

IRG WMR



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

Week of 6 January - 12 January, 2008

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Equity Market Indicators					
Index	Closing Level (1/11/2007)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
S&P 500	305.36	-0.6%	-3.2%	-1.8%	17.4%
Dow Jones Industrial Avg.	2,439.94	-2.6%	-8.8%	-6.5%	1.0%
Dow Jones Tech. Index	256.77	-3.6%	-10.1%	-7.7%	3.8%
Dow Jones Telecom. Index	14,110.79	-4.0%	-7.8%	-4.0%	-18.1%
NASDAQ Composite	68.03	-3.5%	-5.7%	-3.5%	-21.1%
The Street.com Net	703.39	-5.8%	-10.2%	-5.8%	-36.7%
Japan Nikkei 225	1,782.27	-4.4%	-6.1%	-3.8%	24.2%
JASDAQ	699.24	-2.8%	-0.7%	-1.1%	15.4%
Japan Mothers	8,029.31	-2.3%	-4.4%	-3.5%	2.6%
Korea KOSPI Composite	3,287.34	-4.4%	-4.6%	-5.0%	10.1%
Korea Kosdaq	26,867.01	-2.4%	-1.8%	-2.5%	34.6%
Taiwan Stock Exchange	1,279.20	-3.0%	-3.7%	-5.1%	4.5%
Singapore Strait Times	5,756.64	2.3%	4.3%	4.0%	104.5%
Hong Kong Hang Seng	1,635.35	3.1%	7.5%	5.6%	187.1%
Hong Kong GEM	367.94	-1.4%	0.5%	0.2%	182.8%
China Shanghai (A-Share)	721.85	-0.03%	1.7%	0.8%	66.6%
China Shenzhen (A-Share)	305.36	-0.6%	-3.2%	-1.8%	17.4%
China Shanghai (B-Share)	2,439.94	-2.6%	-8.8%	-6.5%	1.0%
China Shenzhen (B-Share)	256.77	-3.6%	-10.1%	-7.7%	3.8%

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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
1/11/08	LogMeIn [NASDAQ: LOGM]	Comp-Internet-Software	US\$86	Provides on-demand remote connectivity solutions to small and medium sized businesses, IT service providers and consumers	Lehman Brothers/ J.P. Morgan
1/11/08	Valor Computerized Systems [NASDAQ: VLOR]	Computers - Software	US\$81	Provider of productivity improvement software for the printed circuit board manufacturing supply chain	Thomas Weisel/ Oppenheimer & Co.
1/10/08	Intelius [NASDAQ: INTL]	Comp-Internet-Service	US\$144	Provides online background check and identity protection services using data compiled from public and commercial sources	Deutsche Bank/ Bear Stearns
1/9/08	ReneSola Ltd. [NYSE: SOL]	Electronic	US\$200	Chinese manufacturer of solar wafers	Credit Suisse/ Deutsche Bank/ Piper Jaffray/ CIBC World/ Lazard
1/8/08	ATA Inc. [NASDAQ:]	Computers-Education/ Entertainment	US\$100	Provider of computer-based testing services in China	Merrill Lynch/ Piper Jaffray
1/4/08	IPC Systems Holdings [NASDAQ: IPCA]	Telecomm-Equip	US\$400	Provider of integrated mission-critical communications solutions to financial services firms and emergency response organizations	N/A

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 1/11/07	% Change From Offer
N/A						

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 1/11/07	% Change From Offer
N/A						

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Weekly Highlights

International

Hardware

- **According to industry sources, even as LCD panel makers are aggressively pushing new screen sizes for LCD monitor panels, LCD monitor brand makers remain conservative over potential of such monitors in the market.** Reports coming from panel makers indicate that LCD panel makers will shortly begin to offer 15-inch widescreen, 15.6-inch widescreen, and 18.4-inch widescreen panels with 21.6-inch widescreen, 26-inch and 28-inch becoming available later in 2008. Competition in the LCD monitor panel market this year is expected to be extremely strong. While brand makers have not finished their evaluations of the market response to these new sizes, they are not planning to develop new products based on the new panels, adding that there is little difference between the new panel sizes and those already available. To meet strong demand from medium-size and notebook panels, LCD panel makers such as LG.Philips LCD and AU Optronics are shifting their capacity at fifth-generation (5G) plants from monitors to notebooks and medium-size products. Other panel makers are shifting monitor panel production to 6G plants, with those panel owning 6G lines, such as AUO, LG.Philips LCD and Chunghwa Picture Tubes (CPT), reportedly aiming to enter 18.4-inch monitor development. CPT and Samsung Electronics are said to be pushing 21.6-inch widescreen monitor panels. Chi Mei Optoelectronics has been reported to be eying the 15.6-inch widescreen segment.

