



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

***Week of 16 September - 22 September, 2007***

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Equity Market Indicators					
Index	Closing Level (9/21/2007)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
S&P 500	1,525.75	2.8%	5.4%	7.6%	22.2%
Dow Jones Industrial Avg.	13,820.19	2.8%	5.57%	10.9%	28.9%
Dow Jones Tech. Index	462.55	2.5%	6.5%	12.1%	23.3%
Dow Jones Telecom. Index	304.44	2.7%	9.2%	17.1%	51.0%
NASDAQ Composite	2,671.22	2.7%	5.9%	10.6%	21.1%
The Street.com Net	286.06	2.0%	6.1%	15.7%	36.0%
Japan Nikkei 225	16,312.61	1.2%	2.6%	-5.3%	1.2%
JASDAQ	69.66	-1.3%	-1.4%	-19.2%	-46.5%
Japan Mothers	625.93	-1.8%	-11.1%	-43.6%	-75.4%
Korea KOSPI Composite	1,919.26	2.6%	10.5%	33.8%	39.1%
Korea Kosdaq	788.41	0.7%	8.3%	30.1%	14.1%
Taiwan Stock Exchange	9,105.28	0.8%	7.4%	16.4%	39.0%
Singapore Straight Times	3,542.22	0.2%	9.7%	18.6%	50.9%
Hong Kong Hang Seng	25,843.78	3.8%	18.9%	29.4%	73.7%
Hong Kong GEM	1,512.77	-1.8%	7.8%	23.5%	50.2%
China Shanghai (A-Share)	5,725.37	2.7%	10.1%	103.4%	368.9%
China Shenzhen (A-Share)	1,574.08	1.1%	9.0%	176.4%	442.7%
China Shanghai (B-Share)	359.28	2.2%	14.1%	176.1%	479.3%
China Shenzhen (B-Share)	770.67	0.3%	7.3%	77.9%	294.0%

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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
9/14/07	RHI Entertainment [NASDAQ: RHIE]	Media	US\$250 mm	Develops, produces and distributes made-for-TV movies and mini-series	JP Morgan	Banc of America
9/14/07	China Digital TV Holding [NYSE: STV]	Media	US\$132 mm - US\$156 mm	Provides conditional access systems to China's digital TV market	Morgan Stanley	Credit Suisse
9/14/07	Varolii [NASDAQ: VRLI]	Internet Software	US\$86 mm	Provides on-demand interactive customer communications solutions	Lehman Brothers	JP Morgan
9/12/07	AMC Entertainment [NYSE: AC]	Leisure-Movies	US\$500 mm	Owns and operates movie theaters under the AMC and Loews Entertainment brands	N/A	N/A

NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing						
IPO Date	Issuer (Exchange)	Description	Size (US\$MM)	Offer Price	Price on 9/21/07	% Change From Offer
9/20/07	Athenahealth Inc. [NASDAQ: ATHN]	Provides internet-based business services for medical practices	US\$113.0	US\$18.00	US\$35.50	97.22%

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 9/21/07	% Change From Offer
N/A						

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## Weekly Highlights

### International

#### *Mobile/Wireless*

- **According to Juniper Research, global annual consumer spending on mobile broadcast TV services is expected to go beyond US\$6.6 billion by 2012** with almost 120 million mobile users in more than 40 countries receiving broadcast TV services, compared to less than 12 million in 2007. The U.S. is expected to be the largest single market for mobile broadcast TV services in 2012, followed by Japan and Italy.

#### *Hardware*

- **According to DisplaySearch, large-size LCD panel shipments are forecast to total 430-440 million units in 2008.** The reports showed Samsung Electronics taking the lead among players by shipping 96-96.8 million units, followed by LG.Philips LCD, AUO (AU Optronics), and Chi Mei Optoelectronics (CMO). The four panel makers are predicted also to get 75 percent of total large-size panel shipments worldwide. According to DisplaySearch, LCD TV demand will reach 106 million units in 2008 while supply for LCD TV panels will only total 102 million units during the period. The forecast indicates that demand for LCD monitors and notebooks will reach 180 million units and 120 million units, respectively, next year while corresponding panels are expected to total 194 and 132 million units. The reports noted that a shortage is forecast to take place in the second half of the year, a condition that will see large-size panels falling short by around 5-10 percent.

### Japan

#### *Media, Entertainment and Gaming*

- **According to the head of Yahoo Japan Corp., the company is looking to setting up alliances with a range of mass media.** The company said it is considering the partnerships with newspapers and broadcasters in a bid to get more net-based advertisers. Yahoo Japan said it will consider all media groups for this undertaking.

