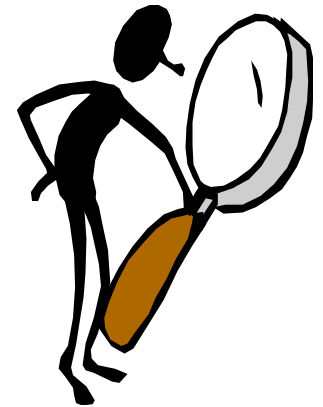


Techno - Venture Forum
Do's and Don'ts of Entering the China Market
For High Tech Start-Ups from Singapore
June 10th, 2003



By Andrew NG *Greater China Consult*



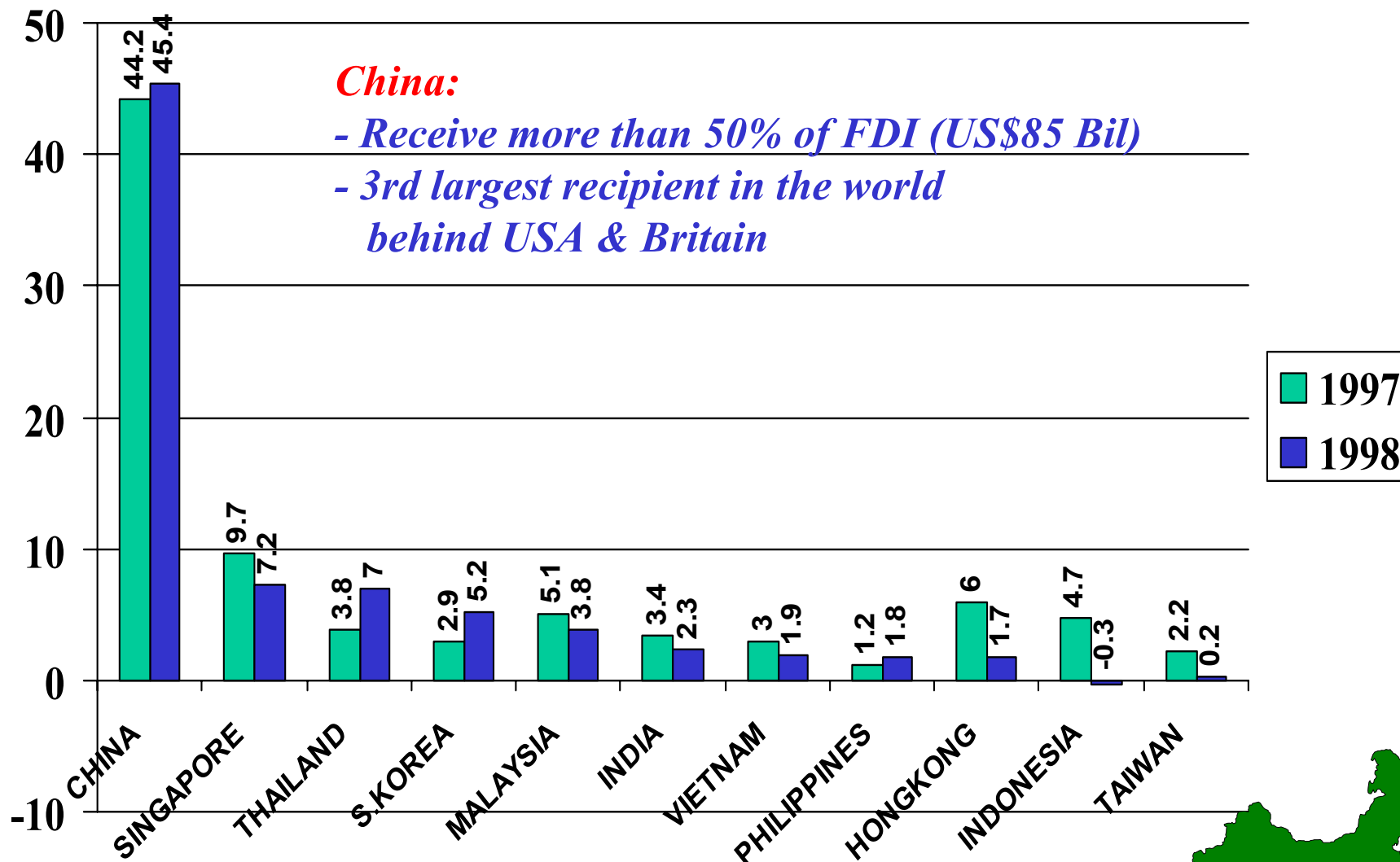
Do's & Don'ts of Entering the China Market

