

IRG WMR



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

Week of 27 January - 2 February, 2008

For more information on IRG, please email communications@irg.biz or visit www.irg.biz.

Hong Kong (HQ)

No.1-2A, 17/F, The Centrium,
60 Wyndham Street, Central,
Hong Kong

Tel: (852) 2237 6000
Fax: (852) 2237 6100

Singapore

5 Rhu Cross, #04-16
Olivia Block, Singapore

437434 Singapore
Tel: (65) 6325 1191
Fax: (65) 6348 9583

Japan

JT Building 15Fl, 2-2-1
Toranomon, Minato-ku,

Tokyo, Japan 105-0001
Tel: (813) 5114 8395
Fax: (813) 5114 8396

Korea

37/F, Asem Tower, Samsung-
dong, 158-1, Kangnam-gu,
Seoul, Korea

Tel: (822) 6001 3840 ext. 3841
Fax: (822) 6001 3711

Philippines

2/F, State Condominium Bldg.,
186 Sacledo St. Legazpi Village,
Makati, Philippines

Tel: (632) 728 5307
Fax: (632) 728 5307

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Equity Market Indicators					
Index	Closing Level (2/1/2008)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
S&P 500	1,395.42	4.9%	4.9%	-3.6%	-1.6%
Dow Jones Industrial Avg.	12,743.19	4.4%	4.4%	-2.3%	2.2%
Dow Jones Tech. Index	407.84	2.3%	2.3%	-9.6%	-1.2%
Dow Jones Telecom. Index	292.54	3.8%	3.8%	-5.9%	12.5%
NASDAQ Composite	2,413.36	3.7%	3.7%	-7.5%	-0.1%
The Street.com Net	261.23	4.6%	4.6%	-6.1%	5.6%
Japan Nikkei 225	13,497.16	-1.0%	-1.0%	-8.1%	-21.6%
JASDAQ	62.46	0.7%	0.7%	-11.4%	-27.5%
Japan Mothers	637.45	-3.9%	-3.9%	-14.6%	-42.6%
Korea KOSPI Composite	1,634.53	-3.4%	-3.4%	-11.8%	13.9%
Korea Kosdaq	612.57	-6.3%	-6.3%	-13.4%	1.1%
Taiwan Stock Exchange	7,673.99	-0.8%	-0.8%	-7.8%	-1.9%
Singapore Straight Times	3,007.80	-4.8%	-4.8%	-13.1%	0.7%
Hong Kong Hang Seng	24,123.58	-4.0%	-4.0%	-12.5%	20.8%
Hong Kong GEM	1,001.56	-6.8%	-6.8%	-25.7%	-18.2%
China Shanghai (A-Share)	4,534.57	-9.3%	-9.3%	-18.0%	61.1%
China Shenzhen (A-Share)	1,339.46	-11.3%	-11.3%	-13.5%	135.2%
China Shanghai (B-Share)	295.81	-7.9%	-7.9%	-19.4%	127.3%
China Shenzhen (B-Share)	640.45	-2.6%	-2.6%	-10.6%	47.8%

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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	Co-Manager
1/28/08	MercadoLibre Inc. [NASDAQ: MELI]	Internet	US\$292	Argentine online trading platform	Merrill Lynch/ JPMorgan	N/A
1/28/08	BCD Semiconductor Manufacturing [NASDAQ: BCDS]	Semiconductor	US\$76	Analog integrated device manufacturer	Deutsche Bank/ Needham & Co.	N/A
1/28/08	Current Media [NASDAQ: CRTM]	Media	US\$100	Internet and cable television company	JPMorgan/ Lehman Bros.	N/A

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/1/08	% Change From Offer
1/29/08	ATA Inc. [NASDAQ: ATAI]	Provider of computer-based testing services in China	US\$100	US\$9.50	US\$9.51	0.11%
1/29/08	Renesola [NASDAQ: SOL]	Chinese manufacturer of solar wafers	US\$200	US\$13.00	US\$12.90	-0.77%

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 2/1/08	% 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

Telecommunications

- **According to Standard & Poor's (S&P), Chunghwa Telecom Co and some of its Asian rivals are expected to see opportunities for mergers and acquisitions (M&A) soon in the Asia-Pacific region.** The report, however, cautioned the increasing risks faced by regional telecom operators, with telecom operators continue to face policy challenges. The report noted that in the medium term, telecom operators could see their credit weaken moderately because of shareholder pressure on operating profitability and dividend payouts.

