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Intel Capital Announces New US\$500 Million China Technology Fund II; Marks 10 Years of Chinese Investments

Fund Includes New Investments in Holdfast Online Technology and Newauto Video Technology

BEIJING--(BUSINESS WIRE)--

Intel Capital, Intel Corporation's global investment organization, today announced its second China investment fund, the Intel Capital China Technology Fund II. The new US\$500 million fund will be used for Intel Capital investments in wireless broadband, technology, media, telecommunications and "clean tech" that complement Intel's corporate initiatives and help expand technology market segments in China.

"The establishment of our China Technology Fund II, which is more than double the size of the original China Fund, is the ideal way to celebrate 10 years of Intel Capital activity in China's vibrant economy," said Arvind Sodhani, president of Intel Capital. "Since 1998, Intel Capital has invested in more than 70 companies across China and Hong Kong. We aim to foster innovation and local entrepreneurship, while enriching the technical capabilities and global competitiveness of technology companies in the region."

Intel Capital's first US\$200 million Intel Capital China Technology Fund has been fully invested in local Chinese companies. In connection with the announcement of the Intel Capital China Technology Fund II, which comes during Intel Corporation's 40th anniversary, Intel Capital announced two new Chinese investments with the fund:

- Holdfast Online Technology Co. Ltd. provides a platform to host third-party operator LAN-based or console games so gamers can play against each other in a wide area network.
- Newauto Video Technology Inc. manufactures and sells video equipment, network solutions and system integrations for TV stations across China. Newauto also provides digital content editing and sports program live-broadcasting services. Newauto is a service provider for the 2008 Beijing Olympics.

"Given the success of the original China Fund -- with investments in more than 28 companies -- it is time to renew our commitment," said Cadol Cheung, managing director, Intel Capital Asia Pacific. "Intel Capital expects to further increase our investment in China by pursuing business opportunities and participating in larger deals with an eye on leading rounds. As a stage-agnostic global technology investor, Intel Capital invests consistently across all economic landscapes and has a unique advantage in providing value-added benefits."

The Intel Capital China Technology Fund, established in 2005, was intended to help Chinese businesses nurture important technologies and develop innovative products. Examples of investments include: Neusoft Group, Supcon Group, A8 Music, Chinacache International, Chipsbank Microelectronics, DAC, HiSoft Technology International, Kingsoft, Legend Silicon, Montage Technology, and Palm Commerce. Notable liquidity events involving portfolio companies from the first fund include: Actions Semiconductor, Kingsoft and Neusoft Group.

The Intel Capital China Technology Fund and Fund II are part of Intel's overall presence and investment in the Chinese market.

"2008 is of great significance for Intel in China, marking the 30th anniversary of China's reform and opening up policy, and witnessing the Beijing Olympic Games," said Ian Yang, vice president of Intel Corporation and general manager of Intel China. "Whether it is talent cultivation or industrial innovation, in cities or rural areas, Intel will continue to support and promote the development of China's IT industry."

About Intel Capital

Intel Capital, Intel's global investment organization, makes equity investments in innovative technology start-ups and companies worldwide. Intel Capital invests in a broad range of companies offering hardware, software, and services targeting enterprise, home, mobility, health, consumer Internet, semiconductor manufacturing and cleantech. Since 1991, Intel Capital has invested more than US\$7.5 billion in approximately 1,000 companies in 45 countries. In that timeframe, 168 portfolio companies have gone public on various exchanges around the world and 212 were acquired or participated in a merger. In 2007, Intel Capital invested about US\$639 million in 166 deals with approximately 37 percent of funds invested outside the United States. For more information on Intel Capital and its differentiated advantages, visit www.intelcapital.com.

About Intel

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