

IRG WMR



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

Week of 11 November - 17 November, 2007

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Equity Market Indicators					
Index	Closing Level (11/16/2007)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
S&P 500	1,458.74	0.3%	-5.0%	2.9%	16.9%
Dow Jones Industrial Avg.	13,176.79	1.0%	-4.6%	5.7%	22.9%
Dow Jones Tech. Index	458.46	0.2%	-5.9%	11.1%	22.2%
Dow Jones Telecom. Index	315.08	0.7%	-3.5%	21.1%	56.3%
NASDAQ Composite	2,637.24	0.4%	-6.0%	9.2%	19.6%
The Street.com Net	282.61	0.5%	-6.6%	14.3%	34.4%
Japan Nikkei 225	15,154.61	-2.8%	-8.2%	-12.0%	-5.9%
JASDAQ	71.74	-1.6%	-7.6%	-16.8%	-44.9%
Japan Mothers	840.14	2.8%	-9.7%	-24.4%	-67.0%
Korea KOSPI Composite	1,926.20	-3.2%	-5.0%	34.3%	39.6%
Korea Kosdaq	755.29	-3.0%	-5.5%	24.6%	9.3%
Taiwan Stock Exchange	8,764.82	-2.3%	-9.0%	12.0%	33.8%
Singapore Straight Times	3,440.96	-4.4%	-8.8%	15.2%	46.6%
Hong Kong Hang Seng	27,614.43	-4.1%	-9.2%	38.3%	85.6%
Hong Kong GEM	1,441.59	-3.2%	-3.2%	17.7%	43.1%
China Shanghai (A-Share)	5,581.43	0.04%	-4.9%	98.3%	357.1%
China Shenzhen (A-Share)	1,350.16	-0.9%	-6.6%	137.0%	365.5%
China Shanghai (B-Share)	337.53	-4.2%	-5.8%	159.4%	444.3%
China Shenzhen (B-Share)	707.45	-4.1%	-5.9%	63.3%	261.7%

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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	Co-Manager
11/14/07	MagnaChip Semiconductor Corporation [NYSE: MX]	Semiconductor	US\$575	Asia-based designer and manufacturer of semiconductor products	Goldman Sachs/ UBS Investment Bank/ Credit Suisse	N/A
11/14/07	CGEN Digital Media Company Limited [NASDAQ: ADTV]	Media	US\$100	Operates an in-store television advertising network in China	Piper Jaffray	N/A
11/13/07	Initiate Systems Inc. [NASDAQ: INSY]	Software	US\$75	Provider of master data management, or MDM, software	Goldman Sachs	CIBC/ Jefferies/ Thomas Weisel

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 11/16/07	% Change From Offer
11/16/07	Internet Brands [NASDAQ: INET]	Operates a network of automotive, travel and home improvement web sites	US\$45	US\$8.00	US\$8.00	0.0%
11/16/07	Amtech Systems [NASDAQ: ASYS]	Makes parts for solar cells		US\$14.41		
11/15/07	Rubicon Technology [NASDAQ: RBCN]	Develops, manufactures, and sells monocrystalline sapphire and other innovative crystalline products	US\$100	US\$14.00	US\$17.50	25.0%
11/15/07	3Par Inc. [NYSE: PAR]	Provides next-generation tiered storage solutions	US\$100	US\$14.00	US\$15.75	12.5%

Asian Equity Markets: TMT and Life Sciences IPO Filings						
Filing Date	Issuer	Industry Sector	Size (US\$MM)	Description	Book-Runner	Co-Manager
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 11/16/07	% Change From Offer
N/A						

Asian Markets: TMT and Life Sciences Convertibles						
Issuance Date	Issuer [Equity Ticker]	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

Mobile/Wireless

- **Conexus Mobile Alliance, one of the largest mobile alliances in Asia with a combined customer base of around 160 million, announced the launch of Asia's first-ever pay-per-day data roaming flat-rate tariff plan and a host of member privileges.** The alliance said the plan is aimed at delivering tangible benefits to international roamers, part of its effort to offer the highest level of customer satisfaction in mobile services to corporate and consumer markets. The alliance is composed of seven member operators, namely Far EasTone Telecommunications Co., Ltd. of Taiwan, Hutchison Telecommunications (Hong Kong) Limited of Hong Kong, PT Indosat Tbk of Indonesia, KT Freetel Co., Ltd. of South Korea, NTT DoCoMo, Inc. of Japan, Smart Communications, Inc. of the Philippines and StarHub Ltd. of Singapore. With the announcement, Conexus Mobile Alliance also welcomed two new joiners: Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL), which brings the group's coverage to Guam and the Northern Mariana Islands, and Conexus' members network to 11 markets covering about 160 million customers.

