



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

Week of 28 December 2009 - 3 January 2010

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

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Table of Contents

Equity Market Indicators	3
Technology, Media, Telecommunications and Life Sciences Market Activity	4
Weekly Highlights	5
International	5
Japan	5
Korea	6
China	6
Taiwan	11
Hong Kong	12
United States/Canada	12
Other Economic Data	14
Currency Exchange Rates	14
Fixed Income Prices and Yields	14

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



Week of 28 December 2009 - 3 January 2010

Equity Market Indicators				
Index	Closing Level (12/25/2009)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 12/31/2008
S&P 500	1,115.10	-1.0%	1.8%	23.5%
Dow Jones Industrial Avg.	10,428.05	-0.9%	0.8%	18.8%
Dow Jones Tech. Index	402.60	-0.1%	6.5%	60.2%
Dow Jones Telecom. Index	219.51	0.2%	1.0%	9.9%
NASDAQ Composite	2,269.15	-0.7%	5.8%	43.9%
Japan Nikkei 225	10,546.44	0.5%	12.8%	19.0%
JASDAQ	48.36	0.5%	5.8%	0.3%
Japan Mothers	416.22	0.3%	7.5%	28.7%
Korea KOSPI Composite	1,682.77	0.0%	8.2%	49.7%
Korea Kosdaq	513.57	0.5%	10.6%	54.7%
Taiwan Stock Exchange	8,188.11	2.7%	8.0%	78.3%
Singapore Straight Times	2,991.61	2.2%	9.4%	69.8%
Hong Kong Hang Seng	21,872.50	1.7%	0.2%	52.0%
Hong Kong GEM	677.01	0.6%	-4.9%	75.6%
China Shanghai (A-Share)	3,437.46	4.3%	2.6%	79.8%
China Shenzhen (A-Share)	1,261.26	2.8%	1.3%	116.9%
China Shanghai (B-Share)	252.41	2.2%	1.7%	127.6%
China Shenzhen (B-Share)	625.95	3.1%	2.1%	130.7%

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



Week of 28 December 2009 - 3 January 2010

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
N/A						

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 2/15/08	% 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 2/15/08	% 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						

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



Week of 28 December 2009 - 3 January 2010

Weekly Highlights

International

Hardware

- **The world's netbook sales volume is expected to hit 33 million in the full year 2009, with a 100 percent surge year on year.** The netbook sales volume is predicted to rocket 260 percent in China in year 2009. Given netbooks have become an important engine of the notebook computer sales growth globally, some global leading software and hardware makers have begun developing notebook-related products and technologies including Microsoft, Nvidia, Intel, and Google.
- **According to the DisplaySearch's Quarterly Global TV Shipment and Forecast Report, global TV revenue is seen growing early next year for the first time in six quarters.** The report also predicted that total shipments will rise 6 percent in 2010 over 2009. Average prices, meanwhile, are seen dropping 9 percent. Demand was described as resilient in North America, Europe and Japan, and accelerating in the developing world. LCD TV prices have been falling by 20-30% year on year or more at most screen sizes with the overall average LCD TV price expected to fall 24% in 2009, twice the rate of decline seen in 2008. The price declines are a strong influence on the robust demand, but are coming at the expense of profitability for many in the supply chain, especially at the brand and reseller level.

Semiconductor

- **The chip industry is expected to face a shortage in dynamic random access memory (DRAM) chips during the latter half of 2010, boosting profits for DRAM manufacturers.** DRAmEXchange predicts that the total capital expenditure for DRAM chip makers will increase 80 percent to US\$7.85 billion in 2010 from a year earlier and will continue to the level of US\$10-12 billion in 2011 and 2012. Original equipment manufacturers (OEMs) of PCs are likely to pull the inventory level of DRAM chips in the second quarter next year to handle the shortage in the latter half of the year. The shipment of PCs in 2010 is expected to grow up to 13 percent on-year, with that of laptop computers and smaller netbook computers growing about 22 percent.

Japan

Investments/ Ventures

- **Citigroup Capital Partners Japan Ltd. entered into a tender offer agreement with an affiliate of Bain Capital under which it received cash consideration for its 93.5 percent stake in BELLSYSTEM24.** The total transaction was valued at approximately 100 billion yen (US\$1.1 billion), making it the largest buyout in Japan in nearly two years. Bain Capital has made investments in a variety of leading companies with principal or significant operations in Japan, including MEI Conlux, Sun Telephone, D&M Holdings, Toys "R" Us, and Burger King. The firm also has prior experience in the call center industry, having invested successfully in Stream International, a leading U.S. call center company.

