



**China's Emerging IT/Telecom/eCommerce Market
and its Contribution for Mega-Shift of The Global Economy**



Part A

The Emerging China

IT/Telecom/eCommerce Market

Part B

Ten Mega-Shifts in Today's

Global IT/eCommerce Market

1944 Bretton Wood, New Hampshire

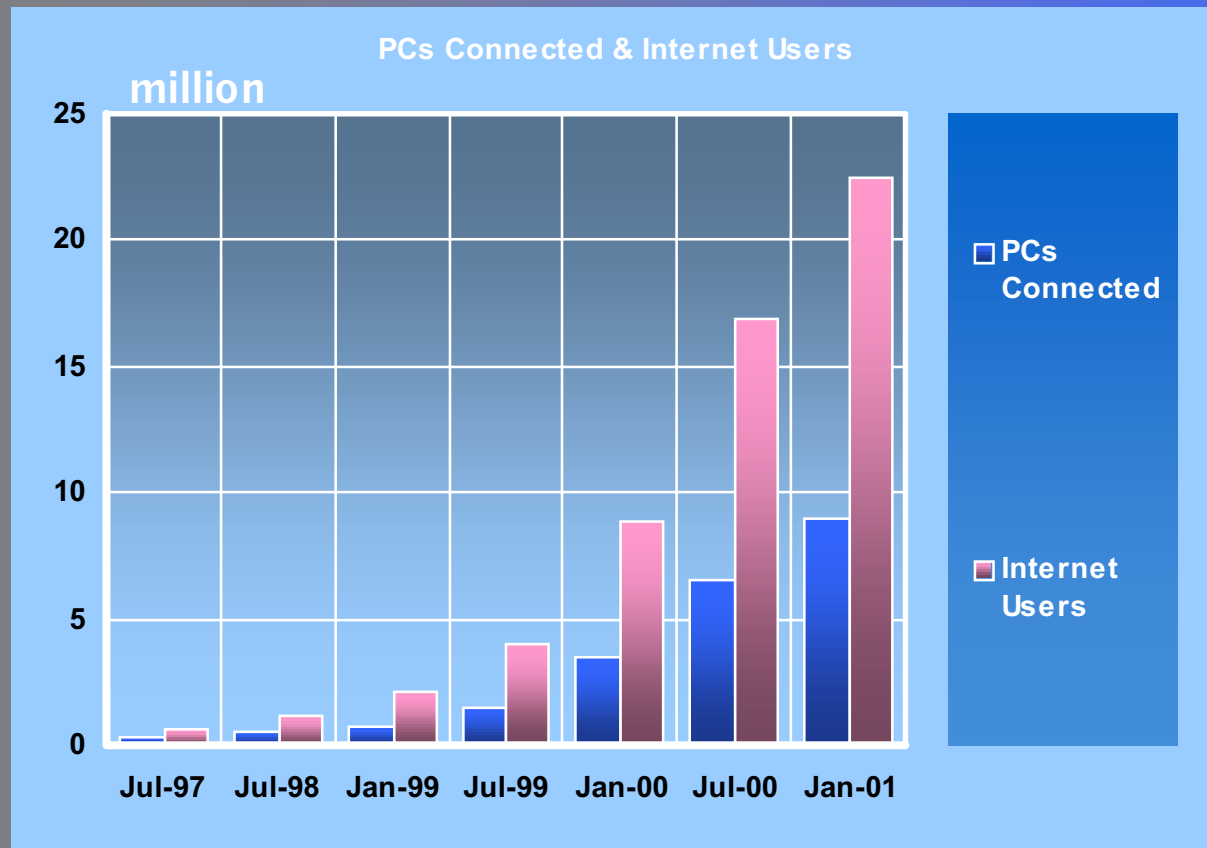
- Restoration of World Trade Pattern
- Setup International Monetary Fund and
- World Bank

2001 Fragment Hill

- IT Revolution and Global eCommerce is Changing the World Trade Pattern, Dramatically and Fundamentally
- Reshaping China's Role in the World New Economy