Japan

Media, Entertainment and Gaming

- **Sony Corp. announced its decision to terminate the selling of the two original PlayStation 3 models in Japan and focus on the new slimmed down version amid fierce competition from rival Nintendo Co.** The company's game unit said it would end shipments of PlayStation 3s with 20- and 60-gigabyte hard disk drives this month in its domestic market. Sony said it is looking to the cheaper PS3 with a 40-GB hard disk drive that was introduced in Japan in November last year to use in competing with Nintendo's more affordable Wii video game console. The company also said it will "vigorously promote" the expansion of the PS3 platform by focusing on the 40GB hard disk drive model. Industry observers see this move as a response to the strong demand for the company's rival, Wii, which was outselling the PS3 in the domestic market in 2007.

Internet

- **Sony announced that it has entered into a partnership with Skype, the instant message and Internet voice platform owned by eBay to enable users of its latest slim PSP-2000 to make low-cost telephone calls and free calls around the world via the Internet.** Following a system software update scheduled in late January, PlayStation Portable users will be added to Skype's 260 million-member network. With a memory stick, a wireless Internet connection and a Skype-compatible audio input device, PSP players will be able to chat via instant messaging and make voice calls to other Skype users online for free and to call landlines and mobile phones anywhere in the world at low fees.

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- **Matsushita Electric Industrial announced that it is working with Google to develop televisions that display Internet content such as photos and videos.** According to Matsushita, the TVs will be launched in North America this spring. The appliance allows consumers to directly browse and access videos through YouTube, a video-sharing web site owned by Google, and view Picasa Web Albums, a free online photo-sharing service from Google. Matsushita said it has not decided a date yet for the global launch of the new product. In a separate development, Panasonic unveiled the world's largest plasma television at the opening of the world's biggest consumer electronics trade show. The Viera brand high-definition television called Life Screen measures 150 inches, or some 12.5 feet (381 centimeters) diagonally.

Mobile/Wireless

- **NTT DoCoMo announced that subscribers to its i-channel news service surpassed 15 million on January 3, 2008.** DoCoMo's i-channel is a push service that automatically sends scrolling-text headlines to a phone's standby screen. The headlines come from the i-channel site, which is arranged into five information channels: weather, news, sports & entertainment, horoscopes and recommended i-mode sites. By simply pushing the i-channel button on a compatible phone, the user can view detailed information about each headline.
- **Sony has announced the release of TransferJet, a new Close Proximity Wireless Transfer Technology enabling the high speed transfer of large data files between electronic devices such as mobile phones, digital cameras, digital video cameras, computers and TVs.** Using this technology, data can be sent at speeds of 560Mbps. Sony described TransferJet as an extremely simple wireless technology which eliminates the need for complex setup and operation. Sony said that by just touching a TV with a digital camera enables photos to be instantaneously displayed on the TV screen. The technology can also download music content by touching a mobile phone to a portable audio player. TransferJet can be used as a Universal Interface among a wide variety of consumer electronics devices.
- **According to Japan's Telecommunications Carriers Association, the number of cell phone subscribers surpassed 100 million for the first time at the end of December in Japan.** As of the end of 2007, new subscribers from KDDI Corp. (138,600), NTT DoCoMo Inc. (121,500), and Softbank Mobile Corp. (210,800) brought the total number of subscribers to 100.4 million. The report attributed the surge in subscription to the widening of the cell phone market to children and the elderly using the phones, and with the use nearing one person per handset. According to the British business research firm Informa Telecoms and Media, Brazil, China, India, Russia and the U.S. each topped 100 million subscribers at the end of November. Japan is the sixth nation to break the 100 million mark.

Ventures/Investments

- **NTT Data Corp. announced that it has transformed itelligence AG, a Germany-based systems integration and software development firm, into a subsidiary through a tender offer by its European unit.** The offer was carried out by NTT Data Europe GmbH in two stages, with the shares going beyond the targeted minimum of 12.3 million, which is equal to a 50 percent stake in the company. itelligence AG is a major player in the field of systems integration using SAP AG's business software and trades on the Frankfurt Stock Exchange. With the deal, NTT Data said it looks to strengthening its capacity for Japanese clients using SAP systems in Europe and North America. The German firm itelligence said it aims to widen its operations in East Asia and North America.