Japan

Internet

- **According to Informa Telecoms & Media's World Broadband Information Service (WBIS), fiber to the home (FTTH) connections posted nearly a 10 percent growth in Japan in the second quarter of 2007 to account for 36 percent of broadband connections in the country.** The study indicated that FTTH is rapidly displacing DSL in Japan, with the total number of DSL subscriptions in the country is going down by about 1.6 percent. Japan accounts for more than two-thirds of the global FTTH market and holds 48 percent of the combined FTTH and FTTP (Fiber to the premises) market, according to WBIS. The report noted that South Korea and Taiwan are the two other countries with large FTTP markets. At present, fiber is also rapidly being deployed in China, with the country having an FTTx capacity of 15 million lines, which can be extended to provide FTTH. In Europe, Italy remains the leading country in the FTTH European market, and accounts for 3.4 percent of global FTTH connections.
- **ArrowSpan Inc., a global provider of switching wireless Wi-Fi mesh solutions, announced that CAN Corporation, a Tokyo-based wireless Internet service provider, is using ArrowSpan technology to wirelessly extend its fiber-optic backhaul and deliver high-speed broadband services in Nagasaki-Prefecture.** With this move, CAN Corp. is able to reach unserved rural subscribers without the logistics problem ascribed to setting up additional fiber-optic infrastructure. According to industry sources, the Japanese government, which owns Japan's fiber-optic backhaul infrastructure through its national public utility NTT, sees CAN Corporation's deployment of ArrowSpan-based switching wireless mesh technology an important test case for other rural areas of the country that still need access to high-speed broadband services. CAN Corporation is the provider of Ninjin-Net, an Internet service that enables residents, businesses and government agencies in rural communities to access and exchange information over a wireless network infrastructure. ArrowSpan

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Inc. develops and manufactures next-generation switching wireless full-duplex Wi-Fi wireless mesh network solutions.

- **According to its CEO, Softbank is in talks with Alibaba to set up a joint venture as early as next year.** According to industry observers, the venture is an important for Alibaba following its IPO of US\$1.5 billion. To be based in Japan, the joint venture is seen as bringing Alibaba's services to mobile customers, an area the company is reportedly interested to tap. The deal is also important because Softbank holds a 33 percent stake in Alibaba group. No details about the size of the investment were disclosed.

Mobile/Wireless

- **GreenPeak Technologies, a leader in battery-free communication technology for wireless sense and control applications, announced that it has set up a sales office in Tokyo, Japan.** GreenPeak also announced the appointment of Yoshinori Furuno to head the new office as Director of Business Development. Prior to joining GreenPeak Technologies, Mr. Furuno was a regional sales director and country manager with Airgo Networks, where he lead the team in developing and managing strategic customer and partner relationships in Japan. He has also held positions at Agere Systems and Lucent Technologies, where he was instrumental in bringing Wi-Fi to OEMs in Japan and the Asia Pacific region. Formed through the recent merger of Xanadu Wireless and Ubiwave, GreenPeak is a leader in battery-free communication technology for wireless sense and control applications. GreenPeak is based in Utrecht, The Netherlands and has offices in Belgium and Tokyo, Japan. GreenPeak is backed by venture capitalists: DJF Esprit (UK), GIMV (Belgium), Motorola Ventures (U.S.) and Allegro Investment Fund (Belgium).
- **Sierra Wireless announced that a Fujitsu notebook computer to be AirCard Enabled with Sierra Wireless embedded modules is now certified and available for use on the NTT DoCoMo network in Japan.** With the integrated Sierra Wireless MC8780 embedded module, the new notebook offers the latest in mobile broadband network technology to keep customers connected to the information they need from wherever their travels take them. The announcement said this is the first AirCard Enabled notebook computer to be offered in Japan, and its availability coincides with the commercial launch of NTT DoCoMo's new HSDPA "Flat-Rate Data Plan HIGH-SPEED", which allows customers to purchase data service at a single monthly rate. Sierra Wireless is headquartered in British Columbia, Canada with additional offices in California, London, and Hong Kong. Sierra Wireless posted in 2006 revenues of US\$221 million.
- **Walt Disney Co announced that it will begin mobile- phone services in Japan in spring next year using Softbank Corp.'s network.** The service dubbed Disney Mobile is expected to tap the US\$81 billion market. Under the agreement, the companies will work together on handsets, services, content development and marketing.
- **According to an official, NTT DoCoMo Inc is set to bid at least US\$1 billion for a stake in MobiFone, Vietnam's No.2 mobile phone carrier.** Japan's biggest mobile phone operator is reportedly also interested in making investments in other Asian countries, including China, India, Thailand, Indonesia, and Malaysia. MobiFone plans an IPO in 2008 and has plans to sell a one-third stake as part of its move towards privatization. With the move, NTT DoCoMo joins France Telecom and Singapore Telecommunications, which have expressed a similar interest. In a separate development, NTT DoCoMo said it plans to launch two new tariff plans at the end of this month.

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Semiconductors

- **NEC Electronics Corp.**, Japan's third-biggest chip maker, announced that it has made an investment worth some 10 billion yen (US\$90 million) to begin production of smaller chips for electronics, which include Nintendo Co.'s Wii console and Sony Corp.'s Bravia TVs. The country's No. 3 biggest chip maker explained the spending as covering the purchase and installation of an ASML Holding NV lithography machine, a device that burns transistor patterns on silicon wafers.

Telecommunications

- **Willcom Inc. of Japan and China Network Communications Group Corp.**, the second-largest fixed-line telecommunications firm in China, announced their forming of an alliance in PHS (personal handyphone system) operations. Under the partnership, CNC is to receive technological guidance from Willcom with the aim of readying its data communications service for the Chinese market before the 2008 Beijing Summer Olympics. The two companies said they will also talk about an international roaming service in which a subscriber can access the partner firm's PHS network when traveling to another country. At present, there are about 93.3 million PHS subscribers in China. WILLCOM, Inc. is a telecommunications company operating a PHS network covering almost all over Japan, and has the largest share of Japanese PHS market.

