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EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED

DECEMBER 31, 1999

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1.

AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
EURO DISCOVER TECHNOLOGY VENTURES LIMITED
Formerly known as
EURO OFFSHORE INVESTMENTS LIMITED

I have audited the financial statements on pages 2 to 8.

Respective responsibilities of directors and auditors.

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted the audit in accordance with Generally Accepted Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Group Accounts

I draw attention to note 16 in the financial statements regarding non-presentation of Group Accounts.

Opinion

Subject to the above, in my opinion, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1999 and of its profit and cash flows for the period ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

JOSÉ THIBAUT
CHARTERED CERTIFIED ACCOUNTANT

Date:

Port Louis,
Republic of Mauritius.

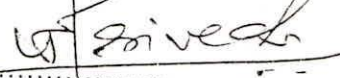
EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITEDBALANCE SHEET
AT DECEMBER 31, 1999

<u>ASSETS EMPLOYED</u>	<u>NOTES</u>	<u>DECEMBER 31ST</u>	<u>MARCH 31ST</u>
		<u>1999</u> <u>USD</u>	<u>1999</u> <u>USD</u>
Non-current Assets			
Investments	4	<u>17,719,967</u>	<u>22,393,926</u>
Current Assets			
Trade and other receivables	5	13,932,197	530,729
Cash at Bank		508,179	2,140
		<u>14,440,376</u>	<u>532,869</u>
Current Liabilities			
Trade and other payables	6	2,000	358,097
		2,000	358,097
Net Current Assets		<u>14,438,376</u>	<u>174,772</u>
		<u>32,158,343</u>	<u>22,568,698</u>
FINANCED BY:			
Capital and Reserves			
Share Capital	7	3,421,600	3,421,600
Retained Earnings	8	18,679,804	7,556,159
Revaluation Reserve		10,055,389	10,055,389
		<u>32,156,793</u>	<u>21,033,148</u>
Non-Current Liabilities			
Borrowings	9	1,550	1,535,550
		<u>32,158,343</u>	<u>22,568,698</u>

These accounts have been approved by the Board of Directors on

.....
DIRECTOR.....
DIRECTOR

Notes on pages 5 to 8 form part of these accounts.

EURO DISCOVER TECHNOLOGY VENTURES LIMITED
 Formerly known as
EURO OFFSHORE INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED DECEMBER 31, 1999

	<u>NOTES</u>	<u>DECEMBER 31ST</u>	<u>MARCH 31ST</u>
		<u>1999</u> <u>USD</u>	<u>1999</u> <u>USD</u>
Revenue		11,597,713	62,881
Operating expenses		(204,068)	(4,605)
Operating Profit	10	11,393,645	58,276
Finance costs	11	(270,000)	(386,902)
Profit/(Loss) before tax		11,123,645	(328,626)
Tax	12	-	-
Profit/(Loss) after tax		11,123,645	(328,626)
Extraordinary Item	13	-	8,093,211
		11,123,645	7,764,585
Transfer from Retained Earnings		7,556,159	(208,426)
Profit Retained for the year		<u>18,679,804</u>	<u>7,556,159</u>
Earnings/(Loss) per share	14	3.25	(0.02)

Notes on pages 5 to 8 form part of these accounts.

4.

EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

CASH FLOW STATEMENT
FOR THE PERIOD ENDED DECEMBER 31, 1999

	<u>NOTES</u>	<u>DECEMBER</u> <u>1999</u> <u>USD</u>	<u>MARCH</u> <u>1999</u> <u>USD</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Net profit/(loss) for the period		11,123,645	(328,626)
Adjustments for:			
Profit on sale of Investments		(11,416,777)	-
Operating loss before working capital changes		(293,132)	(328,626)
Movements in Debtors		(13,401,368)	(488,645)
Movements in Trade and other Payable		(356,097)	275,629
Net cash flows used in operating activities	A	(14,050,597)	(541,642)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Decrease in Funds placed in Fixed Deposits		-	3,070,285
Disposal of Investments		31,408,219	-
Purchase of Investments		(15,317,583)	(4,245,526)
Net cash flows from/(used in) Investing Activities	B	16,090,636	(1,175,041)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from Issue of shares		-	1,933,825
Repayment of shareholder's loan		-	(1,100)
Repayment of other loans		(1,534,000)	(216,000)
Net cash inflows (used in)/from financing activities	C	(1,534,000)	1,716,725
<u>NET INCREASE IN CASH & CASH EQUIVALENTS</u>	(A+B+C)	506,039	42
Cash and cash equivalents at beginning of the period		2,140	2,098
Cash and cash equivalents at end of the period		508,179	2,140
<u>CASH AND CASH EQUIVALENTS</u>			
Cash at bank		1,206	2,140
Deposits		506,973	-
		508,179	2,140

EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED DECEMBER 31, 1999

1. **INCORPORATION**

Euro Discover Technology Ventures Limited formerly known as Euro Offshore Investments Limited is an Offshore Company incorporated on 29th January, 1997 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992. The company has by a special resolution changed its name on 23rd December 1999.