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



Week of 28 December 2009 - 3 January 2010

Korea

Telecommunications

- **KT plans to acquire a 25 percent stake in Omnitel China, a Chinese mobile phone content service provider.** Omnitel China is the Chinese subsidiary of the South Korean telecom service company Omnitel. It provides services such as ring tones to about 12 million users in China via Chinese telecoms operators. The company's major partner is China Mobile. Omnitel China also promotes research and development of new value-added services, including mobile phone games. KT has been supporting plans of its subsidiaries to enter the Chinese market to seek new business opportunities. Its acquisition of the 25 percent stake in Omnitel China is part of such a strategic move, as the group aims to generate addition revenue growth engines outside its mature home market.
- **KT Corp. has signed a deal with Philippine Multi-Media System Inc. to start satellite broadcast service in the Southeast Asian country.** KT will rent equipment for satellite broadcasting starting next year. The service marks the first overseas satellite broadcast service via the South Korean satellite since it was placed into orbit in August, 2006. Mugunghwa helps relay high-definition digital images.
- **KT Corp. would lessen employees to cut costs, increase revenue and boost profit. 5,992 of its staff will leave the company this week through an early retirement program.** The figure represents 16 percent of the company's workforce. The retirement package was offered to those employees who had spent more than 15 years with the company and 65 percent of those leaving are in their fifties. The union has supported the deal because the terms are favourable.

Semiconductors

- **South Korea's semiconductor, steel, machinery and electronics industries are expected to see a boom in sales next year on the back of a rise in overseas shipments.** The country's shipbuilding and construction sectors, however, is expected to continue to struggle as new orders are forecast to fall in 2010. Semiconductor exports are predicted to rise 24.4 percent from a year ago to US\$38.5 billion next year, while the steel industry is expected to brush off this year's slump through an increase in demand. Rising demand in emerging markets, including China and the Middle East, is expected to give a boost to the machinery sector, while the electronics sector is forecast to see growing market share in Europe. The textile industry will see a rise in exports to China next year, though shipments to the U. S. and European countries will remain sluggish.

China

Internet

- **Hunan Satellite TV and Taobao.com merged and will have 49 percent and 51 percent equity interest.** Taobao Senior Director Wang Yulei was assigned to be JV's General Manager and the newly established firm will engage in four businesses, namely TV shopping, online shopping-related film or TV production, Taobao TV and products popularized by celebrities. Taobao will release an independent site for the new company as well as open a "Happy Taobao" subchannel on its own site which will feature products from Taobao vendors and Hunan Satellite TV partners. Golden Eagle Broadcasting System's home shopping and e-commerce subsidiary Happigo was planning to establish a JV with Taobao.

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



Week of 28 December 2009 - 3 January 2010

- **The total amount of online shopping sales reached 250 billion yuan (US\$36.6 billion) in mainland China in 2009, marking the third consecutive year of rapid growth.** Online shopping had taken up 1.97 percent of the total amount of consumer retail sales in China. The number of online shoppers is expected to surpass 100 million as 28.2 percent of Chinese netizens. Taobao.com outperformed its rivals in 2009.
- **Baidu has established a new department to conduct its large-scale online games operations business.** The game business will be a major focus for Baidu in 2010 and the company aims to employ around 100 staff within the division. Baidu has no plans to engage in game development and that it is contacting major domestic game companies to discuss joint game operation. Baidu is co-operating four large-scale games in its game channel at present. Baidu will contract up to ten employees from game portal 178.com to take charge of operation and maintenance of Baidu's game channel, game.baidu.com.
- **Tudou.com has received fifth-round financing of US\$40 million which it intends to use in acquiring rights to content.** Tudou.com has started to delete pirated content. Prior to this latest investment, Tudou has received four rounds of funding, worth a total of US\$85 million. Tudou.com's competitor Youku.com is still negotiating for an additional US\$40 million in its fifth-round investment after having already received US\$40 million.
- **Alibaba.com signed a share purchase contract with China Civilink (Cayman).** This is one of the two phase contract with Alibaba.com acquiring 85 percent of HiChina, and the option to acquire another 14.67 percent equity interest from HiChina's founders pending HiChina reaching certain performance targets. The total consideration of 539.98 million yuan (US\$79.08 million) in cash for both phases, brings four key assets to Alibaba.com, including a large customer base, value-added applications, advanced and automated website technology; and additional strength in HiChina's management and operating team.
- **iResearch Consulting Group said that China's online travel booking market will boost by 27.2 percent from a year earlier.** iResearch points out that more Chinese are willing to go on journey this year, boosted by macroeconomic recovery, government subsidy, and promotions kicked off by travel service providers. Anticipating the online travel booking market in 2010, iResearch believes that the Shanghai World Expo and the Guangzhou Asian Games will both bolster up the market growth. Operating revenues from hotel room booking for 44.8 percent of the total, and the proportion was 2.3 percentage points lower than a year ago. Air ticket booking hit 44.1 percent of the total. Revenues from vacation products and other tourism forms was 11.1 percent of the total. The rising ratio of vacation products in the gross revenues reflects the prosperity of the casual tourism market, which results from the change of living styles and stronger affordability of customers.

