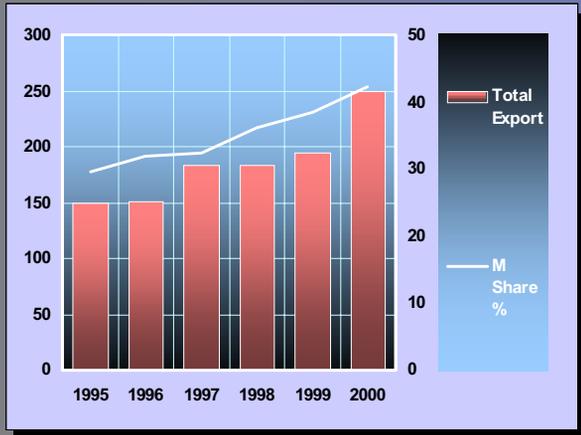


OEM-Driver

China Will Play The Key Role in Global Supply Chain



China will become the world's OEM center. Its total foreign trade volume is expected to rise to around US\$ 650 billion in 2005 from US\$470 billion in 2000. Of its export, more than 40 per cent are machines or machine parts.



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

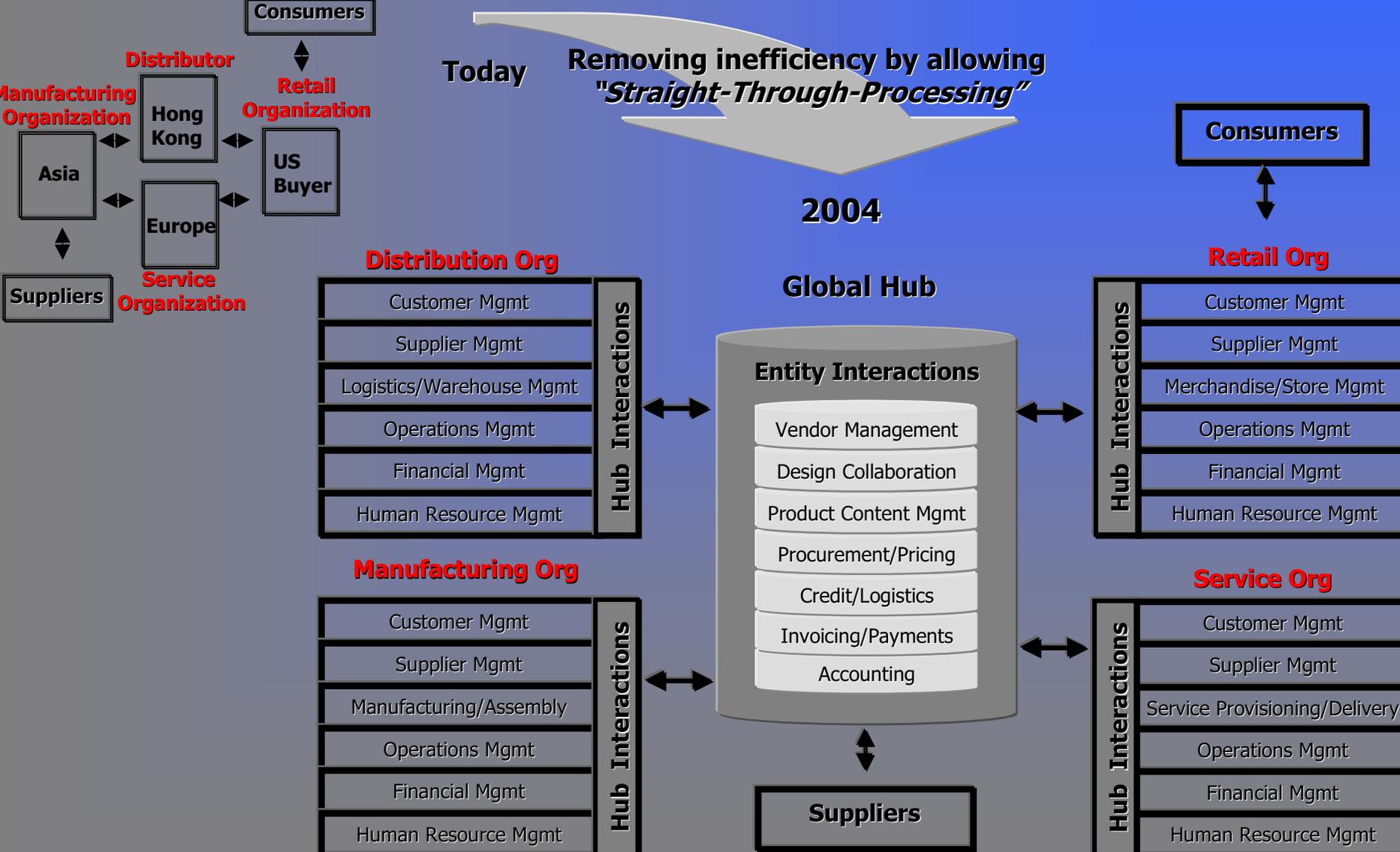
2001 Fragment Hill

- IT revolution and global eCommerce is changing the world trade pattern dramatically and fundamentally
- Reshaping China's Role in the World New Economy