2. **NATURE OF ACTIVITIES**

The main object of the company is to invest in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The financial statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention.

(c) **Income and Expenditure Recognition**

Income and expenditure are accounted for on an accrual basis.

(d) **Investments**

Quoted Investments are stated at Revalued amount and are converted into US Dollar at the rate of exchange ruling at the date of transaction. Unquoted investments are carried at cost and are translated into US Dollars at the rate of exchange ruling at the date of purchase. The directors are of opinion that there has been no permanent diminution in value of the unquoted investments.

(e) **Foreign Currency Transactions**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities, with the exception of Investments, expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

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EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED DECEMBER 31, 1999

4. <u>INVESTMENTS</u>	<u>Quoted</u> <u>Investments</u>	<u>Unquoted</u> <u>Investments</u>	<u>Total</u> <u>1999</u> <u>USD</u>
Cost at beginning of period	12,393,827	10,000,100	22,393,927
Additions during the period	6,457,720	8,859,861	15,317,581
Disposals during the period	<u>(9,991,441)</u>	<u>(10,000,100)</u>	<u>(19,991,541)</u>
Balance @ 31st December 1999	<u>8,860,106</u>	<u>8,859,861</u>	<u>17,719,967</u>

The market value of the Quoted Investments at 31st December 1999 was USD 116,357,264.

Details of companies in which Euro Discover Technology Ventures Limited holds more than 10% interest:

<u>NAME OF COMPANY</u>	<u>% Held</u> <u>December 31</u> <u>1999</u>	<u>% Held</u> <u>March 31</u> <u>1999</u>	<u>Types of</u> <u>Shares</u>	<u>Place of</u> <u>Incorporation</u>
Euro Discover LTD	-	100%	Ordinary	United Kingdom
Euro Allied Limited	-	100%	Ordinary	Hong Kong
Ways Inc	-	100%	Ordinary	U.S.A
Euro Asian Securities Limited - Direct	41.32%	40.94%	Ordinary	India
Euro Asian Securities Limited - Indirect	-	33.39%	Ordinary	India
Braintree Investments & Trading Pvt Ltd	99.99%	-	Ordinary	India
Buy Everything Company Ltd	40%	-	Ordinary	India
Tellme Company Ltd	25%	-	Ordinary	India
Ways India Ltd	40%	-	Ordinary	India

5. TRADE AND OTHER RECEIVABLES

	<u>December</u> <u>1999</u> <u>USD</u>	<u>March</u> <u>1999</u> <u>USD</u>
Amounts due from Subsidiary Companies	-	55,971
Amounts due from Associated Companies	13,691,294	24,758
Amounts due from Third Party	240,903	450,000
	<u>13,932,197</u>	<u>530,729</u>

6. TRADE AND OTHER PAYABLES

Accruals	2,000	1,000
Interest payable	-	357,097
	<u>2,000</u>	<u>358,097</u>

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EURO DISCOVER TECHNOLOGY VENTURES LIMITED

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED DECEMBER 31, 1999

7. <u>SHARE CAPITAL</u>	<u>31ST DECEMBER</u> <u>1999</u> <u>USD</u>	<u>31ST MARCH</u> <u>1999</u> <u>USD</u>
<u>Authorised</u>		
5,000,000 Ordinary Shares of USD 1 each	<u>5,000,000</u>	<u>5,000,000</u>
<u>Issued</u>		
3,421,600 Ordinary shares of USD 1 each	<u>3,421,600</u>	<u>3,421,600</u>
8. <u>REVALUATION RESERVE</u>		
This represents the surplus arising on Revaluation of existing shares in Euro Asian Securities Limited .		
9. <u>BORROWINGS</u>		
The shareholder's loan is unsecured, interest free and with no fixed repayment schedule.		
10. <u>OPERATING PROFIT</u>	<u>31ST DECEMBER</u> <u>1999</u> <u>USD</u>	<u>31ST MARCH</u> <u>1999</u> <u>USD</u>
Operating profit is arrived at after:		
<u>Crediting</u>		
Interest received		
Dividend received	44	62,881
Profit on Disposal of shares	180,892	-
	<u>11,416,777</u>	<u>-</u>
<u>and Charging</u>		
Directors fees		
Administrative Expenses	500	500
Audit and Accounting fees	193,298	3,105
Provision for Bad Debts	2,000	1,000
Exchange loss	5,000	-
	<u>3,270</u>	<u>-</u>
11. <u>FINANCE COSTS</u>		
Interest Expenses	<u>270,000</u>	<u>386,902</u>
12. <u>TAXATION</u>		