Hardware

- **According to an IDC report, around 109 million notebook PCs were shipped worldwide in 2007. The figure represents a 33 percent growth compared to 2006.** Shipments of desktops posted a 4 percent growth on year to 151 million. Hewlett-Packard (HP) took the lead with worldwide shipments of 23.3 million units in 2007, with Acer and Dell coming in as No. 2 and No. 3 with 15.4 million units 15.2 million units respectively.

Japan

Mobile/Wireless

- **Parrot, a provider of wireless peripherals around the mobile phone, announced that it has opened a Tokyo liaison office dedicated to supporting its OEM customers in Japan.** The company provides automotive connectivity solutions including Bluetooth telephony, echo-cancellation and noise reduction, USB connectivity and voice recognition to major audio equipment manufacturers. The company's Tokyo office will provide local technical support in order to facilitate the integration of Parrot technology into new audio platforms being developed in Japan.
- **NTT DoCoMo said it has agreed to sell its entire stake in Telargo Inc, a provider of location services in the U.S., to ULTRA Doo of Slovenia.** Under the deal, ULTRA Doo, a major shareholder of Telargo, will acquire NTT DoCoMo's 49 percent stake in Telargo, making it a wholly-owned subsidiary of ULTRA. In 2005, NTT DoCoMo bought the stake in Telargo to expand its business overseas. The company, however, failed to pursue the expansion plan, which is now the reason for selling its stake.

Internet

- **According to media sources, ADSL broadband service provider eAccess is set to form a capital and business alliance with USEN Corp, a Japan-based fiber-optic communications provider.** The two sources said they look to the partnership as enabling them to compete more effectively with Japan's leading broadband operator NTT. Under the proposed deal, eAccess would advise customers wishing to switch away from ADSL to fiber-optic services to use USEN, the fourth largest player in that segment. Usen holds a market share of 6.1 percent. If the transaction is consummated, eAccess would become USEN's third biggest shareholder, behind the investment fund Unison Capital and broadcast group USEN, both of which hold nearly 40 percent of USEN Corp's shares.

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Software

- **Square Enix Co., Japan's second- largest game software publisher, plans to acquire companies domestically or in countries including India and China to accelerate profit growth.** According to its president, acquisitions and alliance will be the “cornerstone of Square Enix’s growth strategy this year and the next.” The last acquisition was made by the company in 2005, when it purchased Taito Corp., a Japanese arcade game maker. The company forecast a 3.3 percent rise in its net income to 12 billion yen (US\$113 million) in the year ending March 31, and predicted a 0.6 percent decline in its sales to 162.5 billion yen (US\$1.5 billion). It looks to an operating profit in the arcade business as hitting 350 billion yen (US\$3.2 billion) this year, compared with a loss of 351 million yen (US\$3.3 million) a year earlier. Its arcade division is expected to account for half of revenue and 17 percent of the expected 21 billion yen (US\$197.4 million) in operating profit this fiscal year. Game software, the company's biggest revenue earner, is expected to contribute 27 percent of sales and 43 percent of profit.

Hardware

- **Sharp Corp. reported a 5.5 percent rise in its quarterly operating profit to a record high of 51.9 billion yen (US\$487 million) from 49.2 billion yen (US\$461.8 million) a year earlier.** The company posted a 3.8 percent rise in its net profit to 29.6 billion yen (US\$277.8 million) on sales of 921.2 billion yen (US\$8.6 billion). For the full year to March, the company kept its outlook unchanged, topping market expectations. Sharp also forecast an operating profit of 190 billion yen (US\$1.8 billion), up from 186.5 billion yen (US\$1.7 billion a year earlier. At present, Sharp is building the world's largest LCD panel factory in western Japan to boost efficiency and counter weather falling prices.

Telecommunications

- **KDDI Corp. posted a 12.4 percent rise in its net profit for the nine months to December to 214.8 billion yen (US\$2 billion) from the same period last year.** Its operating profit went up 17.4 percent to 371 billion yen (US\$3.4 billion). The company said it has registered almost 1.9 million new customers in the nine months to December. KDD reported its revenue posting a 7.2 percent growth to 2.6 trillion yen (US\$24.4 billion). The company reported a 1.2 million addition in the number of subscribers to its mainstay au cellphone service over the nine-month period to hit 29.2 million at the end of December. The company is forecasting that its au subscriber base will reach 30 million by the end of March. KDDI said it now expected revenue of 3.5 trillion yen (US\$3.5 trillion. It also changed its forecast of operating profit to 414 billion yen (US\$3.8 billion) for the year to March from 390 billion yen (US\$3.6 billion).