1.0 Why Invest in China ?

- Fastest Growing Market in the World....*
- Highest recipients of FDIs..... (Giant Vacuum Cleaner)*
- Consistent GDP growth in the last decade....*
- World's largest Sub Contractor.....*
- Huge Domestic Market....*

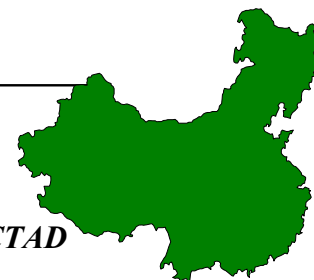


US \$ BILS *Flow of Foreign Investments into Asia Pacific*



-Straits Times Sept 28,1999

Source: UNCTAD



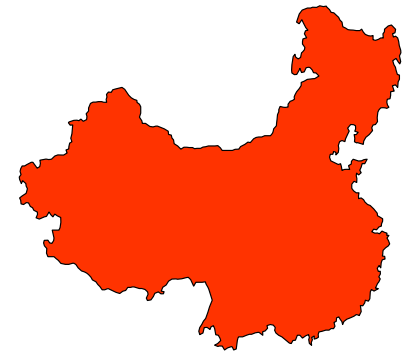
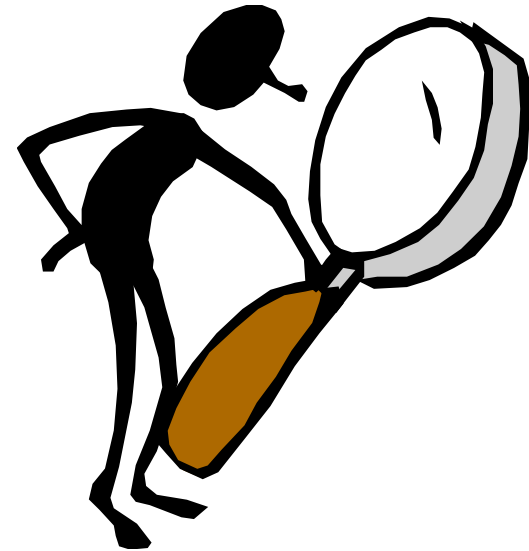


Do's & Don'ts of Entering the China Market

2.0 Most Critical Success Factors:

- Information & Market Intelligence*
- Local Knowledge*
- Be Hands on & get into the field..*
- Contact & Business Network*
- Finding the Right Partners*
- Long Term View & Deep Pocket*

(Product Quality & USPs are assumed)



Do's & Don'ts of Entering the China Market

The Art of War Approach:

- *He who has a Thorough Knowledge of*
 - *Himself & the Enemy,*
 - *Is bound to win in all battles.*

- *He who knows himself but not the Enemy,*
 - *Has only an even chance of Winning.*

