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Managing ColorOnline™

For Immediate Release

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eWarna secures RM 12 million in largest second round funding this year
Investors include Intelligent Capital (for CTV and TEV), MSC Venture One and Mayban Ventures

Kuala Lumpur- eWarna today announced its successful conclusion of what is touted to be the largest second-round venture capital funding secured by a Malaysian technology company this year. A total of RM12 million have been mustered from both local and foreign investors, including Intelligent Capital (for Commerce Technology Ventures and Trans-Econ Ventures), MSC Venture One Sdn Bhd, Mayban Ventures, Nirvana Capital and Nan Fung Investments Ltd.

"This is a pivotal time for us at eWarna. The addition of our experienced and invigorating investment partners coupled with our revolutionary textile and apparel supply chain offering will undoubtedly abet the acceleration of the development of a larger and loyal user base for eWarna", said Mr Shiew Man Hon, co-founder, eWarna.

Richard Lawn, the company's CEO and co-founder added, "This significant new infusion of capital from Malaysia's leading venture funds, is a strong validation of our business model and our continuing momentum to bring our proprietary technology to the world. We are extremely pleased with the level of interest from new investors and the depth of experience that our new investors will bring to eWarna".

eWarna is yet another success story in the Malaysian ICT arena. Over the span of one and a half years, this Malacca-based company has commercialized the world's first global online colour management solution - the "Online Color Exchange" or OCX. Patents have been filed worldwide for this invention.

Set to revolutionize the textile and apparel supply chain, the OCX solution stands to improve productivity by assuring clients faster response and reduced time to market and 'in-season' replenishment. Developed by an international team of experts, the OCX solution provides users with access to sophisticated colour physics and recipe prediction software that enables them to accurately create, measure, share and compare colour across different locations without moving from their desks and reducing drastically the necessity of exchanging physical swatches of colour. This will enable users to reduce development and supply lead time by at least 2-3 months. The OCX solution comes at a fraction of the cost of expensive stand-alone solutions.

Mr. Lawn further added, "Now that we have our patents pending and achieved several key technological milestones, this round of financing will enable us to refine our technology, processes and hence our products whilst further strengthen our international sales and marketing operations."

In view of their investment decision, Puan Sarina Karim, Director of MSC Venture One offered, "We are pleased to be an equity partner of eWarna as we believe that there is great potential in their business model. We foresee their unique and patent-pending web-based solution would be the modus operandi for the USD1 trillion textile and apparel industry."

Asgari Stephens, Principal of Intelligent Capital, said "Our funds are mainly focused on companies with strong and defensible positions in expanding markets. eWarna's first-mover status and superior technology perfectly complements our investment strategy. We are excited that no other company in the world has a similar solution like eWarna."

Mayban Venture's Jasmani Haji Abbas adds "We believe eWarna's management team has the ability to deliver based on their existing domain knowledge of the industry which had been accumulated throughout the founders' careers. Furthermore, eWarna's value proposition fulfills a basic need in a very fragmented market, the beneficiaries of whom will not only be the dye houses and textile producers but also the consumers. Hence, we are confident that we can expect great things to come."

"Despite the gloom in the funding market, eWarna's success in raising funding from 4 Funds prove that Malaysian VCs still have the appetite to fund businesses with good and viable business models," says Raja Shamsul, CEO of Commerce Technology Ventures.

Since its inception in April 2000, eWarna's performance has been remarkable, having successfully achieved all its first-round milestones. Its avant garde OCX offering had earned itself global appeal and affirmation demonstrated by the enthusiastic response from international textile producers and buyers as well as from color instrument manufacturers at its first public outing, the International Textile Machinery Association (ITMA) Exhibition 2001, in Singapore this October.

Key to its attraction lies in its functionalities, which allow supply chain executives to distribute colour standards centrally from one place and to check the colour quality performance of every supplier around the globe - all in one database file. These digital standards imposed will prevent multiple lab dips, poor colour continuity and shipment of off-standard material which are current problems faced by the industry.

For more information on OCX or eWarna, visit website at: <http://www.ewarna.com> or call +606-3171333.

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About eWarna

eWarna delivers world class color physics software as an application over the Internet. This application enables the textile and apparel supply chain to communicate accurate colour information instantly on eWarna's neutral and open platform. Such a solution reduces time of the color approval cycle (often the bottleneck in the supply chain) from 12 weeks down to a couple of days. Users of eWarna's technology include: retailers, apparel buyers and merchandisers, vendors of coloured material; garment makers; contractors, agents and other parties involved with colours in the supply chain.

