



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

Week of 22 April - 28 April, 2007

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

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



Week of 22 April- 28 April 2007

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	8
Taiwan	10
Hong Kong	11
Singapore/Malaysia/Philippines/Indonesia	12
United States/Canada	12
Europe	14
Other Economic Data	15
Currency Exchange Rates	15
Fixed Income Prices and Yields	15

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, f/k/a iReality Group Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document. For more information on IRG call (852) 2237 6000 or visit www.irg.biz.

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



Week of 22 April- 28 April 2007

Equity Market Indicators					
Index	Closing Level (4/27/2007)	% Change 1 Week Ago	% Change 1/1/2007	% Change 1/1/2006	% Change 2006 Low
S&P 500	1,494.25	0.7%	5.4%	19.7%	22.1%
Dow Jones Industrial Avg.	13,105.50	1.1%	5.2%	22.3%	22.9%
Dow Jones Tech. Index	428.24	1.3%	3.8%	14.2%	27.1%
Dow Jones Telecom. Index	279.41	-0.8%	7.4%	38.6%	38.8%
NASDAQ Composite	2,554.46	1.1%	5.8%	15.8%	26.4%
The Street.com Net	259.38	2.8%	4.9%	23.3%	34.7%
Japan Nikkei 225	17,400.41	-0.3%	1.0%	8.0%	22.4%
JASDAQ	80.95	2.0%	-6.1%	-37.8%	0.2%
Japan Mothers	924.67	-1.2%	-16.8%	-63.7%	-8.3%
Korea KOSPI Composite	1,542.52	0.6%	7.5%	11.8%	28.1%
Korea Kosdaq	675.52	-2.3%	11.4%	-2.3%	25.3%
Taiwan Stock Exchange	7,949.42	0.1%	1.6%	21.4%	27.0%
Singapore Straight Times	3,398.60	1.1%	13.8%	44.8%	49.0%
Hong Kong Hang Seng	20,526.50	-0.2%	2.8%	38.0%	37.3%
Hong Kong GEM	1,392.63	2.5%	13.7%	38.3%	38.5%
China Shanghai (A-Share)	3,950.84	4.9%	40.3%	223.6%	218.1%
China Shenzhen (A-Share)	1,098.40	4.4%	92.8%	278.7%	272.4%
China Shanghai (B-Share)	215.99	7.3%	66.0%	248.3%	243.2%
China Shenzhen (B-Share)	592.54	6.1%	36.7%	202.9%	197.4%

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



Week of 22 April- 28 April 2007

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
4/25/07	China Sunergy Co. Ltd [959814Z.US] (NASDAQ)	Renewable Energy	US\$100.0	Manufactures solar cells from silicon wafers	Merrill Lynch	Cowen & Co./ Jefferies & Co.

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 4/27/07	% Change From Offer
N/A						

Asian Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 4/27/07	% Change From Offer
4/27/07	Megaforce Company Ltd. [3294.TT] (Gretai)	Manufactures plastic parts used in information, communication and consumer electronic products	US\$16.5	NT\$50	NT\$61.60	23.2%
4/26/07	Asia Media Co. Ltd. [2149.JP] (TSE)	Provides TV program information from China and distributes to cable TV networks, as well as providing TV guide channels to cable networks	US\$37.8	¥640	¥852	33.1%
4/25/07	Nuflare Technology [6256.JP] (JASDAQ)	Develops, manufactures and sells electron beam mask writers and inspection devices for semiconductors	US\$34.3	¥220,000	¥305,000	38.6%

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
4/25/07	S-Information Technology Ltd [032790.KS]	Specializes in manufacturing coils and transformers used in television sets and monitors	4/27/10	US\$5.0	2,739 shares	3/27/10
4/24/07	Chung Lam Digital Co. [035270.KS]	Manufactures car audio amplifiers and satellite video receivers	4/30/10	US\$5.9	12,345 shares	4/29/10

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



Week of 22 April- 28 April 2007

Weekly Highlights

International

Internet

- **The growth of IPTV and other network-based entertainment services is likely to change the face of home networking and could affect enterprises, according to Gartner.** Although wireless LANs will remain the dominant form of home network, emerging wired technologies, such as HomePNA, HomePlug, and MOCA (Multimedia Over Coax Alliance), will grow quickly over the next five years. Many service providers and cable operators will promote these emerging networks as easy-to-use, high-bandwidth pathways for the multimedia content they are starting to market.

