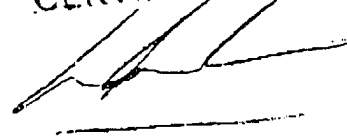


MATRIXVIEW PTE LTD

CERTIFIED TRUE COPY.

A handwritten signature in black ink, appearing to be 'H.L.', is written over the 'CERTIFIED TRUE COPY.' stamp. The signature is written in a cursive style with a horizontal line underneath.

Directors' Report and Audited Financial Statements

For the year ended 30 June 2003

SIM, TEO & ASSOCIATES
Certified Public Accountants

MatrixView Pte Ltd
(Formerly known as Procurennet Asia Pacific Pte Ltd)

Directors' Report and Audited Financial Statements

Directors

Ravindran Govindan
Arvind Thiagarajan
Anand Thyagarajan
Soh Syan Hui
Kim Suk Jin
Kim Young Jin

Company Secretary

Chiang Chai Foong

Registered Office

9 Shenton Way
#05-02
Singapore 068813

Auditor

Sim, Teo & Associates

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Balance sheet	7
Profit and loss account	8
Statement of changes in equity	9
Notes to the financial statements	10 - 15

MatrixView Pte Ltd**Report of the Directors**

The Directors present their report to the members together with the audited financial statements of the company for the financial year ended 30 June 2003.

Directors

The Directors of the company in office at the date of this report are:-

Ravindran Govindan
Arvind Thiagarajan
Anand Thyagarajan
Soh Syan Hui
Kim Suk Jin
Kim Young Jin

Principal activities

The principal activities of the company are to carry out research development and marketing of proprietary compression technology for application in various industries.

There have been no significant changes in the nature of these activities during the financial year.

Results for the financial year

The results of the company for the financial year ended 30 June 2003 are as follows: -

	S\$
Loss for the financial year	221,080

Material movements in reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year.

Acquisition and disposal of subsidiaries

No subsidiary was acquired or disposed of during the financial year.

Issue of shares and debentures

During the financial year, the company issued 3,330,000 'B' ordinary shares of US\$1.00 each at par.

The company did not issue any debentures during the financial year.

MatrixView Pte Ltd**Report of the Directors****Arrangements to enable Directors to acquire shares and debentures**

Neither at the end of nor at anytime during the financial year, was the company a party to any arrangement whose object is to enable the Directors of the company to acquire benefits by means of the acquisition of shares or debentures of the company or any other body corporate.

Directors' interests in shares and debentures

The following Director, who held office at the end of the financial year, had according to the register of Directors' shareholdings required to be kept under Section 164 of the Companies Act, an interest in shares of the company as stated below:-

Name of Director	At beginning of the year	At end of the year
<u>'A' ordinary shares of S\$1.00 each</u>		
Ravindran Govindan	99	100
<u>'B' ordinary shares of US\$1.00 each</u>		
Ravindran Govindan	-	1,000,000
Kim Suk Jin	-	420,000
Kim Young Jin	-	250,000

Dividends

No dividends were declared or paid in respect of the previous financial year and no dividends were recommended in respect of the financial year under review.

Bad and doubtful debts

Before the profit and loss account and the balance sheet of the company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts, if any, have been written off and that where necessary adequate provision has been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render any amount written off or provided for bad and doubtful debts in the company inadequate to any substantial extent.

Current assets

Before the profit and loss account and balance sheet of the company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values or adequate provision had been made for the diminution in the value of such current assets.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the financial statements misleading.

MatrixView Pte Ltd**Report of the Directors**

Charges on assets and contingent liabilities

Since the end of the financial year, and up to the date of this report, no charge on the assets of the company has arisen which secures the liabilities of any other person and no contingent liability has arisen.

Ability to meet obligations

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the company to meet their obligations as and when they fall due.

Other circumstances affecting the financial statements

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report or in the financial statements which would render any amount stated in the financial statements misleading.

Unusual items

In the opinion of the Directors, the results of the operations of the company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

Unusual items after the financial year

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of financial year and the date of this report which would affect substantially the results of the operations of the company for the financial year in which this report is made.

Directors' contractual benefits

Since the end of the previous financial year, no Director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except as disclosed in the financial statements.

Options

There is presently no option scheme on unissued shares of the company.