Korea

Internet

- **LG Telecom announced that its mobile phones will be fitted with Yahoo's Internet search window from around next summer following its signing of a memorandum of understanding with Yahoo Korea to develop the service.** With the service, clients can look to a mobile Internet made easier and faster to use, with the offering to enable users to type search words such on the initial screen before they connect to the mobile Internet site. LG Telecom, the smallest of three mobile service providers South Korea, and Yahoo Korea, the No. 5 Internet portal in the country, have been in a close partnership in the mobile Internet business since this summer, when Yahoo's OneSearch service was selected as the basic search engine for LG Telecom phones. Two bigger mobile carriers SK Telecom and KTF let users select from among multiple search engines such as Naver, Daum and Yahoo. In a separate development, LG Telecom revealed its plans to introduce South Korea's first full-browsing Internet phone as early as next spring.

Media, Entertainment and Gaming

- **Webzen Inc., a leading global online entertainment company, announced that they have secured a licensing deal worth US\$5.8 million with GameOn, a Japanese publisher, for the epic fantasy MMORPG Soul of the Ultimate Nation.** The game is scheduled for commercial distribution throughout Japan next year, and is expected to increase Webzen's 2008 fiscal results. The license agreement covers all development and installation expenses. The Soul of the Ultimate Nation licensing deal marks the second collaboration between Webzen and GameOn, and is seen as boosting Webzen's growing position in the Japanese gaming market. The two companies first partnered in 2003 on Webzen's first MMORPG, MU Online. Based in Seoul, South Korea, Webzen Inc. has developed some of the world's top online game and client/server technologies. Game On Co. Ltd manages Game information site as well as online game publishing business.

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Software

- **Gifts Software, a leading provider of anti-money laundering, funds transfer, and e-banking solutions, announced that Shinhan Bank New York has selected the GIFTSWEB EDD Anti-Money Laundering solution.** The use of the automated GIFTSWEB EDD product is seen as helping the Shinhan Bank in meeting BSA/AML compliance regulations as dictated by the USA Patriot Act. Shinhan Financial Group Co. Ltd. is South Korea's first financial holding company that delivers comprehensive financial solutions through a powerful One-Portal network. Shinhan Financial Group's subsidiaries offer quality financial products and services in commercial banking, credit card, private banking, asset management, investment banking, brokerage and insurance. Shinhan serves more than 10 million active customers with 15,000 employees and 970 network branches nationwide. The company has 21 offices in nine countries, including the U.S., the U.K., Japan, China, Germany, India, Hong Kong, Vietnam and Singapore.

Information Technology

- **According to media sources, Vietnam and South Korea are in talks on strengthening cooperation in the field of IT.** The meeting between the two countries included 9 leading software companies from South Korea and 26 Vietnamese counterpart. The manager of the International Corporation Division of Korean IT Industry Promoting Association (KIPA) said the seminar will focus on two areas: E-government and upcoming projects between KIPA and the Vietnam Software Association (Vinasa).

Semiconductors

- **Hynix Semiconductor, the world's second-largest manufacturer of dynamic random access memory chips (DRAMs) by revenue, announced its development of the first one gigabit GDDR5 graphics DRAM.** GDDR, or Graphics Double Data Rate, is considered the fastest and highest density graphics memory widely available in devices such as PCs and game consoles. The new graphics DRAM processes up to 20 gigabytes of data per second, or more than 20 hours of DVD quality video.

Ventures/Investments

- **Samsung Electronics indicated that it looks to having more mergers and acquisitions in a bid to define and discover its next growth engines.** According to its CEO, the company will pursue M&As at any time, if necessary, and sees no limit in the M&As with any company Samsung targets. Industry sources said that Samsung is reportedly closer to finalizing merger talks with two or three other overseas firms in the non-memory sector, with its officials stating that the result may come out by the end of the year.
- **Following rumors of Kookmin Bank's targeting it for takeover, shares of South Korea's online brokerage house E*Trade Financial Korea Co. surged hitting the daily limit of 15 percent.** Earlier, Kookmin Bank announced that it has agreed to buy a 95.8 percent stake in local securities firm Hannuri Investment & Securities Co. for 266.3 billion won (US\$290.1 million). The country's top lender explained its plan as a bid to boost its investment banking business. The CEO of Kookmin was quoted as saying that after the finalization of the deal, it would move to purchase another securities company. According to media sources, E*Trade officials have denied the rumors. E*Trade posted 109 percent surge in its net profit to 8.9 billion won (US\$9.6 million) in the first half of fiscal 2007 ended in September from a year earlier. In a separate development, Kookmin Bank, the nation's largest lender, said its board has approved a plan to take over Hannuri Investment & Securities, a small local

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brokerage firm, for 266 billion won (US\$292 million). Kookmin is the only lender among the country's four biggest banks that does not own a brokerage house.