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Korea

Media, Entertainment and Gaming

- **Electronic Arts (EA), the world's leading video game company, announced its decision to establish an online game development base in South Korea.** The company said that it plans to set up a development studio within the year and create three or four new online games. EA disclosed that it aims to secure the services of South Korean game developers to build the foundation for future advance into the Asian market. EA places its investment at approximately 20 billion won (US\$21.3 million).
- **Industry observers see the advent of new technologies as diminishing the time between theatrical distribution and other media distribution.** In South Korea, the advent of new technologies is seen as slowly transforming television as a second-run movie theater. Hanaro Telecom has begun “screening” of recently released films, with some of the movies showing on TV still found in theaters. Before Internet TV, it took 6 to 12 months before movies were available on DVD and through terrestrial broadcast. In a separate development, CJ Cable Net launched Hello D, a digital cable TV service that shows new movies for 3,500 won each (US\$3.7). Industry analysts predict that the new Internet and digital cable TV services will replace movie theaters for many consumers.
- **StarCite, Inc., a provider of On Demand Global Meeting Solutions, announced that it has entered into an exclusive agreement with the Korea Tourism Organization (KTO) to launch a marketing campaign to promote meeting, incentive and group travel in South Korea.** The KTO said it has selected StarCite as its destination marketing and technology provider. The deal will see KTO's traditional destination marketing campaign combined with StarCite technology. StarCite will provide the campaign enhanced marketing on the StarCite Online Marketplace, which processes more than US\$7 billion in meeting opportunities a year. StarCite is based in Philadelphia and its equity holders include Internet Capital Group, TPG Growth, Norwest Venture Partners, and TL Ventures.

Hardware

- **Solicore announced that it has entered into a partnership with BlueChip ENP for the distribution of their ultra-thin Flexion batteries in South Korea.** Industry observers see this as an effort by a number of South Korean companies to comply with the mandate by the Korean FSA to increase the level of security for banking and financial transactions by adding multi-factor identity authentication applications to bankcards. Solicore is a provider of embedded power solutions, offering its Flexion product portfolio of advanced ultra-thin flexible lithium polymer batteries for powered cards, RFID and micro medical devices. BlueChip ENP is a South Korea-based electronic components distributor. Their product line features elements that enable South Korean customers to manufacture powered cards and RFID solutions with Microcrystal's ultra thin 32.768 kHz crystal plus RTC IC, Sipix Technology's black film e-paper and Solicore's thin film Flexion batteries.

Semiconductors

- **According to media sources, Seoul National University announced that that it will transfer a technology for mass-producing uniform nano-particles to Hanwha Chemical Corp. in a deal valued at 4.3 billion won (US\$4.5 million).** The sale, according to the university, is the highest ever made between an academic institution and a company. Developed by Prof. Hyeon Taeg-hwan of the SNU's School of Chemical Engineering and Institute of Chemical Processes, the process increases by a thousand-fold the production of para-magnetic iron oxide nano-particles, which measure one billionth of a meter, at one thousandth of the cost of the existing process. Para-magnetic iron oxide

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nano-particles are a multi-purpose substance that can be used for next-generation memory chips, displays, semiconductor processing abrasives, and cancer detection sensors. Before this technology, companies found it impossible to commercialize the particles because until recently there was no way to mass-produce them in a uniform size.

Telecommunications

- **Ikanos Communications, Inc., a developer and provider of Fiber Fast broadband solutions, announced that its Fusiv processor will be used in a major South Korean telecommunication service provider's first trial deployment of residential gateways.** Ikanos' Fusiv powers Mercury Corp's PHY-agnostic residential gateway, which is designed to be used for distributing triple play services in the home. According to reports, Mercury Corp. is the only gateway vendor to successfully pass the Korean telecommunication company's rigorous benchmark testing and reach field trial deployment. Mercury Corp., formerly Daewoo Telecom, is one of Korea's leading companies in IT and broadband access. Mercury's major Korean customers include KT, Hanaro-Telecom, and LG Dacom. Ikanos develops, produces and sells all equipment solutions needed for the Internet market.
- **InterDigital announced that it has extended the contract it has with South Korea's SK Telecom to expand seamless roaming services between different wireless technologies.** SK Telecom operates a nationwide UMTS network and has announced plans to expand its mobile network across the country, building facilities for WiBro services throughout major cities in South Korea. SK Telecom entered into an agreement with InterDigital in 2006 to develop a network interoperability solution for its UMTS and WiBro networks, based on InterDigital's leadership in next generation mobility standards. In 2007, InterDigital delivered to SK Telecom the system design and the software solution for mobile devices. Under the new collaboration, InterDigital will make further improvements to the existing handover capabilities, adding full two-way handover between WiBro and UMTS, as well as two-way handover between WiBro and cdma2000.

