



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

Week of 9 December - 15 December, 2007

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Equity Market Indicators					
Index	Closing Level (12/14/2007)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
S&P 500	1,467.95	-2.4%	-0.9%	3.5%	17.6%
Dow Jones Industrial Avg.	13,339.85	-2.1%	-0.2%	7.0%	24.5%
Dow Jones Tech. Index	457.13	-2.5%	-0.7%	10.8%	21.9%
Dow Jones Telecom. Index	311.40	-1.8%	-0.8%	19.7%	54.4%
NASDAQ Composite	2,635.74	-2.6%	-0.9%	9.1%	19.5%
The Street.com Net	280.90	-2.6%	-2.2%	13.6%	33.6%
Japan Nikkei 225	15,514.51	-2.8%	-1.1%	-9.9%	-3.7%
JASDAQ	73.31	-2.4%	-2.3%	-14.9%	-43.7%
Japan Mothers	834.14	-5.8%	-5.9%	-24.9%	-67.2%
Korea KOSPI Composite	1,895.05	-2.0%	-0.6%	32.1%	37.4%
Korea Kosdaq	725.53	-3.0%	-2.2%	19.7%	5.0%
Taiwan Stock Exchange	8,118.08	-6.9%	-5.5%	3.8%	24.0%
Singapore Straight Times	3,466.38	-2.6%	-1.6%	16.1%	47.7%
Hong Kong Hang Seng	27,563.64	-4.4%	-3.8%	38.1%	85.3%
Hong Kong GEM	1,323.70	-5.9%	-7.3%	8.1%	31.4%
China Shanghai (A-Share)	5,254.71	-1.7%	2.8%	86.7%	330.4%
China Shenzhen (A-Share)	1,398.17	1.2%	7.9%	145.5%	382.0%
China Shanghai (B-Share)	355.96	-0.8%	3.8%	173.6%	474.0%
China Shenzhen (B-Share)	687.39	-5.2%	-0.5%	58.6%	251.4%

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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
12/11/07	Digital Domain [NASDAQ: DTWO]	Leisure-Movies	US\$100	A visual effects and animation company creating digital imagery for films, television advertising, interactive visual media, and video games	Thomas Weisel/ CIBC World Markets	N/A

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 12/14/07	% Change From Offer
12/13/07	Intellon [NASDAQ: ITLN]	Fabless designer of chips that enable data transfer over electrical wiring	US\$45	US\$6.00	US\$6.75	12.5%
12/12/07	K12 Inc. [NASDAQ: LRN]	Offers proprietary K-12 curriculum in virtual schools to public school students	US\$108	US\$18.00	US\$25.50	41.6%
12/14/07	Memsic Inc. [NASDAQ: MEMS]	Provides advanced semiconductor sensor and system solutions	US\$100	US\$10.00	US\$10.25	2.5%

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 12/14/07	% 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

Hardware

- **According to IDC's Worldwide Quarterly PC Tracker, worldwide PC shipments are projected to post a 16.7 percent growth in the fourth quarter of 2007.** Annual growth is expected to reach 14.6 percent in 2007, up from 10.1 percent in 2006. The IDC report identified that portable PC adoption remained a key driver for growth. In the third quarter, worldwide portable PC shipment posted a growth of 37 percent, considered the fastest in more than a decade, when placed against the growth of more than 35 percent in several quarters in 2003 and 2005. International markets are also identified as the source of volume increase. Outside of the U.S. and Japan, PC registered a growth of 68 percent in global shipments in the third quarter. Asia/Pacific (excluding Japan) and rest of world (including Latin America, Canada, Central and Eastern Europe, Middle East and Africa) are getting a 50 percent share and posting a growth of more than 20 percent in 2007.

Japan

Media, Entertainment and Gaming

- **Online game operator GameOn Co. disclosed that Neowiz Games Corp. has become its largest shareholder, with the South Korean firm holding a 34.2 percent stake in terms of voting rights.** Neowiz acquired GameOn shares through a tender offer. The report also indicated that a South Korean investment firm that launched the tender offer jointly with Neowiz became GameOn's second-largest shareholder, holding a stake of 25.8 percent.

Internet

- **Kyocera Corporation announced that it will introduce a new external modem for the iBurst wireless Internet access system.** Industry observers said the iBurst concept is getting the attention of the industry with its full-mobile, all-IP, end-to-end Internet system. The modem is expected to transfer data at speeds up to two megabits per second (2Mbps), a rate twice as fast as that offered by current iBurst modems. Kyocera said the new product will be available in March 2008. Kyocera's iBurst system provides commercial Mobile Broadband Wireless Access (MBWA) services in 11 countries worldwide, including Australia, Malaysia, Lebanon, Norway, Kenya, the U.S and Canada.