Ventures/Investments

- **According to industry sources, Netyear Group Corp., a Japanese IT marketing service company, has received approval to list on the Tokyo Stock Exchange's Mothers.** The company will offer 10,728 shares to the public in its initial public offering. Of those, 6,000 are newly issued shares and 4,728 are shares currently held in private. The company said it is considering publicly offering an additional 1,600 shares in the event of exceptional demand. The company expects to generate 168 million yen (US\$1.5 million) from the offering to use the fund to build new facilities. The company will offer all the shares through the book-building method. For the current fiscal year through March 2008, the company forecasts a net profit of 329 million yen (US\$3 million) and revenue of 3.3 billion yen (US\$31 million). Last fiscal year, the company posted a net profit of 275 million yen (US\$2.5 million) and revenue of 2.5 billion yen (US\$23.4 million). Daiwa Securities SMBC is the lead underwriter.

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- **NTT announced its plans to set up an investment fund, NTT Investment Partners Fund LP, that will target start-ups both inside and outside Japan.** The fund will start in March. NTT said it aims to use 99.8 per cent of the 10 billion yen (US\$93.8 million) funding, with two other firms remaining unidentified as each contributing 0.1 per cent. Industry observers note that this is NTT's first foray into investing in start-ups. The fund will take stakes in privately-held firms with cutting-edge technologies and expertise in the information and communications fields. The announcement also said that, in addition to generating investment returns, the investment is seen as serving as a conduit for expanding the NTT group's business operations and contributing to innovation.

Korea

Internet

- **Google Inc. announced the overhauling of its Korean-language search engine in a bid to broaden its appeal in South Korea.** According to the managing director of Google Korea, Google has adopted universal search for its Korean-language services. Universal search combines search-engine results from a broader array of potential sources as well as data created by the search engine itself.
- **NHN, which operates the nation's dominant portal and search engine service Naver, said it has started offering its TV-tailored Web search services for KT, the largest telephone and broadband Internet company.** Under the offering, the company said it will not ask for profit sharing from KT in the near future. NHN also described its partnership with KT as a way of exploring the uncharted territory of Internet-TV convergence. Compared to NHN, Daum is preparing to set up a joint venture with Microsoft and Celrun next month with an aim to launch its own IPTV brand, tentatively named "Open TV." The joint venture plans to start free service this summer and paid TV service around December. The company said it looks forward to exporting its vast database abroad with help from the Microsoft's global network.

Mobile/Wireless

- **Orascom Telecom announced that it has secured the right to provide 3G wireless services to North Korea through its subsidiary CHEO Technology, a joint venture 75 percent owned by Orascom and 25 percent owned by North Korea's state-run Korea Post and Telecommunications.** According to Orascom, the license was valid for 25 years with an exclusive period of four years. The Egypt-based firm said it plans to invest up to US\$400 million in network infrastructure and license fees over the first three years with the aim of rapidly deploying a network and offer mobile phone services to North Koreans. Analysts were quoted talking about the profitability of the venture in North Korea. According to media sources, North Korea launched a mobile phone service in November 2002 but banned the service for ordinary citizens a year and a half later.

Hardware

- **MoCA and Korea Digital Cable Laboratories (KLabs) announced their entering into a formal liaison where both organizations will share information assuring ongoing compatibility within South Korea's cable environment.** Under the agreement, both MoCA and KLabs will continue to develop specifications independently, and share published and draft specifications as well as proposed documentation. This information sharing arrangement is expected to ensure seamless integration of and interoperability with each other's technology as it is implemented by service providers. KLabs is a

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non-profit research institute set up by South Korea's cable industry for the development and advancement of digital cable. It is the leading authority on South Korea's cable standardization and certification. The Multimedia over Coax Alliance (MoCA) is an open initiative promoting distribution of digital video and entertainment through existing coaxial cable in the home.