Information Technology

- **Omega Tender announced that it has entered into a contract with China's Ministry of Information to establish a joint venture firm in February.** Under the agreement, Omega Tender disclosed that it will provide its patented technologies for video networking systems to the Chinese government to set up video messaging and conferencing services between mobile phones and PCs. The ministry said it will use Omega Tender's technology in providing video short-messaging service (SMS) for mobile phones in partnership with China's major telecom companies including China Telecom. No financial details of the deal were released. The joint venture is named Guo Xin Wel-Tel Technology Co. Omega Tender specializes in teleconference and video meeting services using the Internet. The firm has expanded its operations to China and the Philippines as well, exporting its products and services and helping local governments set up e-government systems.

China

Internet

- **Google announced that Liu Yun, former CEO and president of SK China, will be its global vice president, responsible for the company's sales in the Greater China region.** Before this appointment, Liu has been working as CEO and president of SK China. After joining Google, he will be based in Beijing and responsible for the company's sales and channel services in mainland China,

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Hong Kong and Taiwan. Liu will take the duties from Zhou Shaoning, who resigned from Google as global vice president.

Media, Entertainment and Gaming

- **Tencent Holdings Limited announced its launch of Dungeon-Fighter, a game that observers define as representing a new trend for China's online games: fighting and action.** The game is privately called a massive multi-player online action cartoon game by the operator staff. The game comes originally from a console game, and marks the transition of the arcade machines in the 1970s onto the Internet.
- **VODone Limited, a tele-media service provider in China, announced that it has entered into two agreements to establish strategic partnerships with Tencent and Baidu, two popular multi-media and Internet services providers in China, in jointly running the promotion program of the upcoming nation-wide casting polling show for an 80-episode TV series Water Margin.** The series is planned to be produced in mid 2008. The first alliance is between VODone's business partner, VODone Telemedia Co., Ltd., who will provide Tencent official video clips and other contents relating to the show for broadcasting on the Internet. The other strategic agreement was formed between one of the company's subsidiary, VODone Information Engineering Co., Ltd., and Baidu Online Network Technology (Beijing) Co., Ltd., a wholly-owned subsidiary of Baidu.com, Inc. Baidu will act to jointly run the promotion campaign for the Water Margin casting polling show. The alliance will also see Baidu committing to launch a theme web page to document all relevant news and events about the show and the TV series, which the web page will link with the official web site of the Water Margin.
- **Giant Interactive Group announced that it has secured an exclusive license to operate Empire of Sports, a new sports-based MMORPG.** The license will be good until September 15, 2011. Empire of Sports owns the rights to the game and is a joint venture founded by Infront Sports & Media and F4, a European computer game development company.

Mobile/Wireless

- **Datang Telecom and Ericsson announced the setting up of Datang-Ericsson LTE Joint Research Center for LTE/TDD technology.** According to its CEO and president, Datang aims to form a closer strategic partnership with Ericsson to push forward the research and development of LTD and IMT-Advanced technology and promote the industrialization and marketing of TD-SCDMA. Datang also said that the strategy is looking to bringing the Chinese TD-SCDMA industry into the international market. Earlier, Datang Telecom signed a memorandum of understanding with Ericsson in Sweden on the cooperation on LTE and IMT-Advanced technology. The establishment of the joint research center is part of this agreement signed between them.
- **AsiaInfo Holdings announced that it has entered into an agreement with Shanghai Mobile to optimize its Business Operation Support System.** Under the terms of the contract, Asiainfo will upgrade the carrier's system to comply with China Mobile's BOSS 3.0 specifications and expand the system's capacity to accommodate future subscriber growth. The companies described the updated system as offering strengthened support for revenue management and value-added services.
- **China GrenTech Corporation Limited, a China-based wireless coverage solutions provider, announced that it has secured 2007's final wireless coverage integrated service project bid from Shandong Mobile, China Mobile's provincial subsidiary.** This marks the 17th project win of GrenTech from China Mobile at the provincial level in 2007. The win also brings GrenTech's

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wireless coverage business obtained from China Mobile to five additional provincial markets in 2007 compared to that of 2006. The project is expected to bring further growth in revenues to the company from China Mobile.

- **The shares of China Unicom Ltd. posted the biggest gain in six weeks in Hong Kong trading following rumors that the operator will sell its wireless networks to rivals.** An analyst reported that the company is preparing for the sale of its two networks at a three-day annual working meeting. For the last six months, Unicom shares have climbed 30 percent on speculation that China will break up the carrier by selling its networks to fixed-line operators China Telecom Corp. and China Netcom Group Corp. (Hong Kong) Ltd. to increase competition in the world's largest wireless market by users.
- **Dell announced the launch of its mobile phone schedule order service with China Construction Bank (CCC).** Under the agreement, CCC's credit card holders only need to dial Dell's service line to choose the goods they want and the schedules they need before they can settle an order. The agreement also sees Dell providing a 24-hour schedule payment service apart from the current three-schedule, six-schedule and 12-schedule payment. Dell defined the cooperation with CCC as having helped expand the credit card category and clientele for Dell's installment payment plans and set up a model for CCC to use in working with other Chinese domestic IT manufacturers.
- **Azalea Networks, a provider of wireless mesh broadband equipment and technology, announced that it was selected by CECT-Chinacomm as the primary equipment supplier for the Wireless Beijing project.** Phase one of this project, consisting of 800 to 1000 wireless mesh routers supplied and supported by Azalea, will provide wireless broadband access over 30 miles (50 kilometers) in Beijing's central business district, financial street and Olympics areas. When completed, Wireless Beijing is expected to boost the communication service level in and around Olympics venues and tourist areas alike. The Wireless Beijing project was organized by CECT-Chinacomm Communications Co. Ltd and is receiving support from the Beijing municipal government.

