriers worldwide. GlobalLogic has ongoing partnerships with more than 120 technology firms in markets including AOL, Autodesk, Avolent, BroadSoft, Danger, Electronic Arts, GridApp, MobiTV, Motorola, NexTone, Sony Digital and Trimble. GlobalLogic is headquartered in Virginia, in the U.S., while its European headquarters are in London, U.K.

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- **On2 Technologies, Inc., a video compression solutions provider, announced its completion of the business combination it has initiated with Finland-based Hantro Products Oy.** Industry observers see the addition of Hantro as helping On2 in consolidating its position as a leading international provider of video compression solutions for all major IP delivery platforms and devices. The transaction was accomplished through an exchange of shares and made Hantro a wholly owned subsidiary of On2. With headquarters in New York, On2 has offices and partners in Finland, Germany, UK, Japan, China, Taiwan and South Korea. Its customers include Nokia, Samsung, Sony, Freescale, AMS, Atmel, Adobe/Macromedia, AOL, Sony, Skype, Facebook, VideoEgg, Brightcove, Move Networks and XM Satellite Radio.
- **According to media sources, IBM and Novell asked a bankruptcy court judge to block the SCO Group's sale of its Unix technology to a private equity firm.** In a court filing, IBM one of SCO's creditors, stated that SCO should not be allowed to sell its assets, which the software vendor has proposed as part of its Chapter 11 reorganization effort. IBM said that the Chapter 11 protection is about reorganization and not liquidation of assets. Earlier in October, SCO asked the bankruptcy court in the District of Delaware for permission to sell its UnixWare line of business software and some of its mobile technology assets to investment group York Capital Management for US\$36 million.

Europe

Mobile/Wireless

- **Vodafone Group announced the launch of its mobile music service in Britain that is expected to allow users to download and share unlimited tracks.** The launch was made by Vodafone through an exclusive deal it has entered into with Omnifone, a music firm, which will make 1.2 million tracks available from the world's biggest labels. The download will be accessed through MusicStation. Aside from the Vodafone launch, MusicStation said it has entered into agreements with Hutchison Whampoa 3 in Hong Kong and Telenor in Sweden. MusicStation also disclosed that it would go live with Vodacom in South Africa in December.
- **Netherlands-based Irdeto Access, a provider of content protection solutions for digital TV, including IPTV and mobile TV, announced that it will set up a business branch in Taiwan in two years in order to tap the Taiwan market.** Observers note that Irdeto has been cooperating with four telecom carriers and several hardware makers, such as High Tech Computer (HTC), in Taiwan. The cooperation of Irdeto with telecom carriers is described as on a cost-sharing basis, which will enable Irdeto to share revenues generated by partners from operations involving digital content. Irdeto has branch offices located in Singapore, Bangkok, Tokyo, New Delhi and Beijing.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 11/2/07)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
Japanese yen	¥/US\$	114.8400	0.6%	0.6%	-3.6%	-2.5%
Hong Kong dollar	HK\$/ US\$	7.7575	0.1%	0.1%	-0.3%	0.04%
Chinese renmenbi	RMB/ US\$	7.4540	-0.4%	-0.4%	-4.5%	-7.6%
Singapore dollar	S\$/ US\$	1.4488	-0.5%	-0.5%	-5.8%	-12.9%
South Korean won	KRW/ US\$	906.5000	-1.1%	-1.1%	-2.5%	-10.2%
New Taiwan dollar	NT\$/ US\$	32.3850	-0.3%	-0.3%	-0.6%	-1.3%
Australian dollar	US\$/A\$	0.9233	1.7%	1.7%	17.1%	26.0%
New Zealand dollar	US\$/NZ\$	0.7641	0.4%	0.4%	8.6%	11.8%
Philippine peso	PHP/ US\$	43.4000	-1.5%	-1.5%	-11.4%	-18.2%
Euro	US\$/€	1.4507	1.3%	1.3%	9.9%	22.4%
British pound	US\$/£	2.0898	1.9%	1.9%	6.7%	21.3%

Fixed Income Prices and Yields

Note	Currency	Current (on 11/2/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	106.14	4.62%	104.83	4.70%	102.14	4.86%
Japan 30-year	¥	101.92	2.39%	100.78	2.46%	99.06	2.45%
Hong Kong 10-year	HK\$	109.21	3.74%	107.83	3.91%	104.79	4.29%
China (06/16)	US\$	110.71	3.32%	110.71	3.32%	110.71	3.32%
Singapore 10-year	S\$	107.15	2.83%	107.85	2.74%	107.9	2.74%
South Korea 20-year	KRW	9,617.62	5.64%	9,710.15	5.55%	9,560.04	5.66%
Australia 15-year	A\$	92.64	6.16%	93.60	6.04%	92.84	6.13%
New Zealand (12/17)	NZ\$	96.12	6.53%	96.97	6.41%	97.87	6.29%
Philippines 20-year	PHP	101.04	8.50%	100.71	8.54%	100.76	8.53%
India 30-year	INR	100.13	8.32%	100.15	8.32%	99.05	8.42%
UK 30-year	£	96.07	4.50%	96.00	4.50%	95.09	4.56%
Germany 30-year	€	92.51	4.46%	92.71	4.45%	90.58	4.59%

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