Software

- **Convergence, a Honolulu-based health-care technology company, announced that it has entered into a five-year distribution agreement in Japan for its patient data management software.** Under the agreement, Convergence and Tokyo-based Itochu Corp will jointly distribute and license its CCT Clinical Data Warehouse solutions software, which manages patients' health data for medical groups, hospitals and clinics. Itochu, which has invested US\$2 million in Convergence to become an equity partner, will also offer consulting services to Japanese clients. Convergence also maintains offices in San Francisco, Tokyo and Berlin.
- **Tokyo-based Access Co., a maker of mobile phone software, announced its plan to develop Linux-based applications with NEC Corp. and Matsushita Electric Industrial Co. for NTT DoCoMo Inc. handsets.** The report placed the availability of the software by March 2010. Access is

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developing an open-source operating system called Access Linux Platform for hand-held devices to win share from Symbian Ltd. and Microsoft Corp. in the smart phone market, which comprises 104 million unit handsets globally.

Hardware

- **Toshiba announced its plans to enter the market for solid-state drives (SSDs) for notebooks next year, with the company aiming to sell by May three lower-priced products.** With the move to launch SSDs, Toshiba and STEC, its rival, will be the only two firms delivering flash memory notebook drives based on multi-level cell (MLC) technology. Industry observers note that MLC drives hold more data than single-cell drives that are more commonly used in notebooks, and are less expensive, making them attractive to more consumers and businesses. MLC technology enables the storage of 2 bits of data per memory cell, versus 1 bit with single-level cell technology. With the technology, manufacturers can deliver twice the memory at about the same price but MLC drives are not as fast as SLC devices and do not retain data as long.
- **Minicom Advanced Systems, headquarters in Jerusalem, Israel, announced the expansion of its partnership with NEC Display Solutions.** Under the new agreement, the joint Minicom and NEC venture, which began in February of 2006 with the announcement of the integration of the DS Vision 3000 receiver with NEC's line of display screens, will now be widened to incorporate Minicom receivers in a total of seven different models of NEC screens.

Information Technology

- **DATATRAK International, Inc., a technology and services company focused on global eClinical solutions for the clinical trials industry, reported that it has signed an enterprise agreement and marketing alliance with NTT DATA Corporation.** The group will enable NTT DATA to become a value-added-reseller of the DATATRAK eClinical product suite to the Japanese clinical trials market. This relationship consists of a five-year enterprise subscription license agreement, with the enterprise license and implementation services initially worth a minimum of approximately US\$2.4 million to DATATRAK.
- **Sun Microsystems, Inc. announced that Japan has selected Sun to create an open web 2.0 architecture which is expected to provide better IT leverage in the delivery of government services to citizens.** With this move, Japan joins Singapore and Norway to the growing list of governments that have already turned to Sun for efficient, scalable architectures that manage global information flow and help maximize productivity. According to media sources, the Japanese government has been looking for ways to provide electronic government services for many years, which led to the formulation of the "New IT Reform Strategy" in January 2006. The strategy aims at making 50 percent of all applications and filings for government agencies to be submitted online by 2010. Sun was chosen to create an integrated and inherently secure network, called Trusted Network, which will help enable a one-stop service infrastructure. The complete Sun solution is comprised of OpenSolaris OS, Sun Java System Identity Manager software, Sun Java Composite Application Platform Suite and Sun Ray thin clients.

Ventures/Investments

- **According to media sources, Hitachi is thinking of opening an R&D center in Israel, with the firm looking to the areas of nanotechnology and software for chip production as the focus.** Chairman of Hitachi High Technologies Corporation also said that Hitachi might also set up a center in Singapore, with the plan of having Israeli, Singaporean and Japanese engineers working

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together in different technology-based projects. Hitachi High Technologies manufactures electronic equipment and materials for semiconductor production, laboratory equipment.

Korea

Internet

- **KT Corp., South Korea's leading fixed-line telephony and broadband Internet service provider, disclosed its plans to help set up an Internet data center in Mongolia.** The company said it has secured an order to build an Internet data center for the Mongolian government and to establish IT systems as well as networks. KT said the project will also ask that KT provide IT education and with it the deployment of experts to Mongolia. The project is set to be completed in February 2009.

Media, Entertainment and Gaming

- **Turbine, Inc. and NHN Corporation announced that they have entered into a distribution agreement for The Lord of the Rings Online: Shadows of Angmar.** Under the terms of the deal, Turbine will work closely with NHN, the largest South Korean Internet company, to localize The Lord of the Rings Online for the South Korean market. The Lord of the Rings Online was recently awarded the 2007 PC Game of the Year at the 25th Annual Golden Joystick Awards and is currently operating in North America, Europe, Australia, New Zealand and Japan. Headquartered in the U.S., Turbine is a developer, publisher, and operator of online entertainment.
- **SK Telecom disclosed its plans of boosting its China business by selling news and entertainment contents via its subsidiaries and joint venture firms.** The company said that a mobile newsletter service for China Unicom users has already been initiated by its Chinese joint venture UNISK in partnership with People's Daily, the state-run newspaper. UNISK is owned jointly by China Unicom and SK Telecom, with China Unicom owning 51 percent of the shares. SK Telecom also said that it is going to sell Korean-made entertainment contents, such as K-Pop songs, mobile games and photos of South Korean movie stars, to China Mobile, considered to be the world's largest mobile operator with its 350 million subscribers. The contents will be provided by Via Tech, an affiliate of SK Telecom's China holding company.