- **According to Goldman Sachs Group Inc., the firm arranging the sale, SK Telecom Co. won the exclusive negotiating rights to buy a controlling stake in Hanarotelecom Inc.** SK Telecom was selected as the preferred bidder for the shares held by a group led by American International Group Inc. and Newbridge Capital LLC. The 39 percent stake is valued at 964 billion won (US\$1.1 billion) and its acquisition is seen as making SK Telecom the largest shareholder of Hanaro. The acquisition is also seen as giving SK Telecom access to Hanaro's network, which is estimated to be 25 percent of South Korea's Internet users. KT holds 45 percent of the market and leads the sector, with LG Powercom at No. 3, with 11 percent market share. Details of the financial terms were not disclosed. Hanaro registered some 3.7 million broadband subscribers as of the end of September. LG Powercom Corp. ranked third with 11 percent market share. SK Telecom does not provide fixed-line broadband service. In a separate development, an analyst at Korea Investment & Securities Co. sees a merger between KT and its subsidiary KT Freetel Co.
- **IDG Ventures, a network of venture capital funds, announced that it is initiating startup investment in South Korea.** Under this plan, IDG Ventures said it has created a US\$100 million venture capital fund based in Seoul. The VC firm said it will focus its investment on new media, mobile applications, online entertainment, health care, and software for businesses. IDG, the venture capital arm of research giant International Data Group (IDG), a tech publishing and research firm is facilitating its entry into the country by choosing for its managing partner, Duk-Hwan Oh, the former managing director of IDC North Asia, IDG's research arm. Under him will be vice-president and general partner Sung-Tae Jin, and junior partner Hak-Kyoon Kim, two Koreans with considerable experience in venture financing. As a lead fund manager at Korean venture fund STIC Investments, last year Jin was named "Venture Capitalist of the Year 2006" by the Korean government's Small & Medium Business Administration. Kim was a principal with LG Venture Investment, one of the leading venture capital firms in Korea. At present, IDG Ventures has US\$1.8 billion under management in China. According to IDG chairman, the VC firm is already planning a second Korea fund, which is estimated to be worth US\$250 million.

China

Internet

- **Sina reported a 15 percent rise in its net revenues to US\$64.3 million for the quarter ended Sept. 30, 2007.** With its advertising revenues accounting for more than 70 percent of the Internet portal's total revenues, Sina posted a 40 percent surge in its advertising revenues for the third quarter of 2007 to reach US\$45.8 million from the same period last year, with advertising revenues in China by themselves rising 41 percent year over year or 11 percent quarter over quarter to US\$44.9 million for the third quarter of 2007. Sina said its non-advertising revenues went down by 21 percent for the third quarter of 2007 to US\$18.5 million from the same period last year and flat over the previous quarter. Its MVAS (Mobile Value-Added services) revenues also posted a 24 percent decline year over year to US\$16.6 million in the third quarter of 2007. Sina said its revenues from SMS and IVR, which accounted for 74 percent of MVAS revenues in the third quarter of 2007, registered a 32 percent decline year over year, with the company ascribing the results to policy changes that have affected mobile operators in China. For the third quarter of 2005, the company reported operating expenses dropping by 3 percent to US\$24.7 million, its net income posting a 60 percent climb to US\$17.2

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million from the same period last year. As of September 30, 2007, Sina's cash, cash equivalents and short-term investments reached US\$439.4 million, compared to US\$362.8 million as of December 31, 2006.

- **eLong.com reported an operating loss of 9.3 million yuan (US\$1.2 million) for the third quarter ended September 30, 2007, compared to an operating income of 1.7 million yuan (US\$229,000) it posted in the third quarter of 2006.** The company announced a 12 percent rise in its travel revenues, which is composed of hotel, air and other travel product and service revenues, before business tax and surcharges, to 80.9 million yuan (US\$10.8 million) for the third quarter 2007 compared with the prior year period. The Internet travel provider posted a net loss of 7.4 million yuan (US\$997,000) for the third quarter, compared with net income of 2.7 million yuan (US\$364,000) for the third quarter of 2006.
- **Industry sources indicate that Baidu.com is working with some of China's leading telephone network operators on the new mobile search applications for the launch of 3G mobile telecommunications services in China.** Baidu is already working with China Mobile and China Netcom Group on new services for the launch of 3G in China next year. Industry observers believe Google is preparing to dominate this sector. At present, Baidu remains as more popular than Google in China. According to a report by China Intelli Consulting (CIC) in September, Baidu held 69.5 percent of the search market in Beijing, Shanghai and Guangzhou, up 7.6 percent over last year. The same source said Google's share dropped 1.1 percent to 23 percent.

Media, Entertainment and Gaming

- **The9 Limited, a leading online game operator in China, announced today its unaudited financial results for the third quarter ended September 30, 2007, with its net revenues for the third quarter of 2007 registering a 17 percent quarter-over-quarter and by 35 percent year-over-year to 316.0 million yuan (US\$42.2 million).** The company said its net revenues attributable to the operations of subscription-based games went up by 13 percent quarter-over-quarter and by 21 percent year-over-year to 278.9 million yuan (US\$37.2 million) in the third quarter of 2007. Its net revenues attributable to the operations of item-sales based games, which included revenues from in-game item sales and installation package sales, increased by 97 percent quarter-over-quarter to 32 million yuan (US\$4.3 million) in the third quarter of 2007. The9 posted a 25 percent decline in its net income for the third quarter of 2007 to 38.2 million yuan (US\$5.1 million) from 50.6 million yuan (US\$6.8 million) in the second quarter of 2007, and a 41 percent drop from 64.3 million yuan (US\$8.6 million) in the third quarter of 2006.