Telecommunications

- **SK Telecom reported a 76 percent decline in its quarterly net profit with the company attributing the drop to marketing costs.** The report also mentioned the effect of the losses incurred by SK Telecom's affiliates such as US wireless joint venture Helio and mobile TV company TU Media. SK posted 66 billion won (US\$65 million) in net profit in the quarter to December 31, which was below the 259.6 billion won (US\$258 million) profit forecast by Reuters Estimates and down from the 279.3 billion won (US\$279 million) profit it has posted a year earlier. SK Telecom's revenue went up 6 percent to 2.9 trillion won (US\$2.7 billion). At the end of December, SK registered 8.4 percent rise in its subscribers to 21.9 million. Media sources indicated that the company holds 50.5 percent of the mobile market.
- **Hanarotelecom reported a 8.4 percent revenue growth in its HanaTV service, voice services and corporate services.** Hanaro posted total revenues of 1.8 trillion won (US\$1.8 billion), compared to the 1.7 trillion won (US\$1.7 billion) in 2006. The company said its operating profit surged 162 percent to 80.9 billion won (US\$85.1 million). From a net loss of 86 billion won (US\$90.4 million) in 2006, Hanaro said it has bounced back with a net income of 7.2 billion won (US\$7.5 million) in 2007.

China

Internet

- **China Finance Online (CFO) announced that it has formed an alliance with China Telecom to deliver a variety of financial information services to more than 40 million broadband users across China Telecom's Internet platform and offline distribution network.** Under the agreement, CFO and China Telecom will establish and maintain a co-branded financial channel on China Telecom's broadband portal Vnet, which also serves as the payment platform for China Telecom's broadband subscribers for various Internet value-added services. China Telecom will distribute CFO's products through the Vnet portal as well as its over 10 thousand business halls. The two companies said they will share the revenues according to the agreed-upon scheme under the agreement.

Mobile/Wireless

- **ROK Entertainment Group, a British firm, announced that through its China subsidiary, ROK New Net, it has signed a cooperation agreement with Beijing Fone Net Information & Technology Co., Ltd. to provide mobile TV content to China Mobile customers.** Under the agreement, ROK will provide video content to Beijing Fone Net, who is responsible for operating and implementing China Radio International's (CRI) mobile TV service. CRI is one of the nationwide mobile TV license holders in China and provides a streaming media mobile TV service to China Mobile customers.
- **Linktone, a Chinese wireless value-added services company, announced that its shareholders have approved a plan to accept investment from Indonesia's PT Media Nusantara Citra Tbk.** The company's CEO stated that the deal will allow the two companies to undertake advertising and

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WVAS cross-selling initiatives in China as well as in other Asian countries. Earlier, Linkstone announced that the Indonesian firm will launch a partial tender offer in the U.S. The tender offer will be for up to 6 million of Linkstone's outstanding American Depositary Shares.

- **Kyocera disclosed its decision to withdraw from the Chinese mobile market, a move that follows similar decision from Japanese mobile phone manufacturers including Panasonic, Sony, Mitsubishi, Toshiba and NEC.** With the decision, Kyocera will terminate the agreement with its Chinese partner China Zhenhua Technology with whom it set up a joint venture in China and transfer its stake in the venture to China Zhenhua Technology and a Hong Kong company, free of charge, in March. The decision will also see Kyocera giving up its creditor's right valued at 57.6 million yuan (US\$8 million). In 2001, the Japanese company set up Kyocera-Zhenhua Communications Equipment Company with China Zhenhua in which it has invested more than 300 million yuan (US\$41.7 million). After the withdrawal, Kyocera said it will concentrate on the North America Market.
- **BroadWebAsia (BWA) disclosed that it has presented a formal proposal for investment in Linktone.** Under the proposal, BroadWebAsia's Brad Greenspan, the founder of MySpace.com, BWA or its affiliates will acquire not less than 60 percent of Linktone's outstanding shares using a combination of a tender offer for approximately 25 percent of the total shares outstanding of Linktone. The agreement also carries with it a commitment to purchase US\$10 million of ADSs on the open market. The announcement said that BWA has proposed to contribute certain BWA media assets and strategic partnership arrangements to Linktone that it believes will diversify Linktone's current business, boost revenue streams and generate incremental cash flow. In the proposal, Brad Greenspan will serve as chairman of Linktone and BWA will elect four additional directors to the Linktone Board proposed by BWA.
- **TD Tech Ltd, a joint venture between Huawei Technologies and Nokia Siemens Networks (NSN), announced its decision to offload its marketing, sales and service units to focus on research and development.** The venture is working on the Chinese 3G wireless technology TD-SCDMA. Under the agreement, TD Tech will develop radio access products, which Huawei and NSN will integrate into their TD-SCDMA solutions. The report indicated that the two parent companies will take over marketing, sales and services previously done by TD Tech, a 51-49 joint venture formed by Siemens Communications Group and Huawei in 2004.