The New Catch-Up Game

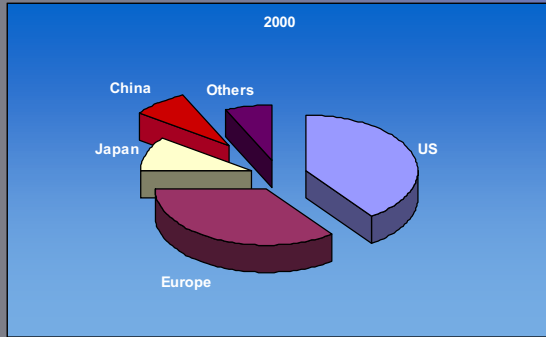
China's Internet Population Doubles every Six Months



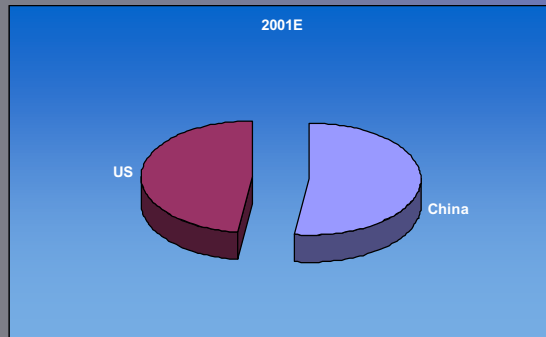
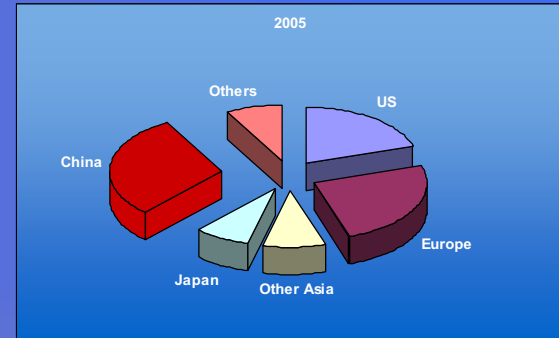
Chinese government began to survey its Internet population every half year since 1997. The Findings of every survey shows a remarkable difference. Now China's Internet population is close to 25 million.

What A Difference

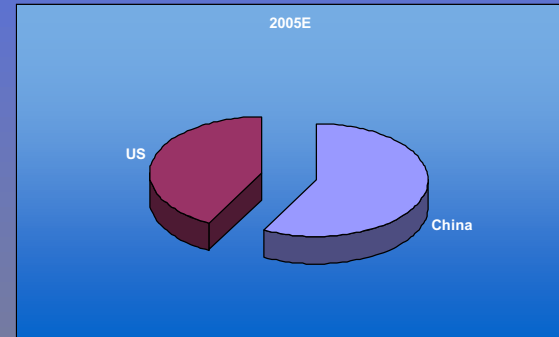
China will replace U.S. as the Largest Internet and Mobile Country by 2005



Internet Users



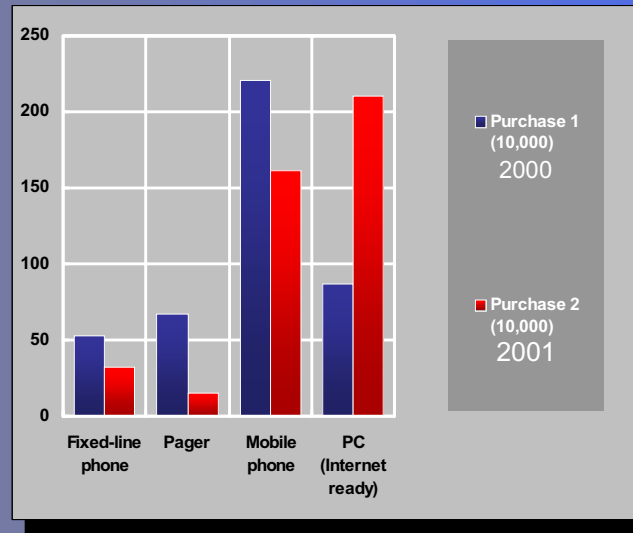
Mobile Users



Right now, China's share of the world's Internet population is only 8%, while the US is 40% and Europe 35%. In five years, by the end of 2005, China's Internet population is likely to increase more than 300 million, and Chinese to become the language used by most people online. From a mobility stand point the China mobile market will double from 130 million to 260 million, again larger than the US Market.