Semiconductors

- **The country's Electronics and Telecommunications Research Institute (ETRI) reported that it will start making electrical switches and sensors using a revolutionary semiconductor technology called Metal-Insulator Transition (MIT) from next spring.** ETRI said it has been working with the University of California in San Diego on this technology. MIT refers to the properties of certain materials that can be controlled to conduct or block electricity depending on the situation, just like silicon semiconductors widely used in today's computer chips. The difference between the two is that the silicon semiconductor is controlled by electric signals while the MIT products from the ETRI team react to temperatures. The MIT technology is expected to be used to make efficient thermal sensors and fuses. According to ETRI, the market for MIT fuses is estimated to be worth almost US\$1 trillion.
- **Samsung Electronics announced that it is looking to diversify its businesses, which are currently characterized by highly dependence on memory chips.** Earlier, Samsung announced that it has designed the industry's first digital TV receiver chip based on 65-nanometer processing

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technology. The development is expected to allow digital TVs targeting Europe, Southeast Asia and Australia to receive both vestigial sideband (VSB) broadcasts and quadrature amplitude modulation (QAM) cable signals. Samsung said the new chip will be used for digital TVs, set-top boxes, TV receiver cards for personal computers, USB-interfaced plug-and-play boxes and even DVD recorders.

Telecommunications

- **KT revealed that it is thinking of merging with KTF, its mobile phone subsidiary.** According to its CEO, KT is considering various options for restructuring, and these include putting up a holding company and a merger. KT holds 52.1 percent stake in KTF. Even with the tight regulation around the telecom industry, KT is positive that the government will allow it to pursue its plan, citing the government's favorable stance to SK Telecom, which was granted the right to use the 800-Mhz bandwidth. The 800-Mhz band is more cost-efficient than 1.8 Ghz bandwidth used by the two other mobile firms.

Ventures/Investments

- **According to the country's Ministry of Finance and Economy (MOFE), the South Korean government is planning to set aside 400 billion won (US\$434.8 million) to help boost the export of cultural content that can fuel the country's service industry.** MOFE said that the five-year plan considers factors such as unsecured loans to small and medium enterprises that export cultural and related materials, and giving training support for qualified workers. The cultural contents market is expected to post a 6.4 percent growth on average annually up till 2011, with the market forecast to hit US\$1.5 trillion this year and top US\$1.9 trillion in 2011. The ministry said that the plan will recognize intellectual property rights and outstanding payment on export orders as collateral for loans. It also indicated that a maximum 10 million won (US\$10,722) will be given to companies that hire a foreign expert to improve the quality of their content. Other than the cultural content export, the ministry said the government is aiming at creating an industry that will become one of the top players in the digital content sector that include Internet protocol television and on-line entertainment and information services.
- **Daum Communications Corp., South Korea's second-largest Internet portal operator, announced that it has entered into an agreement to sell a 35.7 percent stake in its on-line auto insurance unit to ERGO, a German company, for 40.9 billion won (US\$44.5 million).** Under the deal, Daum will sell a total of 5 million shares in Daum Direct Auto Insurance Co. to ERGO, a subsidiary of Munich Re AG., the world's second-biggest re-insurer. If the deal is completed, the German company's shareholding in Daum Direct will be 65 percent. Daum will hold a 10 percent stake in the insurance company, while LIG Insurance will hold a 25 percent stake. Daum Direct is the nation's second-largest auto insurance firm with a market share of 15.1 percent, following Kyobo Axa.

China

Internet

- **H3C, a wholly-owned subsidiary of 3Com, and Raza Microelectronics announced that H3C and RMI have entered into a wide-ranging strategic vendor relationship focusing on the use of RMI's multi-core, multi-threaded XLR Processor and XLS Processor Families across H3C's networking, security and wireless applications.** H3C, formerly known as Huawei-3Com, is a China-based provider of network infrastructure products. According to IDC, H3C, which held over one-third of the Chinese LAN switch market, and the 3Com/Huawei combination now contributes to

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the company's success in the Ethernet switch market. Initially a joint venture between US-based 3Com and China's Huawei, called Huawei-3Com Technology, the company became a wholly-owned subsidiary of 3Com when 3Com acquired Huawei's stake in March 2007.

- **Netease.com, a Chinese Internet portal, announced the launch of the official upgraded beta of its self-developed search engine You Dao.** The new beta search engine features an upgraded function of the webpage search, image search, blog search and desktop dictionary. Industry observers see the search engine as becoming one of the core businesses of Netease.com and providing better search experience for Chinese Internet users. With the launch of the new beta, Netease.com announced that it has also adjusted the homepage of its web site, with the search button now made more prominent on the page.
- **Ninetowns revealed its plan to spend more money to increase its Internet resources. The company provides software services to import and export firms.** According to its CEO, Ninetowns currently has about US\$100 million in cash and is considering acquiring some medium and small B2B websites. Ninetowns has also made a series of acquisitions, beginning with its acquisition in May of yaphon.com, an e-commerce vertical search web site and a stake in 21food.cn. Ninetowns has formed a large scale outsourcing platform that covers all the major processes of the B2B businesses with tootoo.com as the main undertaker.