Software

- **China Public Security Technology, Inc., a provider of public security information technology and Geographic Information Systems (GIS) software services, announced that its Variable Interest Entity, Shenzhen iASPEC Software Engineering, has been awarded a contract by the Chongqing Municipality to construct and implement China Public Security's Police Geographic Information System (PGIS) platform.** The PGIS platform allows China Public Security to provide PGIS customers with several specialized GIS services, including specialized mapping, geographic positioning, messaging, automated police patrol area monitoring, patrol history tracking and work hour management. Through its exclusive contractual arrangement with Shenzhen iASPEC Software Engineering Company Limited (iASPEC), China Public Security has the licenses to 16 registered and copyrighted software applications in China.

Hardware

- **Dazhong, a Chinese home appliance retailer, disclosed its aim to generate 10 billion yuan (US\$1.3 billion) in sales and further strengthen its position in the Beijing market in 2008.** Dazhong was acquired by Gome in late 2007. Dazhong plans to open two new stores soon and denies the news that it plans to close some of its stores following the acquisition. Dazhong said it had also renewed contracts with about 20 stores whose leases would expire in the fourth quarter of 2007. Dazhong is currently introducing Gome's ERP system.

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Telecommunications

- **ZTE Corp. announced that it has signed a deal with Libya Telecom & Technology to build Africa's first commercial WiMAX network.** According to the company, the network is expected to be completed by the third quarter of 2008 and is seen as covering eight major cities in Libya. ZTE did not report the financial details of the deal. In a separate development, Huawei Technologies, ZTE's rival, announced that it has received an order for commercial WiMAX network in Bulgaria from operator TransTelecom.

Taiwan

Ventures/Investments

- **According to industry sources, Chunghwa Telecom Co., Taiwan's largest telephone company, is in talks to buy a stake in a Vietnamese carrier.** The move is seen as the company's response to a stagnant sales condition in the country. The company said its sales and profit will remain "about the same" this year. Chunghwa generates almost all its revenues from Taiwan. In 2007, the company said its sales went up 1.1 percent to NT\$186.3 billion (US\$5.7 billion). According to an analyst at CLSA, Vietnam is an attractive market because its population is bigger than Taiwan and the penetration has remained low. In separate developments, NTT DoCoMo and Singapore Telecommunications have also expressed their interest in making investments in Vietnam.

Hardware

- **Analog Devices Inc., an integrated circuit maker, announced that it has completed the US\$350 million sale of its cellular handset radio and baseband chipset operations to MediaTek Inc.** Under terms of the agreement, Taiwan-based MediaTek will get the assets related to Analog Device's Othello radio transceiver and SoftFone baseband chipset products, as well as certain cellular handset baseband support operations. In addition, the deal is expected to include a team of approximately 400 professionals and strategic intellectual property. Analog Devices expects to record a one-time gain from the transaction during the first quarter of its fiscal year 2008, which ends Feb. 2, 2008. Despite the sale, Analog Devices plans to continue to invest in the wireless handset market with focus on developing high-performance analog, micro-electro mechanical systems (MEMS), and programmable digital signal processing (DSP) products that enhance the audio, video, connectivity, and power efficiency capabilities in a range of wireless multimedia devices.
- **3M and Taiwan's Himax Technologies announced that they will work together to commercialize LCOS mobile projectors by combining their proprietary technologies to deliver a complete mobile projection solution to consumer electronics manufacturers.** Under the agreement, 3M developed a miniature LED projection engine that incorporates the single-panel color filter type LCOS module of Himax Display, a subsidiary of Himax. In addition, Himax provides a complete set of driving circuit and related electronics.

Semiconductors

- **In a filing with the Taiwan Stock Exchange, Advanced Semiconductor Engineering (ASE) announced its decision to acquire 100 percent of the shares of China-based Weihai Aimhigh Electronic through an investment of US\$7 million.** Weihai Aimhigh Electronic has a paid-in capital of US\$14.2 million. For the most recent fiscal year, Weihai Aimhigh Electronic posted net losses of 10.7 million yuan (US\$1.4 million).