Japan

Media, Entertainment and Gaming

- **Sony Corp. announced its move to launch a video-sharing site in Japan, making the electronics and entertainment conglomerate the latest to enter the market dominated by Google Inc.'s YouTube service.** Sony said it aims to introduce the service abroad as well, but said it would like to see first how well the site is received in Japan before it decides on the overseas launch schedule. Earlier in March, News Corp. and NBC Universal announced their plans to launch a free online video site this year, indicating the move of media firms to compete with popular video-sharing services.

Internet

- **The Japanese arm of Amazon.com Inc. announced the opening of a virtual shopping mall that allows third parties to set up shops on its web site. Before this, Amazon Japan KK had previously focused on selling directly to consumers online.** Industry observers see the move as boosting competition with existing shopping malls, such as Rakuten Inc.'s Rakuten Ichiba, the nation's largest online mall, and Yahoo Japan Corp.'s Yahoo! Shopping portal. Amazon Japan KK had previously focused on selling directly to consumers online. The U.S. Amazon.com has launched similar services in the United States, Britain and Germany. The president of Amazon Japan said the selected companies would open stores on an invitation-only basis, a move aimed at maintaining the quality of products offered online. Even with the company not disclosing its sales in the country, the Japanese unit is estimated to have accounted for more than 10 percent of the company's global consolidated sales of US\$10.7 billion in the year through December 2006.
- **Trend Micro, Incorporated, a leader in network antivirus and Internet content security software and services, announced earnings results for the first quarter 2007, including record net sales for the first quarter 2007.** The company posted net sales of 23.2 billion yen (US\$ 194.9 million). The company posted operating income of 6.6 billion Yen (US\$55.5 million) and net income of 4.3 billion Yen (US\$36.45 million) for the quarter. The company said it has continued to see strong growth, led by a 20-percent year-over-year revenue increase in North America and 14-percent in Europe, this was followed by Asia Pacific and Japan at 10-percent and 6-percent growth respectively.
- **Yahoo Japan Corp. released its forecasts of a group net profit of 14.7-16.6 million yen (US\$123,000-139,000) and an operating profit of 28.1-30 million yen (US\$235,000-251,000) for**

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



Week of 22 April- 28 April 2007

the April-June quarter, almost flat from the previous quarter but registering up to 26 percent year-on-year growth. Yahoo Japan said it projects revenue of 55.6-58.2 billion yen (US\$465 million-487 million) for April- June, flat from the previous quarter and up 13-18 pct from a year before. A top company official explained that Yahoo Japan has presented a slightly conservative sales estimate because its revenue share in the Yahoo! BB broadband Internet service will decrease based on a review of its contract with business partner Softbank BB Corp. For the year to March 2007, Yahoo Japan reported a 23.1 percent rise in its group net profit to 57.9 million yen (US\$484,500) up from the previous year.

Korea

Internet

- **Daum Communications Corp. announced that it has entered into an agreement with a unit of Sony Pictures to provide Hollywood movies free of charge through its Internet portal site next month.** Under the deal, Sony Pictures Television International, the No. 2 portal operator in South Korea said it will provide the movies free of charge through its Video Pot service to be launched in May.
- **Fast Search & Transfer ASA announced that it has secured a deal by Pandora.TV, the fastest growing web site in South Korea, for the deployment of its Fast Enterprise Search Platform.** Pandora.TV, which was founded in October 2004, has already attracted a unique monthly user base of 12 million, making it one of the leading Internet video sites in South Korea. Fast said the agreement is based on software license, maintenance fees and other professional services. No financial details of the deal were released.

Mobile/Wireless

- **KT Freetel Co., South Korea's second-largest mobile-phone operator, reported for the first quarter, a 39 percent decline in its net income to 77.1 billion won (US\$83.2 million), marking the fifth consecutive drop in quarterly profits following the company's spending more on handset subsidies to win customers from rival carriers.** KT Freetel posted a 13 percent rise in its sales to 1.8 trillion won (US\$2 billion), with the company reporting a 41 percent decline in its operating profit to 100.7 billion won (US\$108.3 million).