Media, Entertainment and Gaming

- **CDC Corporation, a global enterprise software and new media company, announced its financial results for the third quarter period ended September 30, 2007, with its total revenue posting a 27 percent rise to US\$99.6 million from US\$78.2 million in the third quarter of 2006.** This marks the highest revenue total for a third quarter in CDC's history and its second best revenue quarter overall. CDC said its total revenue from CDC Software for the third quarter of 2007 went up 46 percent to US\$89.5 million from US\$61.3 million posted in the same quarter in 2006. The company's China.com business, which includes the portal and MVAS businesses, reported a 58 percent drop in its revenue to US\$3.6 million for the third quarter 2007 from the US\$8.5 million reported in the same quarter of 2006. For the third quarter of 2007, CDC Corporation reported net loss of US\$7.1 million compared to net income of US\$3.2 million in Q3 2006. The decline in net income was attributed primarily to lower revenues of CDC Games and CDC's MVAS business.
- **Focus Media announced its plan to acquire CGEN Digital Media Company Limited (CGEN), an operator of an in-store digital advertising network in China.** Under the agreement, Focus Media will purchase 100 percent of the equity of CGEN for US\$168.4 million in cash, and an additional payment of up to US\$181.6 million, part in cash and part in Focus Media ordinary shares contingent upon CGEN meeting certain earnings targets during the twenty four month period from the closing of the transaction. The announcement indicated that all Focus Media shares issued in the transaction will be newly issued. The transaction is expected to close in the first quarter of 2008, subject to customary closing conditions.

Mobile/Wireless

- **Siano Mobile Silicon, a mobile digital TV firm, announced that it has entered into an agreement with CMB Satellite, the Hong Kong-based affiliate of EchoStar Communications Corporation (DISH), and Huaqi, manufacturer of the Aigo consumer multimedia products in China, to provide solutions for China's mobile TV service known as CMMB.** The CMMB technology was developed in China and has been selected by China's State Administration for Radio, Film and Television as the main platform for delivering TV services to mobile devices. The CMMB

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network uses both satellite and terrestrial signals to obtain effective coverage both in densely populated cities; including indoor reception, as well as in sparsely populated rural areas. CMB Satellite is the primary provider of S-band satellite capacity for China's CMMB mobile video system. Huaqi is one of the largest suppliers of MP3/MP4 handheld devices in China.

- **Nokia Siemens Networks reported that it has secured the contract that will allow it to work on the implementation of the GSM-R in the newly commissioned Hefei-Wuhan Passenger-dedicated Line.** This line expected to bring about regional economic and cultural communication in the region is forecasted to be operational by early 2009. Nokia Siemens Networks is a pioneer of GSM-R technology, with Siemens researching and creating the GSM-R standard starting in the early 1990s. In China, Nokia Siemens Networks is the leader of GSM-R systems and has undertaken five of the total seven GSM-R passenger-dedicated line projects in China that are under construction or have been put into operation.

Software

- **CSOFT, a provider of multilingual localization, testing and outsourced software development for the global, market announced the opening of its Shanghai office in a bid to maximize its ability to meet the globalization requirements of multinational companies.** Industry observers note that Shanghai has become a manufacturing base for many global enterprises developing products for worldwide markets. It has been noted too that companies are now increasingly sourcing multilingual localization from their China business centers. CSOFT is headquartered in Beijing and maintains international offices in Boston, San Francisco, Chicago, Japan, Australia, Canada and Germany.

Hardware

- **According to market sources, Iomega Corp (IC) has agreed to acquire the entire share capital of Shenzhen ExcelStor Ltd, a manufacturer of computers and peripherals, from Great Wall Technology Co Ltd, in exchange for the issuance of new ordinary shares valued at 2.3 billion yuan (US\$323 million), subject to shareholders and regulatory approval.** Shenzhen ExcelStor is a computers and related peripheral equipment manufacturer and wholesaler headquartered in China. Iomega is based in the U.S. and manufactures and wholesales portable storage solutions.
- **Xian Seastar Modern-Tech Co. Ltd. announced its plan to acquire assets of Zhuhai Gree Group Corp, a China-based household appliance manufacturer, in a deal valued at 2.2 billion yuan (US\$305.1 million).** The consideration was to consist of the issuance of an estimated 240 million new Xian Seastar shares, valued at 1.7 billion yuan (US\$237.2 million), and 500 million yuan (US\$67.9 million) in assets which include the entire share capital of Zhuhai Gree Real Estate Co. Ltd. and Gree Zhisheng Real Estate Co. Ltd. The transaction was approved by the board of directors and regulatory authorities. Together with the deal, Zhuhai Gee said it has also signed a Letter of Intent to acquire a 17.7 percent stake in Xian Seastar. Located in China, Xian Seastar is into the development and wholesale of computer hardware and system IC, software development, intelligent architecture and digital community. The company's other activities include developing of real estate and property; retailing and wholesaling of commercial goods; operating supermarket; repairing computer software; developing and producing electronic communication machinery and equipment and providing technical services.
- **Following the failure to reach an agreement, Suning Electronics revealed that it has terminated its plan to acquire Dazhong.** Sources said one of the main conflicts stem from the price of 3 billion yuan (US\$407 million) offered by Suning. Industry analysts believe that the present