Shift One, World Trade Pattern is Shifting from Regional

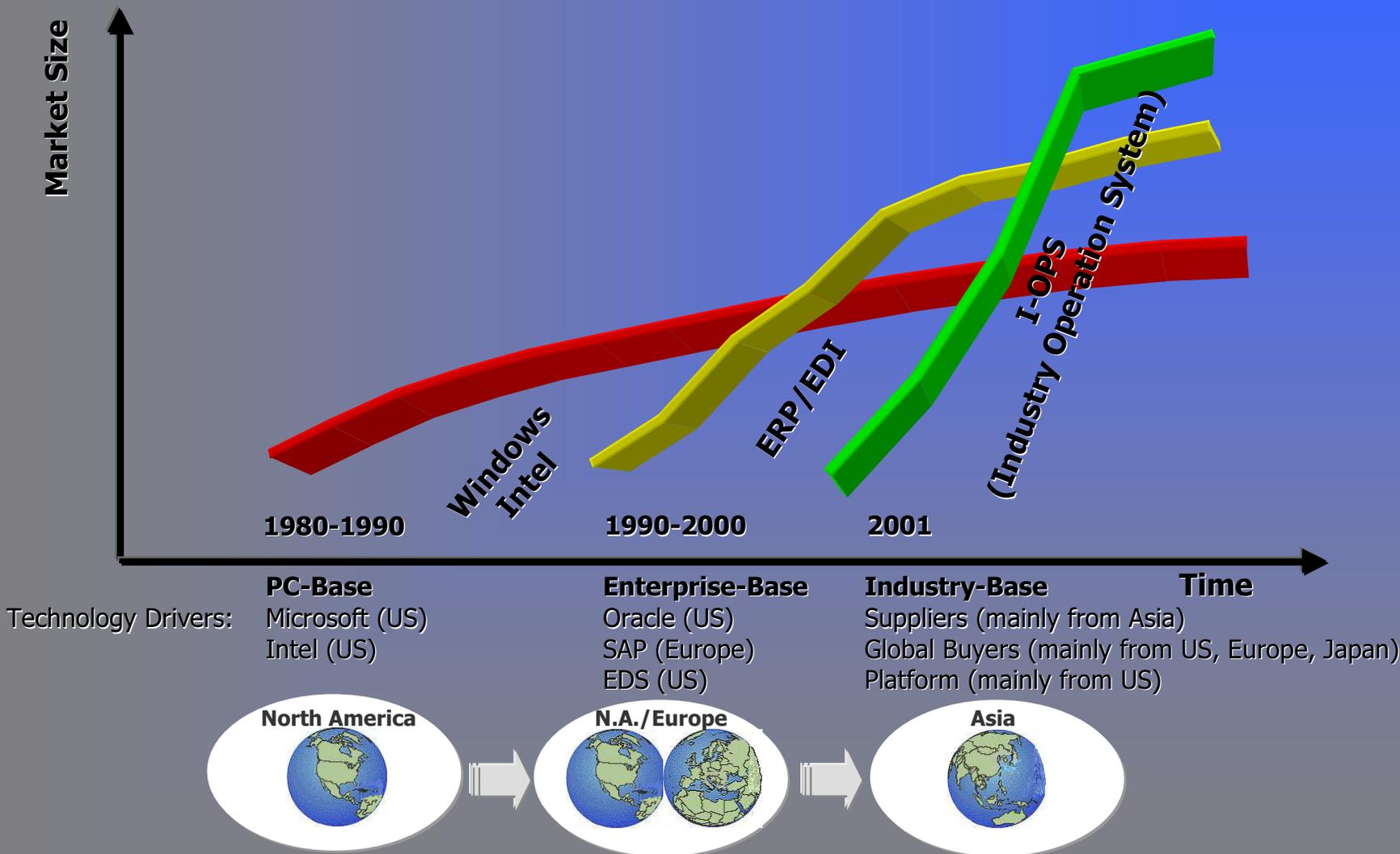
Divide to Global Hub

This is the most dramatic change since 1944



Shift Two, *Global Operation System Is Shifting*

From PC-based (wintel), Enterprise-based (ERP/EDI), To Industry-based (I-OPS/Hub)