Media, Entertainment and Gaming

- **According to South Korea's Minister of Information and Communication and the top official of the Korean Broadcasting Commission, a bill will be put together that will enable digital TV broadcasting services to fully replace the current analogue TV system in Korea by 2012.** The digital broadcasting committee said it aims to finalize the bill this year after it gets a go-signal from the National Assembly. The bill requires broadcasters to halt their analogue TV signals by December 31, 2012, and would also require all new TV-related home appliances to incorporate "digital tuners," or equipment for digital reception.

Hardware

- **According to LG Electronics, sales of the Chocolate phone, considered to be its flagship handset, have gone beyond 10 million, enabling the Chocolate phone to be part of the so-called "10-million club", which is the exclusive domain of only the top-selling mega-hit phones.** Before these results, Samsung Electronics was the only South Korean phone maker with 10-

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



Week of 22 April- 28 April 2007

million sellers. Three Samsung phones have joined the club: the Lee Kun-hee phone (T100 - named for Chairman Lee Kun-hee who helped develop it), the Benz phone (E700) and the Blue Black phone (D500). Industry observers see the success of the Chocolate as upping LG's global brand image and boosting the profitability of its handset business.

Telecommunications

- **SK telecom reported sales of 2.7 trillion won (US\$3 billion) and net income of 396.3 billion won (US\$426.1 million) in the first quarter this year.** The company posted a 6.7 percent rise in its sales, with analyst forecasting that SK Telecom's marketing expenses would go up as its new number of subscribers jumped from 239,000 in the fourth quarter last year to 462,000 in the first quarter this year. SK reported its marketing costs dropping from 635.7 billion won (US\$684.1 million) to 586.9 billion won (US\$631.6 million) over the same period.
- **In a regulatory filing, KT Corp., South Korea's largest telephone and Internet company, reported a 7.7 percent decline in its first-quarter profit to 377.6 billion won (US\$406 million), compared with 409.2 billion won (US\$440.3 million) a year earlier.** The company said its sales went up by 1.9 percent to 3 trillion won (US\$3.2 billion). KT reported also a 21 percent drop in its operating profit to 526.8 billion won (US\$567 million). Earlier in January this year, KT released a forecast saying that its operating profit would go down in four years because of intensifying competition. KT said it is investing in new services such as wireless broadband and online television services to revive growth as revenue from traditional phone calls and broadband access stall.
- **According to EarthLink, Los Angeles-based mobile startup Helio, a joint investment of EarthLink and South Korea's SK Telecom, continues to lose a significant amount of money.** Despite this, both EarthLink and SK Telecom announced they would continue to invest in the company. Helio's net loss was \$63.1 million over the first three months of the year, on revenue of \$30.4 million. EarthLink said it forecasts Helio's net loss for the year to be between US\$330 and US\$360 million even as it expects Helio to be profitable by 2009. Earthlink said it also expects the company to gain 200,000-250,000 customers by the end of the year, with average revenue per user at US\$90-\$100. EarthLink also said it will invest another US\$50-\$100 million dollars in Helio over the remainder of the year. SK Telecom also announced it would invest further in the joint venture, but did not specify the amount. A mobile virtual network provider (MVNO), Helio offer specialized devices and premium data services like video, music and social networking.

Semiconductors

- **Hynix Semiconductor, the world's second-largest memory chip maker, reported positive business even as it experienced a decline in chip prices in the first quarter of the year. Hynix posted 2.4 trillion won (US\$2.5 billion) in sales in the first quarter, up 60 percent from the previous year.** The company said its operating profit posted a 3 percent rise to 388 billion won (US\$417.5 million), with the company ascribing the results to a drop in the prices of its flagship dynamic random access memory (DRAM) and Flash memory chip products. In a related development, Hynix said it held the ground breaking for the construction of its third 300mm wafer line at its Cheongju plant, North Chungcheong Province, with the line going into operation in the third quarter of next year. Hynix Semiconductor said it will invest more than 4.5 trillion won (US\$4.8 billion) through 2009 to expand and build facilities, and put in some 800 billion won in facility investment and R&D in the second quarter of 2007.

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



Week of 22 April- 28 April 2007

Information Technology

- **According to the Korea Exchange, Samsung Card has been given the permission to go public in July, after the country's second-largest card company fulfilled the requirements for listing by passing preliminary screening procedures.** Samsung Card said it plans to sell part of its shares to the investing public in June before being listed on the bourse. A South Korean firm is required to offer at least 10 percent of its outstanding stock to the public before listing. Samsung Card maintains a market capitalization of 4-5 trillion won (US\$4.3 billion-5.3 billion). Five affiliates of the Samsung Group hold an 89.9 percent stake in their sister Card Company. Among them, Samsung Electronics owns a 46.9 percent stake.