Mobile/Wireless

- **Beijing Unicom announced the launching of a new service called Enterprise Almightiness for enterprise users.** The company described the new offering as giving more convenience, efficiency and economical communications services for enterprise clients. Under the service, clients belonging to a particular company and using China Unicom's mobile phone or its CDMA or GSM services will be able to form a group by connecting their mobile phones with that of the company's fixed telephones.
- **Gome, an electronics retailer, announced that it has established its communications company through which it will enter the Chinese communications market.** Gome said the new company is expected to integrate the company's existing mobile phone channels together with the management of its mobile phone business in the stores of Gome and Yongle, which Gome acquired earlier. According to media sources, the Gome Communications Company is aiming to put up some 500 mobile phone outlets in cities all over the country in the coming year. The company said it aims to generate 19.8

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million mobile phone sales in 2008. Gome said it has plans of setting up independent mobile phone selling sites, TV shopping, online shopping and mobile phone maintenance service.

- **According to the CEO of China Mobile, the company is in talks with Apple on bringing the computer maker's iPhone to the Chinese market.** Sources indicate the introduction of the iPhone will happen in the early parts of next year. China Mobile said that at present, there are still threshing out issues about income distribution between the two companies. Industry observers are saying that China Mobile may attach the selling of iPhone with its own services once it becomes the agent for Apple. Earlier, Apple said it plans to launch the product in Asia next year, with the aim of generating a total sale of 10 million in the area in 2008. To achieve this target, Apple is also negotiating with other operators from Asia.

Telecommunications

- **China Netcom disclosed its plans to make an investment of about 15 billion yuan (US\$2 billion) for the upgrading of its fiber cable.** The project involves a fiber-to-the-home (FTTH) undertaking and is seen as being finished within five years. The company also said that by 2010, it aims to be the leading broadband communications and multi-media service provider in China by 2010. China Telecom has already begun testing FTTH on a trial basis in four Chinese cities of Beijing, Guangzhou, Wuhan and Shanghai.
- **China Telecom reported an update on its digital music service and its work with eight music companies, which include Warner, EMI Music, UMG, Sony BMG Music Entertainment, Rock Music, Hurray!, Taihe Rye Music and Music Nation Group.** China Telecom's digital music is a combination of different music services, including ringtones, online trial listening, online downloads and search, and music services. Under the alliance, China Telecom and the music companies announced the launch of a new music brand called Love Music. China Telecom says it has already successfully launched the service in 21 provinces in southern China.

Software

- **According to the country's Ministry of Information Industry Software and Integrated Circuit Promotion Center, it has signed an agreement with Xiyong Park to set up a branch in Chongqing.** The ministry said this will be the first branch of MII ever set up in the middle and western parts of China. The announcement said the construction will begin soon and will include several features, including an intellectual property rights and patent declaration consulting services center. The center will also have a training center, a finance consulting center, as well as areas for software assessment and software outsourcing services.

Hardware

- **Haier and Intel announced their entering into a joint marketing program in Qingdao, a move that follows their signing of a memorandum of understanding (MOU) covering a range of strategic cooperation.** The agreement will see the two companies working together on joint promotions in which they will make marketing goals, strategies and designs. Industry observers see this agreement between Haier and Intel as bringing more flexibility in their cooperation in the terminal market.

Information Technology

- **EDS, a global IT outsourcing company, announced that it has set up a global service center in Wuhan, making it the company's first in the country.** EDS also has three global service centers

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in India, Argentina and Hungary. The company serves clients found in more than 60 countries and regions. In a related development, the general manager of EDS Greater China was quoted as saying EDS will get another city as a site for another global service center in 2008.

Taiwan

Media, Entertainment and Gaming

- **GigaMedia Limited announced that it has secured an exclusive license from Electronic Arts Inc. (EA), the world's leading developer and publisher of interactive entertainment, to offer and operate the new sports game NBA Street Online in Taiwan, Hong Kong and Macau for three years.** NBA Street Online is an online version of EA's popular NBA games series, featuring fast-paced street basketball action with today's biggest NBA superstars, all in true-to-life detail. NBA Street Online was co-developed by EA Canada and Neowiz. NBA Street Online is expected to launch in 2008. GigaMedia Limited is a major provider of online entertainment software and services. GigaMedia develops and licenses software for online gaming. GigaMedia also operates online games businesses including FunTown, a leading Asian casual games portal and the world's largest online MahJong game site in terms of revenue, and T2CN, a leading online casual sports game operator in China. Electronic Arts Inc. (EA) develops, publishes, and distributes interactive software worldwide for video game systems, personal computers, cellular handsets and the Internet.
- **Chinesegamer International, a developer/operator of online games in Taiwan, disclosed that it has been developing sports lottery platforms leveraging its technological capabilities of developing online game software.** The company said it looks to China, Hong Kong and Macao as the main markets for the new products. Chinesegamer said Taiwan is not part of its market as the Taiwan authorities have not issued yet operating licenses for sports lotteries. In a related development, Chinesegamer announced that it is developing a 3D MMORPG made for the China market, with the company already granting an exclusive operating license to catv.net for US\$2 million, the company indicated. The game will enter closed beta testing in the first quarter of 2008.

Ventures/Investments

- **Sinbon Electronics, a maker of connectors, revealed its plans to take up 6 million shares in Inpaq, a supplier of GPS antennas and modules and other components, for NT\$292 million (US\$9 million) through a private placement.** The deal is seen as making Sinbon the second largest corporate shareholder of Inpaq as it will have a control of 6.4 percent stake in the antenna and module maker.
- **Spansion announced that it will enter into a partnership with Virident, an Internet data center solutions developer, to develop and market a new generation of memory solutions designed to reduce power consumption and provide proven system performance in Internet data centers.** Spansion also announced it has made an equity investment in Virident. The partnership is seen as combining the Spansion MirrorBit Eclipse family with Virident platform technology to create a new generation of memory solutions.

