

IRG WMR



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

Week of 1 April - 7 April, 2007

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Equity Market Indicators					
Index	Closing Level (4/6/2007)	% Change 1 Week Ago	% Change 1/1/2007	% Change 1/1/2006	% Change 2006 Low
S&P 500	1,443.76	1.6%	1.8%	15.7%	18.0%
Dow Jones Industrial Avg.	12,560.20	1.7%	0.8%	17.2%	17.7%
Dow Jones Tech. Index	416.79	2.3%	1.0%	11.1%	23.7%
Dow Jones Telecom. Index	274.13	2.1%	5.4%	36.0%	36.2%
NASDAQ Composite	2,471.34	2.1%	2.3%	12.1%	22.3%
The Street.com Net	251.16	1.6%	1.6%	19.4%	30.5%
Japan Nikkei 225	17,484.78	1.1%	1.5%	8.5%	23.0%
JASDAQ	83.86	-1.4%	-2.7%	-35.6%	3.8%
Japan Mothers	1,027.84	-1.0%	-7.5%	-59.6%	1.9%
Korea KOSPI Composite	1,484.15	2.2%	3.5%	7.6%	23.3%
Korea Kosdaq	666.00	2.6%	9.9%	-3.7%	23.5%
Taiwan Stock Exchange	8,004.61	1.5%	2.3%	22.2%	27.9%
Singapore Straight Times	3,345.86	3.5%	12.1%	42.5%	46.7%
Hong Kong Hang Seng	20,209.71	2.1%	1.2%	35.9%	35.2%
Hong Kong GEM	1,365.60	1.2%	11.5%	35.6%	35.8%
China Shanghai (A-Share)	3,492.96	4.4%	24.1%	186.1%	181.3%
China Shenzhen (A-Share)	929.39	7.8%	63.2%	220.4%	215.1%
China Shanghai (B-Share)	186.51	4.9%	43.3%	200.7%	196.4%
China Shenzhen (B-Share)	539.54	3.0%	24.5%	175.8%	170.8%

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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
4/4/07	Dice Holdings Inc. [832261Z.US] (NYSE)	Internet	US\$100.0	Provider that specializes in career sites and career fairs for high growth vertical sectors	Credit Suisse/ Morgan Stanley	Jefferies/ JP Morgan/ Lehman Brothers
4/4/07	PROS Holdings Inc. [PROZ.US] (NASDAQ)	Software	US\$90.0	Develops and markets business computer software offering pricing and revenue optimization software	Deutsche Bank/ JP Morgan	Jefferies/ Thomas Weisel
4/3/07	Acorn International Inc. [ATV.US] (NYSE)	Multimedia	US\$128.5	Operates a TV direct sales business and nationwide distribution network to market and sell products	Deutsche Bank/ Merrill Lynch	CIBC

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 4/6/07	% Change From Offer
4/4/07	Veraz Networks Inc. [VRAZ.US] (NASDAQ)	Provides IP, softswitches, media gateways and digital compression products to wireline, wireless and broadband providers	US\$108.0	US\$8.00	US\$7.80	-2.5%

Asian Equity Markets: TMT and Life Sciences IPO Pricing

IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 4/6/07	% Change From Offer
4/3/07	CITIC 1616 Holdings [1883.HK] (HKSE)	Provides connectivity services to telecom operators with a focus on the China and Hong Kong markets	US\$269.3	HK\$2.58	HK\$4.39	70.2%

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

Internet

- **According to Japanese sources, Japan and the European Union announced an agreement that will allow them to enhance their joint work on Internet safety and to further promote the development of communications technologies.** The Japanese Internal Affairs and Communications minister and the European Commissioner for Information Society and Media jointly confirmed the need for such cooperation in their talks even as they both noted the increasing number of illicit web sites that are major social issues in Japan and Europe. The European Union, in particular, called for the Japanese companies' participation in R&D activities in the communications sector in Europe.

Semiconductors

- **According to research firm iSuppli, there will be a drop in the surplus inventory at the end of the fourth quarter of 2006, with the excess semiconductor stockpiles in the global electronics supply chain continuing to decline in the first quarter of 2007.** The decline is mainly attributed to previous production cuts by chip manufacturers. The report said excess semiconductor inventories in the global electronics supply chain declined to US\$2.5 billion in the first quarter of 2007, down 10.7 percent on quarter and represents a major decrease from the recent high-point for excess semiconductor inventory in the third quarter of 2006. Surplus inventory in the first quarter went down 40.5 percent compared to US\$4.2 billion in the third quarter of 2006. Most semiconductor suppliers expect demand to begin rising in the second and third quarters of 2007 and now are preparing for the expected surge in sales.

Japan

Internet

- **Yahoo Japan Corp. said it will increase its stake in Yume No Machi Souzou Iinkai Co., an operator of Internet sites for door-to-door food delivery and other services, to 41.8 percent as a result of a successful tender offer.** The company said it will spend 1.2 million yen (US\$10,000) to acquire 3,200 shares out of 4,487 shares tendered. The two companies plan to jointly develop Internet sites. Yahoo said it has no plans to increase its stake in Yume. Yume is listed on the Osaka Securities Exchange's Hercules market for startup firms.
- **Cyber University, Japan's first university that provides courses via the Internet, opened with an entrance ceremony in Fukuoka -- transmitted in real time to students' computers.** Japan Cyber Educational Institute is a nonlisted stock company with capital of 500 million yen (US\$4.1 million), with Softbank Corp. holding 71 percent of the institute while the remainder is held by Kyushu Electric Power Co., RKB Mainichi Broadcasting Corp. and other businesses. The school was approved last November as part of deregulation in designated areas aimed at revitalizing economic and business activities.