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- **Taiwan-based Wafer Works disclosed that its subsidiary in China, Solargiga Energy Holdings, will kick off its roadshow next week for its initial public offering (IPO) in Hong Kong.** In its filing to the Taiwan Stock Exchange (TSE), Wafer Works did not reveal details of Solargiga's IPO plan. Media sources, however, indicate that Solargiga, a supplier of solar grade wafers, is seeking to raise US\$250 million when it starts public trading in Hong Kong in early February. Wafer Works holds about 30 percent of Solargiga shares, while Japan-based Sumitomo, a major distributor in Asia of polysilicon, holds a 3 percent stake.

Hong Kong

Telecommunications

- **Asia Netcom and Pacific Internet announced the launch of its operational merger and unveiled strategic plans for the joint entity at a media/analyst.** The entity will operate under its new name, Pacnet. With the two companies merged, Pacnet is expected to offer solutions for retail consumers, Fortune 500 companies, as well as service the wholesale carrier market. As part of the company's strategic plans to meet the recent surge of bandwidth demand in Asia, Pacnet said it has already embarked on its Next Generation Network upgrades which will increase network efficiency and reliability. The company said it also plans for a new Trans-Pacific cable; further expansion into key regional markets; and new partnerships to enable both organic and inorganic growth for the company. Pacnet owns and operates the region's leading pan-Asian submarine network and provides a comprehensive portfolio of city-to-city connectivity, data communications and IP-based solutions and services. The company has headquarters in Hong Kong and Singapore with local offices in all major Asian markets, the U.S. and Europe.

Media, Entertainment and Gaming

- **Network CN Inc., a Chinese media and travel network company, announced that it has secured a multi-million-dollar contract with the sole outdoor advertising buying agent for McDonald's Corporation.** Under the contract, Network CN will provide outdoor LED media in China for McDonald's from January 2008 to December 2009. Headquartered in Hong Kong, Network CN Inc. 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.
- **Hong Kong based Artificial Life, Inc., a leading provider of award-winning mobile 3G technology and applications, announced the worldwide launch of the Tokio Hotel – the official mobile game.** The game is based on the band's European tour in London, Paris, Amsterdam, Moscow and Berlin. Artificial Life also announced that the game goes live with selected telecom operators and mobile resellers in several European countries such as Germany, France, Holland, Austria, U.K., Croatia and is available for download and purchase in the company's m-commerce portal.

Singapore/Malaysia/Philippines/Indonesia

Media, Entertainment and Gaming

- **According to industry sources, the National Telecommunications Commission (NTC) of the Philippines has allowed broadcasting firms to extend pilot tests on their digital television,**

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whether through terrestrial or handheld service until March this year. The extension was done even as a group of cable TV providers protested. According to NTC, there is no final draft yet on the rules governing the service. The commission's technical working group will recommend to the commission en banc which technology standard will be adopted for digital TV-Terrestrial/Handheld (DT-T/H) service. The members of the group will also assess the socio-economic impact during the migration from analog to digital. Japanese and American experts in DTT technology recently flew into the country to conduct a demo broadcast of their respective technology platforms for the NTC as the America's Advanced Television Systems Committee and Japan's Integrated Services Digital Broadcast are among the two technology standards that are being considered by the NTC to jumpstart the transmission of digital television service in the country.

Mobile/Wireless

- **Singapore Technologies Engineering Ltd announced that ST Electronics (Info-Comm Systems) Pte. Ltd. (STEE-InfoComm) has completed its acquisition of 93.9 percent of Telematics Wireless Ltd (Telematics).** The deal has been valued at about S\$116 million (US\$80 million). The acquisition follows the receipt of regulatory approvals and fulfillment of other closing conditions. STEE-InfoComm is a subsidiary of ST Engineering's electronics arm, Singapore Technologies Electronics. Telematics is a key player in the high growth Machine-to-Machine (M2M) industry in which machine assets are connected through wireless info-communication infrastructures to allow wireless transmission of information for remote monitoring and control. Telematics is currently among the largest terrestrial and urban asset location system suppliers worldwide with customers from Argentina, Brazil, China, South Korea and the U.S.
- **Smart Communications Inc., a Philippine-based wireless service provider, and China Banking Corp. announced their entering into an agreement to provide Filipino contract workers in Saudi Arabia an affordable alternative means to send remittances.** Under the remittance agreement, China Bank will utilize Smart's mobile commerce platform, the Smart Services Hub System, which will facilitate the transfer of remittances sent through China Bank's partner bank, the National Commercial Bank (NCB). Also known as Alahli Bank, NCB is the largest bank in Saudi Arabia. The remittances will be electronically and securely loaded within seconds to a China Bank On-time Remittance-Smart Money card and may be withdrawn as cash in the Philippines using the card at any of the 5,000 ATMs in the country or through Smart Wireless Centers. Both the sender and recipient will be notified via a text message that the remittance transaction has been completed.