Mobile/Wireless

- **The sales of 3G mobile phones in China exceeded 1 million in November, with Samsung, Nokia and Coupe taking a cumulative market share of more than 60 percent.** Sales of 3G phones surges by 35.9 percent on year to 1.176 million units in November, which is 310,00 units more than that of October. Among all 3G phones, TD-SCDMA saw the largest increase of 74.7 percent in sales, and sales of EVDO also boosted by 36.5 percent. Sales growth of WCDMA was relatively small in November. The cut in 3G pricing package and diversification of 3G services has laid good foundation for the rapid sales growth of 3G phones. The development of 3G market also promote shuffle of phone makers. Samsung takes the largest 3G market share in China, followed by Nokia and Coupe.

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



Week of 28 December 2009 - 3 January 2010

- **KongZhong has entered into a definitive agreement to acquire Shanghai Dacheng Network Technology Co., Ltd. (Dacheng), a developer of 3D MMPORGs based in Beijing and Shanghai.** Based on Dacheng's 2010 net profit after tax, as calculated under US GAAP, the Company would pay up to US\$80.0 million, in a mix of cash and the Company's ordinary shares, to Dacheng's shareholders. The transaction has been approved by the Company's Board of Directors. The Company expects that the transaction will close in the first quarter of 2010.
- **NetMovie Co. Ltd. and Chunghwa Telecom Co. Ltd. will cooperate to provide Internet TV service in mainland China and Taiwan, according to NetMovie's chief executive officer.** The new service will enable Internet users to watch TV on their computers using a remote control after installing a NetMovie-developed USB device. Per the two parties' agreement, NetMovie will provide digital content such as films and TV shows while Chunghwa Telecom will be responsible for setting up the Internet TV infrastructure. Chunghwa Telecom will spend about 1 billion yuan (US\$146.37 million) to purchase digital content for broadcast on the Internet TV. NetMovie will spend about 500 million yuan (US\$73.19 million) to purchase new digital content. Chunghwa Telecom is keen to partner with mainland Chinese companies in areas of multimedia on-demand and Internet Protocol Television.

Information Technology

- **The e-book market draws attention of domestic IT product manufacturers like Lenovo Group Limited and Tsinghua Tongfang Co., Ltd.** Lenovo is making preparations to commence e-book product research and development. Lenovo has always been interested in fast-growing emerging products. Following the heels of Amazon, more and more Chinese companies also choose to make inroads into the e-book market. Hanwang branded e-book products are available in the market in the first half of 2009 and many other brands have appeared in the market by the end of the year. There will be 50 brands in the domestic e-book market in middle 2010, forecasted Liu Yingjian, board chairman of Beijing Hanwang Science and Technology Co., Ltd.
- **The business sentiments of information technology (IT) industry's mergers and acquisition (M&A) brightened considerably in November, with the value and case amounts setting an annual high.** China's IT industry disclosed eight corporate M&A cases, booming well beyond the one which was seen in October, closely following the energy industry. The industry's M&A value recorded 240 million US dollars, boosted 327.86 times month on month and averaging 30.01 million dollars per case, boosted 40.11 times. The specific sectors exhibiting M&A were software, digital television, and IT services. Venture capital investment value sank 70.0 percent on month and 46.7 percent on year to 13.76 million dollars in November, with five cases of investment, flat with figures in October. The respective sectors receiving venture capital investment cover semiconductors, optoelectronics technology, software, and IT services.
- **The mainland's banking sector, emerging mostly unscathed from the economic crisis, is expected to accelerate spending on information technology over the next two years.** These investments in computer hardware, software and services are forecast to rise to US\$11.34 billion in 2011 from an estimated US\$10.71 billion next year and US\$9.56 billion this year. The impact of the financial crisis was minimal on banks' information technology-related spending as strategic financial reforms, stimulus measures and new industry trends helped drive adoption of key systems. Beijing also encouraged a US\$1.3 trillion credit boom in the first 10 months of the year to aid the country's economic stimulus efforts.