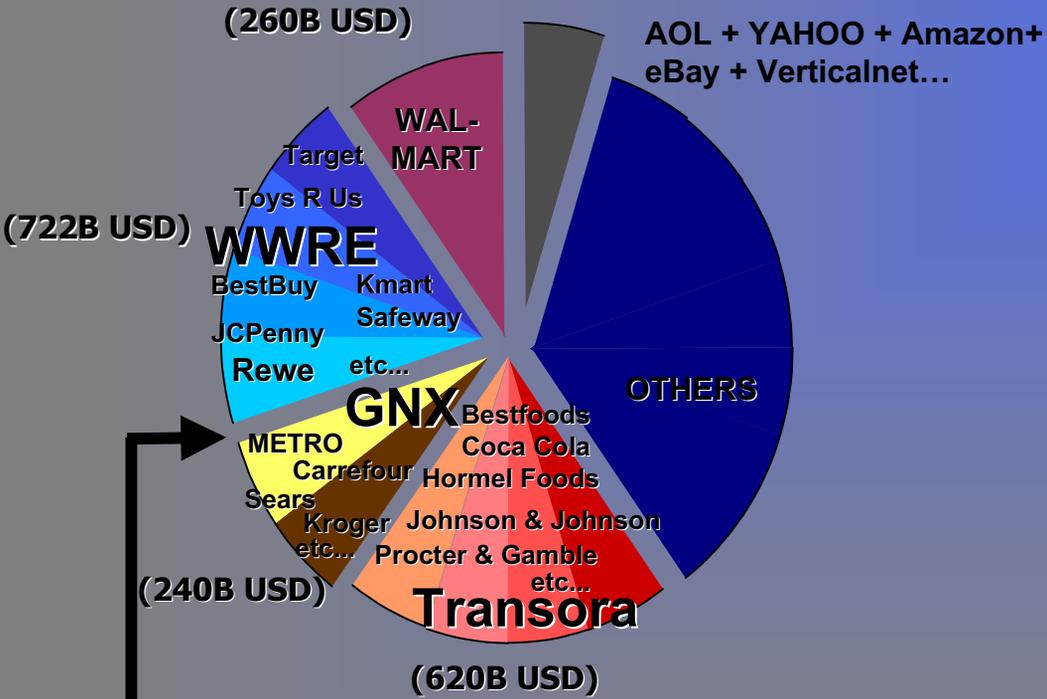


Technology Drivers Shifting from US, to US/Europe, to Asia

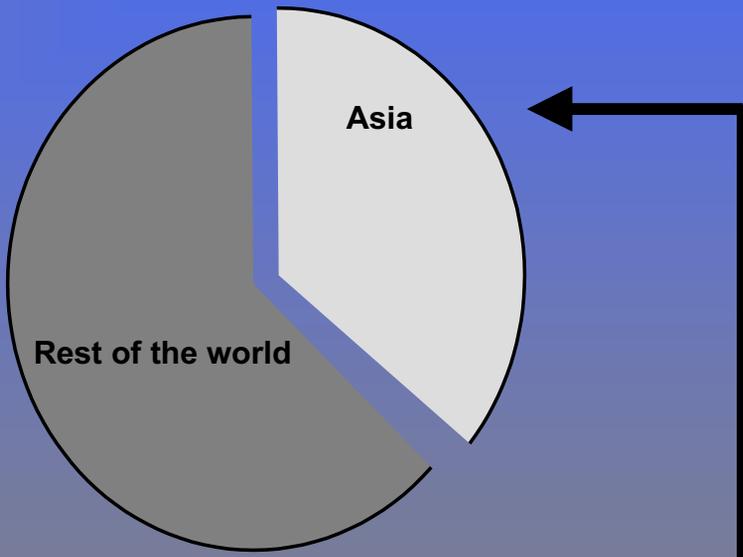
Shift Three, *Global IT/eCommerce Players is Shifting*

from "Electronic Commerce" to "Commerce Electronic"