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Media, Entertainment and Gaming

- **Nintendo Co. announced that it is looking to posting a record group recurring profit of 260 billion yen (US\$2.2 billion) for the year ended March 31, with the company attributing the rise to strong sales of its handheld DS consoles and a weaker yen.** Industry analysts note that the figure is above market estimates of 242.4 billion yen (US\$2 billion) in profit, by 17 analysts polled by Reuters, and would represent a 62 percent rise year-on-year. The figure is said to exceed Nintendo's previous forecast by 24 percent. The Kyoto-based company called its fourth outlook hike this year, with earnings exceeding its January forecast on stronger-than-expected revenue of about 966 billion yen (US\$8.1 billion). Nintendo, known for game characters like Mario and Pokemon, had forecast DS sales to reach 23 million units in the 2006-07 business years, more than double the expected shipments of Sony Corp.'s rival handheld PlayStation Portable for the same period.

Ventures/Investments

- **Matsushita announced its decision to set up a research centre in Vietnam to develop key software installed in cellular phones and flat-panel televisions.** The company said it aims to begin the setting up of the Panasonic R&D Center Vietnam Co., by the end of April in Hanoi. Matsushita said it will invest some US\$500,000 dollars to create the facility, which will develop and design system chips and control software for Matsushita plants around the world. The R&D center will be Matsushita's third in the Association of Southeast Asian Nations (ASEAN) region following similar facilities in Singapore and Malaysia. As part of the project, Matsushita said it will deploy Japanese technicians to train workers and start a software development course at the Hanoi University of Technology.
- **According to its top official, Matsushita Electric Industrial Co. announced its plan to boost the manufacture of plasma TVs in the so-called BRIC countries--Brazil, Russia, India and China.** The company said it will begin discussing the scale of the investment by fiscal 2009 as it considers building one or several new plants in BRIC countries. Matsushita does not have a production base in the said countries. Most of Matsushita's plasma TV production plants are in Japan, while its overseas plants and include those in Brazil and the Czech Republic, which are small except for one in China. Flat-screen TVs are expected to become a mainstream item in BRIC countries, which are undergoing rapid economic growth. Earlier, Matsushita stated in its management plan that from fiscal 2007 to 2009 it will invest some 1.5 trillion yen (US\$12.5 billion) in developing businesses and increase global sales of its plasma TVs to 12.5 million units in fiscal 2009, three times higher than in fiscal 2006. The company said it also aims to increase its sales in emerging countries by 200 billion yen (US\$1.6 billion) from fiscal 2006, mainly with plasma TVs.

Korea

Internet

- **KT announced that it has initiated the set up of a system related to the launching of a fiber to the home (FTTH) service.** FTTH is a form of fiber-optic communications in which the optical cables are connected all the way to the user's home, thus greatly increasing the Internet speed. The company said it will spend some 1.2 trillion won (US\$1.2 billion) by 2010 to install FTTH to all subscriber homes. The network is expected to transmit data at "unlimited" speeds, with the FTTH network deliver data 10-50 times faster than asymmetric digital subscriber lines (ADSL) which use copper wires. As of the end of February, KT had the highest number of optic LAN subscribers with

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1.6 million, followed by Hanaro with 930,000 and LG Powercomm with 590,000. Optic LAN uses fiber-optic cables in only part of the system. In a separate development, Hanaro Telecom disclosed plans to spend 110 billion won (US\$117.4 million) this year to increase its optic LAN subscribers to 1.5 million. To provide the 100Mbps service at reasonable prices, it adopted the Ethernet to the home (ETTH) technology, which delivers data from an Internet company to the user's area through optical cables and from there to the user's home through copper wires. An official of Hanaro Telecom said that his company plans to upgrade the network for household subscribers so that it can transmit data at 100Mbps. LG Powercomm also revealed its plans to spend 360 billion won (US\$384.5 million) to upgrade its network and increase its subscribers to 2 million.

- **Industry observers note that Internet firms providing music, videos and other multimedia files are observing the government interpretation on the free trade agreement, with the industry interested in its draft, which is seen to contain much tougher anti-piracy measures on digital content than current regulations.** Some companies are said to be worried that the tightening of the copyright protection will stall the growth of industries, such as UCC (user-created contents) and music sharing services. According to last year's report from the Ministry of Information and Communication, only 16.2 percent of UCC videos circulating on the Internet were actually created by users, while the rest were merely edited copies of existing materials. Other reports indicate that more than 80 percent of music files on Koreans' PCs are illegal copies. In a related development, industry observers are talking of a clause that gives copyright on temporary copies of multimedia files, such as background. These files are called a streaming or BGM (back ground music) service. The ministry, however, said that Cyworld and Naver will not be affected by the new rule as they already pay royalties to the copyright holders for their BGM sales. The official said that other sites that do not pay for such services will be regulated, with the authority citing Empas, a major search engine, as its BGM Search' service links free users to songs from people's personal homepages and blogs.
- **AFP BB News, the interactive web site in Japan developed with Agence France-Press and Internet giant Softbank, announced an expanded alliance to reach an estimated 10 million bloggers.** The report said AFP BB said it will link to 11 other Japanese blogging services to provide free access to its photos and stories, which are drawn from the global network of Agence France-Press (AFP). AFP BB uses a "one-click" technology that allows bloggers to integrate AFP photographs into their postings. AFP BB is a venture between AFP and Movida Entertainment, a unit of Softbank whose Yahoo broadband service covers five million households in Japan. A third partner is Creative Link, a technology firm whose shareholders include trading house Itochu and Japan's top toymaker Bandai.