Changing Focus

From Fixed Telephone, to Pager, to Mobile – Now China wants more PC Internet Access

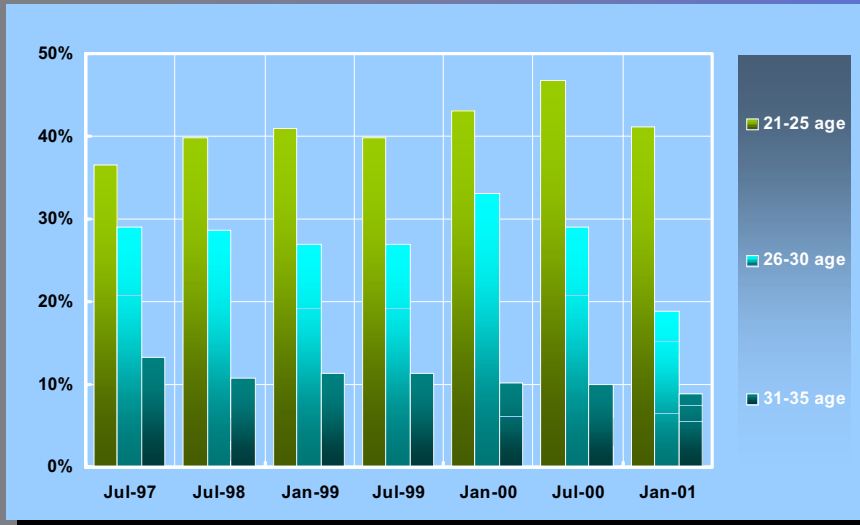


Purchase 1 shows urban consumer spending on IT products 2000, as compared with the ownership of same type of commodities. Now we see a shifting focus of interest from the fixed-line phones to the mobile phones. This was the year for the mobile.

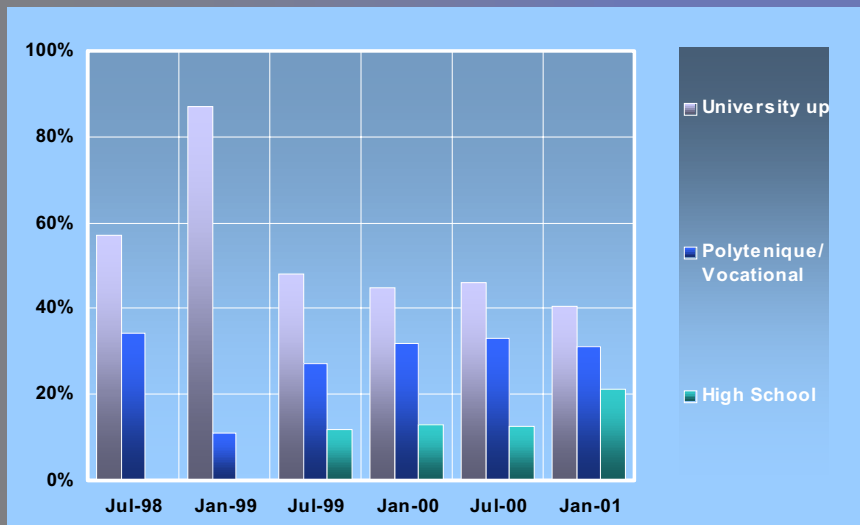
Purchase 2 indicates the size of 2001's purchasing budget. It shows another interesting change. Though the demand for mobile phones remains high, it is surpassed by that for new PC sets - and of course, those installed with even better Internet access.