Telecommunications

- **Mabuhay Satellite Corp., a unit of Philippine Long Distance Telephone Co. (PLDT), announced that it has entered into an agreement with Viettel Corp., a telecom provider in Vietnam, to help augment the latter's network.** In a disclosure to the stock exchange, PLDT said the deal involves the supply of satellite bandwidth and services for the satellite-based portion of Vietnam's fast growing cellular network. Financial details of the deal were not disclosed. Mabuhay is the first Philippine entity to own and operate a communications satellite. The company was set up primarily to establish, own, operate and maintain an international satellite facility and other forms of telecommunications equipment capable of international and domestic communication links to telecommunications, broadcast and other public utility companies operating in the Philippines and other countries. It is also authorized to purchase, sell or lease international satellite facilities and capacity to telecommunications, broadcasting and other public utility corporations; and to manage, operate and maintain domestic and international satellite facilities of other companies.

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United States/Canada

Internet

- **Amazon.com announced that its digital music store will offer songs from Sony BMG Music Entertainment without copy-protection technology, or digital rights management (DRM).** Amazon stated that this move makes the company the first retailer to offer customers DRM-free songs from all four major music companies in the MP3 format. Songs in MP3 format can play on the widest range of digital music players including Apple Inc's iPod, Microsoft Corp's Zune and various mobile devices. Earlier this week, Sony BMG became the last of the four major music companies to start selling its digital songs without copy protection with the launch of its MusicPass service. Industry observers note that the music industry experienced a 15 percent decline in the U.S. album sales in 2007. Music companies have been discussing whether dropping DRM protection would bring about a rise in digital music sales.
- **Internap Network Services Corporation, a global provider of end-to-end Internet business solutions, announced the completion of its previously-announced plans to expand the company's global content delivery network (CDN) to Hong Kong and Tokyo by adding two new CDN Points of Presence (PoPs).** In the second quarter of 2007, Internap unveiled plans to expand its network infrastructure in Asia, Europe and the UK. The company set up a London CDN PoP in the third quarter of 2007 by expanding its existing facilities in London and Amsterdam. The present announcement complements the current Asia data center and IP offerings and is fully integrated with Internap's global data center and network infrastructure, allowing Internap to be the first company to provide bundled service offerings in Asia and as part of a global solution. Headquartered in Atlanta, in the U.S., Internap has a global platform of data centers, managed Internet services, a content delivery network (CDN) and content monetization services.

Media, Entertainment and Gaming

- **SilverBirch Studios, a member of the SilverBirch Inc. group of companies, and G4Box, announced strong sales for the Metin2 Online Multi-Player Game in its first three months of operations.** The companies also announced a partnership with Wallie, a leading international prepaid card company, a move that is expected to open previously untapped markets for the game. SilverBirch Studios and G4Box reported total game downloads exceeding 350,000, with the highest number of daily concurrent users having topped 1,150. SilverBirch Studios licensed Metin2 from South Korean creator Ymir Entertainment. SilverBirch Studios specializes in premium handheld and mobile games and focused on end-to-end game development with leading publishers for projects based on its own proprietary IP as well as that of its many partners. SilverBirch Studios Inc. is a publicly traded digital media company. G4Box is a wholly-owned subsidiary of 568 Network Inc., a developer, publisher and distributor of games that also partners with CryptoLogic Inc. in online casino and poker games for the Chinese market.
- **Outspark, a new publisher and operator of free online community games, announced that it has raised US\$11 million in Series B financing.** Leading the round is Tencent Holdings, the operator of China's top Internet portal and instant messaging service. Existing investors DCM and Altos Ventures also participated in the round. Outspark said it will use the additional funding for growth, expansion and the enhancement of current offerings. The company said it will also explore further cooperation with Tencent and other online game developers. Based in California and with a subsidiary office in Seoul, Outspark is Backed by Tencent, Altos Ventures and DCM. Tencent

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currently operates three principal lines of business: Internet value-added services, mobile and telecommunications value-added services and online advertising.

Software

- **According to media sources, Microsoft made a bid worth US\$1.2 billion on Norwegian enterprise search vendor, Fast Search and Transfer, or FAST.** The report said Microsoft looks to FAST to boost its Office product suite and compete with Google. FAST is already used by some of the world's largest enterprises and is known for its expertise in high-end search solutions. The media reports indicate that the deal has yet to be closed.