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development may mean a slowdown of Suning's expansion but may not necessarily affect the company's overall business in China. Suning and Dazhong are two of China's biggest electronics retailer. GOME Electrical Appliances, China's top electronics retailer, revealed that it was discussing a possible acquisition of Dazhong following Suning's decision to abandon its plan. Beijing-based Dazhong, which controls half of the electronics market in the city, also disclosed that it is in talks with several companies on possible mergers, including Best Buy, the largest electronics retailer in the U.S.

Taiwan

Mobile/Wireless

- **Chi Mei Communication Systems (CMCS) announced that it has secured a large-quantity order for ultra-low cost handsets from Motorola.** CMCS is an affiliate of Hong Kong-based Foxconn International Holdings. Under the deal, CMCS is expected to begin delivering the ultra-low cost handsets to Motorola in the second quarter of 2008, with total shipments likely to reach 30 million units. The sources also indicated that the handsets are initially set to be marketed in India. .

Hardware

- **According to its filing with the Taiwan Stock Exchange, Chunghwa Picture Tubes (CPT) has announced its decision to invest an additional US\$22.6 million in its China-based subsidiary CPTF Optronics.** Industry observers note that CPT's additional investment in the subsidiary is aimed at expanding medium-size LCD panel module (LCM) production.
- **Yageo, a Taiwan-based passive components provider, announced that it has entered into a strategic partnership with Future Electronics, a global distributor of electronic components.** Industry observers see the addition of Future Electronics to Yageo's global distribution network as helping boost Yageo's presence in the North American and Asian markets. Under the agreement, Future Electronics will promote the full product portfolio of Yageo to its customers through all sales channels of Future Electronics. The agreement is expected to bring into the partnership the diversified engineering capabilities of Future Electronics.

Hong Kong

Information Technology

- **DTS Communication Technologies Corp. announced that it has entered into a cooperation agreement with PCCW, the largest telecommunication services provider in Hong Kong.** Under the agreement, the two will operate networking and Internet services in Vietnam with the NOC (Networking Operation Center), which provides special remote administering service for effective working results, according to the company. The agreement will also expect DTS to invest in developing infrastructure, facilities and human resources to run all software and network services of PCCW in Vietnam. DTS Communication Technologies is Vietnam's leading independent Systems Integrator in the Information Communication Technology.

Media, Entertainment and Gaming

- **PacificNet, Inc., a provider of gaming technology, e-commerce, and Customer Relationship Management (CRM) in China, announced that its China subsidiary, Guangdong Poly, has launched a new e-commerce website for the sale and promotion of legal welfare lottery in**

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China under the license authorization of the China Welfare Lottery Center. Lot888.com is the latest online e-commerce lottery game operating under the legal authorization of the China Welfare Lottery which gives Guangdong Poly approximately 7 percent commission on the sale of legal electronic and paperless lottery gaming products. According to China's Ministry of Finance, China's total legal lottery game sales revenue has seen rapid growth in recent years and reached a record high of 81.9 billion Yuan (US\$10.5 billion) in 2006, an over 15 percent from 2005. Analysts predict that China's lottery market will reach 200 billion yuan (US\$25 billion) in 2008. Through its Chinese subsidiary, PacificNet is also a legally licensed provider and sales agent for the legalized welfare lottery gaming in the China. PacificNet has various subsidiaries throughout China with offices in Hong Kong, Beijing, Shanghai, Shenzhen, Guangzhou, Macau and Zhuhai, as well as in the U.S. and the Philippines.

Telecommunications

- **Hutchison Telecommunications International Ltd. announced that it will speed up the rollout of its mobile network in Indonesia with the assistance of Excelcomindo Pratama.** The company said that its Indonesian unit Hutchison CP Telecommunications (HCPT) has already signed a memorandum of understanding with Excelcomindo. Under the agreement, HCPT will share base station towers with Excelcomindo for up to 12 years. Industry observers see the cooperation as allowing HCPT to set up its equipment in new areas more speedily.

Singapore/Malaysia/Philippines/Indonesia

Telecommunications

- **Telekom Malaysia announced its plans to pay a dividend of 1.6 billion ringgit (US\$491 million) for this year to attract investors as the Company spins off its faster growing mobile phone division, TM International.** Malaysia's largest phone company said it targets the lifting of shareholder returns at its traditional fixed-line business even as it creates a regional mobile division seeking growth in emerging markets including India and Sri Lanka. Telekom Malaysia said the dividend will be handed out in the first quarter of 2008, with the spin-off to be completed in the second quarter of the 2008. The mobile unit coming may sell as much as 10 percent of the company's shares after the spin off to raise funds for future acquisitions.