#### *Internet*

- **kabu.com Securities Co. announced that Mitsubishi UFJ Securities Co., BNP Paribas Securities (Japan) Ltd., Goldman Sachs Japan Co. and Credit Suisse Securities (Japan) Ltd. will join its nighttime stock trading market.** The decision marks the first time other brokerages are welcomed into the market in a bid to bring liquidity into the market and boost the turnover. In September, kabu.com opened the night market that only existing clients are allowed to use the online securities firm's proprietary after-hours trading system. Earlier in August, SBI Japannext Co., a joint venture between SBI Holdings Inc. and Goldman Sachs Group Inc., started activities in a similar after-hours market, hosting the trading of several brokerages. Industry observers said that the move by kabu. Com is expected to make the competition more intense in this sector of the securities market. The company is a member of the Mitsubishi UFJ Financial Group.

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## *Mobile/Wireless*

- **KDDI Corp. announced that it is entering into an alliance with local partners and a U.S.-based chip maker, a move that accompanies its decision to form a joint venture to bid for a license for next-generation high-speed wireless data communications services using mobile WiMAX technology.** KDDI, the country's second-biggest mobile carrier, has been one of the first supporters to promote mobile WiMAX technology and aims to surpass bigger player NTT DoCoMo Inc. in terms of transmission speeds for wireless data communications services. Media sources indicated that a KDDI subsidiary called Wireless Broadband Planning K.K. is seen as receiving a capital injection amounting to a total of 850 million yen (US\$7.3 million), up from the current 274 million yen (US\$2.3 million). Following this capital infusion, KDDI will own 32.2 percent, with Intel Capital, East Japan Railway Co., Kyocera, Daiwa Securities Group Inc., and the Bank of Tokyo-Mitsubishi UFJ Ltd. owning the rest.
- **NextWave Wireless, a U.S. telecom firm, revealed its decision to sell its stake in IP Mobile, a move that makes it the second foreign firm to exit Japan's competitive mobile telephone industry after Britain's Vodafone's exit in 2006.** In August, NextWave acquired a 69.2 percent stake in IP Mobile from Mori Trust, which made it the top shareholder of the company. With this development, Mori Trust Co. disclosed that it will buy back the stake and again. NextWave is a supplier of wireless broadband products, technologies and network solutions.

## *Software*

- **Fullcast Co., a Tokyo-based human resources solution provider revealed its decision to book a group net loss for the year to this month, making it the first time since its IPO in June 2001.** The company placed the group net loss at 700 million yen (US\$6 million), replacing an earlier projected profit of 600 million yen (US\$5.1 million).

## *Hardware*

- **U.S.-based LED makers Cree Inc and Japan-based Nichia Corp announced that they have agreed to expand their patent cross-license arrangements announced in 2002 and 2005 to include additional patents relating to white LED technology and certain Cree patents relating to nitride lasers.** The agreement also resolves infringement claims Nichia had asserted against LED products sold by COTCO International Ltd (a subsidiary of Hong Kong-based COTCO Luminant Device Ltd) prior to Cree's acquisition of COTCO Luminant Device Ltd and its subsidiaries in March. In a separate development, Nichia said it has filed a lawsuit in the Seoul Central District Court against South Korean LED maker Seoul Semiconductor Co. Ltd. alleging infringement of an LED-related patent. The lawsuit alleges that Seoul Semiconductor's top-view type white LED products infringe Nichia's Korean patent. In the suit, Nichia is seeking damages for past infringement as well as an injunction against any further infringing activity.
- **Fujifilm Holdings Corp. announced its decision to go into cost-cutting in its digital camera business, a move that include transferring all camera production to China and outsourcing some semiconductor processing to Toshiba Corp.** Specifically, the company said it would close a camera manufacturing unit, Fujifilm Photonics Co., with some 200 out of the 700 workers to be moved to a newly established assembly and testing company and no decision has been reached yet as to the remaining 500 workers. Fujifilm said it is looking to focus more on core businesses including medical and printing systems.

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## *Semiconductors*

- **Sony issued a denial regarding reports that it is selling its chips business to Toshiba.** With the denial, Sony said it is considering ways to improve its chip operations even as it has not reached any decision yet about the matter.

## *Ventures/Investments*

- **Media sources said Toshiba Corp. has made a decision to sell off a piece of valuable real estate in Tokyo's Ginza district to focus on its semiconductor chip operations.** Toshiba plans to offer Ginza Toshiba Building to Tokyu Land Corp., a major real estate firm, in a deal placed at approximately 150 billion yen (US\$1.2 billion) by the end of this year at the earliest. Sources said that Toshiba plans to use the money for its chip operations. Industry sources, in fact, indicate that Toshiba is in talks with Sony Corp. to acquire Sony's facilities to produce Cell advanced microprocessor chips for about 100 billion yen (US\$865.8 million). The Cell chips were jointly developed by Toshiba, Sony and IBM Corp.
- **Industry sources indicated that Japan Airlines Corp (JAL), with its plan to selling part of its credit card business, is initiating talks with potential buyers next month.** The reports said that JAL may consider selling JALcard Inc. by the end of March as part of its restructuring plans. JALcard is No. 6 in Japan's credit card industry and is valued at about 100 billion yen (US\$867 million).