The Internet Users

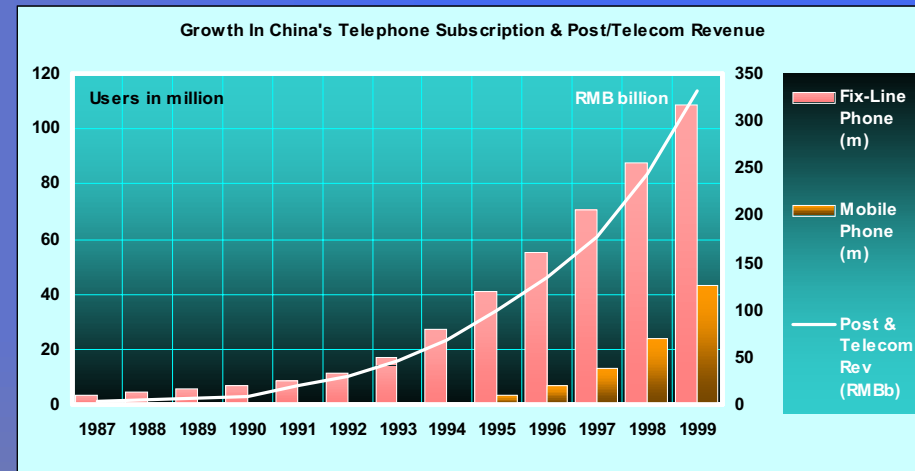
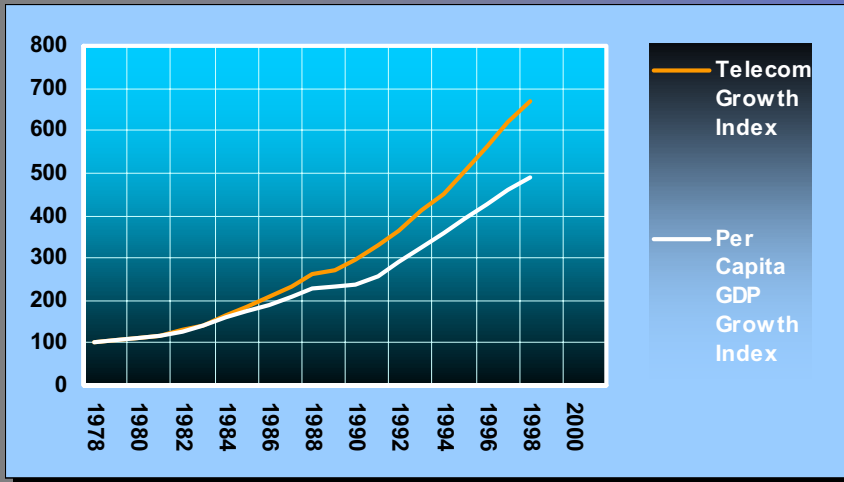
Male Under 30 are Dominate, what will happen in 10 years when the 25 million eChinese generation became the backbone of China



As the Chinese Internet population expands from the male, the young, or big city residents, lower educated people are starting to embrace the power of the Internet as well.