Telecommunications

- **There are rumors in media that indicate China Telecom is undertaking efforts in promoting its C Net program.** The rumor said that China Telecom is in frequent talks with the top management of China Unicom while it is also busy recruiting talent of CDMA network. A source from China Telecom disclosed that since last year, China Telecom has been focusing its eyes on the acquisition of China Unicom's C network. According to industry observers, China Telecom would soon announce the acquisition of China Unicom's C network in the middle of March, and complete the fund settlement of C network between March and August.
- **China Netcom (Hong Kong) Operations Limited, an affiliate of China Netcom, revealed its plans to launch an enterprise global network optimization solution in Hong Kong.** According to its CEO, the solution will include network upgrading, Internet high-speed access, one-stop ICT outsourcing, software development, IDC and material backup. The company expects these services to contribute more to the company's profit in 2009.

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Software

- **Cloakware, a U.S.-based security solutions, announced its entering into a partnership with China-based MobileTech Limited to provide data safety services.** Under the partnership, the security solutions firm will provide its Cloakware Server Password Manager (CSPM) to markets in the Greater China region, which allows enterprises to boost the protection of critical data, and complete identity management and compliance programs. CSPM delivers automated, cost-effective and auditable management of privileged and application-to-application passwords. This enables organizations to comply with the standards and legislation which require all passwords be updated on a regular basis. Earlier, Cloakware was acquired by Irdeto, which now enables the company to better develop and support this product globally.

Semiconductors

- **WJ Communications (WJCI), a supplier of radio frequency products and solutions for the wireless infrastructure and radio frequency identification reader markets, announced it will start the shipment of TD-SCDMA Multi Chip Module chipsets to China in the first quarter of 2008.** The company said additional deliveries are anticipated later in 2008 to support China's TD-SCDMA roll-out. Time Division-Synchronous Code Division Multiple Access is a 3G mobile telecommunications standard used in China.

Taiwan

Media, Entertainment and Gaming

- **Electronic Arts Inc., the world's leading developer and publisher of interactive entertainment and GigaMedia Ltd, a provider of online entertainment software and services, announced that the companies have entered into an agreement to launch and operate Warhammer: Age of Reckoning (WAR) in Taiwan, Hong Kong and Macau.** Under the agreement, GigaMedia will provide marketing, community management, technical support, and customer service functions.
- **Gamania Digital Entertainment, an operator/developer of online games in Taiwan, said its gaming operation in Japan posted a loss of NT\$20 million (US\$624,000) on revenues of NT\$225 million (US\$7 million) in 2007.** According to its CEO, Gamania may see its operation bring in profits by 2008 with Gamania becoming the tenth largest operator in Japan. In Taiwan, Gamania plans to launch some 10-15 new online games in 2008, with three self-developed games and the rest to be introduced from Japan and China.

Mobile/Wireless

- **According to the company's chairman, Compal Communications expects handset shipments to post a growth of 20-25 percent sequentially to 60 million units in 2008.** Market sources indicated that handset shipments registered a decline to 47.8 million in 2007 due to the diminishing in performance of Motorola, the major customer of the Taiwan company. Following an organizational reshuffle at its major customer, Compal's operation are expected to gradually rebound in the second half of the year with average selling prices (ASPs) to increase between the second and the third quarters. With orders not coming in yet, Compal said it has not started operations at its new plant in Ningbo. Compal said it has also formed a business group to work on 3G and GPS smartphones.
- **Chunghwa Telecom (CHT) announced its decision to invest NT\$70 million (US\$2.1 million) for a 33.4 percent stake in Kingwaytek Technology to obtain electronic maps (e-maps) for use in its GPS location-based service (LBS).** Kingwaytek has an initial paid-in capital of NT\$30 million

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(US\$934,521). The announcement said CHT's investment is equivalent to a stock purchase price of about NT\$70 per share. Under the agreement, Kingway Technology, a provider of electronic maps covering Taiwan, will hold the remaining stake of 66.6 percent.