Internet

- **Redback Networks Inc., an Ericsson company based in the U.S that makes video-centric routers for 75 percent of the world's largest triple-play networks, announced that it will help deliver on-demand broadband services for up to 50,000 businesses served by Biznet of Indonesia.** With the agreement, Biznet becomes the first competitive local exchange carrier (CLEC) in Southeast Asia to deploy SmartEdge routers for smart metro Ethernet and fiber access networks. The deal will also help Biznet deliver on-demand and pre-paid broadband services for businesses across Southeast Asia. The Biznet deal reinforces Redback's network transformation strategy to help carriers unify residential, business and mobile services on a single IP-based broadband network. In greater Asia, Redback manages more than 27 million broadband subscribers. Other top carriers deploying SmartEdge for residential and business services include AT&T, British Telecom, China Telecom, China Netcom, ChungHwa Telecom, eAccess France Telecom, Korea Telecom, Telefonica, and Turk Telecom.

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- **The Singapore government announced the launching of the Request-For-Proposal (RFP) expected to bring the city-state to setting up an open access Next Generation National Broadband Network (Next Gen NBN), which will offer ultra-high speed connectivity by 2015.** Singapore's government is to partly fund the construction of a nationwide broadband network that, once built, could be used by any operator to deliver services to the country's 4.5 million residents. According to the Infocomm Development Authority of Singapore (IDA), it has issued an expanded request for proposals (RFP). The IDA pre-qualified 12 bidders for the network deal and among those 12 are incumbent operator Singapore Telecommunications Ltd., StarHub Pte. Ltd., Siemens Communications, now part of Nokia Siemens Networks, and NTT West Corp. of Japan. The remaining pre-qualified bidders are all consortia, including teams that see the involvement of the following: Alcatel-Lucent, Cisco Systems Inc., Ericsson AB, BT Group plc, Tech Mahindra, Chunghwa Telecom Co. Ltd., London: BTA), T-Systems Inc., Hong Kong Broadband Network, and MobileOne Ltd. To help attract more bidders, the Singapore government said it will provide a grant of up to S\$750 million (US\$520 million) to the company which will design, build and operate the passive infrastructure.
- **According to industry sources, the Philippine government has earmarked some 1 billion pesos (US\$22.4 million) for e-government projects next year under the eGovernment Fund.** The fund was created to provide an alternative funding source for mission-critical, high-impact and cross-agency Information & Communications Technology (ICT) projects. The country's Commission on Information and Communications Technology (CICT) is working on the e-Government Portal Project, which is a joint effort spearheaded by the National Computer Center (NCC) and Data Center Inc. (DCI) in cooperation with the latter's software partner Fujitsu Philippines, Inc.

Information Technology

- **PeopleSupport, Inc. announced its rejection of IPVG Corp.'s and AO Capital Partners' proposal to acquire at least a majority stake in the call center company.** The NASDAQ-listed business process outsourcing (BPO) provider said the decision of the company's board of directors was unanimous against the proposal following its consultation with its financial and legal advisors. IPVG's and AO Capital's all-cash proposal placed the value of PeopleSupport at US\$355 million.

Mobile/Wireless

- **Excelcomindo Pratama, the third-largest phone operator in Indonesia, plans to sell and then lease back about two-thirds of its mobile phone towers to lower costs and improve the company's ability to expand.** Excelcom disclosed its plans to sell 7,000 towers. Controlled by Telekom Malaysia, the company said it is thinking of spending US\$650 million in 2008 to widen its coverage. The competition in the local market is intense with Hutchison Telecommunications International, based in Hong Kong, reportedly set to invest about HK\$4 billion (US\$512.8 million) in 2008 in Indonesia to boost its wireless network. Hutchison started its services in Indonesia in March.

United States/Canada

Internet

- **Friendster, Inc. announced that Friendster.com is available in another major language, Korean, a move enabling Friendster users and visitors a choice of languages to navigate the site.** With this development, Friendster now supports five of the top languages on the Internet, which are Simplified and Traditional Chinese, Japanese, Korean, Spanish and English. These languages

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represent 66 percent of the world's Internet users, which represent about three quarters of a billion Internet users worldwide. Friendster remains the No. 12 web site in the world based on traffic and the top online social network in Asia, according to comScore Media Metrix. With Friendster Korean, industry analysts believe the social network will maintain and even extend its leadership position in Asia. Headquartered in California, Friendster is backed by Kleiner Perkins Caufield & Byers, Benchmark Capital, DAG Ventures and individual investors.

- **Google announced its launching of an iPhone interface for the company's Picasa photo service.** With the offering, iPhone and iPod Touch users who visit the Picasa Web site via the Apple gadgets' Safari Web browser are automatically switched to the new interface, which will allow them to see their photo albums immediately. Google said Picasa's slideshow feature has also been optimized for the devices. The new service, however, only in English, will ask people from other countries to change their language preference.
- **Microsoft Corp. announced its acquisition of Multimap, a British online mapping company, in a bid to boost its existing Windows Live Web-based services.** Multimap provides street-level maps, travel directions and local information. Multimap also offers hotel and restaurant-booking services and builds private-label mapping tools for companies. According to Microsoft, Multimap will operate as a wholly owned subsidiary of Microsoft as part of its Search and Virtual Earth teams. Financial details of the deal were not disclosed.