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



Week of 28 December 2009 - 3 January 2010

Telecommunications

- **China Mobile launched a business-to-business (B2B) e-commerce site b2bjoy.com.** The site provides enterprises with a number of services including online bidding and auctions, consignment purchasing, hotel reservations, airline ticket reservations and the publishing of enterprises' purchase requirements. In the short time since the site was launched, it has established cooperation with over 300 enterprises. It has seen online bids reach a total value of over 75 billion yuan (US\$10.98 billion) and carried out 230 online auctions valued at over 17 billion yuan (US\$2.49 billion), Liu added. Furthermore, the site has signed agreements with over 2,000 hotels in nearly 300 cities in China for reservation services.
- **China's Ministry of Industry and Information Technology (MIIT) has set cross-network settlement fees between China Mobile's TD-SCDMA network and other operator's networks.** China Mobile will pay 0.012 yuan (US\$0.0017) per minute to China Unicom or China Telecom for calls from the TD-SCDMA network to either of the operators networks. The settlement rate for non-TD-SCDMA users making cross-network calls will remain at 0.06 yuan (US\$0.009) per minute.
- **ZTE Corp. was approved by its shareholders to provide its subsidiary ZTE Info Edge India Ltd. with at most US\$33 million worth of guarantees.** ZTE India has been ordered to co-build a telecoms network in India for Unitech Wireless, a joint venture between the local real estate developer Unitech Ltd. and the Norwegian telecoms operator Telenor ASA. Worth US\$30 million, one of the ZTE guarantees will be valid during ZTE India's performance of the contracts. ZTE is set to offer not more than US\$3 million worth of guarantees to some India-based banks for their provision of performance bonds to ZTE India, and this transaction is also about the Unitech Wireless project.
- **China Mobile Ltd., had its board will meet to consider removing Vice Chairman Zhang Chunjiang because of his suspected involvement in a serious economic issue.** The parent has recommended its unit remove the executive. China Mobile shares have gained 4.4 percent since the company disclosed the investigation into Zhang. Zhang was chairman of China Netcom, the fixed-line carrier taken over by China Unicom (Hong Kong) Ltd. as part of the revamp. Inspectors uncovered 234.7 billion yuan (US\$34.4 billion) of misused funds in government accounts. As many as 1,068 people were prosecuted, 67 of them senior officials.
- **China's integrated telecom tariff level will drop 9 percent in 2009 compared with that of the previous year.** China has made steady progress in the structural reform of the telecommunication industry and the telecom infrastructure sharing has achieved positive results. The 3G network construction and business promotion have been in full swing after China issued 3G licenses. Investment in 3G mobile technology will reach 143.5 billion yuan (US\$21 billion) in 2009, with 285,000 3G base stations built and more than 10 million of the nationwide number of 3G users. When mentioning about the development of the telecommunications industry in next year, Li said that the total telecom business will grow about 12 percent in 2010 and business revenue will increase about 4.5 percent, while the integrated telecom tariff level will drop about 9 percent. The software and IT services revenues will raise 20 percent. China's 3G spending has been led by its three major wireless carriers, China Mobile, China Unicom and China Telecom.
- **China Mobile is expected to be approved by the Taiwan authorities to invest in Taiwan Far EasTone Telecommunication at the beginning of next year.** The mainland carrier has entered into an agreement to buy a 12 percent stake in Far EasTone for US\$528 million. Taiwanese regulators will further loosen the restrictions on mainland investment, and industries, such as telecoms, steel and beverages, might be included in the second list of local industries allowed to accept investments from

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



Week of 28 December 2009 - 3 January 2010

mainland. In June, the Taiwan authorities opened up the island to mainland investors with 100 categories of manufacturing, service and infrastructure sectors in the initial opening-up list.