Mobile/Wireless

- **The Ministry of Information and Communication announced that it has issued licenses to KBS and MBC, the country's top two TV outlets, allowing the two networks to start nationwide mobile broadcasting called terrestrial DMB.** The move is seen as enabling South Koreans to watch free TV programs on their mobile handsets, with the area not limited just to Seoul and its vicinity but also across the country. The DMB system allows people on the road enjoy seamless video, theater-like audio and data via in-automobile terminals or cell phones.
- **Trimble and Rosum Corporation announced the signing of a technology licensing and distribution agreement to combine Rosum's proprietary TV-positioning technology with Trimble's in-market expertise to develop a customer and application ecosystem for location-aware mobile devices in South Korea.** An official of Rosum said the alliance with Trimble will

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enable it to focus on its core business of developing location technology while delivering a high level of service and support to customers in the South Korean market. Rosum is the first company to use unmodified broadcast TV signals for position location of mobile assets. Rosum is also the first to combine TV and GPS signals for truly robust situational awareness in all environments. Rosum's leadership is composed of industry leaders from the GPS, cellular and television worlds, and the company is venture-backed by leading investors including Charles River Ventures and Allegis Capital. Trimble applies technology to make field and mobile workers in businesses and government significantly more productive. Solutions are focused on applications requiring position or location-including surveying, construction, agriculture, fleet and asset management, public safety and mapping. Terms of the agreement were not disclosed.

- **Harris Corp. and LG Electronics Inc. announced entering into an alliance to develop a wireless technology to broadcast local digital television programming to mobile devices such as cell phones, car media players or handheld televisions or DVD players.** Industry analysts see the technology as directly competing with existing systems that beam television to mobile phones and U.S. cell phone providers already offer video clips or in some cases full-length shows on handsets, but LG said its technology would be the first to enable TV stations to broadcast local programming to portable devices using the same airwaves they use to broadcast to regular living room TVs. The system would cost about US\$100,000-500,000 to install per station, depending on the size of the market and how many channels were involved. The companies said the system would require an upgrading of existing broadcast transmitters. In some U.S. markets, Qualcomm Inc. unit MediaFlo USA already broadcasts live national TV to Verizon Wireless phones, including a phone LG made in certain U.S. markets. Verizon Wireless is owned by Verizon Communications and Vodafone Group Plc.

Media, Entertainment and Gaming

- **The Korean Broadcasting Commission (KBC) announced giving a conditional approval recommending that the Kyung-In TV Consortium, which is led by Young An Hat Company and the Christian Broadcasting System, be allowed to operate the network.** The recommendation still has to get the approval of the Ministry of Information and Communication. The conditions attached to the commission's recommendation include donating part of any profits made to society, ensuring the independence of the newsroom and clearing any allegations of irregularities concerning the participants to the consortium, primarily the Young An Hat Company. If approved, the network will be providing TV services to about 13 million viewers in Incheon and the rest of the Kyonggi Province. iTV was first launched in the region run in 1997 but was shut down in December 2004 after the KBC turned down the debt-ridden station's bid to renew its broadcasting license. Then in April 2006, Kyung-In TV Consortium was selected as the operator candidate, but the process has been stalling amid allegations of political and business irregularities.
- **Industry sources said the sequel to God of War, the Japanese hit game, is soon to be released, with the new Japanese game featuring characters dubbed with Korean voice actors.** The original game won many awards, including Game of the Year honors in 2005 from the Academy of Interactive Arts & Sciences, given for games that exhibit excellent gameplay, advanced graphics and well composed musical score. Its highly anticipated sequel was released in early March in many countries, but it has been delayed from reaching Korean fans until now. Although some games are often delayed, the demand for games dubbed in the Korean language is on the rise as it allows players to fully enjoy their favorite games without being disturbed by reading scripts or instructions.