Mobile/Wireless

- **MediaTek announced its plans to expand its GPS (Global Positioning System) business by cooperating with several Taiwan-based GPS makers including Transystem, Delta Electronics and Holux to provide handset platforms and GPS modules to China-based makers.** The

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company was set to enter the GPS market in China, but with the China maker's first wave of products not passing certification from China telecommunication vendors, it delayed the shipment schedule. Media expects that the Beijing 2008 Olympic Games to boost handset demand in China leading to handset shipments possibly reaching 150 million units.

Hong Kong

Media, Entertainment and Gaming

- **China Finance Online Co., Limited, a leading Chinese online financial information, data, and analytics provider, announced that it has secured the approval by the Securities and Futures Commission (SFC) of Hong Kong to become the substantial shareholder of Daily Growth Investment Company Limited, a Hong Kong-based securities brokerage firm.** The transaction is expected to be completed by the middle of December of 2007, after completing customary closing conditions. China Finance Online Co. Limited is the market leader in providing online financial and listed company data, information and analytics in China. These features and functions are delivered through proprietary software available by download, through Internet or through mobile handsets. Through its subsidiary, Shenzhen Genius Information Technology Co. Ltd, the company provides financial information database and analytics to institutional customers including domestic securities and investment firms.
- **Network CN Inc., a Chinese media and travel network company, announced that it has secured the advertising rights to 98 rolling light boxes at Beijing International Airport.** The company also disclosed that it has signed a US\$5-million promissory note agreement with a private investor. Headquartered in Hong Kong, Network operates a Media Network, a Hotel Network and an e-Network. On the media side, Network CN is establishing a multi-media, multi-application advertising network in the key cities of China, focusing on outdoor advertising media. As of September 30, 2007, the Company had obtained rights to install and operate 653 roadside digital video panels, 6 mega-size digital video billboards and 24 rolling light boxes in the PRC. At present, Network CN is building a travel service platform to link up under one network all the hotel properties under its management. Network CN said it is looking to the development of an e-Network via the Internet.

Information Technology

- **WealthCraft Systems Limited, a leading IT solution provider for financial institutions in the Asia Pacific region, and Decillion Solutions Group, a NEC company focusing on advanced banking applications, announced that they have entered into a collaboration that is expected to provide operational scalability and trading efficiencies to local and regional banks.** Under the partnership, the two companies will market WealthCraft's ATOMS On Demand for SWIFTNet Funds, a hosted transaction automated Software as a Service (SaaS) solution and ATOMS Enterprise for SWIFTNet Funds, a gateway application which acts as message concentrator or router for in-house unit trust applications. The Decillion Solutions Group is headquartered in Singapore with offices in Kuala Lumpur, Bangkok, Sydney, Shanghai and a representative office in Jakarta. Decillion is recognized as the official Business Partner and Service Partner of SWIFT for Southeast Asia and the South Pacific Region with an established record of more than 500 successful SWIFTAlliance and related installations and service provisions to more than 200 financial institutions. WealthCraft Systems Inc. headquartered in the Hong Kong, is the parent company of WealthCraft Systems Ltd, an

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IT company that designs, develops, markets and supports a flexible, scalable and secure technology platform for wealth management services to financial institutions.

Singapore/Malaysia/Philippines/Indonesia

Media, Entertainment and Gaming

- **CryptoLogic Limited , a leading software developer to the global Internet gaming industry and Mikoishi, leading online game developer and publisher, has announced CryptoLogic's strategic investment in Mikoishi.** The investment is aimed at tapping the emerging Casual and Chance Gaming market in Asia. The investment is placed at US\$8.5 million and is expected to boost Mikoishi's position in the gaming industry and allow Mikoishi the chance to expand into new arenas, platforms and geographies with its own IP and to leverage on CryptoLogic's IP with premium brand partners. As part of the investment, CryptoLogic will have the option to increase ownership over time. Mikoishi's products are powered by Theatre, the company's online interactive entertainment technology that enables multi-platform and cross-platform playability coupled with online player communities, tournament play, prize play and game item purchase and trading. Theatre powered entertainment products can be found in over 40 countries across, including Australia, Hong Kong, Indonesia, Korea, Malaysia, Philippines Singapore, Taiwan and Thailand. CryptoLogic Limited is a world-leading, blue-chip public developer and supplier of Internet gaming software. Mikoishi is an award-winning game development studio based in Singapore.

Telecommunications

- **mTouche Technology Bhd disclosed that it is planning to run the first-of-its-kind M-Bit Network with at least one of the major telecommunications companies (telcos) by March.** The company said it is still in talks with DiGi Telecommunications Sdn Bhd, Maxis Communications Bhd and Telekom Malaysia Bhd. and with four telecommunication firms in Japan. mTouche said it will have an M-Bit network trial run next month in Japan. M-Bit Network is considered the world's first peer-to-peer search and file super distribution network that allows the sharing of content files between mobile phones over wireless mobile networks. In a related development, mTouche, which also operates mTouche Interactive TV, would be launching two new TV programs with Astro All Asia Networks plc next month.