Hardware

- **Acer disclosed that it has spent 31 million euros (US\$46 million) in January to acquire a 75 percent stake in PB Holding, the mother company of Packard Bell.** The company said this move officially completes the company's acquisition plan. Packard Bell is No. three in the European PC consumer market and belongs to the top three in the region's main markets, including the UK, France, Spain, Italy, the Netherlands and Belgium. Packard Bell is also expanding into emerging markets, entering key countries in Eastern Europe, the Middle East, Africa and Latin America through a series of strategic partnerships with major local players.
- **According to industry sources, BenQ is planning to outsource production of its Joybook series notebook to Pegatron Technology.** Pegatron is a recent spin-off from Asustek Computer. Under the alliance, the companies will be producing 13.3- and 14.1-inch notebook PCs set for March shipment. BenQ's Joybook notebook is reportedly doing well in countries like Thailand, Indonesia, and Poland, with China identified as an important market for BenQ's future growth.

Semiconductors

- **Mio Technology announced the forming of a partnership with Qualcomm to develop connected PND products.** According to Mio, these new devices will leverage Qualcomm's QST1100 chipset to deliver industry-leading GPS performance and cellular connectivity for real-time traffic updates and voice call capabilities. Qualcomm's QST1100 chipset is the first solution to integrate application processing, GPS and cellular connectivity into a single chip for ubiquitous connectivity and sleeker form-factors.

Hong Kong

Mobile/Wireless

- **According to the latest statistical information from Hong Kong's Office of the Telecommunications Authority, most wireless communication services have shown a remarkable growth during the year in the territory.** These services include mobile, short messaging and public Wi-Fi services. From December 2006 to November 2007, the volume of short messages that Hong Kong people sent went up 26 percent to a record high of 3.2 billion. In October 2007, the number of mobile subscribers, including registered post-paid customers and pre-paid customers, went beyond a new mark of over 10 million for the first time. The number went on to climb to another record high of 10.6 million in November 2007, which translated to a penetration rate of 152 percent. The results represent one of the highest penetration rates in the world, well exceeding many advanced economies, such as the UK, the U.S., Japan and South Korea.
- **According to the Director-General of Telecommunications of Hong Kong, the new CDMA 2000-standard third- generation mobile service will be launched in November in Hong Kong.** The official also reported that the auction for spectrum in the 2.3GHz and 2.5GHz bands for the provision of Broadband Wireless Access services is scheduled for the fourth quarter. The official spoke of other important regulatory initiatives this year, like the creation of a Unified Carrier License as the common licensing vehicle for the development of fixed-mobile convergence.

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- **Lenovo Group announced its move to offload its handset business for US\$100 million to a group of private equity firms in a bid to enhance profitability.** In a statement to the Hong Kong stock exchange, the PC maker said it will sell its loss-making mobile-phone business to focus on its core PC business. Lenovo's mobile-phone business registered a decline of 31 percent in the past quarter. Honey Capital Fund, a private equity firm partly owned by Legend Holdings, the parent of Lenovo Group, will acquire 60 percent of Lenovo's handset arm through its subsidiaries Ample Growth and Jade Ahead, while private companies LEV Ventures and Super Pioneer will take the rest. In its third-quarter report, Lenovo's net profit climbed to US\$172.6 million from US\$57 million in the year-ago period and US\$105.3 million from the previous quarter. According to Lenovo, its third-quarter PC shipments registered a 22 percent growth compared with the previous year.

Singapore/Malaysia/Philippines/Indonesia

Mobile/Wireless

- **Nokia Siemens Networks and Indonesian media and telecommunications group Global Mediacom announced their entering into an agreement to jointly launch a commercial broadcast mobile TV service based on DVB-H technology.** The service is to be launched in Indonesia in the first half of 2008. Under the agreement, Nokia Siemens Networks Indonesia is responsible for the systems and services, which will include consulting, implementation of the entire broadcasting service and network, systems integration and the relevant business applications. Global Mediacom said it is in talks with Nokia for it to provide DVB-H integrated devices such as the Nokia N77. It is also looking to working with Nokia Siemens Networks on joint marketing activities to ensure service adoption by Indonesian consumers.
- **The Western Union Company, Globe Telecom and its wholly owned subsidiary, G-Xchange, Inc., entered into an agreement to work together to introduce a cross-border mobile money transfer service supporting low-principal, high-frequency remittances.** Under the agreement, Globe Telecom will offer its GCASH service with an "electronic wallet" feature that allows users to send and receive cash and make payments, including bill payments, donations and online purchases via texting. Globe Telecom had more than 19 million subscribers as of the end of September 2007 and close to half a million active GCASH users.