Global Buyers (by revenue)



Global Suppliers (by sources)



Example: Consumer Finished Products

Sparkice

Global International Platform

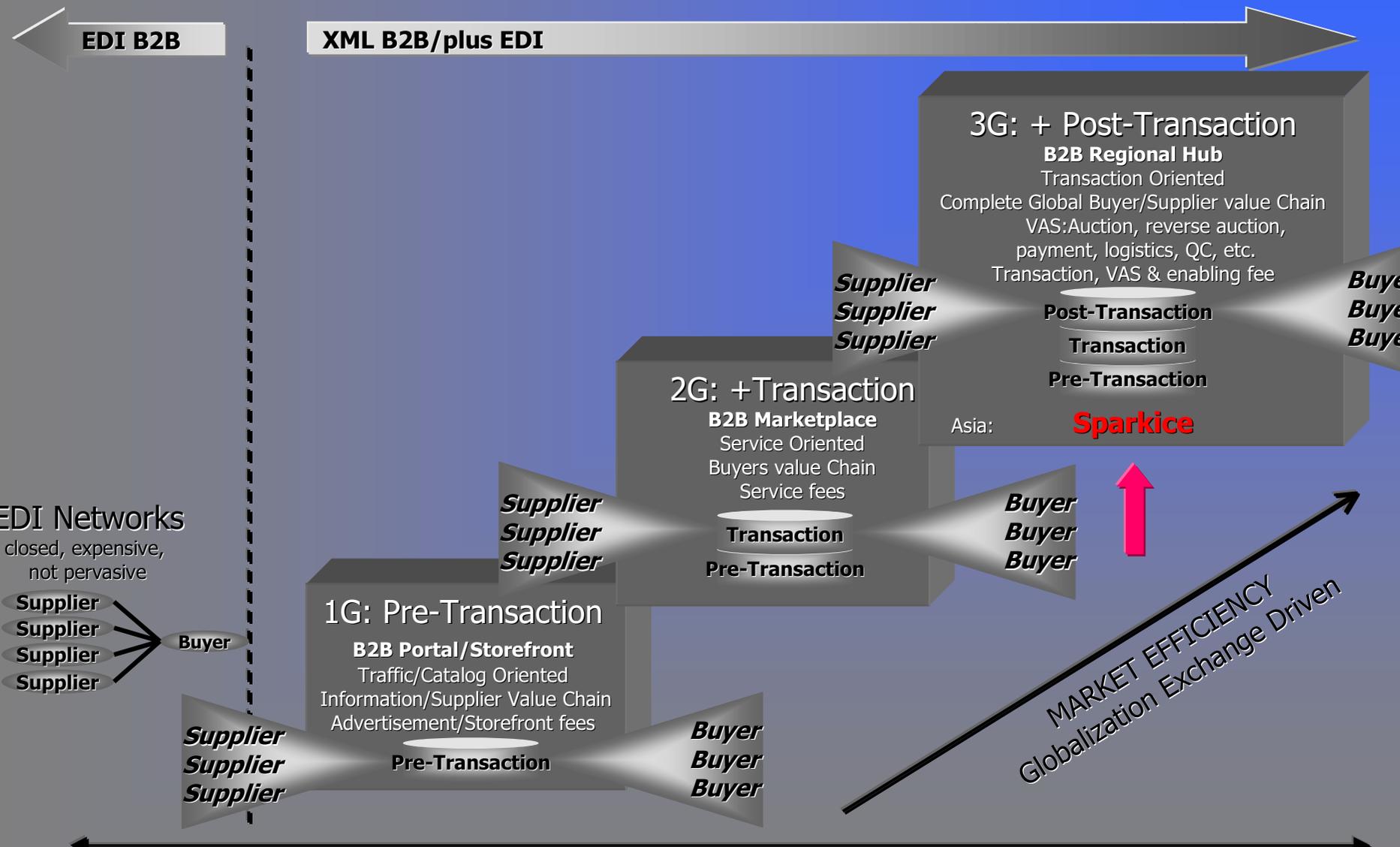
Shift Four, *Global Resources will be Reshaped Vertically*