The company has been established as an "Offshore Company" under the Mauritius Offshore Business Activities Act 1992 and has opted for a zero rate of taxation for the period ended 31st December 1999.

EURO DISCOVER TECHNOLOGY VENTURES LIMITED

8.

Formerly known as

EURO OFFSHORE INVESTMENTS LIMITED

NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED DECEMBER 31, 1999

31ST MARCH

1999

USD

13. <u>EXCEPTIONAL ITEM (31ST MARCH 1999 ONLY)</u>	
Surplus on Revaluation of 17,811,000 shares in Euro Asian Securities Limited	18,254,666
Less Amount carried to Revaluation Reserve (See Below)	(10,055,389)
Balance @ 31st March 1999	<u>8,199,277</u>
Less Exchange Loss on Disposal of shares Per Profit and Loss Account	<u>(106,066)</u>
	<u>8,093,211</u>
14. <u>EARNINGS/(LOSS) PER SHARE</u>	

Earnings/(Loss) per share is based on the profit for the period of USD 11,123,545 (31st March 1999: Loss of USD 328,626) and 3,421,600 shares being the number of shares issued for both periods.

15. ACCOUNTING REFERENCE DATE

The company has changed its accounting reference date from 31st March to 31st December each year. Subsequent accounting period will be for period of 12 months ending on 31st December.

16. GROUP ACCOUNTS

According to the International Accounting Standards, the company has to prepare Group Accounts consolidating the results of its subsidiaries at 31st December 1999. This financial statements shows the results of the parent company only. Group Accounts will be prepared and submitted at a later date.

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PATHFINDER INVESTMENTS LIMITED
FINANCIAL STATEMENTS FOR THE PERIOD ENDED
DECEMBER 31, 1999

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AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PATHFINDER INVESTMENTS LIMITED

I have audited the financial statements on pages 2 to 7.

Respective responsibilities of directors and auditors.

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted the audit in accordance with Generally Accepted Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

I draw attention to note 12 in the accounts regarding the Going Concern Basis.

Opinion

In my opinion and subject to the above, the financial statements give a true and fair view of the state of the company's affairs at December 31st, 1999 and of its loss and cash flows for the period ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.



JOSE THIBAUT
CHARTERED CERTIFIED ACCOUNTANT

Date: **11 JAN 2001**
Port Louis,
Republic of Mauritius.

PATHFINDER INVESTMENTS LIMITED
BALANCE SHEET
AT 31st DECEMBER 1999

	<u>NOTES</u>	<u>31st December</u> <u>1999</u> <u>USD</u>	<u>31st March</u> <u>1999</u> <u>USD</u>
<u>ASSETS EMPLOYED</u>			
<u>Non Current Assets</u>			
Investments	4	11,659,985	1,358,765
<u>CURRENT ASSETS</u>			
Other receivables	5	789,003	793,894
Cash at Bank		526	562
		<u>789,529</u>	<u>794,456</u>
<u>CURRENT LIABILITIES</u>			
Other payables	6	<u>232,346</u>	<u>52,346</u>
<u>NET CURRENT ASSETS</u>			
		<u>557,183</u>	<u>742,110</u>
		<u>12,217,168</u>	<u>2,100,875</u>
<u>FINANCED BY:</u>			
<u>Capital and Reserves</u>			
Share Capital	7	502	502
Retained Loss		(1,788,247)	(1,309,627)
<u>Non-Current Liabilities</u>			
Borrowings	10	14,004,913	3,410,000
		<u>12,217,168</u>	<u>2,100,875</u>

These accounts have been approved by the Board of Directors on 17 NOV 2000



.....
DIRECTOR



.....
DIRECTOR

Notes on pages 5 to 7 form part of these accounts.