Media, Entertainment and Gaming

- **Shanda Games and Kingsoft Corp. Ltd. will merge and will focus on online gaming.** Both companies would work together on the research and development and operation of online games. The two firms will explore overseas online gaming markets. Shanda Games and Kingsoft started their partnership at the beginning of the year, when Kingsoft moved three of its flagship games onto Shanda Game's operating platform.
- **Shanda has won the operating license for Wemade's 2D fantasy-themed MMORPG Legend of Mir 3.** Shanda received Chinese governmental approval to operate the game on December 4. The previous operator of Legend of Mir 3, CDC Corporation's online game subsidiary CDC Games plans to shut down servers for the game, as its license for the game had expired. Shanda would replace CDC Games as the mainland operator of Legend of Mir 3.
- **Shanda Interactive Entertainment had the appointment of Dr. Jing Zhu as the Chief Technology Officer.** Dr. Zhu joins Shanda Online from Yahoo! Inc. where he served as a Senior Director from 2001 to 2009. In his most recent post, he was in charge of Yahoo!'s next generation contextual ad-matching technology platform from 2007 to 2009. The team took a research prototype and, in less than one year, launched a successful product that serves hundreds of millions of ad calls daily. From 2001 to 2006, he was in charge of the engineering team for Yahoo! Mail, Yahoo! Address Book and Yahoo! Calendar. Yahoo! Mail had seen significant market share and user growth both in the US and worldwide.

Software

- **China's software outsourcing businesses will revenues of roughly 200 billion yuan (US\$29.2 billion) in 2009.** In the first three quarters of this year, the industry brought in revenues of 146.36 billion yuan (US\$21.4 billion), boosted 24.5 percent year-on-year.
- **China National Software & Service Company Ltd. plans to acquire Great Wall Computer Software and Systems for 130 million yuan (US\$19 million).** CS&S will acquire a 100 percent stake in Great Wall Software from Great Wall Technology, China Great Wall Computer Shenzhen, Great Wall Information Industry, and deputy general manager of Great Wall Software, Jiang Bo, respectively. Great Wall Technology, China Great Wall Computer Shenzhen, and Great Wall Information Industry are all direct and indirect subsidiaries of CS&S. With this transaction, Great Wall Software will also become a subsidiary of CS&S, so as to completely solve the horizontal competition problems between CS&S and Great Wall Software.

Alternative Energy

- **Sopray Solar established Suori New Energy and launched its new energy industry base in Fengjing Industrial Park.** The company's total investment in Shanghai Suori New Energy will reach 500 million yuan (US\$73.2 million) and the subsidiary is expected to record annual sales revenue of 2.25 billion yuan (US\$329 million).

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



Week of 28 December 2009 - 3 January 2010

Taiwan

Telecommunications

- **The number of fixed-line broadband subscribers in Taiwan boosted to 4.89 million at the end of Q3.** 2.64 million accessed the internet through xDSL, 1.52 million use FTTx, and 730,000 access the internet through cable. Including the 4.44 million users of the educational network TANet, the country had 10.60 million internet users at the end of September, the same as in Q2 but boosted by 3.4 percent from last year. 17.59 million people used their mobile handset to access the internet. 3G accounts for 76.48 percent, GPRS for 15.58 percent, PHS for 7.91 percent, and WAP for 0.03 percent. In Q3, there were 26.61 million mobile subscribers in Taiwan, which represents a penetration rate of 115.2 percent. Of the total some 14.84 million are 3G subscribers, 10.37 million are 2G subscribers, and 1.39 million are PHS subscribers.