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Hardware

- **According to the Korea International Trade Association (KITA), Import of Chinese components is rapidly growing, a trend which is affecting the trade balance with China.** The report indicated that South Korea's trade balance with China and Japan showed imports of Chinese electronics and car components growing from 7.7 percent in 2000 to 20.3 percent in 2006 while imports of Japanese parts dropped from 28.4 percent in 2003 to 25.6 percent in 2006. KITA said components imports from China in 2006 were placed at US\$23.1 billion in total, a 31.7 percent increase from the previous year. The total trade surplus with China of US\$20.9 billion posted a decline of 10.2 percent last year, mainly because South Korean manufacturers used cheaper Chinese components due to the strong won.
- **The country's Ministry of Commerce, industry and Energy reported a sharp increase in South Korea's exports of memory chips and flat screen displays.** The ministry said memory chip exports registered a 66 percent rise to US\$6 billion from 2006. The report said exports of flat screen displays went up 56 percent to US\$3.5 billion. The ministry ascribed the growth of 25 percent to US\$29 billion in the export of electronic parts to the performance of the two products, memory chips and flat screen displays. The ministry said exports to China, which remains as South Korea's number one market, saw the biggest growth with 24 percent and those to the U.S. were second with 23 percent. Combined electronics exports in the first quarter reached US\$29 billion and imports US\$16 billion.

Ventures/Investments

- **Industry sources indicate that Samsung Electronics and LG Electronics are building new assembly lines and expanding existing plants for TVs and LCDs in Eastern Europe, a move that analysts said are manifestations that these companies are taking advantage of cheaper labor and tax benefits in Eastern European locations.** LG.Philips LCD announced that it has begun construction on a LCD plant in Wroclaw in southwestern Poland, making it the company's second overseas factory, following one built in Nanjing, China, in 2003. An official at LG.Philips said the LCDs will be sent to local LCD TV makers that target Europe. Initial annual production will be three million screens larger than 32-inches, eventually increasing to 11 million. In a separate development, Samsung's LCD department announced that it is spending US\$420 million to build an LCD assembly plant in Slovakia. It is Samsung's second overseas LCD plant, following one in Suzhou, China. Currently, Samsung operates TV assembly plants for European customers in Hungary and Slovakia. LG Electronics is now operating an LCD TV assembly plant in Poland.

China

Internet

- **Telecom Communications, Inc., a total solutions provider, announced that its subsidiary, MyStarU.com online education net signed a joint venture agreement with Beijing License Services Corporation (BLSC), a China- based franchise development and marketing company, to distribute, market, and support Mystaru' Star Dram Program in China TV and film market.** The system is a prototype for state-of-the-art delivery of streaming video performing education courses in the music and movie industries in greater China. The new courseware was developed using the Guangzhou TCOM's EDU v5.0 Education Management System and is delivered to viewers via the Mystaru platform. Telecom Communications, Inc. (TCOM) offers integrated communications network solutions and Internet content service in universal voice, video, data web and mobile

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communications for interactive media applications, technology and content leaders in interactive multimedia communications. TCOM does business in Asia via its wholly owned subsidiaries, Alpha Century Holdings Ltd., IC Star MMS, Ltd., Guangzhou TCOM Computer Technology Limited and majority owned subsidiary HRDQ Group, Inc.

- **Net.cn, a Chinese domain name registration and virtual hosting service provider, announced the formal launching of its domain name sales transaction center.** The transaction center, which includes a domain name buying section, domain name selling section, domain name maintenance section, and domain name assessment section, has received more than 10,000 domain names for sale. A top official of the company explained that, together with receiving the domain names sent in by the sellers, the center will also work with international buyers.

Media, Entertainment and Gaming

- **Industry sources said Electronic Arts Inc. has agreed with The9 Ltd. to acquire a 19 percent stake in the Chinese online game operator in a deal estimated at about US\$200 million.** Under the deal, analysts see The9 as getting rights to run more casual games with sports themes from EA, the world's top video game publisher, as the alliance would enable EA to gain access indirectly to China's online game market.
- **Following the release of the document Guide Opinion on Cable TV Network Two-Way Transformation, the country's State Administration of Radio, Film and Television said it will initiate the promotion of the two-way transformation of cable TV networks around China.** The basic premise of the guide is that the two-way transformation of cable TV networks will speed up and cable TV networks will be led to a direction of interaction and multi-functionality. At present, most of the TV networks in China are one-way broadcasting networks, with about 140 million such cable TV users in China. It is estimated that SARFT will invest more than 50 million yuan (US\$6.4 million) on the transformation. The change is expected to bring about such services as video program ordering, video communications, cable voice service and broadband.
- **NewMarket China announced signing of a two-year agreement with Shanghai ArtCoding Company in a bid to provide outsourcing services to game development customers.** Under the plan, NewMarket China will initially target customers in North America, but will look for customers in other global markets as well. In 2006, NewMarket Technology, the holding company for NewMarket China, completed the independent public listing of its Chinese operations which expect to report over US\$20 million in revenue for 2006. For this year, NewMarket China is looking to a 100 percent increase in revenue to US\$40 million. ArtCoding is a company that has provided offshore development services to a variety of customers, including international game publishers and independent studios. Their capabilities extend not only to the PC platform, but also to Sony's PlayStation, Microsoft's Xbox, and Nintendo's GameCube.
- **Industry sources said Focus Media has entered into an agreement with Goufang.com, a local real estate web site.** The deal follows Focus Media's acquisition of Allies, a Chinese online ad firm. The reports said Focus Media is forming a strategic partnership with Goufang.com, with the two parties carrying in-depth cooperation for their respective information platforms and resources. Earlier, Focus Media said it has already completed the acquisition of Allies. The company also looking to a rise in its income in 2007 to US\$390 million-400 million from the previous US\$350 million-360 million. The value of the deal was not disclosed.

