

# Asia-Pacific Information Technology Summit

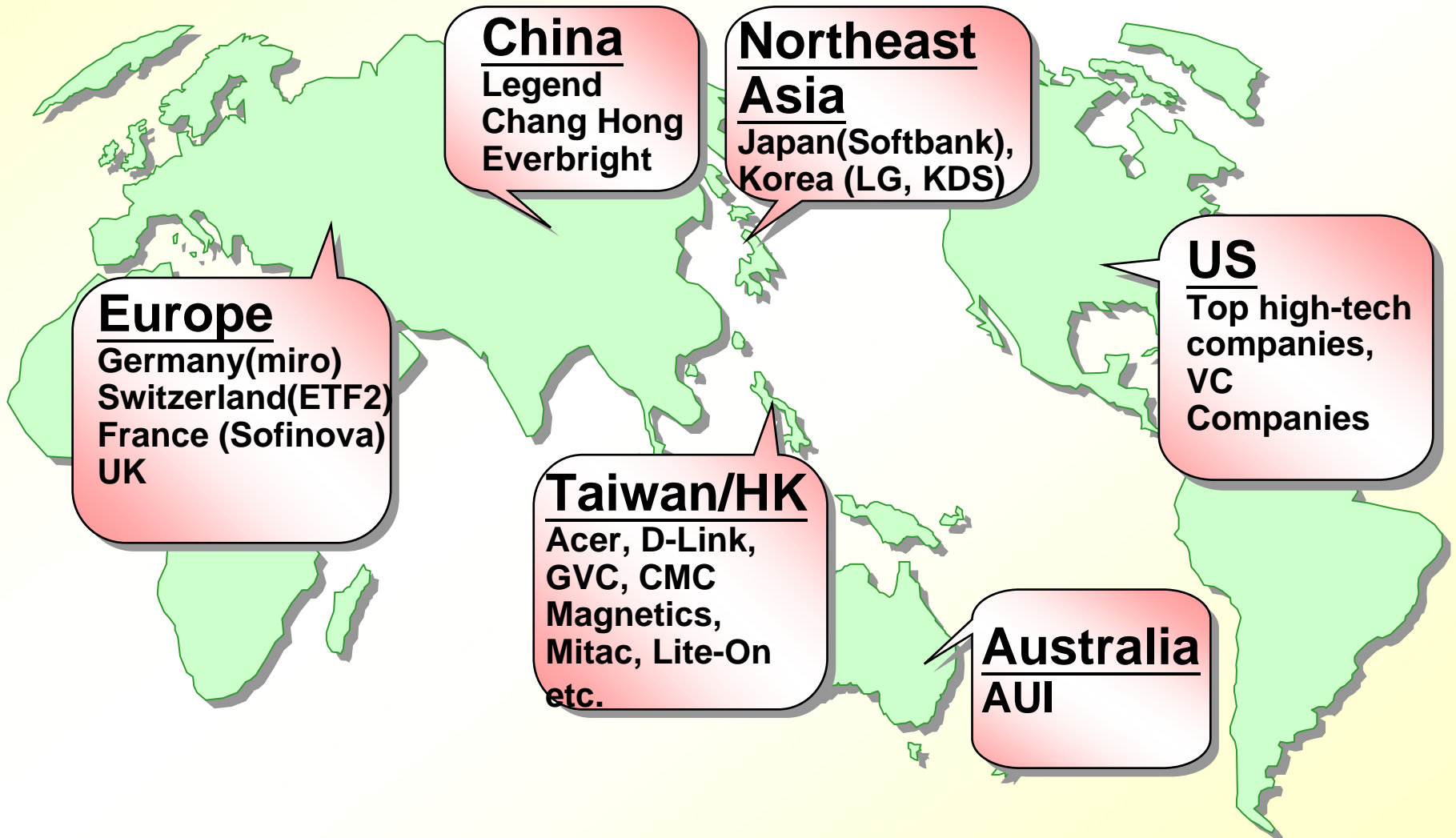
## **International Alliances and Partnerships**