In addition eWarna's database is pre-loaded with reams of data on the world's dyestuffs, providing an innovative solution to textile dyers and colorists to achieve quick, accurate recipe formulation. By partnering with eWarna, dyestuff manufacturers can: offer their products on a neutral platform - enabling customers to formulate recipes from the offered dyes instantly; provide up to date technical product information; deliver outstanding technical service by working with their customers data stored on eWarna's secure database.

The eWarna concept is the brainchild of Richard Lawn, the company's CEO. Richard is the former regional director of J&P Coats and founder of pshift technologies. He has teamed up with business partner Shiew Man Hon and colour experts from Hong Kong Polytechnic University. All of eWarna's founders have years of experience working with textile color worldwide - selling color, checking color, even designing dye machines that produce color. Its technical advisors include the world's leading textile color physicists, ASP architects, garment buyers, retailers and dyehouse managers. eWarna's Online Colour Exchange has been proven in commercial operations with Newey in the Far East, and trials are also in progress with some of the region's largest suppliers. Its seed investors are based in Hong Kong, the world's most dynamic centre of textile trading, and include one of the oldest textile companies in Hong Kong and a listed Venture Capital company in the SAR.

About MSC Venture Corporation Sdn Bhd

MSC Venture Corporation Sdn Bhd (MSCVC) is a premier venture capital firm in Malaysia, whose mission is to build world-class MSC companies that would provide attractive investment returns to investors. To this end, MSCVC specializes in funding innovative companies in the Information and Communication Technology (ICT) industry, including but not limited to, Internet companies, software developers, content creators and communication solution providers.

A wholly owned subsidiary and the venture capital arm of Multimedia Development Corporation (MDC), MSCVC manages the MSC Venture One fund of RM120 million (MV1), which was launched in June 1999, specifically to seed the development ICT-based companies within Malaysia's Multimedia Super Corridor (MSC).

MSCVC is located at 1st Floor, Raja Wali Block, Cyberview Garden Villas & Office Complex, 63000 Cyberjaya, Selangor Darul Ehsan, Malaysia

About Intelligent Capital

Intelligent Capital is an independent private-equity/venture capital company that invests in fast growing companies with compelling business propositions. It is managing two funds namely the Trans Econs Ventures Fund and some of Commerce Technology Ventures Fund

Commerce Technology Ventures Sdn Bhd ("CTV") represents the partnership of Bank Negara Malaysia and the Commerce Group in promoting and developing technology financing in Malaysia.

The CTV Fund seeks to provide equity and mezzanine capital to viable, innovative, high-growth and emerging companies. It seeks to support talented entrepreneurs in realizing their vision of building and nurturing competitive and resilient technology based companies.

Intelligent Capital's main strength lies in its ability to actively help entrepreneurs build their businesses quickly through its principals' wide ranging skills in international marketing, management consulting, corporate finance and manufacturing operations.

The Principals of Intelligent Capital are Asgari Stephens, Yeoh Liew Se and Mohan Ramalingam.

About Mayban Ventures

Mayban Ventures Sdn Bhd ("MVSb") is a venture capital company whose shareholders are Malayan Banking Berhad (70%) and Aseambankers Malaysia Berhad (30%). The company commenced operations in February 1993 and currently manages a portfolio worth RM350.0 million with investments in manufacturing, services and most recently New Economy companies. This includes the RM150.0 million Mayban Venture Capital Company ("MVCC") Technology Fund that is earmarked for start-ups and pre-IPO companies under the ICT, Advance Manufacturing and Life Sciences categories.

MVSb generally invests in companies with compelling business propositions that require long-term risk capital. Among the key considerations in evaluating funding proposals are the existence of a strong management team, a great product, a ready market and a clear exit strategy for the investors. Apart from providing capital, MVSb value adds to their investments through active participation in the strategic matters of its portfolio of companies. This is done via representation at the respective investee companies' Board levels throughout the investment-holding period until such time the investment is liquidated through an IPO, trade sale or a buyback.

About Nirvana Capital Ltd

Nirvana Capital is an Asian focused technology fund that was raised in March 2000, and which is managed by techpacific.com Limited (SEHK: 8088). techpacific.com Limited ("techpacific") is a leading provider of financial services in Asia. Through its corporate finance business division, Crosby Limited, techpacific acts as a strategic advisor and provides merger and acquisition, restructuring and corporate finance advisory services for companies throughout Asia.

techpacific is a significant investor in the Nirvana Fund and other co-investors include leading institutions from Europe, Asia, the Middle East and North America. Nirvana Capital has a pan-Asian focus.

About Nan Fung Investments Ltd

Nan Fung Investments Ltd is a wholly owned investment vehicle of Nan Fung Textiles Ltd. Portfolio companies include private and public companies involved in technology and technology related services.

Nan Fung Textiles Ltd is one of Hong Kong's pre-eminent private companies with background in textiles, property development, finance and investment holding.

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