PATHFINDER INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 1st APRIL 1999 TO 31st DECEMBER 1999

	<u>NOTES</u>	<u>31st December</u> <u>1999</u> <u>USD</u>	<u>31st March</u> <u>1999</u> <u>USD</u>
Operating Income		1,232	3,137
Operating Expenses		(29,852)	(205,465)
Operating Loss	8	<u>(28,620)</u>	<u>(202,328)</u>
Finance Costs	9	(450,000)	(750,000)
Loss before tax		<u>(478,620)</u>	<u>(952,328)</u>
Tax	13	-	-
Loss after tax		<u>(478,620)</u>	<u>(952,328)</u>
Transfer from retained loss		(1,309,627)	(357,299)
Loss retained for the year		<u><u>(1,788,247)</u></u>	<u><u>(1,309,627)</u></u>
Loss per share	14	(953.43)	(1,897.07)

Notes on pages 5 to 7 form part of these accounts.

PATHFINDER INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31st DECEMBER 1999

	<u>31st December</u>	<u>31st March</u>
	<u>1999</u>	<u>1999</u>
<u>NOTES</u>	<u>USD</u>	<u>USD</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss for the period	(478,620)	(952,328)
Adjustments for :		
Loss on Revaluation of Investments	1,426	2,029
(Profit)/Loss on Sale of shares	(824)	9,868
Shareholders Loan written off	-	(3,000)
	<hr/>	<hr/>
Operating loss before working capital changes	(478,018)	(943,431)
Decrease in Other Receivables	4,891	1,210,675
Increase in Other Payables	180,000	50,346
	<hr/>	<hr/>
Net cash (used in)/from operating activities	A (293,127)	317,590
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(10,325,154)	(497,925)
Proceeds from sale of Investments	23,332	351,134
	<hr/>	<hr/>
Net cash used in investing activities	B (10,301,822)	(146,791)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from Issuance of Share Capital	-	500
Proceeds from Borrowings	10,594,913	(186,607)
	<hr/>	<hr/>
Net cash from/(used in) financing activities	C 10,594,913	(186,107)
<u>NET DECREASE IN CASH & CASH EQUIVALENTS</u>		
	(A+B+C) (36)	(15,308)
Cash and cash equivalents at beginning of period	562	15,870
	<hr/>	<hr/>
Cash and cash equivalents at end of period	526	562
	<hr/> <hr/>	<hr/> <hr/>

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PATHFINDER INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED DECEMBER 31, 1999

1. **INCORPORATION**

PATHFINDER INVESTMENTS LIMITED is an Offshore Company incorporated on December 7, 1994 under the Mauritius Companies Act 1984 as amended by the Mauritius Offshore Business Activities Act 1992.

2. **NATURE OF ACTIVITIES**

The main object of the company is to carry on business of investment in shares, bonds and other securities.

3. **ACCOUNTING POLICIES**

The principal accounting policies adopted by the company are as follows:

(a) **Reporting Currency**

The Financial Statements are presented in United States of America Dollar.

(b) **Basis of Accounting**

The accounts are prepared under the historical cost convention .

(c) **Investments**

(i) Quoted investments at Market Value are based on the market value at 31st December 1999. Resulting increase/decrease in market values of investments and gains or losses on disposals of investments are dealt with in the profit and loss account.

(ii) Quoted investments at cost and unquoted investments are carried at cost and are translated into US Dollars at the rate of exchange ruling at the time of purchase.

The directors are of opinion, that there has been no permanent diminution in value of the above investments.

(d) **Foreign Currency Translation**

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transaction.

Assets and liabilities with the exception of unquoted investments expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

Resulting profit or loss is taken to the profit and loss account.

4. **INVESTMENTS**

	<u>Quoted Investments @ Cost USD</u>	<u>Quoted Investments @ Market Value USD</u>	<u>Associate Unquoted Investments USD</u>	<u>TOTAL USD</u>
Balance brought forward @ 1st April 1999	-	50,565	1,308,200	1,358,765
Additions for the period	7,825,104	-	2,500,050	10,325,154
Less Disposal for the period	-	(22,508)	-	(22,508)
	7,825,104	28,057	3,808,250	11,661,411
Loss on Revaluation of Investments	-	(1,426)	-	(1,426)
Balance at 31st December 1999	7,825,104	26,631	3,808,250	11,659,985

PATHFINDER INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED DECEMBER 31, 1999

UNQUOTED INVESTMENT (INVESTMENT IN ASSOCIATES)

The unquoted investments represent investment in **Associated Companies** which are valued at cost at 31st December 1999.