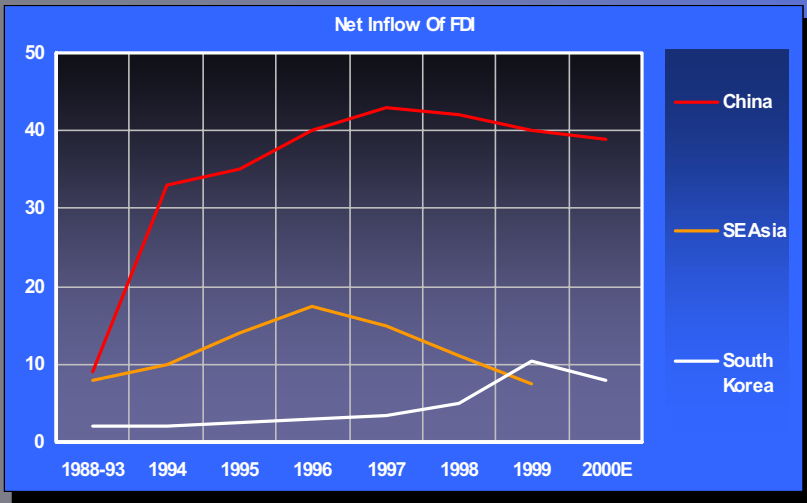
Telecom's Key Role



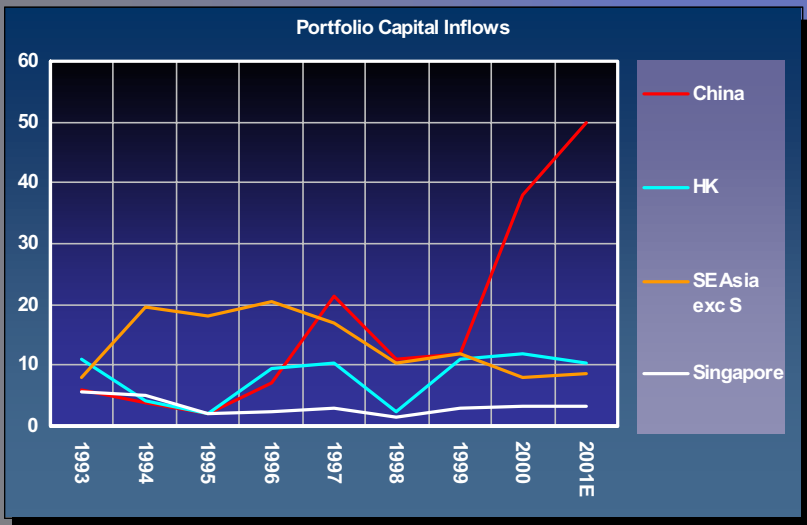
Through the late 1980s and early 1990s, Telecom's growth index exceeded that of the per capita GDP by a wide margin, indicating huge investments committed to the building of cable networks and new machines. So much infrastructure building has paved the way for the coming of the Internet age since the late 1990s – and the rise in consumers' culture-related spending.

Powering The Success

The Destination for Foreign Investment



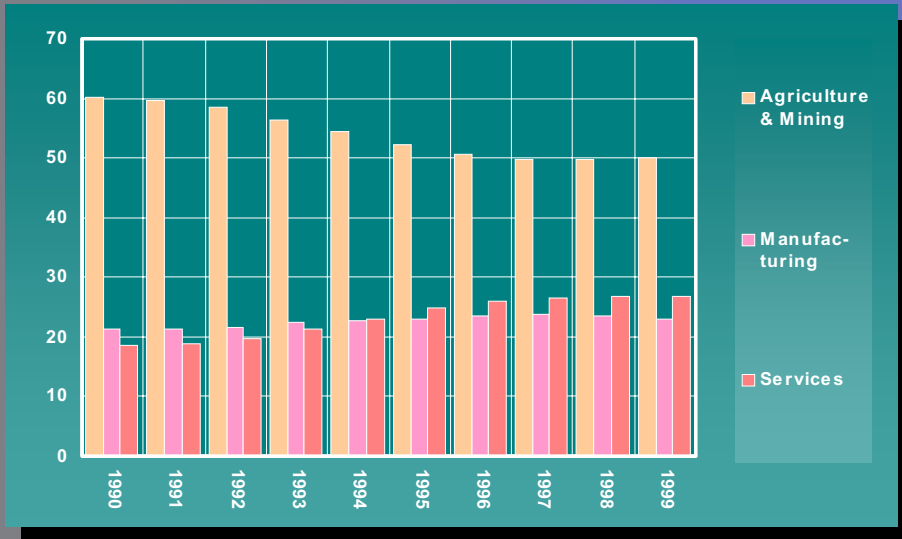
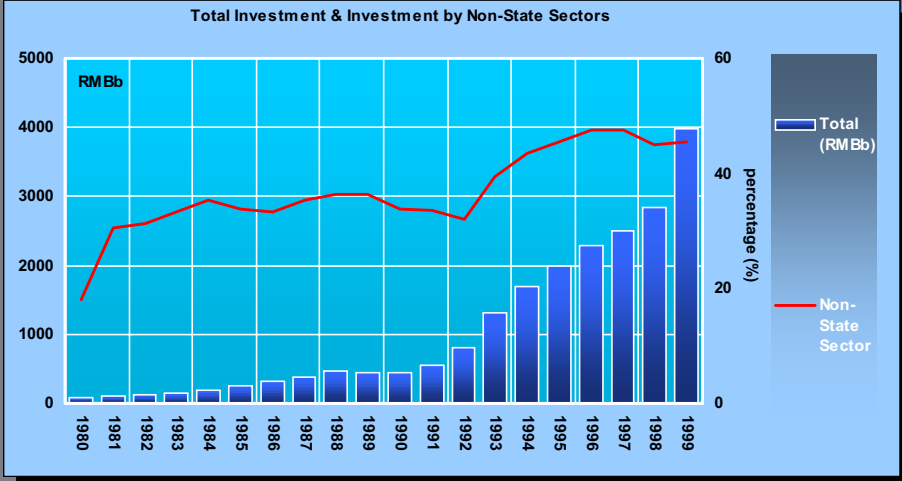
China is the leading recipient of foreign direct investment in Asia.