China

Internet

- **Google China announced that it has entered an agreement with China Telecom to work jointly on online advertising.** The move is seen by observers as another move for Google to develop the China market following its signing of mobile search service deals with China Mobile earlier this year. Under the agreement, Google will provide online advertising services for China Telecom's Vnet.cn and city portal web sites. The general manager of China Telecom's Internet and Value-added Service Department, revealed their plans to add more to online advertising projects. No details have as yet been disclosed about the alliance even though reports indicate that Google sees the partnership as one of its more strategic cooperation for the year.
- **After months of speculation, MySpace announced its launch in China, a market of 137 million Internet users.** In the launch, MySpace China introduced itself as a "locally owned, operated and managed company", naming News Corp-owned MySpace Inc as only one among several investors. Industry observers see this move as a response to the fact that international Internet companies foray into the Chinese market tended to fail. Investors in MySpace China also include International Data Group and China Broadband Capital Partners, an investment company founded by former China Netcom Group Corp chief executive Edward Tian.
- Baidu.com announced its first-quarter revenue, with profit more than doubling, results that the company ascribed to surging demand for online ads. Baidu reported first-quarter revenue of 275.6 million yuan (US\$35.6 million) as of March 31, the last day of the period being, an increase of 103 percent over the same period last year. Its net income went up 143 percent, to 85.5 million yuan (US\$11 million). Looking ahead, Baidu said it expects this growth to continue, with second-quarter revenue to show gains of up to 41 percent on a sequential basis.

Software

- **According to CDC Corporation's preliminary financial results for the first quarter of 2007, the company looks to achieving total revenues for the first quarter of 2007, ended March 31, 2007, of US\$90 million, an increase of approximately 40 percent from US\$64.6 million in the first quarter of 2006.** The company expects adjusted net income to be approximately US\$9.7 million, an increase of approximately 64 percent from US\$5.9 million in the first quarter of 2006. CDC attributes its performance in the first quarter mainly to a record quarterly revenue at CDC Software of approximately US\$75 million, which is up approximately 40 percent over the same period a year ago and covers license revenue of approximately US\$14.5 million, which is up approximately 50 percent over the same period a year ago. Earlier in February 2007, CDC Corporation increased estimates for

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



Week of 22 April- 28 April 2007

total revenues for 2007 to be in the range of US\$415 million to US\$420 million, which would be an increase of approximately 35 percent compared to total revenues for 2006. CDC Corporation also increased estimates for adjusted net income for 2007 to be in the range of US\$57 million to US\$62 million.

Hardware

- **Home appliance manufacturer Changhong revealed its plans to indirectly acquire South Korean company Orion, a plasma monitor manufacturer.** Changhong said it will initiate the construction of the first domestically invested plasma monitor production line in China. According to a resolution passed by Changhong's board of directors, Changhong will raise about 2.5 billion yuan for the acquisition of about 75 percent of the stake of Sterope Investments, sole shareholder of Orion. Sichuan Shijie Shuanghong Monitor Company currently holds that stake in Sterope and will sell to Changhong, with the company aiming to include its plasma technology into the listed company. According to Changhong, its plan of constructing the country's first plasma screen line has already received approval by China's State Development and Reform Commission even as the issuance of shares for raising the funds still awaits the vote of its shareholders.

Telecommunications

- **Shanghai Telecom announced the construction of a trans-pacific undersea cable expected to be completed and put into operation in 2008.** Industry observers see first phase when completed as boosting Shanghai's international communications export capacity upon completion. Currently, Shanghai has nine international undersea cables connected it, which makes it use 70 percent of the total international communication capacity of China, which are unable to meet the increasing market demand. The Trans-Pacific Express, which involves a total of US\$500 million in investment, is jointly built by China Telecom, China Netcom, China Unicom, Chunghwa Telecom, Korea Telecom, and US-based Verizon.