Hardware

- **Asus will invest US\$30 million to set up a subsidiary in mainland China. The subsidiary will help the company further explore the mainland market.** The launch is also part of Asus's business and sales restructuring plan for the fourth quarter of 2009. The subsidiary will have three divisions namely a systems business unit, an open platform business unit and the handheld business unit. Total revenue was NT\$67.06 billion (US\$2.08 billion) in the third quarter of 2009, an increase of 47.9 percent from the second quarter. The Chinese and European markets contributed greatly to the company's total revenues in the third quarter.
- **To meet anticipated high growth, Hon Hai Precision Industry Co. will issue US\$1 billion overseas unsecured convertible bonds, with the massive fund-raising drawing market attention and making institutional investors to expect the firm to engage in more mergers and acquisitions.** The bond issuance is to raise operating capital, adding that the sum is modest relative to Hon Hai's annual sales of approximately NT\$2 trillion (US\$61.91 billion). Hon Hai's board of directors passed a proposal to issue NT\$12 billion (US\$371.51 million) in unsecured corporate bonds to increase operating capital and repay short-term liabilities. Hon Hai had NT\$34.679 billion (US\$1.07 billion) in cash and equivalent cash in hand in the first three quarters of this year. Hon Hai still aims to issue the massive corporate bonds.
- **Lenovo will set up an R&D center in Taiwan and increase its procurements from Taiwanese suppliers in the future.** Taiwan is one of Lenovo's most important production arms in the world, and the brand spends an annual average of US\$4-5 billion on procuring various PCs and related peripherals made on the island in recent years, with a number of local companies, like Wistron Corp. the brand is going to establish an R&D center in Taiwan. Chinese enterprises have keen interest in making cross-investments with Taiwanese companies, with some already taking actions. With the cross-strait relations between mainland China and Taiwan continuing to improve. Levono will definitely step up investment in Taiwanese partners.
- **Netbook sales as part of 3G bundles in Taiwan are forecast to decrease by more than 20 percent sequentially in the fourth quarter due to the drop in netbook retail prices.** In the third quarter, netbook sales through telecommunications channels stood at about 15,000, which is expected to drop to 12,000 units in Q4.

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



Week of 28 December 2009 - 3 January 2010

Semiconductor

- **MediaTek Inc. won the deal to supply Samsung chips for low-end mobile phones, bringing the total number of international handset makers to use its chips to three.** Samsung's contracts came after LG's and Motorola's. Industry executives pointed out that these contracts would help MediaTek shake off its image as the world's leading supplier of chips for knock-off handsets. When most of world's handset-chip hitters are rushing to develop chips for 3G mobile phones, their shares of markets for 2.5G and 2.75G chips are being stolen by MediaTek, which offers cheaper chips to lure handset makers. MediaTek has unseated major rivals as Texas Instruments and Qualcomm to lead handset-chip suppliers in China thanks to its competitive pricing and all-round solutions.
- **Taiwan's economic minister may consider seeking more private funds for a new state-backed memory chip company if parliament blocks injections of state capital.** If the cabinet's National Development Fund is not allowed to invest in TIMC, the ministry will consider seeking more investment from the private sector, Economics Minister Shih Yen-shiang told reporters at a year-end news conference. As part of efforts to restructure the island's chip industry, the economics ministry gave in-principle approval in November to Taiwan Innovation Memory Co's (TIMC) request for about NT\$5 billion (US\$155 million) from the government. A parliamentary economic committee has called on the national development fund not to inject capital into TIMC, pushing for the project to be scrapped on concerns it will waste state funds.

Hong Kong

Investments/ Ventures

- **Suning will acquire Hong Kong-based electronics, telecommunications and computer products retailer Citicall Retail Management's (CRM) brand, network and business for a consideration of HK\$35 million (US\$4.5 million), as well as purchasing CRM's business-related assets such as inventory, fixed assets and intellectual properties.** The deal would give Suning a chain of 22 Hong Kong stores which it intends to use to develop its home appliance and consumer electronics sale business and service business. Suning will open 30 new stores in Hong Kong to bring its network to 50 stores, and targets more than 25 percent market share of Hong Kong's electronics consumption market within the next three years.

Internet

- **Lau Chi Ping Martin, chairman of Tencent Holdings Limited, reduced 40,000 shares in the company involving a capital of HK\$6.5 million (US\$0.8 million).** Lau Chi Ping Martin holds a 0.57 percent stake in Tencent. Tencent's CEO Ma Huateng and CTO Zhang Zhidong also decreased their shareholdings in 2009. The company's senior executives sold a total of 10.5 million shares in 2009.