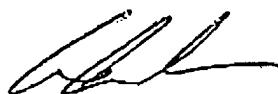
MatrixView Pte Ltd

Report of the Directors

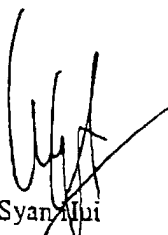
Auditor

Sim, Teo & Associates have expressed their willingness to accept reappointment as auditor.

On behalf of the directors,



Ravindran Govindan
Director



Soh Syan Hui
Director

10 November 2003
Singapore

MatrixView Pte Ltd

Statement by Directors

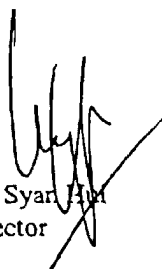
We, Ravindran Govindan and Soh Syan Hui, being the Directors of MatrixView Pte Ltd, do hereby state that, in the opinion of the Directors :

- (a) the accompanying balance sheet, profit and loss account and statement of changes in equity together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 30 June 2003 and of the results of the business of the company and changes in equity for the financial year ended 30 June 2003; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of Directors authorized these financial statements for issue on 10 November 2003.



Ravindran Govindan
Director



Soh Syan Hui
Director

10 November 2003
Singapore



■ No. 5 Jalan Masjid
#01-13 Kembangan Court
Singapore 418924

■ Tel : 749 2900
Fax : 741 2572

Sim, Teo & Associates Certified Public Accountants Singapore

**Auditor's Report to the Members of
MatrixView Pte Ltd**

We have audited the financial statements of MatrixView Pte Ltd set out on pages 7 to 15. The financial statements comprise the balance sheet as at 30 June 2003, the profit and loss account and the statement of changes in equity of the company for the financial year ended 30 June 2003, and notes thereto. These financial statements are the responsibility of the company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act (Act) and Singapore Statements of Accounting Standard and so as to give a true and fair view of :-
 - (i) the state of affairs of the company as at 30 June 2003 and of the results and changes in equity of the company for the financial year ended 30 June 2003; and
 - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

Sim Teo & Associates

SIM, TEO & ASSOCIATES
Certified Public Accountants

10 November 2003
Singapore

MatrixView Pte Ltd**Balance Sheet as at 30 June 2003**

	Note	2003 S\$	2002 S\$
Intangible asset	3	4,242,765	-
Fixed assets	4	114,322	-
Investment in subsidiaries	5	10	-
Current assets			
Other debtors	6	23,331	-
Cash and bank balances		1,237,377	100
		1,260,708	100
Current liabilities			
Accruals		34,620	925
Amount due to a related party		-	3,550
		34,620	4,475
Net current assets/(liabilities)		1,226,088	(4,375)
		<u>5,583,185</u>	<u>(4,375)</u>
Share capital and accumulated losses			
Share capital	7	5,808,740	100
Accumulated losses		(225,555)	(4,475)
		<u>5,583,185</u>	<u>(4,375)</u>

The accounting policies and explanatory notes on pages 10 through 15 form an integral part of the financial statements.

MatrixView Pte Ltd**Profit and Loss Account for the financial year ended 30 June 2003**

	Note	2003 S\$	2002 S\$
Revenue		-	-
Costs and expenses		<u> </u>	<u> </u>
Staff costs		100,504	-
Other operating expenses		120,576	425
Total costs and expenses		<u>221,080</u>	<u>425</u>
Loss before taxation	8	(221,080)	(425)
Taxation	9	-	-
Net loss		<u>(221,080)</u>	<u>(425)</u>

The accounting policies and explanatory notes on pages 10 through 15 form an integral part of the financial statements.

MatrixView Pte Ltd**Statement of Changes in Equity for the financial year ended 30 June 2003**

	2003	2002
	S\$	S\$
Share capital ⁽¹⁾		
Balance, beginning and end of financial year	100	100
Issued during the financial year	5,808,640	-
Balance, end of financial year	<u>5,808,740</u>	<u>100</u>
Accumulated losses		
Balance, beginning of financial year	(4,475)	(4,050)
Net loss for the financial year	(221,080)	(425)
Balance, end of financial year	<u>(225,555)</u>	<u>(4,475)</u>
	<u>5,583,185</u>	<u>(4,375)</u>

- (1) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

The accounting policies and explanatory notes on pages 10 through 15 form an integral part of the financial statements.