Mobile/Wireless

- **MySpace, the world's most popular social network, announced that Sprint will be the first U.S. wireless carrier to link to the free MySpace Mobile web site following its official launch early next year.** The service will be given at no additional charge to Sprint data subscribers. Under the deal, Sprint customers with the enabled phones will be able to access MySpace Mobile on their phones via the Sprint portal. The new version of MySpace Mobile will feature rich graphical design, a revamped email interface and other new features. Sprint customers will also be able to directly link to other leading mobile web sites from Fox Interactive Media. MySpace is a unit of Fox Interactive Media, a portfolio of leading social networking, entertainment, and sports and information sites.
- **Atheros Communications Inc. announced that it has signed a definitive agreement to acquire the assets and certain liabilities of u-Nav Microelectronics, a developer of global positioning system (GPS) chipsets and software.** The deal is estimated to be worth US\$54 million in cash and stock. Industry observers see the acquisition of u-Nav as boosting Atheros' growing product portfolio in mobile wireless communications, which also includes mobile wireless LAN (WLAN), Bluetooth and PHS. Once the transaction completed, Atheros said it also take assignment of the patent cross-license agreement already in place between u-Nav and SiRF Technology Inc.

Media, Entertainment and Gaming

- **DIRECTV Group Inc. announced its acquisition of ReplayTV Inc, a provider of television programming services, from Tokyo-based D&M Holdings Inc.** California-based ReplayTV Inc provides TV programming services, which serve as portal through which viewers can access, navigate, control, and store television programming and advertising. DirecTV Group Inc, also located in California, provides digital television entertainment, broadband satellite networks, and global video and data broadcasting services. D&M is the parent company of Denon, Marantz and several other audio and home theater brands. ReplayTV, along with rival TiVo Inc., launched its DVR in 1999, which introduced TV viewers to the technology of pausing live TV and going past commercials and recording programs without the use of videotape. Financial terms were not disclosed.

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- **NBC Universal (NBCU) announced that with Vivendi Universal Entertainment, it will offer some of its most popular shows on SanDisk's online video-download service.** Under the agreement, NBCU shows could be downloaded onto SanDisk's new PC-to-TV video player that allows users to download content from a USB port, and then carry the files over to a living room television for playback through standard audio/video sockets. NBC removed its TV shows from iTunes following its conflict with Apple.
- **Vuze, a U.S.-based open entertainment platform for professionally produced content with an established audience of more than 14 million users, announced the immediate and exclusive availability of the hit anime series NEKO Rahmen for worldwide download on Vuze.** The company will subtitle the series in English and make the entire 13-episode series available free through advertising support. NEKO Rahmen marks the first time that an online video platform has secured exclusive rights for anime content directly from the Japanese producers, with the option to create original subtitles in multiple languages.

Software

- **According to media sources, Rocket Software Inc. announced that it has agreed to acquire all the outstanding common stock of NetManage Inc, a provider of IT services, for US\$7.2 per share, or a total value of US\$68.9 million, subject to shareholders and regulatory approval.** California-based NetManage provides information technology services for transforming legacy applications into new web-based business solutions. Massachusetts-based Rocket Software develops enterprise class software products and technology components to major OEM independent software and hardware vendors including IBM, RSA Security, and Microsoft.

Hardware

- **According to market sources, Teradyne Inc. has agreed to acquire all the outstanding common stock of Nextest Systems Corp. (NS), a manufacturer of automatic test equipment, for US\$20 in cash per share, or a total value of US\$387.9 million, via a tender offer and.** The transaction, which is subject to regulatory and other customary closing conditions, was conditioned upon at least a majority of NS' common stock outstanding being tendered. California-based Nextest Systems manufactures automatic test products for digital, mixed-signal, microcontrollers, SOC, SIP, and non-volatile memory semiconductors. Teradyne, located in Massachusetts, manufactures automatic test equipment, high-performance backbone assemblies and connectors, and software for the telecommunications and electronics industries.

Semiconductors

- **ON Semiconductor Corp. (OS), a unit of TPG Capital LP, announced that it has agreed to merge with AMIS Holdings Inc (AH), a manufacturer of semiconductor products, in a stock swap transaction valued at US\$906.3 million subject to customary closing conditions, shareholders and regulatory approval.** The companies said that once the merger has been completed, ON Semiconductor will own 74 percent and AMIS will own the remaining 26 percent of the combined entity. Amis manufactures integrated mixed-signal semiconductor products used for communications infrastructures, automotive applications and medical imaging. ON Semiconductor manufactures power semiconductor devices including power transistors and sensors that are used in products including computers and automobiles. Both companies are based in the U.S. Goldman Sachs & Co Credit Suisse Group served as advisors.