## **Korea**

### *Internet*

- **Company sources disclosed that the founder and co-president of Daum Communications Corp., South Korea's second-largest portal operator, has resigned.** The official, Lee Jae-woong, who has been leading Daum with Seok Jong-hoon since April 2006, will remain as a member of the company's board and the head of Lycos, Daum's U.S. portal unit. The company said Seok, will assume the job in financing, global operation and other management previously under Lee.

### *Mobile/Wireless*

- **Media sources indicate that EarthLink Inc. is terminating for the moment the funding of Helio, its U.S. mobile joint venture with SK Telecom Co. Ltd.** Helio has been reporting losses amidst the increase in its subscribers, with sources forecasting that the company may post losses between US\$340 million - US \$360 million. Earthlink said that it is negotiating with SK Telecom on certain changes it wants regarding their agreement. The South Korean company has a contrasting stand: Helio may be able to generate funds from the market, which would not necessitate more investment from either of the parent. In a separate development, SK Telecom disclosed that it plans to invest some US\$10 million in its online businesses in the U.S.

### *Media, Entertainment and Gaming*

- **Samsung announced that it will work with a U.S. film distributor and invest about US\$250,000 annually in making movies.** Samsung Electronics disclosed that it has formed a partnership with the independent film distributor Landmark Theaters and will sponsor independent films. Samsung Electronics plans to select one or two independent films a year after consultation with Landmark Theaters. The report said that Samsung will also carry out related marketing activities with landmark. In 1996, the group launched Samsung Entertainment Group for its film business with Samsung



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Electronics, Samsung Corp., and Cheil Communications. The group, however, liquidated the company in 1998 and since then has not invested directly in the film industry.

## *Software*

- **ILOG announced that Korea Telecom (KT), the largest common carrier in South Korea, has deployed a custom automated workforce scheduling system based on ILOG's planning and scheduling software.** A key part of the carrier's overhaul of its Operational Support Systems (OSS) system, called NeOSS, the application was developed by KSTEC, the exclusive distributor of ILOG software in South Korea. Over 2,500 corporations and more than 465 leading software vendors rely on ILOG's market-leading business rule management system (BRMS), supply chain planning and scheduling applications and optimization and visualization software components.
- **DigitAll World, a digital technology company, announced that, together with SK Telecom, it is developing a software application that allows users watch movies from their home computers or TVs on their mobile phones.** The application dubbed Orb, streams media such as videos on TV over the wireless Internet to mobile devices. The core technology was developed by Orb Networks of the U.S. DigitAll World and its affiliate Orb Korea is adapting the technology to be used with Korea's wireless networks.

## *Hardware*

- **LG Electronics, Inc. and DivX, Inc. announced their forging of partnership to enable a high-quality consumer media experience with the LG Viewty, a new 5.0 mega-pixel digital camera phone available from LG Mobile.** DivX creates products and services designed to improve the experience of media. Its first product offering was a video compression-decompression software library, or codec, which has been actively sought out and downloaded over 240 million times since January 2003, including over 80 million times during the last twelve months.
- **Samsung Electronics, the world's top maker of flat-screen televisions, announced that it has entered into an agreement to share digital-TV broadcasting patents with other top TV manufacturers.** In a filing to the Korea Exchange, Samsung said that it was part of a group that includes LG Electronics, LG subsidiary Zenith Electronics, Japan's Matsushita Electric Industrial, Mitsubishi Electric, Royal Philips Electronics and Cisco Systems unit Scientific Atlanta. Under the agreement, which runs until the end of 2016, a royalty of US\$5 will be charged for each television set using digital-broadcasting technology approved by the Advanced Television Systems Committee (ASTC). According to a Samsung representative, the decision to form a pool was in order to minimize the risk of patent disputes. At present, TV sets using ATSC standards are sold mainly in South Korea, Canada, Mexico and the U.S.

## *Ventures/Investments*

- **Mediana Electronics Co. Ltd. announced its plans to acquire a 70 percent interest in Onnuri Travel Co. Ltd., a travel agency, for 3.1 billion won (US\$3.3 million) in cash.** Mediana Electronics Co. Ltd. is a semiconductors and electronic products manufacturer and wholesaler, headquartered in Choongbuk, South Korea. The company was founded in 1994. Onnuri Travel Co Ltd is a travel agency, headquartered in Seoul, South Korea.
- **Industry sources described Shinhan Financial Group is having difficulties in the merger between its two card subsidiaries – LG Card and Shinhan Card – with the members of LG Card's trade union turning down the proposal from the management for the rearrangement of jobs.** Earlier, the union of LG Card voted to take action against management and block the merger



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with Shinhan Card which was planned for early next month. LG explained its move as brought about by the discriminative measures against LG Card employees. Recently, Shinhan Financial secured sought agreement from the LG Card union for its personnel management plan for a new card unit to be created as a result of the merger between LG Card and Shinhan Card. The financial group decided to drop the name of LG Card last month and named the new card unit as Shinhan Card.