- *He who knows not Himself & the Enemy,*
 - *Is bound to perish in all Battles*

Sun Tzu



Do's & Don'ts of Entering the China Market

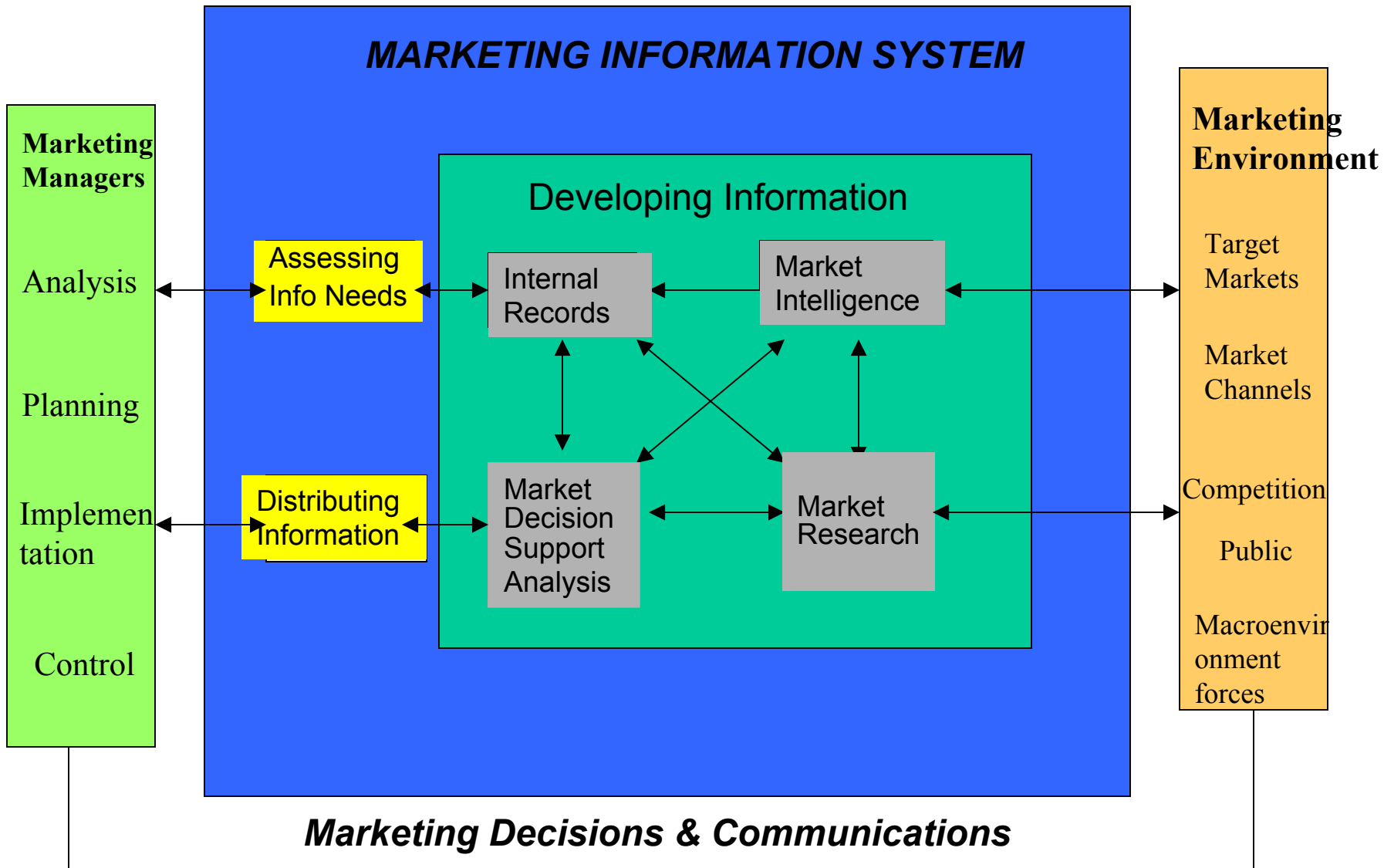
- ***Gathering & Analysing Information***
- ***Setting up a Marketing Information System(MIS)***

Definition:

- A Marketing Information system consist of people, equipment and procedures to gather, sort, analyse, evaluate and distribute needed, timely & accurate information to facilitate decision making.



Do's & Don'ts of Entering the China Market



The Myths and Realities of the China Market

3.0 Myths of the China Market

- Guanxi and contact are absolutely Critical...*
- Corruption & bribery are Rampant...*
- High Credit Risks & Bad Debts....*
- Mainland Chinese are difficult to deal with....*
- It is difficult to make money,most firms lose money.....*



Do's & Don'ts of Entering the China Market

4.0 Realities

- They are more “Hungry” & Hard Working*
- The speed of Change is just staggering.....*
- “Flying Geese “ theory could be sustained.....*
- Strategic Thinking versus short term execution.....*
- Reverse Migration may become a reality in future..*
- Language & international exposure constraint...*



Do's & Don'ts of Entering the China Market

5.0 What should be our broad Approach ?

- Do you have a unique products or services to offer ?*
- Value Creation: Could you add any value to the value chain ?*
- Differentiation: How do you differentiate your products ?*
- Gather Market information and Intelligence..*
- Formulate your entry & exit Strategies.....*



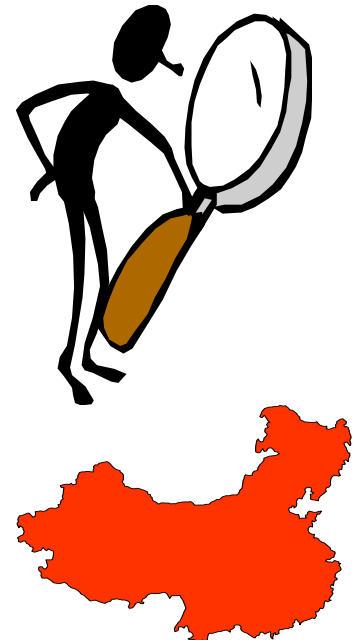
Do's & Don'ts of Entering the China Market

5.0 What should be our broad Approach ?

- IP protection & patent rights...*
- Funding: Easy and Difficult....*
- Leverage on Local Talents...*
- Train & Equip your team with the relevant skills...*
- Seek Professional help & engage Consultants if needed..*



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Questions & Answers Session



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