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Telecommunications

- **UTStarcom, Inc., a global leader in IP-based, end-to-end networking solutions and services, announced that it has secured its first IPTV contract in Latin America for its RollingStream end-to-end IPTV solution with the launch of Brasil Telecom's Videon IPTV service.** Brasil Telecom, one of Brazil's leading wireless and fixed-line communications providers, has deployed UTStarcom's RollingStream solution as the sole end-to-end technology platform for its new Videon video-on-demand (VOD) IPTV service in Brasilia with plans to expand the service to additional cities in the country's South and Midwest regions in the coming months. UTStarcom is a global leader in IP-based, end-to-end networking solutions and international service and support. The company sells its broadband, wireless, and handset solutions to operators in both emerging and established telecommunications markets around the world. With headquarters in California, UTStarcom maintains research and development operations in the U.S., Canada, China, Korea and India.

Europe

Telecommunications

- **Flag Telecom announced that it has awarded Alcatel-Lucent a contract estimated to worth US\$350 million to build an 11,000-km cable under the Pacific Ocean.** The report said the order is part of the expansion plan program valued at US\$1.5 billion for Flag. The cable will connect Japan and the U.S. West coast. When completed, the cable will bring an additional 50,000 km of optics to Flag's 65,000 km of undersea cable network around the world, making Flag the only service provider with links to some 60 countries on a private cable system. Flag Telecom is a unit of India-based Reliance Communications.

Semiconductors

- **STMicroelectronics and Genesis Microchip Inc. announced that they have entered into a definitive agreement for STMicroelectronics to acquire Genesis Microchip.** Under the agreement, STMicroelectronics will commence a cash tender offer to purchase all of the outstanding shares of Genesis Microchip for an equity value of approximately US\$336 million. Following completion of the tender offer, STMicroelectronics will complete a second-step merger in which any remaining common shares of Genesis Microchip will be converted into the right to receive the same per share price paid in the tender offer. During the twelve months ended September 30, 2007, Genesis reported revenues of US\$191 million. As of September 30, 2007, Genesis Microchip's cash and cash equivalents and short-term investments totaled approximately US\$183 million. STMicroelectronics will finance the acquisition using existing cash on its balance sheet. The acquisition has been approved by the Board of Directors of Genesis. STMicroelectronics is a Swiss firm that develops and delivering semiconductor solutions across the spectrum of microelectronics applications. Genesis Microchip is a provider of image and video processing systems enabling superior picture quality in flat-panel TVs and a variety of consumer and PC-display products. Genesis has offices in the U.S., Canada, India, Taiwan, South Korea, China, Japan and Singapore, and counts among its clients LG, Toshiba and Samsung. The digital TV market is estimated to be worth US\$1.5 billion.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 12/14/07)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
Japanese yen	¥/US\$	113.2600	1.4%	1.9%	-4.9%	-3.8%
Hong Kong dollar	HK\$/ US\$	7.7964	0.0%	0.1%	0.2%	0.5%
Chinese renmenbi	RMB/ US\$	7.3695	-0.4%	-0.4%	-5.6%	-8.7%
Singapore dollar	S\$/ US\$	1.4511	0.9%	0.2%	-5.6%	-12.7%
South Korean won	KRW/ US\$	929.7000	1.2%	1.0%	-0.03%	-8.0%
New Taiwan dollar	NT\$/ US\$	32.3600	0.2%	0.3%	-0.7%	-1.4%
Australian dollar	US\$/A\$	0.8600	-2.0%	-2.7%	9.1%	17.4%
New Zealand dollar	US\$/NZ\$	0.7649	-1.4%	0.1%	8.7%	11.9%
Philippine peso	PHP/ US\$	40.9000	-1.4%	-3.3%	-16.5%	-23.0%
Euro	US\$/€	1.4424	-1.6%	-1.4%	9.3%	21.7%
British pound	US\$/£	2.0148	-0.8%	-2.1%	2.9%	16.9%

Fixed Income Prices and Yields

Note	Currency	Current (on 12/14/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	105.38	4.72%	106.86	4.57%	107.44	4.54%
Japan 30-year	¥	102.00	2.42%	102.00	2.39%	103.91	2.28%
Hong Kong 10-year	HK\$	101.58	3.36%	103.38	3.15%	110.15	3.63%
China (06/16)	US\$	110.71	3.35%	110.71	3.32%	110.71	3.32%
Singapore 10-year	S\$	107.55	2.79%	107.10	2.83%	107.3	2.81%
South Korea 20-year	KRW	9,391.81	6.00%	9,413.90	5.87%	9,821.53	5.48%
Australia 15-year	A\$	92.19	6.32%	93.78	6.02%	94.13	5.97%
New Zealand (12/17)	NZ\$	96.65	6.54%	96.65	6.46%	97.06	6.40%
Philippines 20-year	PHP	102.68	8.51%	101.97	8.41%	100.91	8.52%
India 30-year	INR	100.93	8.41%	100.77	8.26%	99.78	8.35%
UK 30-year	£	95.75	5.57%	96.54	4.47%	97.63	4.40%
Germany 30-year	€	90.06	4.63%	90.97	4.57%	92.44	4.47%

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