## *Information Technology*

- **RocketStream, Inc., a subsidiary of Voyant International Corporation and a developer of technologies and solutions to accelerate digital content delivery over high-bandwidth IP networks, announced that it has secured an agreement with Blueberry Co., Ltd., a provider of IT solutions to the South Korean business market.** RocketStream develops cross-platform technologies and solutions to enhance collaboration, file transfer, and media delivery over any IP-enabled network, including LAN, WAN, satellite, and mobile communication infrastructures. The company has developed scalable, software-based servers and cross-platform client implementations that support high-concurrency message routing and secure delivery of digital payloads over its proprietary RocketStream Protocol.

## *Telecommunications*

- **Net Insight's Singapore office disclosed that it has secured a major order from Korea Telecom for a multi-service media network connecting ten cities in South Korea.** The deal is estimated to be more than US\$1.5 million. Under the arrangement, Korea Telecom (KT), the leading communications service provider in Korea, will be building a combined distribution and contribution media network using Net Insight's Nimbra platform. The network is made for broadcaster SBS (Seoul Broadcasting System) that will use the network for video and audio services between its headquarters in Seoul and local broadcasters in nine other cities in South Korea.

## **China**

### *Internet*

- **According to the CEO of Alibaba Group, the company plans to spend some 10 billion yuan (US\$1.3 billion) in the coming three to five years in e-commerce industry supply chain services.** Industry observers see the investment in e-commerce supply chains as part of the company's desire to be more competitive in the international market. The CEO said that Alibaba looks to transforming the company into a new system that combines technology, finance, information and logistics.
- **BBSpace, an online business portal announced that it has secured US\$11 million in venture funding from an investment group led by IDG.** As part of China's enterprise software maker SuperData, BBSpace provides online magazines aimed at the business communities..

### *Media, Entertainment and Gaming*

- **China Finance Online Co. Ltd. (CFO), announced its to acquisition of Daily Growth Investment (DGI), a securities brokerage firm.** Under the definitive agreements, CFO will pay approximately US\$3 million in exchange for 85% of the equity of DGI, and the exact payment will be determined on the basis of the net asset value as at the date of completion. CFO has the right to acquire the remaining 15% of equity of DGI within 5 years from the completion date.

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- **According to market sources, Skyline Media, the majority shareholder of China-based online games operator, Shanda Interactive Entertainment, has raised US\$157.4 million from a placement of secondary shares in the company.** Skyline Media sold 4.5 million ADR shares in the US-listed company at a price of US\$34.4. UBS was the sole arranger of the deal.
- **There are rumors circulating that Shanda is trying to set up a unit that will mark its entry into the in-game advertising (IGA) business.** Media sources said that some prominent advertising executives have already joined the IGA team. According to Pearl Research, IGA may provide significant revenues for Shanda since all of the company's games are currently free-to-play and have accrued many players. Analysts see IGA as enabling the company to generate revenues from other non-paying customers.
- **According to industry sources, Zhengtu, a Chinese online games company, has secured US\$100 million in equity investment, with individual investors and venture capital funds as some of those joining this round of financing.** In a related development, Zhengtu said it has submitted an SEC application to list on the U.S. market. Zhengtu's MMORPG Zhengtu reported having more than 1 million peak concurrent users.

## *Mobile/Wireless*

- **Sina.com announced that it is sponsoring Nokia's mobile multiplayer games competition, a move indicating the Chinese Internet portal's backing of the search for new game developer in the Chinese market.** Under the competition, selected concepts are to be based on SNAP Mobile, a platform developed by Nokia. The winning concepts will be given free development support and preparation for market deployment.
- **According to industry media sources, Shanghai Jiading New Town is going to be the first pilot wireless zone in China.** The town is one of the three main new towns in Shanghai identified in the city's 11th Five-Year Plan Period. Under the wireless city concept, Jiading New Town will be created into a wireless city through scheduled and phase construction. Currently, out of the 520,000 residents in Jiading, about 300,000 have been identified as Internet users and about 110,000 as broadband users.
- **KongZhong, a Chinese wireless value-added services company, and the National Basketball Association (NBA) announced jointly their launching of the official NBA Chinese mobile web site.** Under the agreement, KongZhong will operate the official NBA Chinese mobile website which users can visit on their mobile phones. The offering will see the mobile website showing live selected NBA games in their entirety and giving video clips of NBA game highlights, the latest news, scores, game and player updates, player interviews, blogs, TV schedules, wallpaper, ring tones, and more. The partnership will also allow KongZhong to develop and market NBA-related wireless value-added products. KongZhong said it expects to generate mobile advertising revenues and wireless value-added revenues, as well as to increase the popularity of Kong.net.