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Mobile/Wireless

- **Hurray!, a mobile value-added services company, announced the signing of an agreement with Beijing TV (BTV) to establish an exclusive partnership for delivering wireless services.** BTV is one of the major TV networks in China, with a wide audience of more 250 million viewers and a partnership with BTV is seen by Hurray as an opportunity for creating new distribution channels and gaining access to TV and video content. Hurray said the contract is bringing it nearer to its aim of becoming a leading digital entertainment content production and distribution house in China. With the agreement, BTV's channels will gain access to services that will enable its channels and programs to reach their respective audiences. The two companies said the terms and conditions of the partnership will be put in details in the definitive agreements to be entered into by both parties.
- **With a service called Express News, Motorola announced that it has become the first handset manufacturer in China to support China Mobile's news content service.** The service is a feature that lets consumers get the news, sports, entertainment, and other information they want directly from their mobile device screen.

Telecommunications

- **China Netcom Corp., China's second-biggest phone company, reported a 6.7 percent decline in its 2006 profits to 12.9 billion yuan (US\$1.6 billion), down from 13.8 billion yuan (US\$1.7 billion).** The company posted a 1 percent rise in its revenues to 86.9 billion yuan (US\$11.2 billion). China Netcom said its number of subscribers registered 114.9 million, representing the first decline in Netcom's history. China has the world's biggest telephone market, but traditional fixed-line carriers have seen growth slow sharply as potential customers increasingly opt for mobile service. Netcom and its bigger rival, China Telecom Corp., are promoting Internet, web-based television and other new services in hopes of reviving revenue growth. The company said it is attempting to become a broadband communications and multimedia-services provider as it posted a 31.6 percent growth in its sales of broadband, business and other services last year, increasing their share of Netcom's total revenues to 26 percent, up 5.8 percent from 2005.
- **According to the Management Commission of Dongguan Songshanhu Science and Technology Zone, Huawei is initiating the second phase of a new factory project in the Songshanhu area within the year.** The project is part of the deal signed by Huawei with Songshanhu Science and Technology Zone in 2006. The deal is valued at some 4 billion yuan (US\$517.6 million). The agreement estimates the total output capacity of this factory as reaching 60-70 billion in goods upon completion. Huawei Technologies is a leader in providing next generation telecommunications networks.

Taiwan

Hardware

- **Market sources cited reports stating that Foxconn Electronics (the trade name of Hon Hai Precision Industry) is scouting for a site to build its second LCD display factory in the Czech Republic.** The report quoted an official of Foxconn Czech Republic, saying the company may invest less than US\$70 million, or more than US\$100 million, in the factory, which would employ 5,000 people. Specified as the firm behind the project is Innolux Display, a subsidiary of Foxconn, which released earlier reports that it is also considering building plants in Russia, India and Vietnam in 2008.

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Czech Republic recently became a popular site for LCD display makers, as the Czech government offers a ten-year tax-free policy for the foreign companies that invest over US\$100 million in the country.

- **Taiwan-based Forhouse revealed its decision to boost its capital by NT\$900 million (US\$27.1 million) via issuing 25 million shares at NT\$36 (US\$1.1) per share for operational funds.** Forhouse said it is also increasing investments in the amount of US\$9 million in a subsidiary in Suzhou, China, which has a paid-in capital of US\$10 million. The reports are based on the company filing with the Taiwan Stock Exchange. The company is into designing, manufacturing and marketing of electronic dart boards, back light module and computer peripherals.

Semiconductors

- **Wafer Works announced its move to acquire almost a one-third of stake in China-based Solargiga Energy Holdings Limited, a move that led industry players to think that the company is on its way to listing its subsidiary Jinzhou Youhua on the Hong Kong Stock Exchange later in 2007.** Earlier it announced that it will trade a 57.7 percent stake in its subsidiary Solar Technology Investment (Cayman) worth 89.7 million yuan (US\$11.2 million), in exchange for a 29.6 percent stake in Solargiga. After the stock swap, Wafer Works will assign an executive to be chairman at Solargiga. The company said it plans to list its invested company in overseas stock markets even as no company or stock market was ever identified. Wafer Works also announced it will issue 7.1 million new shares to fund equipment procurement and expansion.

Hong Kong

Media, Entertainment and Gaming

- **Asia Television (ATV), the smaller of Hong Kong's two free-to-air television broadcasters, announced that it has secured an agreement from Mingly Corp to acquire a 50 percent stake, a move that transformed Mingly into its largest shareholder.** Under the deal, Louis Page, Television Broadcasts' former managing director, and his media venture Soft-trek Corp would help Mingly operate the company. ATV said part of the operation is the setting up of its digital television plan in the second half of this year, ATV said. ABN Amro handled the deal, the financial details of which were not disclosed. Market sources, however, placed the deal at about HK\$2 billion (US\$255.8 million), an amount based on ATV's estimated value of HK\$4 billion (US\$511.7 million). Industry observers note that even if ATV's shares are not publicly traded, the company has expressed its intention many times to list in Hong Kong for years. Last year, Citic Guoan, a mainland-based cable operator owned by Citic Group, agreed to buy a 22.2 percent stake, but the deal is still pending government approval. The present deal is also subject to government approval, and ATV said an application would be made to the Broadcasting Authority "as soon as possible" for the change of ownership