Internet

- **According to the Singapore High Court, those who download copyrighted online material cannot claim a right to privacy.** With the statement, the court ordered Internet service provider Pacific Internet (PacNet) to turn in the names of those who allegedly downloaded Japanese animated cartoons to the six studios behind these works. The studios are: Sunrise Inc, Kadokawa Pictures Inc, TV Tokyo Medianet Inc, GDH K.K., Yomiuri Telecasting and Showgate Inc. The court said that the studios being copyright owners of anime works have a right to get hold of these names and even sue these individuals for infringing their copyright. The ruling was made at the same time the court rejected the Singapore-based anime distributor Odex's appeal for PacNet to release the name list to it. The judge clarified that Odex was not the rightful party to petition for the names. Odex appealed against the court decision, and subsequently asked the judge to allow it to add six Japanese anime studios as co-plaintiffs, which the court allowed.
- **According to industry sources, Malaysian broadband provider Packet One Networks (P1), a subsidiary of Green Packet, has chosen Alcatel-Lucent to deploy and manage one of the world's first large WiMAX networks in the 2.3 GHz spectrum band.** The contract is estimated to

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be worth US\$71 million for Phase 1 of deployment. Under the deal, Alcatel-Lucent will provide P1 with base stations, wireless access controllers and an operation and maintenance center. Alcatel-Lucent will also design, supply, build, install, test, commission, integrate, optimize and maintain P1's WiMAX network. Roll-out of the project has already started in Klang Valley, Penang and Johor and will rapidly cover West Malaysia. P1 intends to provide WiMAX coverage for 25 percent of the Malaysia population, which corresponds to some 6.5 million people, by the end of 2008, and 40 percent of the population in Malaysia by the end of 2010.

- **Philippine's local Internet search engine Yehey! Corp. is reportedly getting ready to list its shares through an introduction.** The process of listing by way of introduction involves the direct listing and trading of company stocks without going through an IPO. According to industry sources, Yehey's parent iVantage Corp. has already received a certificate from the country's Bureau of Internal Revenue, which would allow the transfer of 84.7 million shares of Yehey! to stockholders as of May 2007.

Information Technology

- **According to Access Markets International (AMI) Partners, Inc, small and medium businesses (SMBs, or companies with up to 999 employees) from Indonesia are set to spend US\$7.2 billion on information communications technology (ICT) this year.** The figure represents a 11.2 percent rise over 2007, a growth that is ascribed to a boom in the overall economy and a rise in the number of SBs (small businesses). The report said high growth possibilities are also making SMBs consider increasing their branch locations. AMI's survey found that more than 25 percent of SMBs are planning to add 1-2 branches this year, which makes connectivity between branch offices and remote locations a top priority for IT decision makers in 2008 among Indonesian SMBs.

Telecommunications

- **PT Telekomunikasi Indonesia Internasional (TII), a subsidiary of state telecommunications operator PT Telkom Tbk, announced that it has acquired a 6.8 percent stake in Scicom Technologies Pvt Ltd through the Kuala Lumpur Stock Exchange.** The company described the acquisition as in line with Telkom's goal of developing "unorganic businesses and strengthening corporate businesses." Malaysia-based Scicom is a provider of outsourcing services in product development, software support and maintenance, project services and technology consulting for scientific, engineering and enterprise data integration application areas.

United States/Canada

Internet

- **According to media sources, Microsoft has made an unsolicited bid of US\$44.6 billion for Yahoo!, a move that is seen as an attempt by the software giant to overtake its rival Google.** The proposal stipulates that shareholders of Yahoo! would receive US\$31 per share in cash or Microsoft stock, offering a premium of 62 percent on Yahoo's share price on January 31. The announcement said Microsoft looks to the merger as raising at least US\$1 billion in synergies by way of economies of scale, combined technology and product development, and operating efficiencies. Microsoft said it expects to secure a regulatory approval, Microsoft also indicated that it would work to retain Yahoo! engineers, management and employees. Details of the proposal were already sent to Yahoo's board of directors, according to Microsoft.

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- **Amazon.com announced its reaching a deal to acquire digital audio books provider Audible Inc for about US\$300 million.** The move is seen as part of the company's effort to build a digital music store to compete with Apple Inc's iTunes. According to an analyst, Apple might present a counter-bid for Audible. Audible has over 80,000 programs, a feature that is expected to complement Amazon's MP3 digital music store of more than 3.3 million songs. Under the agreement, Amazon would start a cash tender offer to purchase all of the outstanding shares of Audible, and would assume Audible's outstanding stock-based awards. No comments were received from Apple regarding the deal.

