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PRESS RELEASE

Competition, TD-SCDMA rollout and policy changes are clouding China's telecommunications operator space, according to new report by IEMR

Vancouver, November 14, 2008 – IE Market Research Corp. (IEMR), the Canadian-based provider of market intelligence services, announced today the release of its *Industry Strategic Outlook #11.2008: China Telecommunications Industry Outlook: Competition, TD-SCDMA rollout and policy changes are clouding China's telecommunications operator space*.

This market research report on the Chinese telecommunications industry analyzes the competitive, technology, and regulatory issues currently affecting China's telecom operators – China Mobile, China Telecom, and China Unicom. We provide our analysis with a view to providing strategic guidance to our clients. Our analysis is based on actual interviews we conducted with regulators, industry analysts, representatives at carriers, and various industry groups.

"We believe that price competition among provincial branches of the three carriers – China Mobile, China Telecom, and China Unicom – is only a matter of time," said Andy Lam, Principal Research Associate at IEMR. "China Telecom now offers its CDMA customers with handset subsidies, free voice calls between their fixed and mobile phones and the usual free wireless on-net minutes calling. Although there is no sign of an aggressive price war yet in other provinces, given that China Telecom has ample capacity on its fixed line and CDMA networks and the smallest subscriber base, we expect it has the most incentive to compete for market share gains based on a full scale price restructuring."

Regarding TD-SCDMA, we continue to see neutral impact for China Mobile. "Investors and suppliers should disabuse themselves of notions that TD-SCDMA will be the albatross that will have an impact on China Mobile's operation," said Nizar Assanie, Vice President (Research) at IEMR. "China Mobile's management, brand, network, subscriber base, and business models are second-to-none in the world and the other operators in China's telco space have a VERY long way to go to compete with China Mobile. Moreover, its long-term expansion strategy is based not just on urban consumers but will happen in rural areas of China that are not going to be affected by 3G for some time."

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Key topics covered in this report are:

Price competition is inevitable with China Mobile's pricing strategy more sophisticated than its competitors so far

We see Unicom as the major beneficiary of the way 3G licensing has been restructured in China

China Unicom will benefit from considerable WCDMA value chain support and its GSM coverage; WCDMA will focus on 300 cities

Second Phase TD-SCDMA Bidding to commence in November 2008 with an estimated total capex of RMB 30 billion

Key to TD-SCDMA success will be supply chain issues, with TD-SCDMA vendor group expecting 100 million subscribers in 2-3 years

TD-SCDMA: Neutral impact in 2009 on China Mobile

Network resource sharing: is there a fight coming between China Mobile, China Unicom, and third parties on leasing?

Network Resource Sharing: Monitoring and implementation will be very challenging

Network resource sharing a positive for China Unicom

CAPEX Estimates and strategies for China Mobile, China Unicom, and China Telecom

Tables:

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IE Market Research Corp. (“IEMR”) is a market intelligence and business strategy consulting firm. Our goal is to assist our clients build value and compete in international markets. We build value in four sectors: wireless telecommunications, health care, finance, and government. We build value for our clients by undertaking international brand perception surveys, consumer satisfaction surveys, distributor/channel partner selection and due diligence, market size and opportunity assessments, competitor strategy assessments, government regulatory analysis, and public opinion surveys.

We offer a variety of research products including CONSUMEREADY™ and EXPORTREADY™. CONSUMEREADY™ provides detailed demographic information on brand strengths and marketing strategies that are crucial to know when competing in international markets. EXPORTREADY™ is based on our on-going business strategy research that allows us to establish strengths and weaknesses of firms in a wide variety of areas, ranging from intellectual property portfolios to strengths of marketing strategies to quality of engineering. These results are highlighted in our EXPORTREADY™ publications and form a valuable tool for firms wanting to strategize their market entry options in international markets.

Our corporate values are: Top-Quality Service to Clients, Commitment to see the Client Succeed, Excellence and Integrity in Research, Transparency and Respect toward our Employees. These core values drive all of our research and every client engagement.

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