Hardware

- **The VSI Alliance, an IP standards body for the electronics industry, reported the donation of the Deliverables Checklist from the Hong Kong University of Science and Technology (HKUST).** The donation was based on the organizations' common interests in developing an international standard for evaluating semiconductor IP. Under the partnership, the VSIA and HKUST are expected to further develop the methodology and tools within the VSIA Quality IP Metric with the addition of the Deliverables Checklist. The two groups will also discuss ongoing work on QIP and

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other VSIA standards and are collaborating on a memorandum of understanding to extend work to three universities in Mainland China. HKUST developed the deliverables checklist as an SIP tool that will allow third party providers to evaluate customers' IP by categorizing deliverables using evaluation line items. It can be used to automate the generation of objective evaluation data for the determination of customers' SIP quality, ultimately easing the process of IP integration.

Singapore/Malaysia/Philippines/Indonesia

Mobile/Wireless

- **U.S. Electronic Funds Transfer (EFT) firm Transaction Systems Architects (TSA) announced its acquisition of Stratasoft, the distributor of its ACI electronic payments software in Malaysia.** Financial terms of the deal were not disclosed. Kuala Lumpur-based Stratasoft was founded in 1994 and has been an ACI distributor in Malaysia since 1995. Stratasoft's customers include seven of the ten commercial banks in Malaysia, as well as the country's only government bank. The top Asia-Pacific official for TSA's ACI Worldwide subsidiary described the acquisition of Stratasoft as “consistent with ACI's strategy of establishing direct distribution channels in selected markets in Asia” where rapid growth in electronic payments is expected.

Software

- **The Business Software Alliance (BSA) and the Intellectual Property Office of Singapore (IPOS) announced a program aimed at encouraging businesses to use licensed software.** Under the program, the two firms are offering a one-year exemption from BSA enforcement action for firms which undertake a self-audit process to certify that they are using software legally under the new BSA Software Asset Management Advantage Program. The aim of the program is to help businesses ensure that they are using software legally and protect themselves from the risk of liability from inadvertent software copyright infringement. Information on the BSA Software Asset Management Advantage Program will be available on the BSA website, with self-audit forms to be made available for download along with the guides and links to software audit tools.

Telecommunications

- **Telekom Malaysia Bhd (TM) announced that it has sold its entire 60 percent stake in Telekom Networks Malawi Ltd (TNM) to MTL Mobile Ltd for US\$16 million.** TM explained that the sale is part of a broader re-orientation of TM's international investment strategy to focus on geographic regions closer to home. Under the agreement, TNM, which has 300,000 subscribers, will pay all outstanding shareholder loans to TM and management fees to TM International Sdn Bhd amounting to US\$4.9 million.

United States/Canada

Internet

- **Microsoft Corp. said it will soon sell digital music online without digital rights management (DRM) protection.** Observers see Microsoft's decision to sell DRM-free music as a response to Apple's deal earlier in the week to sell unprotected content from recording company EMI Group PLC. The company previously claimed that DRM was necessary for current and emerging digital media business models.

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- **Mozilla's research group announced that it has developed a set of content-sharing tools that will allow users to swap links and track personal content such as blog posts, movies, and photos.** The tool is called the Coop. Still in prototype stage, the Coop fits social tools directly to the browser. The Firefox add-on not only will let users keep track of what friends are doing online, but also will let them share content and integrate other Web services. Users will be able to see friends' faces in a special section, and then click on them to get a list of recently added content, such as favorite YouTube video selections, tagged Web sites, blog posts, updates to their MySpace or Facebook pages, or new photos on sites like Flickr. Mozilla is not the first to integrate more collaboration tools into its browser. Flock, for instance, has been revamping its social-leaning Web browser over the past year to add more features that allow sharing among users.
- **DoubleClick, an online ad services provider, announced that it has begun a limited test in the U.S. of an ad exchange marketplace that it expects to launch globally by the end of the year.** Industry sources said that the company is reportedly in acquisition talks with Microsoft and Google. The DoubleClick Advertising Exchange is designed to help ad sellers market an inventory that often either does not get sold or goes for below-market prices, while assisting buyers in finding ad space they may not know is available. As part of its ad brokering exchange, DoubleClick will also handle transactions and make payments to the seller. At present, Right Media is considered the leading exchange in a market in which the key to success is to attract a lot of publishers and advertisers.