Mobile/Wireless

- **According to industry sources, Motorola is considering "strategic alternatives" for its mobile phone business.** The company was quoted as saying that it may spin off the loss-making handset business from its other operations. Carl Icahn, who holds a stake in Motorola, has reportedly already called for a break-up of the company in order to better see the value of its parts. Motorola said it is exploring for ways to speed up the recovery of its mobile devices unit even as it aims to work on maintaining its pool of talents in the unit as well as attracting new ones.

Media, Entertainment and Gaming

- **OG Planet, a company that develops MMORPG announced that it has rolled out a beta test of its new Cabal Online title in the U.S.** The new title, which is already available in Asia and Europe, will begin accepting players soon. OG Planet said it expects the official launch on February 21st. OG Planet is funded by RealNetworks, and is focused on bringing popular South Korean online games into the U.S. market. OG Planet has also received funding from RealNetworks/Accel partners, GameSpy, BellRock Media and RealArcade/SmileBox.

Europe

Mobile/Wireless

- **Vodafone Group PLC's reported a 15.8 percent rise in its third quarter revenue to 9.1 billion pounds (US\$18.2 billion), with the company ascribing the rise to its acquisitions in India and Turkey.** The world's largest mobile phone company by sale also reported that its acquisitions and disposals contributed 6.6 percentage points of revenue growth.
- **Wavecom S.A. announced that it signed a definitive agreement to acquire Anyware Technologies, a machine-to-machine (M2M) client-server software solutions provider located in Toulouse, France.** Wavecom is a worldwide leader in embedded industrial wireless communication solutions for automotive, machine-to-machine and mobile professional applications. Founded in 1993 and headquartered in Paris, Wavecom has subsidiaries in Hong Kong, U.S. and UK. Wavecom is publicly traded on Euronext Paris and on the NASDAQ Exchange in the U.S. Established in 2000, Anyware Technologies is a French software and solutions provider expert in embedded software, Web technologies and IT systems.

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Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 2/1/08)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2008	% Change 1/1/2007
Japanese yen	¥/US\$	106.5100	-0.2%	-0.2%	-4.6%	-10.5%
Hong Kong dollar	HK\$/ US\$	7.7949	-0.2%	-0.2%	-0.1%	0.2%
Chinese renmenbi	RMB/ US\$	7.1815	-0.4%	-0.4%	-1.7%	-8.0%
Singapore dollar	S\$/ US\$	1.4135	-0.7%	-0.7%	-1.8%	-8.1%
South Korean won	KRW/ US\$	943.9000	-0.3%	-0.3%	0.9%	1.5%
New Taiwan dollar	NT\$/ US\$	32.1000	-0.6%	-0.6%	-1.0%	-1.5%
Australian dollar	US\$/A\$	0.9038	2.7%	2.7%	3.1%	14.6%
New Zealand dollar	US\$/NZ\$	0.7948	3.5%	3.5%	3.6%	12.9%
Philippine peso	PHP/ US\$	40.1500	-1.4%	-1.4%	-2.5%	-18.1%
Euro	US\$/€	1.4803	0.8%	0.8%	1.5%	12.2%
British pound	US\$/£	1.9657	-0.9%	-0.9%	-1.0%	0.3%

Fixed Income Prices and Yields							
Note	Currency	Current (on 2/1/08)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	111.34	4.31%	112.03	4.28%	110.4	4.37%
Japan 30-year	¥	102.94	2.33%	101.60	2.41%	103.47	2.30%
Hong Kong 10-year	HK\$	107.85	2.63%	107.75	2.64%	102.1	3.30%
China (06/16)	US\$	102.55	4.32%	102.55	4.32%	101.9	4.42%
Singapore 10-year	S\$	112.10	2.19%	110.38	2.41%	109.85	2.48%
South Korea 20-year	KRW	9,766.00	5.61%	9,766.00	5.61%	9,766.00	5.61%
Australia 15-year	A\$	93.16	6.11%	92.71	6.16%	93.62	6.04%
New Zealand (12/17)	NZ\$	97.81	6.30%	97.52	6.34%	97.3	6.37%
Philippines 20-year	PHP	110.70	8.38%	119.80	8.42%	102.83	8.40%
India 30-year	INR	105.15	7.87%	107.09	7.71%	102.71	8.08%
UK 30-year	£	98.33	4.35%	97.48	4.41%	99.59	4.27%
Germany 30-year	€	93.19	4.42%	92.12	4.49%	92	4.50%

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