Walter T.G. Lee  
WI Harper Group  
November 20, 1998

# WI Harper Group

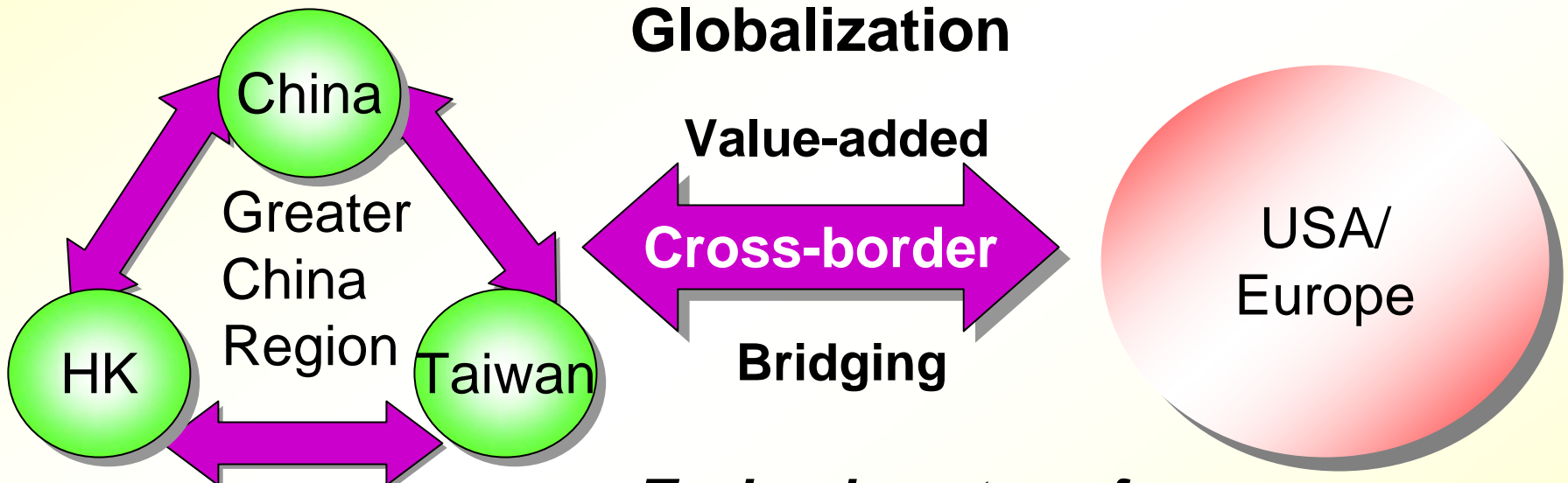
- ◆ Founded in 1989 by Mr. Peter Liu
- ◆ Focused on bridging Silicon Valley/US and Europe to Asia, particularly the Greater China region.
- ◆ Core businesses include venture capital, investment banking and strategic consulting
- ◆ Business scope include Europe, U.S., Japan, Korea, China, Taiwan and other Asian countries
- ◆ Offices in San Francisco, Taipei, Hong Kong and Beijing