Media, Entertainment and Gaming

- **Electronic Arts the world's leading interactive entertainment company, announced that it will bring the highly anticipated MMORPG, Warhammer Online: Age of Reckoning (WAR) to major Asian regions, including South Korea, China, Taiwan and Japan.** Based on Games Workshop's Warhammer fantasy universe, Warhammer Online features next generation Realm vs. Realm (RvR) game play that will bring players to a world of perpetual conflict. The game has been developed by EA Mythic, the studio credited worldwide with revolutionizing the online gaming space with the award winning Dark Age of Camelot. RvR combat takes place on three battlefronts where an unending war is waged for control of vital resources and territory. WAR also features an innovative Public Quest system and a massive City Siege Campaign that allows players to sack and pillage an enemy capital. In addition, WAR integrates both Player vs. Player (PvP) combat zones and Player vs. Environment (PvE) quests on the same map for the very first time.
- **According to industry analysts, the deal between Yahoo Inc. and correspondents connected with McClatchy Co. newspapers could pave the way to a different level of cooperation between print and online media.** Under the deal with McClatchy, which owns 31 newspapers, is expected to bring stories from four of McClatchy's eight foreign bureaus, mainly in the Middle East and Asia, as well as exclusive online material including notebook-type blog postings from correspondents, links to other resources and travel tips. The top official for news and information at Yahoo said the company has found "significant interest" from other well-known news organizations about forming similar partnerships even as the official declined to name the organizations or provide details. However, there could be announcements of other deals over the next two to three months. A newspaper analyst at the credit ratings service Fitch Ratings Inc., said newspapers are transforming themselves from being primarily distributors of information to producers of news that can then be distributed by other means.
- **Google Inc. announced that it has signed a deal with U.S. satellite TV operator EchoStar, a move that marks Google's entry into TV ad business.** EchoStar Communications Corp. and

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Google described the partnership as aimed at creating an automated system for buying, selling, delivering and measuring the impact of TV ads running on EchoStar's national, 125-channel DISH Network. The director of product management for Google TV Ads said the new service allows network operators and ad buyers to reach ever-more fragmented TV audiences. Industry analysts, however, are saying that with the new offering, Google is likely to meet with resistance from bigger cable TV operators like Comcast, Time Warner Cable Inc. or Cox Communications. The U.S. TV ad business is valued at some US\$70 billion. The vice-president for advertising of EchoStar said his company will allow Google to sell anywhere from two minutes to 10 minutes of ads per hour across its network.

- **Video game publisher Electronic Arts Inc. announced its partnership with Viacom Inc.'s MTV and Guitar Hero developer Harmonix to deliver Rock Band, a new music game this year.** According to a Harmonix official, Rock Band is forecast to take music gameplay to an entirely new level. The company developed rhythm games "Frequency" and "Amplitude" as well as the "Karaoke Revolution" series. EMI Music Publishing and Warner/Chappell Music have pledged unprecedented access to their music catalogs for use in the game. Record labels EMI Music, Hollywood Records, Sony BMG Music Entertainment, Universal Music Group's Universal Music Enterprises and Warner Music Group's Rhino Entertainment will supply master recordings by their artists.

Software

- **Stanley, Inc., a leading provider of systems integration and professional services to the U.S. federal government, announced its acquisition of Oklahoma based Tchrizon, LLC, a premier provider of software, training, simulation and information security solutions.** Tchrizon achieved CMMI Level 5 accreditation, in partnership with the Software Engineering Center, Fires Software Engineering Division. Industry observers said the acquisition combines the specialized expertise of Tchrizon with Stanley's proven systems integration capabilities. Tchrizon has annual revenues of approximately US\$9 million and 300 employees in Oklahoma, Georgia, New Jersey, Virginia, Washington, South Korea and Iraq, who support the U.S. Army's Communications-Electronics Life Cycle Management Command, the Fires Center of Excellence and the Field Artillery School. The acquisition reinforces Stanley's strategy to expand its presence in key markets positively impacted by the Base Realignment and Closure (BRAC) process. Stanley is a provider of IT services and solutions to U.S. defense and federal civilian government agencies.
- **Hewlett-Packard (HP) announced that its HP Labs research center is developing technology that could be incorporated into the next-generation PCs that play interactive video games.** Called Game On, the technology is seen as marking HP's aim to get a share of the online gaming industry. According to the NPD Group, HP posted a 33 percent rise in the sale of its gaming consoles even the sales of its gaming PCs registered only a 1 percent rise. HP is not the first PC maker to try to branch out into high-end gaming PCs. Dell acquired Alienware in March 2006, for an undisclosed amount. The director of games for Windows for Microsoft said sales of gaming software running on PCs hit US\$6 billion globally in 2006 and is forecasted to hit US\$12 billion by 2010.

Semiconductors

- **Top U.S. memory chip maker Micron Technology Inc. posted a quarterly loss in prices for NAND flash, a performance the company uses to explain its net loss of US\$52 million for its second fiscal quarter ended March 1, compared with a profit of US\$193.2 million it posted a year earlier.** The company said its revenue was US\$1.4 billion, up 16.5 percent from a year earlier and

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shy of the average estimate of \$1.4 billion. Micron said sales of image sensors, which have been a growth area as the company diversifies away from the volatile memory market, declined from the previous quarter due to weak demand for mobile handsets and a market shift toward cheaper phones. The company competes with South Korea's Samsung Electronics Co. Ltd. Japan's Elpida Memory Inc. Qimonda AG of Germany, and Sandisk Corp of the U.S.

Ventures/Investments

- **Global-Tech Appliances Inc. announced that its Board of Directors has approved a capital appropriation for its wholly owned subsidiary, Global Optics Limited (GOL), in order to expand GOL's complementary metal oxide semiconductor (CMOS) camera module (CCM) manufacturing facility in Dongguan, China.** The company said this expansion is expected to enable GOL to increase production capacity to meet anticipated demand and also to maintain high levels of customer service for its existing and new CCM customers. Global-Tech Appliances Inc. is a holding company, owning subsidiaries that manufacture and market a wide range of consumer electrical products worldwide, including floor care products and small household appliances. These products are marketed by customers under brand names such as Black & Decker, DeLonghi, Dirt Devil, Eureka, GE, Hamilton Beach, Kenwood, Pentax, Presto, Proctor-Silex, Sanyo, Sharper Image, Sunbeam, and West Bend.