Information Technology

- **Microsoft China announced the signing of a memorandum of understanding with Alibaba to carry out strategic cooperation on e-commerce and IT services aimed at medium and small enterprises, as well as e-commerce organizations.** Under the deal, the two companies said they will cooperate on the development and planning of online services for e-commerce, enterprise management, office automation and enterprise communications. Their achievements will be released through Alibaba's online software service platform, which is currently under construction, and to be used by 20 million middle and small enterprises who are expected to pay for the software according to demand. The agreement will also see the companies together in developing innovative application software for the enterprises and focus on mobile computing. In a related development, Alibaba said its online software service platform will be launched in the second half of this year.
- **AsiaInfo Holdings, Inc. a leading provider of telecom software solutions and IT security products and services in China, announced first quarter results for the period ended March 31, 2007, with the company posting net revenue of US\$23.5 million, an increase of 25 percent year-over-year, and a decrease of 7 percent sequentially.** AsiaInfo Holdings, Inc. is a leading provider of high- quality software and customer solutions to many of China's largest enterprises. In addition to providing software and customer solutions to China's telecom carriers, the Company also offers a wide range of security products and services to small, medium and large sized Chinese enterprises across multiple vertical industries. Organized as a Delaware corporation, AsiaInfo began operations in the United States in 1993. The Company moved its major operations to China in 1995

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



Week of 22 April- 28 April 2007

and played a significant role in the construction of the national Internet backbones and provincial access networks for all of China's major national telecom carriers, including China Telecom, China Mobile, China Unicom and China Netcom. Since 1998, AsiaInfo has continued to diversify its product offerings and is now a major provider of enterprise software solutions in China

Taiwan

Media, Entertainment and Gaming

- **Chinesegamer International, a developer/operator of online games in Taiwan, announced estimated net profits of NT\$184.8 million (US\$5.5 million) for first quarter 2007, compared to the net loss of NT\$19 million (US\$571,428) it posted in the first quarter of 2006.** The company ascribed the profitability for first quarter 2007 to the selling of Huang Yi Online. With operations beginning in August 2006, Huang Yi Online had attracted 190,000 simultaneous players in the fourth quarter of 2006 and maintains 120,000-130,000 concurrent players. It reported monthly revenues of NT\$60 million (US\$1.8 million) currently. Chinesegamer said it will launch three new self-developed online games in July, August and October, respectively, and an imported 3D one in the fourth quarter as well as a self-developed 3D online game at year-end or early 2008. Outside the China market, Chinesegamer this quarter will license operations of Huang Yi Online in Southeast Asia, Japan and South Korea as well as that of Love Box Online and Wonderland Online in Japan.

Mobile/Wireless

- **BenQ reported a narrowing of its after-tax losses to NT\$1.7 billion (US\$53 million) in the first quarter of this year, down from NT\$7.8 billion (US\$23.5 million) in the fourth quarter of last year.** The company said the losses were incurred mainly from inventory adjustment of its handset unit. BenQ also reported a 40 percent rise in its handset shipments sequentially to 940,000 units in the first quarter. In a separate development, BenQ said it has recently updated the plan by spinning off its own-brand business to focus solely OEM production of 3C goods. After spinning off its own-brand business, the new BenQ will also assume a different name.

Semiconductors

- **Industry sources said that Texas Instruments (TI) is expected to increase its output of LoCosto handset single chips at the 90nm node from Taiwan Semiconductor Manufacturing Company (TSMC) in the second quarter.** The reports indicated that TSMC's 90nm process technology has enabled TI to see margin growth in the first quarter despite a revenues decline amid fierce competition in the ultra low cost handset market.

Hardware

- **Sources said that component makers Yageo and Advanced Connectek (Acon) have dismissed rumors that their recent settlement over a patent dispute may lead to a potential merger of the two companies.** According to Yageo, the talks about merger speculations are groundless; Acon stated that there are no talks about any merger plan. Industry sources note that Yageo has been aggressively expanding in recent years. In 2005, it acquired a controlling stake in multi-layer ceramic capacitor (MLCC) maker Compostar Technology, and in 2006 it took over control of high-capacitance MLCC maker Chipcera Technology.

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



Week of 22 April- 28 April 2007

Telecommunications

- **Taiwan Mobile (TWM) announced that it would have its wholly owned subsidiary Taihsing International Telecommunications (TIT) continue to acquire stakes in Taiwan Fixed Network (TFN).** The company said it aims at having a 100 percent stake in TFN, following the decision made by the board of directors of TWM. As of April 13, TIT held a 74 percent stake in TFN and plans to acquire remaining stakes of the company from other shareholders.