# WI Harper's International Network



# Strength of WI Harper

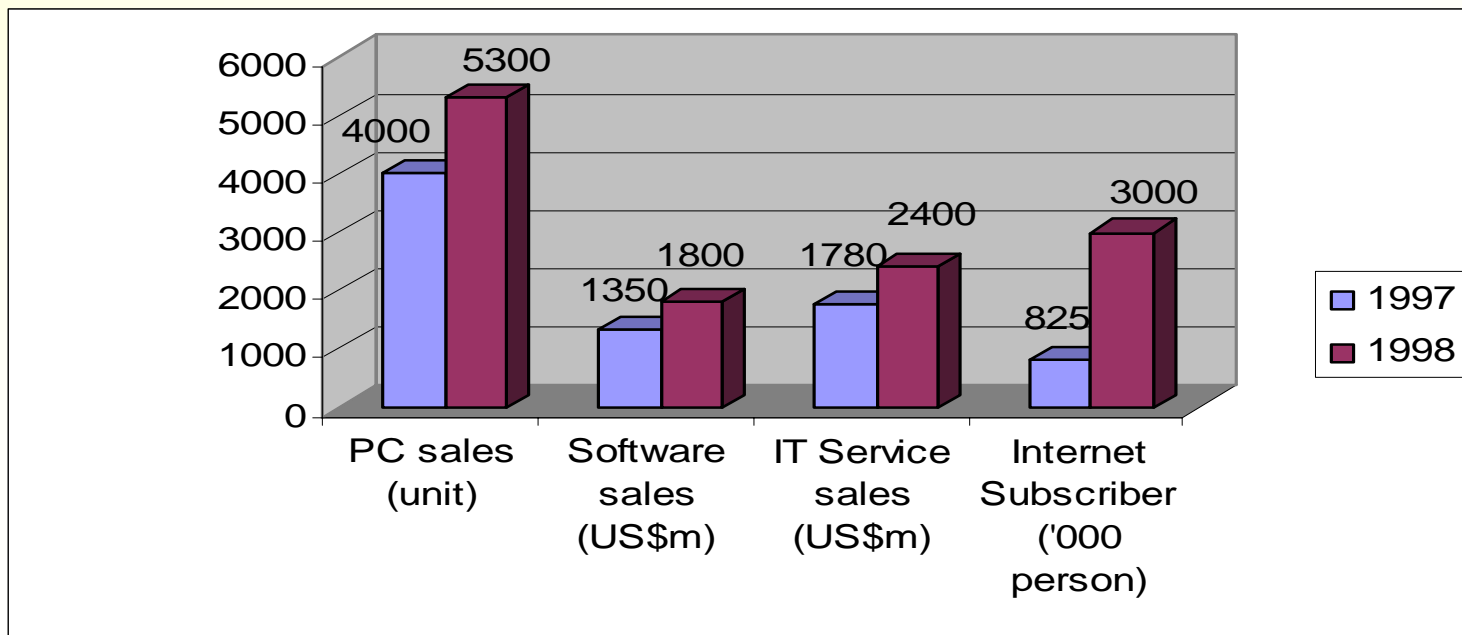
## Optimize Synergy Globalization



- *Technology transfer*
- *Strategic alliance*
- *Business cooperation*
- *Explore further listings*

# World's Largest IT Market

- ◆ China will be the world largest market for IT industry in the 21st century



- ◆ Bill Gates: *“Chinese will be the most popular language in internet.”*

# Status of Beijing High-tech Industry

- ◆ Some well-known companies has developed, such as Legend, Stone, Founder, etc.
- ◆ Multi-national companies start to enter Beijing and form strategic partnership with local companies
  - IBM with Founder
  - Lotus with Jinshan
  - Toshiba with Legend
  - .....
- ◆ International venture capitalists start to invest in Beijing
  - Robertson Stephens invested in software company Richwin
  - US venture capital invested in search engine company Sohoo

# Portfolio Case Study 1: GW Com

- ◆ Company: GW Communication Inc.
- ◆ Product: Low cost, high quality two-way mobile electronic message system
- ◆ W I Harper Group's Value-added Service:
  - Invested in 1997; assist private placement in US and Taiwan
  - Identify strategic partners, especially in China
  - Will help the company go IPO in the US and China / HK stock markets
- ◆ Current Status:
  - The trial system is operational in Beijing and Shanghai, and the company expects to operate in Hunan province and Taiwan
  - The company has begun shipping base stations to its partner Guo Mai in Shanghai since July, 1998; in addition, the company has received commitments from 2 additional handset manufacturers: GSL of Hong Kong and Standard Telecom of Korea.
  - Revenues will reach US\$ 50 M in 1999 when company will target IPO.

