



Opening Address

China Internet Venture 2000 Conference

Beijing, June 6-7

Ladies and Gentlemen. It is my pleasure to welcome you all to the China Internet Venture 2000 conference.

I feel very excited because this is a historic occasion. This conference is the first of its kind in China and will bring together international investors and Internet professionals from all over the world to China, to share new ideas, to meet with experts from all facets of the industry, and to explore unique and lucrative opportunities in the world's largest potential market.

For more than three thousand years the world has come to China to trade and conduct business. In the past this has involved a huge expense in order to mount an expedition that could overcome China's daunting physical barriers. To the west there are the impenetrable mountains. To the North there are the endless deserts, and to the south and east there is the vast expanse of ocean. Now with the coming of the Internet these barriers no longer exist.

With one click of the finger, The mountains become molehills, The deserts disappear, And the oceans no longer exist.

Gone are the days of the caravans traveling along the hazardous Silk Road. Now the Silk Road has become the electronic super highway providing instant access to all of China's vast cultural wealth and resources.

Late last year, the U.S. and China agreed upon the terms of China's membership in the WTO opens the Chinese market to American companies, which means more profits and more jobs.

From our perspective, China is going to be a big market. Right now there are approximately 15 million internet users, 50 million cell phones and 70 million households with cable services.

One thing is certain however; that the Internet will rapidly change the way China does business with the world. For example, currently 100 % of Cisco's transactions with China are done on-line, while 50 % of Dell's business in China is done on-line. These are trends that will soon be followed by other worldwide businesses as the rapid trade and economic growth with China continues.

Yet it is hard to conceive of China building an Internet market without foreign capital, foreign technology, or foreign management expertise. The Chinese government and the leadership here have all looked at the high tech, and especially the IT industry, as the way of economic growth for the next fifty years.

The Internet industry in China, though behind the US in terms of infrastructure, has several distinct advantages.

First, while the internet industry in the west has undergone years of evolutionary development with many pitfalls and draw backs, China's industry is starting almost from scratch and will employ, not only the latest technological innovations, but can incorporate the lessons learned from western business without making similar mistakes.

This means that within a few short years Chinas' market will be able to catch up and even exceed those in other countries with relative speed and efficiency.

Building a large-scale company was difficult, time consuming, and nearly impossible. But that has all changed since the magic word - **Internet** - was introduced to China. For the new breed of Chinese entrepreneurs who have ideas to start up Internet businesses there is a fascinating new concept – **Venture Capital**.

That you can get funding from someone who you have never met before is something completely new. They look to companies such as China.com and Sina.com as examples of businesses who have successfully made an IPO on the Nasdaq and made a lot of people rich. This has inspired thousands of entrepreneurs to form bold new companies with the goal of long-term success.

It is our wish to make dreams of entrepreneurs come true.

The China Internet Group was founded in late 1999, and is the first integrated incubator for Internet businesses in China. CIG co-founds and develops early stage Internet companies, providing them a full range of services including strategic guidance and support in the areas of technology, sales and marketing, business development, and financing. Like proud parents, we help them to rapidly grow into the dominating forces in their market sectors.

While CIG supports these young businesses here in China we also offer another crucial service. We are the link between Chinese Internet businesses and the venture capitalists that make it all possible. We have an extensive network of international investors and have developed a team of world-class experts and advisors in every field relating to the Internet business to nurture each company and thereby significantly reduce the risks, easing the concerns for investors.

Through CIG's initiative we are creating and perfecting a new model to develop leading internet companies in China.

The China Internet Venture 2000 conference is the result of the need for investors to locate Internet investment opportunities in China and for entrepreneurs to secure capital to grow their start-ups. For the first time in China we bring together the people from all over the world with the same vision and interest to explore and develop this under-served market.

We have selected, trained, and advised 24 Internet start-ups and pre-IPO companies to give presentations at the conference. We have also invited expert speakers from the Ministry of Science and Technology, the Ministry of Information and Industry, and the Beijing Municipal Government to answer investor concerns regarding infrastructure, future trends, and government policy regarding venture capital operations.

We have, in addition to the presentations, numerous activities that I promise you will find entertaining and fun.

We have planned luncheons, champagne receptions, and cocktail parties featuring live entertainment. It is during these events that we welcome you to offer your ideas and opinions, to answer any questions you may have, and to make new and lasting friendships for the future.

We are also proud to sponsor the Best Of CIG Venture China 2000 Award in which the most successful presentation will receive 10,000 dollars US and a certificate of merit.

In addition we are auctioning off an opportunity to meet with the managing director of Crystal Venture, Mr. Joseph Tzeng in order to present their ideas for venture capital attraction. The money collected from the auction will be donated to the charitable foundation, ZHAO XIA, for the improvement of educational facilities in North West China.

Following the conference, CIG will invite a small group of venture capitalists and executives to a post conference VIP tour visiting Beijing, Shanghai and Shenzhen, - three cities with the most Internet activity in China.

They will meet government officials and executives from leading high-tech companies, and visit representative Internet companies in these cities.

Conclusion

We are poised on the leading edge of a new economic adventure.

China's famous strategist Sun Tzu wrote,

“He who is first in field, has the advantage.”

Those who are gathered here for this conference will have the advantage of being first in this exciting new field and will soon become the leaders of the Internet business in China.

To meet with so many friends,

To share our vision,

To create and develop China Internet companies,

Ladies and gentleman, let's do it together!

Thank You.