Hong Kong

Internet

- **Industry sources said the shareholders have agreed to Tom Group's proposal of taking Tom Online private has been passed, with 99.3 percent of the shareholders agreeing on the arrangement.** Under the proposal of Tom Group, the scheme shares will be canceled in exchange for HK\$1.5 (US\$.19) in cash for each scheme share. And after the privatization, Tom Online will withdraw from both Hong Kong stock market and NASDAQ. Currently, Tom Group has 2.8 billion shares of Tom Online, which stands for 65.7 percent of the firm's total shares. Tom Group said that they want take Tom Online private because the company needs a great deal of investment needed for its expansion

Hardware

- **Nam Tai Electronics, Inc. (Nam Tai) announced that through the subsidiary of its Hong Kong listed subsidiary, Nam Tai Electronic & Electrical Products Limited, it disposed 39 million A Shares and 41.6 million A Shares in TCL Corporation (TCL) on April 20, 2007 and April 23, 2007, respectively on the market of Shenzhen Stock Exchange at an aggregated total consideration of approximately US\$54 million and a resulting in an one-off gain of approximately US\$30 million (after deducting the portion attributable to minority interests).** Nam Tai Electronics is electronics manufacturing and design services provider to a select group of the world's leading OEMs of telecommunications and consumer electronic products. Nam Tai has two Hong Kong listed subsidiaries, Nam Tai Electronic & Electrical Products Limited and J.I.C. Technology Company Limited.

MobileWireless

- **According to India's law ministry, it has cleared the shareholding structure in mobile phone operator Hutchison Essar ahead of a meeting of the Foreign Investment Promotion Board (FIPB).** The ownership of Hutchison Essar is being examined before the FIPB, with the board expected to make a decision "largely" based on the law ministry's comments, the Economic Times reported, citing sources in the law ministry. Earlier reports indicated that FIPB may take the view that minority stakes held by two Indians in Hutch Essar should be seen as foreign holdings. Vodafone agreed in February to buy 67 percent in Hutch Essar, India's fourth biggest mobile firm, from Hutchison Telecom for US\$11.1 billion. Hutchison Telecom directly owns 52 percent of Hutch Essar. India's Essar Group owns 33 percent, 22 percent of which is held overseas as foreign holding. Hong Kong-based HTIL has said it is in full compliance with the law and Vodafone has said it expects the deal to close in the second quarter.

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



Week of 22 April- 28 April 2007

Singapore/Malaysia/Philippines/Indonesia

Telecommunications

- **Nippon Telegraph and Telephone Corp (NTT) disclosed that it has paid 4.9 billion pesos (US\$103.3 million) in acquiring additional 1.9 million common voting shares in Philippine Long Distance Telephone Co., thereby raising its stake in the Philippines's largest telecommunications group to 27.2 million common voting shares.** The acquisition cost is based on a 2,500 peso (US\$52.7) market price of PLDT common voting shares on the Philippine Stock Exchange. The increase in outstanding common voting shares came from the issuance of PLDT common voting shares under the employees' stock option plan and from the conversion of preferred shares into common voting shares. Even with the additional acquisition, the reports noted that the ratio of the combined ownership of the NTT units in PLDT only went up lightly to 14.4 percent from 13.4 percent because of the increase in PLDT's outstanding common voting shares. The increase in outstanding common voting shares came from the issuance of PLDT common voting shares under the employees' stock option plan and from the conversion of preferred shares into common voting shares.

Semiconductors

- **Music Semiconductors Corp., a publicly traded company, announced that it will try to raise fresh capital of US\$3.5 million, in the second half of the year to fund a new product line it plans to market in 2008.** The company said it is now in exploratory talks with three local companies and a foreign firm for potential participation in the private placement. According to the company's top official, Michael Burton, the fresh capital would be used specifically to fund the production of flex content addressable memory (CAM), a computer chip used by search engines. Incorporated in the Philippines in January 1992, Music started with two distinct semiconductor product lines as a result of its acquisition of these assets from Music NV, a Dutch company that became its subsidiary. The first product line, graphics chips for personal computers, had been generating revenue for three years and was profitable. The other product, CAM chips for networking systems, was just entering the market following a lengthy period of development.