Semiconductors

- **Kilopass Technology announced that it has signed an agreement to collaborate with MagnaChip Semiconductor Ltd in developing Kilopass' Extra Permanent Memory, or XPM(TM), NVM one-time programmable IP.** Kilopass is a provider of semiconductor non-volatile memory (NVM) intellectual property (IP) and MagnaChip is a designer and manufacturer of analog and mixed-signal semiconductor products for high volume consumer applications.

Europe

Media, Entertainment and Gaming

- **Apple announced its decision to lower the prices it charges for music on its UK iTunes Store within six months, with the prices expected to match the standardized pricing on iTunes all over Europe.** The decision also marks the end of a European Commission antitrust probe into Apple's pricing practices. Before this move, consumers in the U.K. have been shelling out about 10 percent more for digital music downloads than consumers in other European nations. Apple said it must pay some record labels more to distribute their music in the UK than it pays them to distribute the same music elsewhere in Europe. The reports took note of the earlier events where the European Commission launched an antitrust probe into Apple's iTunes, its method of selling music over the Internet, and its agreements with record labels in April 2007. The Commission said the distribution agreements Apple has inked with record labels to sell their music on iTunes in European Union countries "contain territorial sales restrictions" that violate its competition rules.

Mobile/Wireless

- **WiQuest Communications, Inc., a fabless semiconductor company developing complete Ultrawideband (UWB) solutions, and Belkin International, Inc. announced that Belkin is the first to achieve European Union regulatory approval of its Wireless USB Hub.** Based on WiQuest's total reference design solutions, Belkin's Wireless USB Hub is now the first UWB product that can be legally sold across EU member countries. The report said that, adding to existing regulatory approvals for the U.S. and Japan, Belkin's WiQuest-based products now conform to EU Class 1 device regulations for UWB systems and will be used as the test bed for other solutions seeking regulatory approval, when they become available. Founded in California, Belkin is a privately held company and the recognized leader in connectivity solutions, in addition to accessories for MP3 devices, computers, and more. Belkin maintains headquarters in the U.S., with offices in Europe and in the Asia Pacific region. Its regional headquarters are in Hong Kong. WiQuest Communications, Inc. is the leading consumer solutions company designing and developing complete WiMedia-based ultra high speed, ultrawideband (UWB) platforms.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 1/11/07)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
Japanese yen	¥/US\$	108.8100	0.2%	-3.1%	-2.5%	-8.6%
Hong Kong dollar	HK\$/ US\$	7.8051	0.03%	0.03%	0.1%	0.4%
Chinese renmenbi	RMB/ US\$	7.2615	-0.2%	-0.6%	-0.6%	-7.0%
Singapore dollar	S\$/ US\$	1.4337	0.02%	-0.8%	-0.3%	-6.8%
South Korean won	KRW/ US\$	937.3000	-0.1%	0.2%	0.2%	0.8%
New Taiwan dollar	NT\$/ US\$	32.4400	0.1%	-0.2%	0.04%	-0.5%
Australian dollar	US\$/A\$	0.8908	2.1%	1.6%	1.7%	13.0%
New Zealand dollar	US\$/NZ\$	0.7833	2.2%	1.1%	2.1%	11.3%
Philippine peso	PHP/ US\$	40.4500	-0.7%	-1.8%	-1.8%	-17.5%
Euro	US\$/€	1.4779	0.3%	0.4%	1.3%	12.0%
British pound	US\$/£	1.9583	-0.8%	-1.9%	-1.4%	-0.03%

Fixed Income Prices and Yields

Note	Currency	Current (on 1/11/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	109.01	4.45%	110.40	4.37%	106.74	4.58%
Japan 30-year	¥	102.57	2.35%	103.47	2.30%	102.22	2.37%
Hong Kong 10-year	HK\$	104.08	3.06%	102.10	3.30%	101.57	3.36%
China (06/16)	US\$	110.71	3.22%	101.90	4.42%	110.71	3.23%
Singapore 10-year	S\$	111.05	2.33%	109.85	2.48%	108.45	2.65%
South Korea 20-year	KRW	9,766.00	5.61%	9,766.00	5.61%	9,766.00	5.61%
Australia 15-year	A\$	93.42	6.07%	93.62	6.04%	92.34	6.21%
New Zealand (12/17)	NZ\$	97.52	6.34%	97.30	6.37%	96.94	6.42%
Philippines 20-year	PHP	123.60	8.39%	102.83	8.40%	121.60	8.53%
India 30-year	INR	105.02	7.88%	102.71	8.08%	101.22	8.22%
UK 30-year	£	98.31	4.35%	99.59	4.27%	96.93	4.44%
Germany 30-year	€	91.48	4.53%	92.00	4.50%	90.60	4.59%

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