United States/Canada

Media, Entertainment and Gaming

- **Walt Disney Co. bought 10 percent stake in comic- book writer Stan Lee's POW! Entertainment for US\$2.5 million.** The deal extends a partnership between Lee and Burbank, California-based Disney that started in 2007 and will include expanded rights to creative output and consulting services. The expanded partnership with Lee comes as Disney completes a merger with

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



Week of 28 December 2009 - 3 January 2010

Marvel, where Lee helped create characters including Spider-Man, X-Men and Iron Man. Marvel shareholders approved the US\$4.3 billion merger with Disney.

- **Time Warner Cable Inc.'s agreement to pay News Corp. for over-the-air television programming opens the door for broadcasters to demand as much as \$5 billion a year from pay-TV providers and their subscribers, analysts said.** The companies agreed on a distribution deal without disclosing the terms. Other broadcasters, such as CBS Corp., have also said they may seek payment for programming that's currently free. CBS has a deal with Comcast Corp., the largest U.S. cable operator, that ends next year, and already collects fees from Time Warner Cable and Dish Network Corp.

Telecommunications

- **AT&T Inc., with US\$6.63 billion of debt coming due, may be the biggest beneficiary of the record rally in U.S. corporate bonds in 2009.** Borrowing costs have fallen to almost a five-year low, meaning the company and the rest of corporate America with US\$429 billion of debt maturing are poised to shave US\$17.4 billion off annual interest expense in 2010. Investors are lending money to borrowers at ever-cheaper rates as the economy rebounds and borrowers accumulate cash. Non-financial companies had US\$708 billion of cash at the end of the third quarter, up from about US\$500 billion between 2004 and 2008. Non-financial borrowers have US\$96 billion of debt maturing in 2010, 18.6 percent less than this year. Financial issuers led by Bank of America Corp. have US\$333 billion due, a 30 percent decline.

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



Week of 28 December 2009 - 3 January 2010

Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 12/25/09)	% Change 1 Week Ago	% Change 1 Month Ago	% Change 1/1/2010	% Change 1/1/2009
Japanese yen	¥/US\$	93.0000	2.0%	7.7%	0.1%	0.8%
Hong Kong dollar	HK\$/ US\$	7.7538	-0.02%	0.1%	0.01%	0.05%
Chinese renmenbi	RMB/ US\$	6.8259	-0.01%	-0.01%	0.0%	0.05%
Singapore dollar	S\$/ US\$	1.4020	-0.3%	1.3%	-0.2%	-4.1%
South Korean won	KRW/ US\$	1,163.6500	-0.7%	0.1%	0.0%	-11.6%
New Taiwan dollar	NT\$/ US\$	31.9500	-0.9%	-0.8%	0.0%	-2.5%
Australian dollar	US\$/A\$	0.8970	1.4%	-2.0%	-0.02%	26.3%
New Zealand dollar	US\$/NZ\$	0.7256	2.7%	1.4%	0.2%	24.1%
Philippine peso	PHP/ US\$	46.2300	-0.6%	-1.8%	-0.5%	-2.1%
Euro	US\$/€	1.4323	-0.5%	-4.6%	0.05%	3.2%
British pound	US\$/£	1.6168	1.3%	-1.7%	0.1%	11.3%

Fixed Income Prices and Yields							
Note	Currency	Current (on 12/25/09)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	95.81	4.69%	95.13	4.73%	103.03	4.20%
Japan 30-year	¥	98.78	2.27%	98.62	2.28%	100.83	2.15%
Hong Kong 10-year	HK\$	94.83	2.78%	95.16	2.74%	103.12	2.23%
China (06/16)	US\$	108.04	3.32%	108.12	3.31%	107.77	3.38%
Singapore 10-year	S\$	98.75	2.67%	98.80	2.66%	100.30	2.46%
South Korea 20-year	KRW	9,933.95	5.66%	10,073.07	5.66%	10,157.13	5.47%
Australia 15-year	A\$	99.74	5.78%	100.34	5.71%	102.35	5.47%
New Zealand (12/17)	NZ\$	98.82	6.22%	99.34	6.17%	100.53	5.94%
Philippines 20-year	PHP	103.13	9.36%	103.25	9.34%	104.24	9.03%
India 30-year	INR	83.60	8.51%	83.00	8.58%	83.00	8.40%
UK 30-year	£	105.32	4.46%	105.26	4.48%	111.01	4.10%
Germany 30-year	€	102.38	4.11%	103.28	4.06%	106.32	3.90%

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