Internet

- **Telstra announced the launching of a massive sales pitch for its business customers as the company gears to bring its clients to a new Internet platform that it claims is valued at US\$1.5 billion.** Industry observers see the move as similar to that made by other large telecom groups across the globe. In a related development, Optus said it is seeking a replacement for chief information officer Soo Kee Ng, who will return to Singapore in coming months to run technology for the group.

United States/Canada

Internet

- **According to PacificNet, NASDAQ has declared the company as subject to delisting from the NASDAQ Global Market following the failure of the company to file its Annual Report on Form 10-K for the fiscal year ended December 31, 2006 with the Securities and Exchange Commission.** The company said its prior independent public accountants have withdrawn their audit

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



Week of 22 April- 28 April 2007

reports regarding the Pacificnet's financial statements for the years ended December 31, 2005 and 2004 and the company's audit committee is currently conducting an independent internal investigation with respect to the company's stock option grant practices. The report said PacificNet has a hearing scheduled with the NASDAQ Listing Qualifications Panel at which time it will present a plan of compliance with respect to the timeline for the re-instatement of audited financial statements for the fiscal years ended December 31, 2005 and 2004, and the filing of the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006.

- **Time Warner Inc. said its AOL Internet unit will launch a version of its portal in India. The offering will include sections devoted to Bollywood, Cricket and international music.** As part of AOL's global expansion plans, the new site, AOL.in, will have tailored entertainment and news and feature much of the same features from its U.S. site AOL.com, such as free access to E-mail, instant-messaging and mobile services. Following a report from Kaufman Brothers, AOL said the India market had about 45 million Internet users in a population of 1.1 billion at the end of 2006, with the report projecting the region's Internet usage as surging to 94 million by 2008 and to 147 million by 2010.

Software

- **Sun Microsystems reported improved revenues and profitability for its third fiscal quarter ended April 1, 2007, with the company posting for the quarter revenues of US\$3.2 billion, an increase of 3.3 percent over the third quarter of fiscal 2006.** Sun said its net income for the third quarter was US\$67 million, compared to the US\$217 million net loss the third quarter of 2006. Sun's profit beat expectation although its revenues were US\$100 million short.
- **Red Hat disclosed that it is expanding its JBoss middleware efforts with new initiatives that make it easier to acquire and develop with its open source applications technologies.** The open source vendor announced also data-management and integration software vendor MetaMatrix for an undisclosed sum. A Red Hat official did not disclose financial details of the MetaMatrix transaction, with the deal expected to close in the next 60 days, with MetaMatrix personnel moving to Red Hat. The company plans to open source the MetaMatrix technology immediately.
- **Oracle said it has agreed to the acquisition of meter data management applications vendor Lodestar. No financial details regarding the acquisition were revealed.** Industry observers see the acquisition as complementing Oracle's existing applications suite for utilities management and gives the vendor an even stronger foothold in an industry that has seen greater competition emerge in the wake of deregulation. Earlier in November last year, Oracle acquired utilities management applications vendor, SPL Worldgroup. With the latest acquisition, the company is expected to be able to offer a range of applications, including meter data management, load profiling, customer care, workforce management, pricing, sales, marketing, billing and analytics.
- **IBM announced that it has agreed to allow MySQL AB's open source database to run on its System i computer server.** Under the agreement, IBM and MySQL said in a statement the companies will offer the MySQL Server for IBM's System i operating system, i5/OS. Industry observers said MySQL, which popularized the model of offering free database software to customers and charging them for support, can benefit from selling into an area it was not able to access before, making open source MySQL and PHP applications available to System i users. Financial terms of the deal were not disclosed.
- **Market sources noted how the shares of Microsoft Corp. soared higher following the company's posting of a 65 percent jump in third-quarter profit.** The company attributed the

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



Week of 22 April- 28 April 2007

results to the sales of its new Windows Vista operating system and Office 2007, and by upgrade coupons issued over the holidays. The results also diminished the speculation that the price of Vista and its requirement for various hardware upgrades will have a negative impact on the company. Microsoft reported earnings of US\$4.9 billion for the quarter ended March 31, compared to the US\$2.9 billion it reported in same period last year. The company posted a 32 percent rise in its revenue for the fiscal third quarter to US\$14.4 billion. Analysts were looking for US\$13.8 billion in sales.