## *Software*

- **Microsoft disclosed the resignation of Timothy Chen as head of Microsoft Greater China Region.** The report also stated that the company has already initiated a global search for a person to take his place. In the interim, Ya-Qin Zhang, corporate vice president and chairman of Microsoft's China Research & Development Group, will lead the business as the region's acting chief executive officer. Zhang will be supported by the Microsoft GCR leadership team. In a separate development, Microsoft China announced that its R&D Group has formally initiated their Shenzhen

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Park. According to the chairman of the Microsoft China R&D Group, the company aims to increase its investment in the development and research of mobile Internet and general hardware in Shenzhen and carry out close cooperation with the relevant industries. Microsoft China R&D Group Shenzhen Park is made up of Microsoft Asia Hardware Center and the Microsoft Mobile Internet Technology R&D Center.

- **According to media sources, construction has begun on the Dalian Tiandi Software, which is the second phase of Dalian Software Park.** The new facility is estimated to be worth some 15 billion yuan (US\$2 billion). Dalian Tiandi Software Park is jointly developed by Hong Kong-based Shui On Group's affiliates Shui On Real Estate and Shui On Construction, and Dalian Yida Group. The park is envisioned to be a multi-functional park that combines software development, living areas, educational installations, and leisure facilities. Market sources placed Dalian's total software output value at 14.5 billion yuan (US\$1.9 billion).

## *Hardware*

- **Jiangsu Dongyuan Electrical Group Co. Ltd. (JDEG) announced that it has plans to acquire an 87.3 percent interest in Suzhou Tianli Electric Equipment Co. Ltd. (STEE), an apparatus manufacturer in a deal valued at 30 million yuan (US\$3.9 million) in cash.** The transaction was approved by the board of directors. STEE, founded in 2002, manufactures electrical equipment for internal combustion engines. JDEG manufactures semiconductors, high- and low-voltage switches for mechanical, electrical, and power departments.
- **TCL Computer announced the acquisition of 50 million yuan (US\$6.6 million) credit loan from TCL Group, a development that is expected to boost TCL Computer's standing in the industry.** With the acquisition, the company also issued clarifications regarding its staff reduction which will be no more than 15 percent, and not 50 percent, as earlier reported and that the company would not sell its computer business, with an official describing the business as one of the most important components of the company's strategy. TCL Computer is the fourth-largest PC maker in China.
- **According to Chinese sources, Hisense, one of the biggest TV manufacturers in China, has formally initiated Chinese color TV industry's first LCD production line in the company.** The production line put into operation this time features an annual capacity of 500,000 liquid crystal modules ranging from 15 inches to 42 inches. The company's general manager said that the company looks to setting up five more of the same production lines with a total investment of 700 million yuan (US\$93.3 million) by 2009. The company said it aims to generate an annual capacity of 3 million TVs. Hisense has established more than 20 companies at home and abroad with net assets totaling 5.8 billion yuan (US\$773.1 million).

## *Telecommunications*

- **According to market sources, China Telecom Corporation Limited has plans to acquire all the assets of its parent company in Beijing, which is valued at 4 billion yuan (US\$533.2 million).** China Telecom disclosed that the company's branches in the ten provinces in northern China have posted total revenue of about 5 billion yuan (US\$666.5 million) in 2006, of which 1.7 billion yuan (US\$226.6 million) was contributed by China Telecom Group (Beijing).

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## *Information Technology*

- **Magellan, a U.S.-based GPS company, and Zenitron Corporation, a distributor of semiconductor, electric component, and consumer electronics in China announced entering into a business partnership to bring Magellan auto navigation devices to the Chinese market.** Under the agreement, Zenitron will market and distribute Magellan GPS products, starting with the introduction of three new products, the Magellan Maestro 3200C, 8200C and 8250C. The partnership will also see Zenitron providing a variety of marketing services to support the distribution and retail sales of Magellan products, as well as service and support for Magellan customers. The companies said Magellan GPS devices can be found starting in October in major cities throughout China including Beijing, Shanghai, Guangzhou and Shenzhen. According to Canalys, China is expected to represent 3.9 million personal navigation device units in 2010, up from just 400,000 units expected to be sold by the end of 2007.

## **Taiwan**

### *Mobile/Wireless*

- **Chunghwa Telecom (CHT) announced the launch of Visa payWave, a contactless credit card payment service based on NFC (near field communication).** CHT said the service is made through an alliance with Visa, Nokia and the local Chinatrust Commercial Bank. Under the offering, there will be an initial 500 CHT subscribers with Nokia 6131i handsets who will be able to access the Visa payWave service which is available at nearly 3,000 retail stores around Taiwan. CHT will adopt the SWP (Single Wire Protocol) standard developed by the GSM Association.

### *Ventures/Investments*

- **Creative Sensor Inc. (CSI), the world's largest producer of contact image sensor modules (CISMs) based in Taiwan, announced that it is boosting its production capacity in China.** According to a CSI spokesperson, Nanchang Creative Sensor Image, a subsidiary maker of CSI, will initiate first phase construction of a factory with completion scheduled for the end of 2007. The company said operations are expected to begin in the first quarter of 2008. CSI set up its first China subsidiary maker Wuxi Creative Sensor Technology in Eastern China in August 2002.