# Portfolio Case Study 2: Cwill

- ◆ Company: Cwill Telecommunications (CDMA Wireless Local Loop)
- ◆ Product / Technology: New radio architectures and wireless communication technologies
- ◆ W I Harper Group's Value-added Services:
  - ❑ Invested in 1997; assist private placement in US and Taiwan
  - ❑ Recruit the leading CFO and marketing experts
  - ❑ Develop business strategy and identify strategic partners
  - ❑ Will help the company go IPO in the US and China / HK stock markets
- ◆ Current Status:
  - ❑ The company has obtained the first certificate granted from the China MPT, which allows Cwill to sell its products in all of China.
  - ❑ Cwill is pursuing licensing and joint venture opportunities with other major global telecommunications equipment providers such as RELTEC, Motorola and Metromedia.
  - ❑ Cwill's orders from China are in excess of US\$70 million.
  - ❑ Cwill is planning to expand its US operation and to focus on development of the wireless Internet access products



# Portfolio Case Study 3: NetFront

- ◆ Company: NetFront Communications, Inc.
- ◆ Product / Technology: Data Transmission Security Products (Encryption)
- ◆ W I Harper Group's Value-added Services :
  - Invested in 1998; assist private placement in US and Asia
  - Identify the strategic partners, especially in China
  - Will help the company go IPO in the US and China / HK stock markets
- ◆ Current Status:
  - The only company obtained certificate from the Chinese Government, which allowed the company to provide network security products.
  - Under W I Harper's help, the company has invited SECOM, the famous Japanese security company to co-invest. This helps NetFront expand its market into banking and securities sectors.
  - W I Harper is planning to invite Intel to become one of NetFront's strategic investors in the next round of financing.
  - Target IPO in 2000.

# Portfolio Case Study 4: TeleWeb

- ◆ Company: TeleWeb Inc.
- ◆ Product / Service: The first nationwide single number (95000) telephone call center provider
- ◆ W I Harper Group's Value-added Services:
  - Invested in Aug. 1998; assist private placement in US and Asia
  - Identify strategic partners, especially in China
  - Will help the company go IPO in the US and China / HK stock markets
- ◆ Current Status:
  - TeleWeb is going to set up a JV with China Post and Telecom Travel Services. This JV will commercialize the first nationwide single number (95000) telephone call center in China.
  - The initial target is to provide Call Centers and Internet Service Provider capability to the Chinese population.
  - Expected to have US\$400 M revenue by 2000, and target IPO then.

# Portfolio Case Study 5: Fantastic

- ◆ Company: The Fantastic Corporation
- ◆ Product / Service: Multimedia distribution over satellite and other broadband networks
- ◆ W I Harper Group's Value-added Services:
  - Invested in 1997; assist with Asian market strategy, and conceived possible Asian subsidiary
  - Continues to help in expansion and fund raising efforts in Asia, including likely IPO in 1999
- ◆ Current Status:
  - Assembled a diverse collection of customers among content providers (e.g., Reuters & Accuweather) and various telecoms
  - Deploying system in Middle East and Asia Paific with ZakSat; in Europe with Deutsche Telekom, British Telecom, Telecom Italia, and Astra
  - Featured in Dec.1998 Red Herring as shaping the "Post-PC World"

# Findings

- ◆ Establishment of a win-win-win-win-win strategy
  - Win for Entrepreneurs
  - Win for Corporations founded
  - Win for Country of incubation
  - Win for Country(ies) of production and distribution
  - Win for End-users of product/service
- ◆ A possible profile as observed from our case studies
  - Entrepreneur is a visiting scholar from China
  - Entrepreneur works in large corporation post graduation
  - Entrepreneur starts a new (technology oriented) enterprise
  - Investor (WI Harper) enables technology transfer back to China
  - Country of incubation wins from (co-)development of technology
  - Country of production/distribution wins from recapturing “brain-drain,” increased production, economic development, etc.

# Findings

- ◆ The expanded model:
  - The Fantastic Corporation (TFC) is in need to access the China market.
  - TFC seeks out investor(s) with international vision
  - WI Harper is able to assist portfolio companies to access the China market