



CHINA CONVERGENCE

GLOBAL FORUM

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Presented by

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I. 2008 New Rules

(1) Circular No. 1 of the State Council issued in January 2008 has indicated for the first time that telecommunications players are permitted to enter into certain sectors of the broadcasting industry.

(2) Rule on IP video and audio program services that became effective early this year has confirmed the legality of IPTV while providing certain administrative measurements.

(3) Amendment to the Management Measures for Foreign Investment in Telecommunications Enterprises issued last month has reduced the required amount of registered capital for foreign investment in basic telecommunications industries.

(4) The impact of the new rules on the convergence.



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II. Restructuring of the Governing Body

(1) Former Ministry of Information Industries (MII) has been restructured and merged into a new governing body, the Ministry of Industries and Information Technology (MIIT). The agency governing the broadcasting industry remains the same as the State Administration of Radio, Film, and Television (SARFT).

(2) Advantages and disadvantages of the restructuring for the convergence of telecom and broadcasting industries.

(3) News rules v. Restructuring.



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III. Market Reality

- (1) Independent nature of Broadcasters in China;
- (2) New opportunities for foreign investment at the broadcasting industry;
- (3) Market positioning for both telecommunication and broadcasting players; and
- (4) Access to Content vs. Capital capacity.



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IV. Content Providers and Convergence

- (1) Market reality of the need for more content;
- (2) Convergence provides additional platforms for content providers; and
- (3) Current active market.



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V. New Legal Environment Creates Expanded Opportunities for Foreign Investment

(1) Reduced Regulatory barriers vs. Effective business models; and

(2) Employing the Right strategies to synchronize with the pulse of the constantly evolving developments in the converging markets.

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