### *Hardware*

- **Arima Computer revealed its decision to sell its notebook and server related business to Flextronics International, an electronics manufacturing services (EMS) provider.** The deal valued at US\$200 million covers plants, facilities, technologies and assets of Arima's notebook and server business, along with company stakes in its subsidiaries in Japan, Texas, California, and the U.K. Under the agreement, Flextronics will assume the partnership with Gateway, a major customer of Arima. The deal is expected to be completed by the end of 2007. Arima has been undergoing reorganization since 2006. The company estimated the annual sales from its notebook business to reach NT\$20 billion (US\$605 million) in 2007.

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## Hong Kong

### *Telecommunications*

- **According to media sources, Nelson Wong Kam-fu, the inventor of the Chinese telephone paging system, announced a HK\$68 billion (US\$7.8 billion) bid for PCCW.** Responding to the move, PCCW issued a statement calling the Mr. Wong's offer as unsolicited. Nelson Wong started his business with Star Paging Communications, and later entered the mobile telephony on the Chinese mainland. He is making his bid on the strength of his Smart Rich Energy Finance Company. Industry observers also note that Wong's advisers – the Australian-controlled Macquarie Bank and the French based investment bank Societe Generale – have not issued any statement regarding their participation in this deal.

### *Media, Entertainment and Gaming*

- **Nimbus Sport announced that it has entered into agreements with Hong Kong's mobile operators – Hong Kong CSL, PCCW and Hutchison Telecommunications – to provide mobile clips of the Barclays Premier League for the next three seasons 2007/2008, 2009, 2010.** Under the agreement, the operators would offer near-live video clips, highlights, match reviews and previews of each and every Barclays Premier League match during the term. Subscribers of Hong Kong CSL, Hutchison Telecommunications and PCCW would be able to access the content through subscription and pay per view models.

### *Internet*

- **City Telecom (HK) Limited's wholly owned subsidiary, Hong Kong Broadband Network Limited (HKBN) becomes the first Internet service provider in Hong Kong to launch Fiber-To-The- Home (FTTH) residential broadband services.** The service, which comes under the name FiberHome100, is seen as transforming the expensive FTTH technology into affordable mass-deployed residential service, at US\$48.5 service fee for its 100Mbps access service. Under the offering, HKBN will immediately offer residential FTTH broadband services ranging from 100Mbps to 1Gbps, namely, FiberHome100, FiberHome200 and FiberHome1000, at US\$48.5, US\$88.2 and US\$215.4 respectively. The company said it will also phase out the bb10 service (symmetric 10Mbps service), retaining only as entry service the bb25 (25Mbps symmetric service).
- **Colubris Networks, Inc., the global provider of intelligent wireless LANs (WLANs) for enterprises and service providers, announced that PCCW IMS Limited (PCCW) has chosen Colubris' WLAN equipment to provide Wi-Fi services to commuters in the waiting and boarding areas of Hong Kong's subway system.** Hong Kong's subway system, the MTR, serves more than 2.5 million passengers very day and is one of the most heavily traveled mass transit systems in the world. To enable MTR patrons to benefit from Internet access, PCCW has installed Wi-Fi hotspots at selected MTR stations. PCCW said it will ultimately deploy hundreds of Colubris MultiService Access Points as the network expands to 16 MTR stations by the end of this year.

### *Ventures/Investments*

- **Pacific Century Premium Developments Ltd. (PCPD), a real estate development arm of Hong Kong telecommunications company PCCW Ltd., announced its acquisition of Nihon Harmony Resorts KK, a resort developer in Japan.** Industry sources said PCPD bought all the outstanding shares in Nihon Harmony, an Australian venture planning to build ski resorts in Hokkaido. Financial details of the deal were not disclosed.



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## Singapore/Malaysia/Philippines/Indonesia

### *Mobile/Wireless*

- **MiTV Corporation Sdn Bhd, the parent company of the Malaysia's newest mobile operator U Mobile Sdn Bhd (formerly MiTV Networks Sdn Bhd), announced its name change to U Telecom Media Holdings Sdn Bhd.** The company said the change is aimed at reflecting the group's plans to offer multiple technology-driven services, applications and content. According to its executive director, the company's current paid-up capital of 365 million (US\$106 million) is expected to be increased to 500 million (US\$146 million) in the next several months to fund its subsidiaries. The official said the company is looking to getting additional shareholders' advances of 100 million (US\$29 million) to 200 million (US\$58 million) to the company for its subsidiaries' working capital. U Mobile is the country's newest 3G (third-generation) mobile service provider. It is also pioneering the introduction of mobile live television under the Mobile LiveTV trademark. The company has signed interconnection agreements with Telekom Malaysia Bhd, Time dotCom Bhd, Celcom (M) Bhd, Maxis Communications Bhd and DiGi.Com Bhd.