United States/Canada

Internet

- **Pando Networks, Inc., a leading provider of managed peer-to-peer (P2P) distribution services, announced that K2 Network, a premier online game publisher, has agreed to use Pando technology to power the downloading of MMORPGs from the K2 Network web site.** These games often exceed 3GB in size and so to provide their gamers with fast, secure and reliable downloads, K2 Network has selected Pando's proven P2P technology, which accelerates the performance and reduces the cost of delivering high quality media. Under the agreement, K2 Network will use the Pando Publisher toolset to publish and track the distribution of its online games. In addition to downloading games from the K2 Network website, gamers will be able to subscribe to automatic delivery of newly issued games, game patches and game updates. Pando Networks operates the world's largest and most advanced managed P2P network with more than 14 million users. It is a

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private company funded by Intel Capital, BRM Capital and Wheatley Partners. K2 Network currently has over 16 million registered users and offers War Rock, Knight Online, Global MU Online, Red Stone and Sword of the New World: Granado Espada. K2 Network has an operational presence in the U.S., South Korea, and India.

- **VeriSign Inc revealed its plans to divest several businesses and focus on its web site-naming and Internet security services.** The company is a maker of switchboards that direct Internet traffic. VeriSign did not disclose financial and organizational details about the planned divestitures. Earlier, the company reported a 24 percent growth in its quarterly profit to US\$19 million.

Mobile/Wireless

- **Qualcomm announced that it is acquiring Firethorn Holdings, a mobile banking provider, in a deal valued at US\$210 million.** Industry observers see this move by Qualcomm as a bid to boost its offerings in the mobile sector. Qualcomm also explained the acquisition as a means to help financial institutions promote consumer adoption of mobile banking services. Qualcomm develops and delivers digital wireless communications and services based on code division multiple access (CDMA) and other technologies.
- **Microsoft announced its plans to acquire mobile music service provider Musiwave, a company that enables mobile operators to offer self-branded music applications.** Industry observers see this move by Microsoft as an effort to boost its consumer mobile offerings. Musiwave counts among its clients operators like O2, Vodafone, T-Mobile, Orange, Telus, Telefonica, and Virgin Mobile. Under the deal, Microsoft would be buying Musiwave from Openwave, which bought the company in 2005 for more than US\$121 million. Microsoft explained that it has signed an exclusivity agreement regarding its intention to acquire Musiwave even as no financial details of the agreement were revealed.

Media, Entertainment and Gaming

- **Smith Micro Software, Inc. announced its acquisition of Poser, Anime Studio and Manga Studio from frontier in a deal valued at US\$6 million in cash.** Poser is 3D character design and animation software for artists, illustrators and animators. Anime Studio is a 2D animation application with vector graphics support, bone rigging animation tools, support for audio soundtracks and Adobe Photoshop integration. Originally developed in Japan as ComicStudio, Manga Studio is manga and comic art software that helps artists produce ready-to-publish pages. All software runs on Mac OS X and Windows. Smith Micro Software is the owner of StuffIt, the compression software. The deal, according to Smith Micro Software, comes with the acquisition of all the rights for the Aquazone product line, which includes the new Aquazone Mobile Edition that is available exclusively in Japan to NTT DoCoMo and Softbank mobile subscribers. Smith Micro Software, Inc. is headquartered in California, with offices in Europe and Asia.
- **New Game World, Inc., publisher of interactive entertainment content, announced the launch of a new ImmortalsUSA Item Mall.** ImmortalsUSA is the newest MMORPG addition to the New Game World Portal. Under the offering, ImmortalsUSA players can play for free. The company said that even as it is not mandatory to buy items from the in-game item mall, but the purchase of items will make a difference in gaming performance. The developer of ImmortalsUSA, HGI provides interactive entertainment, with a team of over 70 professionals in Singapore, Xiamen and China specializing in development of mobile, PC games and MMORPGs. New Game World, Inc. is the New York based publisher of online interactive content products, including MMORPGs, casual games, web-based online game portals, and game information sites.

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Software

- **Sybase Inc, a California-based business software provider, announced that is looking to acquire companies that can help strengthen its mobile services and data analysis business.** The company said it would want to look into takeover proposals that would help generate value for shareholders. Sybase is a leading software firm focused on managing, analyzing and mobilizing information from data centers to both wired and wireless devices. According to its chairman and CEO, the company is looking to emerging markets in Europe and Africa, with Europe currently the source of about 35 percent of Sybase's annual revenue. Sybase competes with companies such as Oracle Corp and SAP AG in data management and analytics. A world leader in delivery and settlement of mobile messaging interoperability, and the management and distribution of mobile content run by its unlisted Sybase 365, Sybase is valued at around US\$2.3 billion.
- **Esquire Innovations, Inc. announced that it has secured control of the domain name ISCRUB.com from Vertical Axis, Inc. Esquire Innovations developed and markets iScrub, a popular software tool that companies use to remove metadata from office documents.** Esquire Innovations is a client of Welsh & Katz Ltd. Esquire Innovations, Inc., a leading provider of Microsoft Office integrated practice management software services and applications for the legal market, counts more than 500 law firm and in-house council clients utilizing its applications. Welsh & Katz, Ltd. is a full-service intellectual property law firm known for its impressive success record and the breadth of its international practice. The firm focuses on obtaining patents, trademarks and copyrights; domain names; intellectual property litigation; protecting trade secrets; product anti-counterfeiting; clearance opinions; and licensing transactions.

