Who I am?

• Co-Founder, CEO/President of VL Inc (http://www.vliusa.com/)
• Born in Shanghai
• BS in EE from Shanghai Jiaotong University
• 3 years teaching experience in Shanghai Jiaotong University and consulting business experience in China
• 13 years experience in Japan hi-tech market mostly in mobile computing
• 12 years experience involving Silicon Valley based Startups and worldwide business development
VLI Company Background

Founded August 5, 2002

Formerly GTONY Inc., founded in August 2000, which was the 1st Selected Company of JETRO/IBI “Tiger Gate” Incubation Program

Founders and seed investors from Japan

Headquarters in Mountain View, CA, U.S.

R&D Subsidiary in Shanghai, China

Sales Office in Tokyo, Japan

30+ employees worldwide
VLI Business Model

- **VLI is a ‘White Label’ Mobile Broadband Telephony Service Provider**
  - Back end hosting “virtual carrier” service
    - for ISPs, Carriers, OEMs and Brands
  - Direct service to end user under GOL brand
    - to enable market with limited marketing investment
  - Worldwide directory service
    - Provides call routings among service partners

- **VLI Licenses Software and Technology**
  - Client technology licensing to OEMs (RTG, WCP, PDA, PC)
  - Server technology licensing to worldwide service partners
VLI’s Business Approach

• Partnering with Telecom/ISP Partners
  – Japan (NTT-BP trial service underway)
  – China (Testing with CTC, trial coming soon)
  – US (Trials with WISP coming soon)

• Leveraging Hardware OEM Channels
  – Gphone Clients Bundling with major PDA OEMs
    • Toshiba, PalmSG, NEC and more coming soon
  – GOL Engine Bundling with Residential Gateway, ATA, Broadband Modem, WiFi Residential Router, etc

• Partnering with Regional Service Partners
  – Japan (M2X)
  – China (coming soon)
VLI’s Service and Product

- Gphone Service - Gphoneonline.com (GOL)
  - Buddy Service, PSTN Calling, NAT Tunneling, GphoneMessaging, Calling Rule Provision, “Find me/Follow me”, Conferencing

- Backend Server Architecture
  - Buddy Server, SIP Server, STUN Server, Voice Messaging Server, Conferencing Server

- SIP-Compliant Cross Platform Clients for most popular mobile devices (Gphone Family)
  - Bundling and Enabling PC, Wireless PDA (PocketPC, PalmOS)
  - Residential Telephone Gateway (RTG) / ATA, Wi-Fi Routers, etc

*Using VoIP technology as an EXTENSION of POTS and broadband Internet (Wi-Fi) to provide feature rich services at reduced costs to home and small business users*
Why VLI needs to be in China?

- Most customers are in Asia
- Most aggressive in deploying new technology
- Highest growing telecommunication market
- Reasonable inexpensive engineering cost
- A large availability of engineering resources
- Government support
- Industry Relationship
- Local technical support
Building an Engineering Team in China (1)

- Local Management team is the most important factor to success
  - General Manager
    - Ex-SUN Microsystems, 6 years led Bejing Development Center
  - VP Engineering
    - Ex-Starlight, Excellent Engineering Management Skills and experience in transferring R&D activities to Taiwan
  - Chief Architecture
    - Ex-Starlight, Network expert who is capable to solve the most difficult problem and plan in right architecture

- Local Daily Management is a key to manage Productivity
  - Local managements Staying 80% in Shanghai to build the whole discipline and instruct the whole design flow
Building an Engineering Team in China (2)

- Recruiting excellent engineers
- Building a momentum inside the team
- Sharing the knowledge base
- Provide Engineers career pass
- Building excellent local brand image
- Finding good office place
Benefits to do R&D in China

• Low Cost – High Quality Engineering
  – 1/5 of US/Japan Engineering cost
  – Half of the employees are Ph.D./Master
  – Half of the employees have living experience abroad
  – 2 non-Chinese employees
  – Official Document/Language : English

• Local Support to China Market
  – On Call basis Instant support
  – Local integration with Telco backend to build higher barriers

• Taxation
VLI Communication China (1)

• Preparation started in Dec. 2002
  – Recruit GM
  – Secure Office Space
  – Secure long term living space for US visitors
• R&D Operation started in January, 2003
  – Office remodel
  – Recruit engineers
  – Starting with 3 engineers with QA function only
• Entity incorporated in March, 2003
  – Fully Operational for Product Development
  – First Project Kicked Off
VLI Communication China (2)

• First Product Delivery in May 2003
  – Gphoneonline.com (GOL) 1st Commercial Service Launch
  – 16 engineers

• Second Project Delivered in July 2003
  – PSTN Termination Service with NAT tunneling
  – 20 engineers divided into 5 teams fully operating parallel

• Third Product Delivery in August 2003
  – SIP Directory Service and 2-Way NAT tunneling
  – Joint testing with Major Telco with local technical support
R&D in China

is

Challenging but beneficial

Thank you