MatrixView Pte Ltd**Notes to the Financial Statements - 30 June 2003**

1. Corporate information

MatrixView Pte Ltd ("The Company") is a limited liability company incorporated in Singapore. The financial statements of the Company for the year ended 30 June 2003 were authorized for issue in accordance with a resolution of the directors on 10 November 2003.

The principal place of business of the Company is located at 9 Shenton Way #05-02 Singapore 068813.

The principal activities of the Company are to carry out research development and marketing of proprietary compression technology for application in various industries.

The Company is domiciled in Singapore and had 5 (2002: Nil) employees as of 30 June 2002.

2. Summary of significant accounting policies**(a) Basis of preparation**

The financial statements of the Company, which are expressed in Singapore dollars (S\$), have been prepared in accordance with the historical cost basis.

The financial statements have been prepared in accordance with the Singapore Statements of Accounting Standard and applicable provisions of Singapore Companies Act.

(b) Revenue recognition

Revenue from sale of goods is recognized upon passage of title to customers which generally coincide with their delivery and acceptance.

(c) Taxation

Deferred income tax is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax assets are recognized for all deductible temporary differences, carrying-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized.

(d) Foreign currencies

Transactions arising in foreign currencies during the year are translated at rates closely approximating those ruling on transaction dates. Foreign currency monetary assets and liabilities are translated into local currency at exchange rates ruling at balance sheet date. All exchange differences are included in the profit and loss account.

MatrixView Pte Ltd

Notes to the Financial Statements – 30 June 2003

2. Summary of significant accounting policies (Cont'd)

(e) *Fixed assets and depreciation*

Fixed assets are stated at cost less accumulated depreciation.

Depreciation of fixed assets is calculated on a straight-line method so as to write-off the cost of the fixed assets over their estimated useful lives as follows: -

	<u>Years</u>
Furniture & fittings	5
Office equipment	5
Computers	3

(f) *Intangible assets*

The acquisition and development cost of patent is capitalized and amortized using a straight line method over its useful life of 5 years. The Company will commence amortisation of the acquisition and development costs of patent when the products to which they relate are available for sale or use.

(g) *Employee benefits*(i) *Defined contribution plans*

The Company makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to CPF are recognized as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlements*

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3. Intangible asset

	2003	2002
	S\$	S\$
Cost		
Addition and end of year	4,242,765	-
	=====	=====
Accumulated amortisation		
Charge for the year balance at end of year	-	-
	=====	=====
Net book value		
End of year	4,242,765	-
	=====	=====

MatrixView Pte Ltd

Notes to the Financial Statements – 30 June 2003

4. Fixed assets

	Computers S\$	Office equipment S\$	Furniture & fittings S\$	Total S\$
Cost				
Additions and at end of year	105,903	7,915	8,611	122,429
Accumulated depreciation				
Charge for the year and at end of year	7,556	264	287	8,107
Net book value				
At end of year	98,347	7,651	8,324	114,322

5. Investment in subsidiaries

	2003 S\$	2002 S\$
Unquoted equity shares, at cost	10	-

Details of the subsidiaries are as follows:

Subsidiary	Principal activity	Country of incorporation/ principal place of business	Cost		Equity interest	
			2003 S\$	2002 S\$	2003 %	2002 %
MobileView Pte Ltd	Research development and marketing of proprietary compression technology	Singapore / Singapore	4*	-	100	-
MediView Pte Ltd	Research development and marketing of proprietary compression technology	Singapore / Singapore	3*	-	100	-
DigiView Pte Ltd	Research development and marketing of proprietary compression technology	Singapore / Singapore	3*	-	100	-

* Share capital of US\$2.

MatrixView Pte Ltd

Notes to the Financial Statements – 30 June 2003

6. Other debtors

	2003	2002
	S\$	S\$
Deposit	19,932	-
Prepayment	432	-
Other debtors	2,967	-
	<u>23,331</u>	<u>-</u>

7. Share capital

Authorised :-

The authorized share capital of the Company is the aggregate of S\$100,000 (2002: S\$100,000) divided into 100,000 (2002: 100,000) ordinary shares of S\$1 each and US\$100,000,000 (2002: US\$ Nil) divided into 100,000,000 (2002: Nil) ordinary shares of US\$1 each.