Hardware

- **Cisco Systems Inc. announced its decision to buy back stocks worth some US\$10 billion. Industry observers see this as an indicator that Cisco sees its shares as being undervalued.** The stock buyback effort is also seen as a way to up the value of the stakes remaining with its investors. Cisco, the world's largest maker of Internet routers and switches, has been profiting from steadily rising demand for more Internet bandwidth and sophisticated networking gear to handle an influx of voice, video and data content on the web. Cisco has acquired back about 2.3 billion shares estimated to be worth US\$46.2 billion.

Europe

Mobile/Wireless

- **According to industry sources, European broadcasters have raised concerns about a proposal by the European Commission to open radio frequencies to mobile phone operators.** The broadcasters protested saying that the move could cause digital television screens to go blank as a result. The warning from the European Broadcasting Union (EBU) followed the criticisms raised by German and the French telecoms regulator of wide-ranging proposals from the EU executive seen as shaking up the European telecoms market. The EU proposals aim to boost competition in broadband and wireless services by giving national regulators powers to split dominant operators. For EBU, it is better to maintain different areas of the spectrum for different users, instead of auctioning them to the highest bidder.

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Ventures/Investments

- **Abertis, a Spanish infrastructure and telecoms conglomerate Abertis announced that it had secured an agreement with the Chinese government to develop mobile television projects.** The Barcelona-based company said the agreement was signed in Beijing between the head of Albertis' telecommunications arm and the president of China's state-owned scientific research center ABS, Ma Ju. Abertis posted a 22.4 percent growth in its net profit to 559 million euros (US\$819 million) during the first nine months of 2007 over the previous year.

Semiconductors

- **Sony Corp. and NXP Semiconductors, a Dutch chipmaker, announced that they will form a joint venture called Moversa to promote the use of mobile phones as a virtual wallet.** The two companies said Moversa will be used to promote smart card applications in mobile phones by developing a chip that includes both companies' contactless chip card formats: Mifare and FeliCa. NXP and Sony announced their plans to seek a joint venture last year, with Dutch Philips Electronics selling to 80 percent of NXP to private equity firms in 2006. The new entity will have a nominal capitalization of 100,000 euros (US\$146,600) and a total capitalization of US\$28 million, with Sony and NXP each holding 50 percent of the company. Moversa will be based in Vienna, Austria.

Hardware

- **Royal Philips Electronics announced that it is looking to add new LCD TV OEM partners starting from 2008 in addition to current partner TPV Technology, the Hong Kong-based system maker that bought Philips' monitor and entry-level LCD TV business.** Back in 2005, Philips and TPV made a deal covering the transfer its monitor and LCD TV business. Following the agreement, TPV took over Philips' existing OEM monitor business as well as the manufacturing of monitors and entry-level flat TV products that Philips would continue to market and sell under its own brand.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 11/16/07)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
Japanese yen	¥/US\$	110.9200	0.1%	-2.9%	-6.8%	-5.8%
Hong Kong dollar	HK\$/ US\$	7.7843	0.03%	0.4%	0.1%	0.4%
Chinese renmenbi	RMB/ US\$	7.4230	0.2%	-0.8%	-4.9%	-8.0%
Singapore dollar	S\$/ US\$	1.4509	0.7%	-0.3%	-5.7%	-12.8%
South Korean won	KRW/ US\$	917.1000	1.2%	0.1%	-1.4%	-9.2%
New Taiwan dollar	NT\$/ US\$	32.3550	0.3%	-0.4%	-0.7%	-1.4%
Australian dollar	US\$/A\$	0.8920	-2.2%	-1.8%	13.1%	21.7%
New Zealand dollar	US\$/NZ\$	0.7556	-1.0%	-0.7%	7.3%	10.5%
Philippine peso	PHP/ US\$	43.2500	1.5%	-1.8%	-11.8%	-18.5%
Euro	US\$/€	1.4657	-0.1%	2.3%	11.0%	23.7%
British pound	US\$/£	2.0528	-1.8%	0.1%	4.8%	19.1%

Fixed Income Prices and Yields							
Note	Currency	Current (on 11/16/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	107.44	4.54%	106.52	4.59%	104.94	4.68%
Japan 30-year	¥	103.91	2.28%	102.63	2.35%	101.3	2.43%
Hong Kong 10-year	HK\$	110.15	3.63%	111.09	3.52%	106.16	4.12%
China (06/16)	US\$	110.71	3.32%	110.71	3.32%	110.71	3.32%
Singapore 10-year	S\$	107.30	2.81%	107.10	2.83%	107.62	2.77%
South Korea 20-year	KRW	9,821.53	5.48%	9,852.10	5.45%	9,576.03	5.66%
Australia 15-year	A\$	94.13	5.97%	94.10	5.97%	92.99	6.11%
New Zealand (12/17)	NZ\$	97.06	6.40%	96.84	6.43%	97.26	6.37%
Philippines 20-year	PHP	100.91	8.52%	99.66	8.65%	100.68	8.54%
India 30-year	INR	99.78	8.35%	99.40	8.38%	99	8.42%
UK 30-year	£	97.63	4.40%	96.67	4.46%	95.76	4.52%
Germany 30-year	€	92.44	4.47%	92.89	4.44%	92.2	4.48%

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