



Wireless China Raises \$1.2 Million in Preferred Seed Financing

8 Aug 2006

Beijing and Waltham, MASS.– Wireless China, Inc., a wireless value-added service provider based in Beijing, The People's Republic of China (PRC), has raised a \$1.2 million (US) preferred seed round of funding. Shanghai-based Dragonvest Partners and Waltham, Mass.-based Kodiak Venture Partners co-led the round. The funding will be used to launch the company's service in Guangdong Province (next to Hong Kong), ZheJiang Province (next to Shanghai) and Shanghai.

Wireless China provides an innovative short message service (SMS)-based mobile internet platform to China Mobile, Asia's largest telecommunications carrier. This platform allows individual users or enterprises to register their Chinese names as SMS-based URLs for an annual fee. China Mobile users can "look up" information and content provided on these SMS-based URLs using a simple "short code." Wireless China revenue is generated through its exclusive contract with China Mobile and through the SMS-URL user registration fees. The company offers a variety of monthly subscription services to China Mobile users which allow them to use SMS-based services, but with a WAP-like look and feel.

The Chinese mobile user base is the largest in the world and now exceeds 410 million subscribers. Nearly one billion SMS messages are sent daily across China's two mobile networks. Priced at 10 Chinese cents (1.2 cents USD), sending an SMS is as natural as making a voice call.

Unlike WAP, which is difficult for Chinese-language consumers to navigate, the Wireless China solution can be accessed by 100% of Chinese mobile phones. Nearly all of China's installed base of handsets is SMS-capable and more than 70% of the current user base sends and receives SMS messages on a regular basis.

"The Dragonvest and Kodiak combination creates the ideal investment team for us," said Wireless China Chairman Ni Jianzhong, "Dragonvest's 'on-the-ground' presence, domain expertise and extensive network within China has created outstanding opportunities for Wireless China. This, combined with Kodiak's proven track record of building young companies into market leaders, provides us with a significant advantage as we address the world's largest wireless market."

The two venture capital firms have a longstanding relationship in which Dragonvest identifies potential partnerships and acquisitions to help Kodiak's portfolio companies expand into the Chinese market.

"Dragonvest Partners has been instrumental in identifying opportunities for Wireless China as well as the formation of the company itself," said Kodiak Founder and Managing General Partner Dave Furneaux. "This could not have been accomplished by a VC firm located outside China. By partnering with Dragonvest, we know that Wireless China will receive the same vital, hands-on guidance that Kodiak offers to all of its portfolio companies."

Dragonvest Partners Co-Founder and Co-Managing General Partner Jesse Parker will join Wireless China's Board of Directors as a representative of both Dragonvest and Kodiak. Cha Li, Dragonvest Co-Managing General Partner and Chip Meakem, Kodiak General Partner, will serve as board observers.

"Wireless China's talented management team and technologists; our collaboration with our trusted investment partner, Kodiak; and China's skyrocketing wireless market add up to an exceptional investment opportunity for Dragonvest," said Parker.

About Wireless China

Wireless China, founded in 2006 by Ni Jianzhong and Peter Lou, is a wireless value-added service provider headquartered in Beijing, People's Republic of China. The company is the exclusive provider of SMS-based URL Internet platforms to China Mobile, which allows users to register their names as SMS-based URLs for a fee, and monthly subscription services for ongoing SMS-based services. The company is the sole provider of this service in the PRC through an exclusive license granted by MobNIC (Mobile Network Information Center), a mobile industry group associated with China's Ministry of Information Industry (MII).

About Kodiak Venture Partners

Kodiak Venture Partners is a Waltham, Mass.-based venture capital firm focused on seed and early stage investments in emerging communications/IT, semiconductor and software companies. With a focus in the eastern regions of the U.S. and Canada, Kodiak Venture Partners builds relationships with entrepreneurs seeking accelerated market success. Kodiak's investment partners are successful high-technology business entrepreneurs who take a high-impact, hands-on approach to forming, operating, building and funding market leaders.

About Dragonvest Partners

Based in Shanghai, China with US headquarters in Boston, Massachusetts, Dragonvest Venture Partners is focused on investing in early-stage, emerging fabless chip design,

digital media and medical device companies in China. Dragonvest's unique bi-lingual, bi-cultural investment strategy helps Chinese technology companies grow and emerge as global technology enterprises.

The firm works with world-class, Chinese technology entrepreneurs who have returned from North America, Europe or Japan to China to start their early-stage businesses, bringing with them years of experience abroad. Dragonvest provides not only the capital, but the advice and business development support they need to grow their companies for long-term success. Located in Beijing and Shanghai, Dragonvest portfolio companies are developing and marketing products both for the Chinese domestic and global markets.