### *Software*

- **U.S.-based software development firm IdeaBlade announced that it has entered into a partnership with Gurango Software to help market and distribute the former's solution in Asia.** Both companies produce software designed to run on top of Microsoft products. IdeaBlade is a pioneer .NET applications development firm and a leading provider of .NET tools and infrastructure for development of enterprise Internet applications. Based in the Philippines, Gurango provides software and services to clients in Australia, New Zealand, South Africa, the U.S. and Asia.

### *Semiconductors*

- **U.S.-based FormFactor, Inc. announced its move to boost its wafer probe card manufacturing operations with the creation of a facility in Singapore.** The 300,000 square-foot facility is expected to boost the company's manufacturing capacity. Form Factor said it will use the facility to improve its customer service and support infrastructure in Asia, which presently includes regional service and sales areas in Taiwan, Korea and Japan. The company said the Singapore site was selected due to its expert workforce, which is a favorable environment for intellectual property or IP protection, and advantageous operating costs. The company also disclosed that it looks to an investment of US\$200 million for the expansion of operations in Singapore. FormFactor's principal activity is to design, develop, manufacture, sell and support precision, high performance advanced semiconductor wafer probe cards. The products are based on its proprietary technologies, which include its MicroSpring interconnect technology and proprietary design tools and processes.

## United States/Canada

### *Internet*

- **Mozilla announced that it has set aside some US\$3 million in seed funding for the purpose of setting up a subsidiary to support e-mail innovation and to develop the open-source Thunderbird e-mail client.** The Thunderbird community consists of about 5 million people using the software worldwide. The company said the subsidiary is patterned after the Mozilla Corporation, a

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for-profit subsidiary of the non-profit Mozilla Foundation that was formed in 2005 to create and distribute open-source software like the Firefox Web browser.

## *Mobile/Wireless*

- **Unity Wireless Corporation announced that it has signed a non-binding memorandum of understanding (MOU) with Fujitsu Telecommunications Asia to distribute Unity's full line of Point-to-Point PDH and SDH microwave product across South East Asia, under either the Fujitsu or Unity brands.** The report said that a full commercial agreement is expected to be signed between the parties in the near future. Unity Wireless is a provider of wireless coverage enhancement solutions for cellular operators and custom subsystems for network infrastructure manufacturers. Unity Wireless is a Canada-based firm that designs and manufactures innovative high performance RF (radio frequency) power amplifiers for wireless telecommunications networks.
- **Google announced its plans to launch a new mobile phone advertisement service AdSense for Mobile in 13 countries, including China.** The company said it aims to utilize AdSense for Mobile to put up a mobile phone advertisement network and mix it with web pages for browsing through a mobile phone. Google said it sees to the service as bringing in more revenues for sponsors. Earlier reports indicated that Google has tested the service in 13 other countries, which included Britain, France, India, China and the U.S.

## *Media, Entertainment and Gaming*

- **According to market sources, Idearc Inc. has agreed to acquire the online directory business of InfoSpace Inc., a provider of mobile and personal computer software, for US\$225 million in cash.** The transaction is subject to customary closing conditions and regulatory authorities. Idearc Inc, located in Texas, provide multi-platform advertising services through its Verizon Yellow Pages, Verizon White Pages, smaller-sized portable Verizon Yellow Pages Companion Directories, Superpages.com, Superpages MobileSM, Solutions At Hand magazine, Solutions at Home magazine, and Solutions on the Move and Solutions Direct direct mail packages.

## *Software*

- **Industry sources said that Exact Holding NV, doing business as Exact Software, has agreed to acquire Longview Solutions Inc, a developer of management software, for in a deal valued at US\$50 million in cash.** Longview Solutions, located in Markham, Ontario, develops corporate performance management software. The company was founded in 1994 and provides consulting, learning and technical support services. Exact, located in Netherlands, develops software for accounting, human resource management (HRM), customer relationship management (CRM), e-business and enterprise resource planning (ERP), for small and medium-sized businesses. The company was founded in 1984.

## *Hardware*

- **PureDepth, Inc., a next-generation display technologies and Multi-Layer Display (MLD) technology provider, announced that it has secured a patent for its base technology in China.** In addition, PureDepth was also awarded another patent in South Korea on a backlighting system for display screens. PureDepth's patented Multi-Layer Display (MLD) technology brings expanded capability to display devices of any size by layering LCD screens on top of each other and removing optical interference. PureDepth is an innovative technology company backed by 49 approved patents and over 80 pending patents. The company has sales, marketing and distribution license agreement with Sanyo Corporation in Japan as well as a worldwide licensing agreement with International Game



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Technology. The company is headquartered in California, with a research and development center located in New Zealand and offices in Japan.