Through Industry Consortium Exchanges and Horizontally through Country Hubs

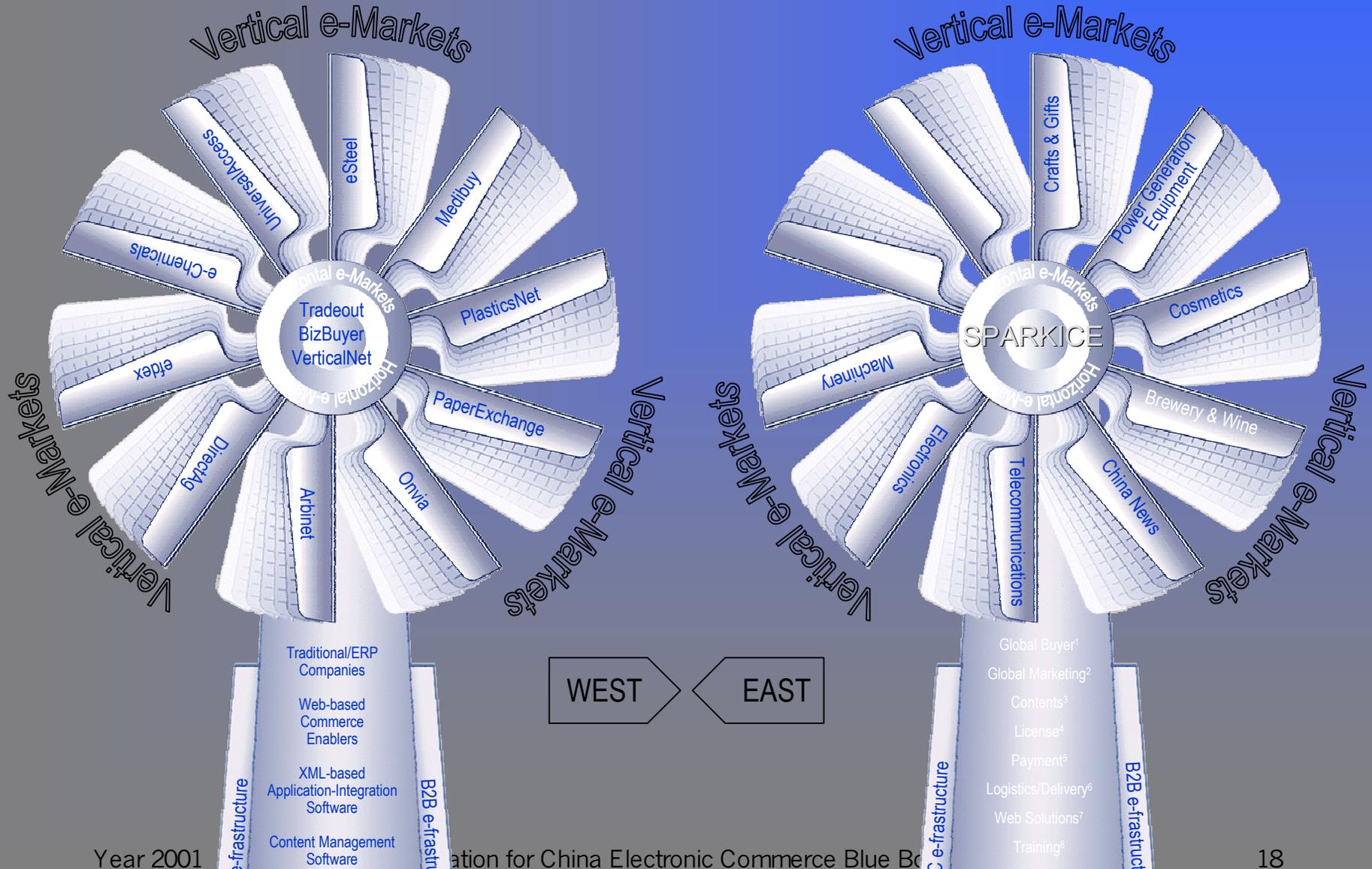
	Consumer Finished Products	Raw Materials Industries	Specialized Vertical Industries	Services Vertical Industries	Auto Vertical Industries
US Hub	Global Exchanges • WWRE • GNX • Wal-Mart • Transora	Global Exchanges • Steel • PlasticNET • Food	Global Exchanges & Integrated B2B • VerticalNet – Various Verticals • Aircrafts Parts • Autoparts	Global Exchanges • Cargo • Rentals • Small Business Services	Global Exchanges • Covisint • GE Global eXchange Services • iStarXchange
Euro Hub					
Asia Hub • Greater China Hub Sparkice • Japan Hub • Korea Hub • Hong Kong Hub					
Latin Hub	\$760B \$360B \$240B \$620B				

Shift Five, Global eCommerce is Shifting

From Information Exchange to Transaction Exchange



Shift Six, *Global Vertical Industry will Shift Communication* from Traditional Distributors to Direct Spoke and Hub



Shift Seven, *Horizontal Hubs will conduct like today's Airport*

3G Key Functions

Market Place is Dynamic, Neutral, Open and Transaction Oriented

Buyer and Suppliers are Qualified by Third Party Value Added Service Partners

End to End Processing via One Source

Interconnection with Other Exchanges



US\$ 4.5 trillion globally, 125 billion in China B2B e-Commerce by 2005E*

**Source: Goldman Sachs June, 2000*

Shift Eight, *Global Supply Value Chain is Shifting*

from **Back-to-Back** to **Face-to-Face Direct eCommerce**



\$1



\$22

SPARKICE



Manufacturer

Retailer: Metro, Wal-Mart
OEM: Disney, Coca-cola
e-Commerce: Yahoo, AOL

INTERNET

Consumer

\$3/T-Shirt + value added in China (\$2) \$5

\$15

China Overseas