	2003	2002
	S\$	S\$
<i>Issued and fully paid :-</i>		
<u>"A" ordinary shares of S\$1 each</u>		
At beginning and end of financial year		
100 (2002: 100) ordinary shares of S\$1 each	100	100
	<u>100</u>	<u>100</u>
<u>"B" ordinary shares of US\$1 each</u>		
At beginning of financial year		
Nil (2002: Nil) ordinary shares of US\$1 each	-	-
Issued during the financial year		
3,330,000 (2002: Nil) ordinary shares of US\$1 each	5,808,640	-
At end of financial year		
3,330,000 (2002: Nil) ordinary shares of US\$1 each	5,808,640	-
	<u>5,808,740</u>	<u>100</u>

MatrixView Pte Ltd

Notes to the Financial Statements – 30 June 2003

8. Loss before taxation

	2003	2002
	S\$	S\$
Loss before taxation is arrived at after charging the following:		
Auditors' remuneration	900	400
CPF contributions	11,104	-
Consultancy fee paid to a director	15,500	-
Directors' remuneration	54,800	-
Foreign exchange loss	19	-
	<u> </u>	<u> </u>

9. Taxation

A reconciliation of the statutory tax rates to the effective tax rates applicable to loss from operations of the Company for the financial years was as follows:

	2003	2002
	%	%
Statutory tax rate	(22.0)	(22.0)
Deferred tax benefits not recognized	22.0	-
Effect of expenses not deductible for tax purpose	-	22.0
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>

At balance sheet date, the Company has unabsorbed tax losses of approximately S\$220,000 (2002: S\$Nil). The unabsorbed tax losses are available for carry forward and set off against future taxable profits subject to the agreement with the Comptroller of Income Tax and compliance with the relevant provisions of the Income Tax Act. Deferred tax benefits in respect of the tax losses carried forward have not been recognized in the financial statements.

10. Financial instruments

The main risks arising from the Company's financial instruments are liquidity risk and credit risk. The Board of directors reviews and agrees policies for managing each of these risks and they are summarized below.

Liquidity risk

In managing liquidity risk, the Company's policy is to maintain an adequate level of cash and cash equivalents to finance the Company's operations.

MatrixView Pte Ltd**Notes to the Financial Statements – 30 June 2003**

10. Financial instruments (Cont'd)*Credit risk*

Credit risk arises mainly from the risk that counterparties defaulting on the terms of agreements. The carrying amount of each financial asset in the balance sheets represent the Company's exposure to credit risk.

The Company has no significant concentration of credit risk. Cash and cash equivalents are placed with banks and financial institutions of reputable standing and policies are in place to ensure that services are rendered to customers with an appropriate credit history.

Fair value of financial instruments

Fair value is defined as the amount at which the instrument could be exchange in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale.

The carrying amounts of current financial assets and liabilities included in net current assets approximate their fair values due to the relatively short term maturity of these financial instruments.

11. Subsequent event

Subsequent to the financial year end, a wholly owned subsidiary, Dataview Pte Ltd, was incorporated with a paid up capital of US\$2.

MatrixView Pte Ltd

***THE FOLLOWING SCHEDULE DOES NOT FORM PART OF THE STATUTORY
FINANCIAL STATEMENTS***

MatrixView Pte Ltd

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

	<u>2003</u>	<u>2002</u>
	\$	\$
REVENUE	-	-
LESS: EXPENSES		
Auditors' remuneration - current year	900	400
Bank charges	665	-
Consultancy fees paid to director	15,500	-
Depreciation of fixed assets	8,107	-
Dues and subscription	1,673	-
General expenses	716	25
Gain on write back of amount due to a related party	(4,075)	-
Entertainment	3,371	-
Exchange difference	19	-
Insurance	2,778	-
Office supplies	417	-
Office cleaning	350	-
Professional	27,459	-
Postage and shipping	107	-
Printing and stationery	598	-
Medical	82	-
Salaries and CPF	100,504	-
Rental and services	24,153	-
Telephone	2,069	-
Transport	3,893	-
Travelling	31,452	-
Utilities	342	-
	221,080	425
LOSS BEFORE TAXATION	<u>221,080</u>	<u>425</u>