Europe

Telecommunications

- **Industry sources noted the move of Deutsche Telekom AG seeking 1.2 billion euros (US\$1.6 billion) from Elektrim SA, a Polish telecommunications and power company.** The suit is part of an eight-year dispute over ownership of Poland's second-largest mobile phone provider. Deutsche Telekom, Europe's largest telephone company, said it is requesting the compensation at an international arbitration court in Vienna over the sale of a stake in Polska Telefonia Cyfrowa Sp. z o.o. The dispute began in 1999, when Warsaw-based Elektrim bought a controlling stake in Polska Telefonia, transferred it to subsidiary Elektrim Telekomunikacja, and sold a stake in the unit to Vivendi SA, a sale Deutsche Telekom says violated its rights. Vivendi, Deutsche Telekom and Elektrim are already suing each other in five European countries and the U.S. over stakes in Polska Telefonia.

Software

- **Software AG, Europe's largest systems software and Service-Oriented Architecture (SOA) provider, and webMethods, Inc., a leading business integration and optimization software company, announced that they have entered into a definitive agreement for Software AG to acquire webMethods in a cash tender offer valued at approximately US\$546 million.** Industry analysts see the transaction as strengthening the combined company's leadership in the fast-growing SOA and Business Process Management (BPM) markets. Together, the companies bring an expanded product portfolio to a global customer base of over 4,000 organizations and 100 partners in complementary geographies around the globe. Specifically, Software AG will more than double its customer base in North America. This combination also brings complementary industry strengths and minimal customer overlap, providing immediate and mutual access to additional customer segments, particularly in financial services, manufacturing and the public sector. This acquisition follows

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Software AG's recently announced plans to more than double its revenue to 1 billion euros (US\$1.3 billion).

Mobile/Wireless

- **Nokia disclosed that it has paid Qualcomm US\$20 million to license some of its patents related to 3G mobile phones through the second quarter of 2007.** At present, the two companies are going through a renegotiation of a patent licensing agreement that expires soon. Nokia explained that the payment is not aimed at extending the agreement but for the licenses that Qualcomm provides through the European Telecommunication Standardization Institute (ETSI), the organization responsible for the UMTS (Universal Mobile Telecommunications System) 3G mobile phone standard. Nokia described the US\$20 million payment as fair and reasonable compensation for use of Qualcomm patents in its UMTS handsets.

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Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 4/6/07)	% Change 1 Week Ago	% Change 1/1/2007	% Change 1/1/2006	% Change Last 12 Mth.
Japanese yen	¥/US\$	118.7900	0.6%	-0.2%	0.9%	1.1%
Hong Kong dollar	HK\$/ US\$	7.8174	0.0%	0.5%	0.8%	0.8%
Chinese renmenbi	RMB/ US\$	7.7238	-0.1%	-1.0%	-4.3%	-3.5%
Singapore dollar	S\$/ US\$	1.5128	-0.3%	-1.6%	-9.0%	-5.7%
South Korean won	KRW/ US\$	932.0000	-0.9%	0.2%	-7.7%	-2.3%
New Taiwan dollar	NT\$/ US\$	33.0835	-0.1%	1.5%	0.8%	2.3%
Australian dollar	US\$/A\$	0.8192	1.5%	3.9%	11.8%	12.0%
New Zealand dollar	US\$/NZ\$	0.7232	1.5%	2.7%	5.8%	17.9%
Philippine peso	PHP/ US\$	48.0550	-0.4%	-1.9%	-9.5%	-5.9%
Euro	US\$/€	1.3419	0.9%	1.7%	13.2%	9.0%
British pound	US\$/£	1.9711	0.7%	0.6%	14.4%	12.2%

Fixed Income Prices and Yields

Note	Currency	Current (on 4/6/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	97.2813	4.88%	98.4844	4.84%	101.0135	4.64%
Japan 30-year	¥	103.2950	2.31%	103.6565	2.29%	105.1270	2.21%
Hong Kong 10-year	HK\$	105.3731	4.36%	105.2894	4.36%	105.3870	4.17%
China (06/16)	US\$	110.7725	3.31%	110.9430	3.33%	112.5000	3.12%
Singapore 10-year	S\$	103.0254	3.00%	101.8740	3.08%	100.7570	3.18%
South Korea 20-year	US\$	107.5214	5.16%	108.4785	5.13%	107.8900	5.10%
Australia 15-year	A\$	153.2205	2.54%	153.7280	2.49%	154.6720	2.43%
New Zealand (12/17)	NZ\$	100.8135	5.91%	100.5620	5.92%	101.5170	5.81%
Philippines 20-year	PHP	130.9411	8.26%	130.9269	8.26%	134.8100	7.97%
India 30-year	INR	88.7125	8.47%	89.9001	8.32%	89.8800	8.34%
UK 30-year	£	96.3950	4.46%	97.1110	4.42%	99.1985	4.30%
Germany 30-year	€	95.0750	4.27%	96.0120	4.24%	97.9110	4.12%

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