

VIEWTRAN RECEIVES SERIES B FUNDING TO CAPTURE EMERGING RICH MEDIA  
COMMUNICATION MARKET OPPORTUNITIES IN CHINA  
JAFCO Asia invests in China's high growth broadband sector.

Shenzhen, China, September 5, 2003 - Viewtran Technology Limited ("Viewtran"), a pioneer in rich media communication and collaboration platforms and solutions, today announced that the privately held company has received its second round of financing from Asia's leading venture capital firm JAFCO Investment (Asia Pacific), through its JAFCO Asia Technology Fund.

The investment will enable Viewtran to continue the company's rapid expansion by increasing its domestic and international marketing, to further fuel its R&D and product development efforts in China and to pursue merger & acquisition opportunities.

Founded originally in 2000 in Silicon Valley, USA by a group of successful hi-tech veterans from both China and the USA, Viewtran develops IP-based real-time rich-media communication software and applications, such as desktop-based videoconference and collaboration for enterprises, the interactive virtual classroom for e-learning and distance training, video chat-rooms for portals and video phones for individual communications. All applications are supported by the H.323 multi-point communication server in the backend, which Viewtran developed in house and owns the full IP (Intellectual Property). Such application suites are licensed to broadband services providers (such as China Telecom, China Netcom, and China Unicom) which provides the related services to business and individual broadband subscribers. A services platform integrating necessary business and operation support functions (billing, authentication, fault management) has been developed to enable such service be offered immediately by service operators. The products are also sold and licensed directly to large enterprises, government agencies and education institutes who often own private network bandwidth, addressing the fast growing broadband market need.

"We believe that multipoint communication is moving from boardroom conferencing, to set-top-box video conferencing, and to soft-client conferencing and to web-based rich media communications, a concept which encapsulates the state of the conferencing industry of the future," said Vincent Chan, Director and Executive Vice President of JAFCO Asia. "Viewtran is riding on the wave of this dramatic technology and market change and is right on the track in terms of future technology and market development trends. We are excited about Viewtran's rich media communication products, which will enable the widespread adoption of broadband solutions such as IP-based videoconferencing and E-learning and provide the carriers revenue growth opportunities. As the first mover in the industry in China, Viewtran is at a point to capture the emerging broadband market and to establish its leading position in China. We also believe that JAFCO could add tremendous value to the company's growth due to our strong connections in the industry and in Japan.

"We are pleased to raise this round of investment and it will greatly enhance our capabilities to capture the expanding opportunities in the high growth rich media communication market in China," said Jeffrey Kang, CEO of Viewtran Technology Limited. "Top-tier investor such as JAFCO Asia benefits our business because of its global network, strategic insight, and management and industry expertise. Our venture partner has validated our technology and the potential of rich media communication industry for the future.

The global conferencing infrastructure industry is expected to grow from US\$375 million in 2000 to over US\$1.25 billion in 2005, a compound annual growth rate of over 27%. Wainhouse Research forecasts that the overall conferencing services market will grow by 22% over the five year forecast period to US\$9.8 billion in 2006. Web conferencing services are forecast to have the highest five-year compound annual growth rate - over 42%.

#### About Viewtran Technology Limited

Viewtran Technology Limited ("Viewtran"), founded in 2000, develops innovative rich media IP communication solutions for carriers, services providers, large enterprises and education institutes, addressing the fast growing broadband market need. It is focusing on the China market with global expansion potential. Viewtran's desktop-based interactive communication platform supports both point-to-point and multi-point video/audio communication and data functions, enabling personal videophone, enterprise video conferencing and collaboration, distance training and interactive e-learning. It provides a complementary operation support system of billing, authentication, and management functionalities that forms a total solution the operators can plug in and start to offer services immediately. With about 55 full-time employees, the company has its R&D center in Shenzhen, China, and set up sales offices in Beijing, Shanghai, Nanjing, Chengdu, Guangzhou and Hong Kong.

#### About JAFCO Asia

JAFCO Co., Ltd., the parent company of JAFCO Asia, was established in 1973 and obtained a listing on the Japan OTC Market in 1987. It was listed on the Tokyo Stock Exchange in January 2001. Currently, it is the largest venture capital manager in Japan with an aggregate of approximately US\$3 billion under management worldwide. It operates 5 offices in Japan with over 100 investment professionals. Its investment focus ranges from IT venture investments, non-technology venture investments, management buyouts to bio-technology investments.

JAFCO Asia was founded 13 years ago with 5 offices and over 25 professionals in the Asian region. It manages seven private equity funds with an aggregate of over US\$800 million under management. In January 2001, JAFCO Asia completed the closing of its seventh fund, JAFCO Asia Technology Fund L.P., at US\$178 million. This fund focuses primarily on seed, early-stage, first and second institutional round technology investments. JAFCO Asia was ranked top 10 most active venture capital firms in 2002 in the PRC by Digital Fortune (published by International Data Group), China Venture Capital Journal and Zero to IPO Limited respectively. For more information, please visit [www.jafcoasia.com](http://www.jafcoasia.com).

JAFCO America was established in early 1980s. It was ranked as one of the most successful U.S. venture capital firms in 1999 by Forbes Magazine and was 5th overall in terms of total return based on post-IPO performance. It was ranked 8th in Red Herring magazine's "Top 25 VC Firms of 2000". It currently manages approximately US\$750 million and operates 2 offices.

Globally, the Group has invested in over 2,612 companies, of which 695 have been listed on various stock markets.

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