

ChinaVest Provides US \$21 Million to Fund Growth and Expansion of Net263

SHANGHAI—Feb. 16, 2005—ChinaVest, a leading specialized merchant bank focused on the intersection of Chinese entrepreneurship and international market trends, announced today that it has raised US \$21 million in equity capital to provide a pre-IPO round of funding to converged communications services provider Net263.

The move represents a significant investment milestone for ChinaVest, which also provides financial advisory and investment supervisory services for rapidly growing companies in the Chinese private sector and foreign investors alike.

“We are delighted to be partnering with China’s leading provider of new generation integrated communications services,” said Jenny Hsui, President of ChinaVest. “Net263’s license agreements and privileged relationships with Chinese telecom carriers gives them a significant early-mover advantage in gaining national market share in some tremendous growth areas.”

Bruce X. Lee, Founder, Chairman and CEO of Net263, said Net263 will use the equity capital to support the expansion of the Company’s services. “ChinaVest’s western capital, coupled with their access to western markets and partnerships, will allow Net263 to leverage the existing high growth atmosphere here in China,” said Lee.

ChinaVest is dedicated to meeting the needs of the fastest developing companies in China’s vast and rapidly growing private sector. The firm’s business model centers on companies that typically have an enterprise value of US \$25 million-\$400 million and comprise key parts of the core economic growth engine of China.

Net263 is the largest independent national provider of integrated communications services, including internet telephony (VoIP), paid e-mail, short messaging services (SMS) and internet access for individual and enterprise users in China. The company’s unique advantages include a license portfolio of five new telecom services for nationwide voice and data services and a proprietary platform that allows users to access an integrated suite of next generation products from the internet or telecom.