Information Technology

- **Globecomm Systems Inc.** a global provider of end-to-end satellite-based communications solutions announced that it has entered into a definitive agreement on the acquisition of the **GlobalSat division of Lyman Bros., Inc.** The report placed the value of the deal at US\$18.4 million and is anticipated to be partially funded through a US\$16 million acquisition term loan to be provided by Citibank, N.A. The all cash transaction is subject to the satisfaction of standard closing conditions to provide the financing described above, and is expected to close in the Company's fiscal fourth quarter ending June 30, 2007. GlobalSat is a global provider of satellite-based telecommunications services. Headquartered in Washington D.C., GlobalSat's unaudited revenue for the twelve-months ending December 31, 2006 was approximately US\$21 million.

Europe

Semiconductors

- **German chipmaker Infineon Technologies AG** reported a net loss for the second quarter, a decline that the company said was greatly affected by restructuring costs and charges related to the **writedown of assets**. Infineon said it lost 11 million euros (US\$15 million) in the quarter, less than the 26 million euros 9US\$ it lost in the same quarter a year earlier. Analysts polled by Dow Jones Newswires had expected a profit of 17 million euros (US\$23.1 million). The company said its sales registered a 2 percent decline to 1.9 billion euros (US\$2.6 billion) from 1.99billion euros 9 (US\$ a year earlier, slightly below the 2 billion euros (US\$2.7 billion) analysts predicted. The figures included the operations of Qimonda AG, the computer chip maker where Infineon maintains a stake of almost 86-percent. Excluding Qimonda, Infineon reported sales going down by 8 percent to 978 million euros (US\$1.3 billion) from 1 billion euros (US\$ a year earlier.

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



Week of 22 April- 28 April 2007

Other Economic Data

Currency Exchange Rates

Currency	Units	Current Rate (on 4/27/07)	% Change 1 Week Ago	% Change 1/1/2007	% Change 1/1/2006	% Change Last 12 Mth.
Japanese yen	¥/US\$	119.4550	0.7%	0.3%	1.4%	4.3%
Hong Kong dollar	HK\$/ US\$	7.8207	0.1%	0.6%	0.9%	0.9%
Chinese renmenbi	RMB/ US\$	7.7150	0.0%	-1.2%	-4.4%	-3.8%
Singapore dollar	S\$/ US\$	1.5177	0.5%	-1.3%	-8.7%	-4.3%
South Korean won	KRW/ US\$	929.2000	0.2%	-0.1%	-8.0%	-1.7%
New Taiwan dollar	NT\$/ US\$	33.2700	0.3%	2.1%	1.4%	4.2%
Australian dollar	US\$/A\$	0.8267	-1.0%	4.8%	12.8%	9.4%
New Zealand dollar	US\$/NZ\$	0.7390	-0.7%	5.0%	8.1%	17.4%
Philippine peso	PHP/ US\$	47.4550	-0.1%	-3.2%	-10.6%	-8.3%
Euro	US\$/€	1.3613	0.1%	3.1%	14.9%	9.6%
British pound	US\$/£	1.9943	-0.5%	1.8%	15.7%	11.8%

Fixed Income Prices and Yields

Note	Currency	Current (on 4/27/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	98.2188	4.88%	98.4688	4.83%	98.2160	4.84%
Japan 30-year	¥	104.2830	2.27%	103.5080	2.29%	103.6570	2.29%
Hong Kong 10-year	HK\$	105.0640	4.36%	105.1437	4.36%	105.2890	4.17%
China (06/16)	US\$	110.1446	3.39%	110.7754	3.31%	110.9400	3.30%
Singapore 10-year	S\$	104.6420	2.82%	105.0480	2.76%	101.9370	3.07%
South Korea 20-year	US\$	106.7990	5.24%	106.3507	5.22%	107.8290	5.13%
Australia 15-year	A\$	152.4500	2.59%	152.8240	2.56%	153.7280	2.51%
New Zealand (12/17)	NZ\$	99.1027	6.12%	98.3576	6.22%	100.5620	5.93%
Philippines 20-year	PHP	130.9782	8.25%	130.9650	8.25%	130.9300	8.26%
India 30-year	INR	89.2750	8.40%	88.7000	8.46%	90.6663	8.26%
UK 30-year	£	94.5700	4.58%	95.6370	4.52%	97.1734	4.42%
Germany 30-year	€	93.7600	4.39%	93.6170	4.38%	96.0620	4.23%

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document.