Through Hong Kong, It is also attracting lots of portfolio investment from the overseas.

Comes The Private Sector

Playing an Increasing Role From Minority to Majority

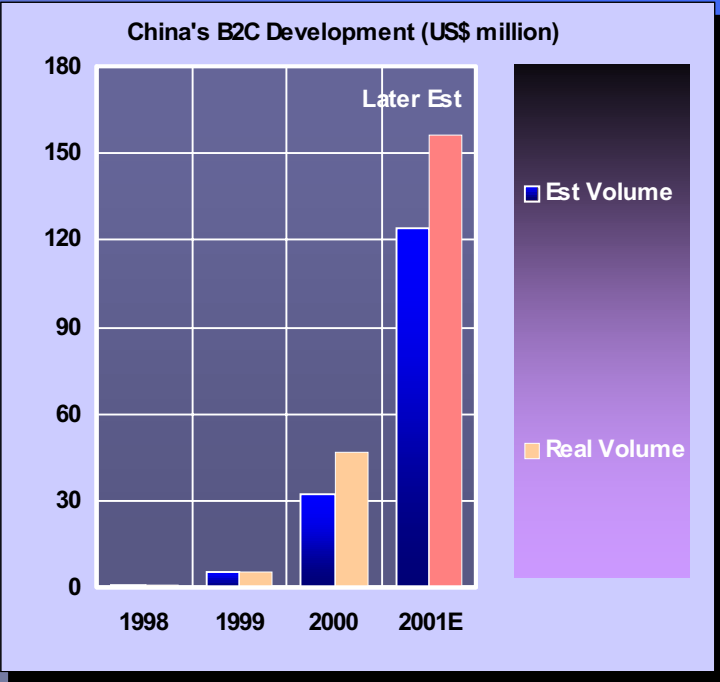
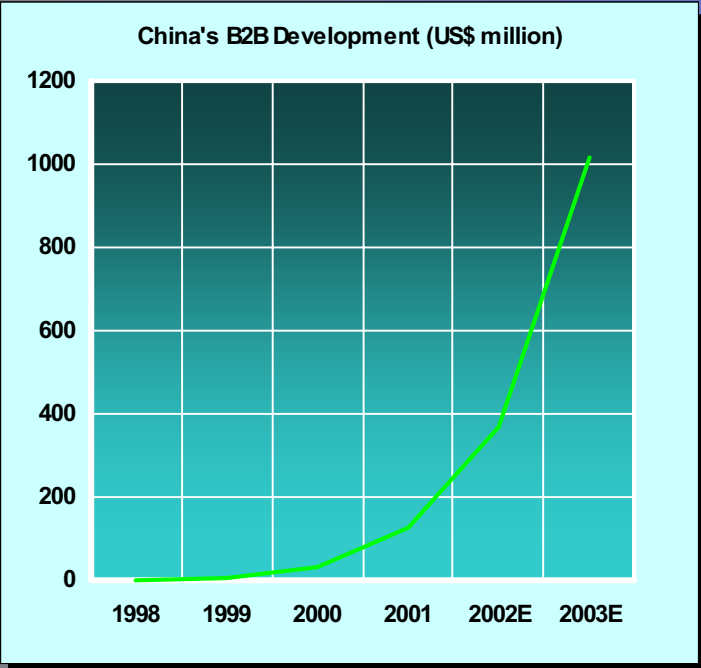


Non-State Sectors, including foreign investors, will enlarge their share in the total investment in the economy. It was close to half of the national figure through the last few years of the 1990s, and is likely to grow steadily to more than 50 per cent.

Investment in the service industries is on the increase, employment by the service industries has already become larger than that by the manufacturing industries.

eCommerce

Is Booming in it's Own Way



E-commerce will grow faster than most people expected when it just came to China. The total B2B volume will reach US\$100 million in 2001, when that of B2C will exceed US\$120 million.