## *Telecommunications*

- **According to market sources, T-Mobile USA Inc., a unit of Deutsche Telekom AG, has agreed to acquire all the outstanding common stock of SunCom Wireless Holdings Inc. (SW), a provider of wireless telecommunications services, for US\$27 in cash per share, or a total value of US\$2.3 billion, including the assumption of US\$800 million in liabilities.** The transaction was subject to customary closing conditions, regulatory and SW's shareholder approvals. Founded in 1999, SunCom Wireless, located in Pennsylvania, provides digital wireless telecommunication services. The company operates in the Southeastern part of the U.S. and in parts of the Caribbean.

## **Europe**

### *Media, Entertainment and Gaming*

- **Sony Computer Entertainment (SCE) announced its acquisition of leading game developer Evolution Studios Ltd. and its subsidiary Bigbig Studios Ltd. to further expand its game development capability as part of Sony Computer Entertainment's Worldwide Studios (SCE WWS).** England-based Evolution Studios is the award-winning developer of MotorStorm, the million-selling No. 1 hit title for PLAYSTATION3. Evolution established its reputation as the successful developer of the World Rally Championship series on PlayStation2, also published by SCE. The studio said it is currently working on the next installment of the Motorstorm franchise for PS3, scheduled for release in 2008 on Blu-ray Disc, along with content expansions for the original MotorStorm. Bigbig Studios, based also in England, was founded with the backing from Evolution Studios and SCE and is the developer of the Pursuit Force game for PSP (PlayStationPortable), which has sold over 800,000 copies worldwide. The studio is currently working on the second title in the series, Pursuit Force: Extreme Justice, which will be available in October this year for PSP and on PlayStation2 early in 2008. SCE World Wide Studios was formed in 2005 in order to secure, strengthen and further develop game development and publishing activities for the PlayStation range of game and entertainment consoles.

### *Information Technology*

- **According to industry sources, SciSys PLC (SC) of the UK has acquired Video Communication Systems AG (VCS), a Germany-based provider of digital data transmission systems services, from Robert Bosch GmbH, for 15.9 million euros (US\$22 million).** The consideration consisted of 14.3 mil euros (US\$19.8 million) in cash and the issuance of 2.8 million SC new ordinary shares valued at 1.6 million euros (US\$2.2 million). VCS provides digital data transmission systems services for multi-media applications and real-time communications. SC provides information technology services to blue chip and government organizations worldwide.

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## Other Economic Data

Currency Exchange Rates						
Currency	Units	Current Rate (on 9/21/07)	% Change 1 Week Ago	% Change Month to Date	% Change 1/1/2007	% Change 1/1/2006
Japanese yen	¥/US\$	115.4800	0.1%	1.0%	-3.0%	-1.9%
Hong Kong dollar	HK\$/ US\$	7.7829	-0.1%	-0.3%	0.1%	0.4%
Chinese renmenbi	RMB/ US\$	7.5025	-0.2%	-1.1%	-3.9%	-7.0%
Singapore dollar	S\$/ US\$	1.5053	-0.5%	-1.7%	-2.1%	-9.5%
South Korean won	KRW/ US\$	920.8000	-0.8%	-2.4%	-1.0%	-8.8%
New Taiwan dollar	NT\$/ US\$	32.9540	-0.4%	-0.1%	1.1%	0.4%
Australian dollar	US\$/A\$	0.8664	3.0%	8.2%	9.9%	18.2%
New Zealand dollar	US\$/NZ\$	0.7418	4.1%	6.6%	5.4%	8.5%
Philippine peso	PHP/ US\$	45.1600	-2.3%	-3.5%	-7.9%	-14.9%
Euro	US\$/€	1.4089	1.6%	4.7%	6.7%	18.9%
British pound	US\$/£	2.0198	0.6%	2.0%	3.1%	17.2%

Fixed Income Prices and Yields							
Note	Currency	Current (on 9/21/07)		1 Week Ago		4 Weeks Ago	
		Price	Yield	Price	Yield	Price	Yield
US 30-year	US\$	101.72	4.89%	104.38	4.72%	96.96	4.97%
Japan 30-year	¥	98.89	2.47%	100.87	2.35%	99.57	2.42%
Hong Kong 10-year	HK\$	103.78	4.42%	104.74	4.30%	102.23	4.63%
China (06/16)	US\$	110.71	3.32%	110.71	3.32%	102.97	4.29%
Singapore 10-year	S\$	107.90	2.74%	108.15	2.72%	106.25	2.97%
South Korea 20-year	KRW	9,521.49	5.68%	9,643.83	5.56%	9,829.47	5.56%
Australia 15-year	A\$	92.88	6.12%	94.59	5.91%	94.02	5.96%
New Zealand (12/17)	NZ\$	97.06	6.40%	98.71	6.17%	94.82	6.66%
Philippines 20-year	PHP	100.69	8.54%	99.64	8.65%	90.42	9.06%
India 30-year	INR	99.60	8.36%	99.62	8.36%	100.05	8.32%
UK 30-year	£	93.98	4.63%	96.38	4.48%	94.72	4.57%
Germany 30-year	€	89.88	4.64%	92.85	4.44%	92.40	4.47%

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