Details of companies in which Pathfinder Investments Limited holds more than 10% Interest: -

<u>Name of Company</u>	<u>Type of Share</u>	<u>% Held @ 31st December 1999</u>	<u>% HELD @ 31st March 1999</u>	<u>31st December 1999 USD</u>	<u>31st March 1999 USD</u>
Euro Offshore Investment Ltd	Ordinary	38.20%	38.20%	1,308,200	1,308,200
Euro Allied Limited	Ordinary	50%	-	1,250,000	-
Euro Discover Ltd	Ordinary	50%	-	1,250,000	-
Ways Inc.	Ordinary	50%	-	50	-

5. **OTHER RECEIVABLES**

Other receivables represent loan of USD 789,003 given to a Related Undertakings and is interest free unsecured with no repayment schedule.

6. **OTHER PAYABLES**

	<u>31st December 1999 USD</u>	<u>31st March 1999 USD</u>
Interest Payable	230,096	50,096
Accruals	2,250	2,250
	<u>232,346</u>	<u>52,346</u>

7. **SHARE CAPITAL**

Authorised

5,000,000 Ordinary Shares of USD 1 each 5,000,000 10,000

Issued

502 Ordinary Shares of USD 1 each 502 502

8. **OPERATING LOSS**

	<u>31st December 1999 USD</u>	<u>31st March 1999 USD</u>
Operating loss is arrived at:		
after Crediting		
Profit on disposal of shares	824	-
Dividend Received	408	26
Interest Received	-	111
	<u>-</u>	<u>111</u>
and Charging		
Directors' fees	1,000 ✓	800
Administrative Expenses	3,094 ✓	2,050
Audit fee	1,000 ✓	1,250
Exchange difference	-	90,476
Loss on Revaluation of Investment	1,426 ✓	2,029
Loss on disposal of shares	-	9,868
Bank Charges	-	1,352
Service Charges	23,332	97,640
	<u>23,332</u>	<u>97,640</u>

PATHFINDER INVESTMENTS LIMITED
NOTES TO THE ACCOUNTS
FOR THE PERIOD ENDED DECEMBER 31, 1999

9. <u>FINANCE COSTS</u>	<u>31st December</u> <u>1999</u> <u>USD</u>	<u>31st March</u> <u>1999</u> <u>USD</u>
Interest payable	450,000	750,000
10. <u>BORROWINGS</u>		
Non-Current		
Loan from Associated Companies	10,324,913	-
Loan from Third Parties	3,680,000	3,410,000
	14,004,913	3,410,000

Loan from Associated Companies are interest free, unsecured, with no fixed repayment schedule.
 Loan from Third Parties carries interest at 2% per month on a principal amount of USD 2,500,000 only.

11. ACCOUNTING REFERENCE DATE

The company has changed its accounting reference date from 31st March to 31st December of each year. Subsequent accounts will be for a period of twelve months ending 31st December.

12. GOING CONCERN BASIS

The Going Concern Basis has been maintained since the company has the support of its creditors and shareholders and will thus be able to continue financing its operations.

13. TAXATION

The company has been established as an "Offshore Company" under the Mauritius Offshore Business Activities Act 1992 and has opted for a zero rate of tax for the period ended 31st December 1999.

14. LOSS PER SHARE

Loss per share is based on the loss for the year of USD 478,620 (31st March 1999: USD 952,328) and 502 shares being the number of shares issued for the period ended 31st December 1999 (31st March 1999: 502 shares)

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PATHFINDER INVESTMENTS LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER, 2000

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AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
PATHFINDER INVESTMENTS LIMITED

I have audited the financial statements on pages 2 to 8.

Respective responsibilities of directors and auditors.

The company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on the audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted the audit in accordance with Generally Accepted Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

I planned and performed the audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December, 2000 and of its profit and cash flows for the year ended on that date and comply with the Companies Act 1984 and the appropriate International Accounting Standards.

JOSÉ THIBAUT
CHARTERED CERTIFIED ACCOUNTANT

Date:
Port Louis,
Republic of Mauritius.

PATHFINDER INVESTMENTS LIMITED
BALANCE SHEET
AT 31 DECEMBER 2000

	<u>NOTES</u>	<u>2000</u> <u>USD</u>	<u>1999</u> <u>USD</u>
<u>ASSETS EMPLOYED</u>			
<u>Non Current Assets</u>			
Investments	4	<u>11,349,990</u>	<u>14,159,985</u>
<u>CURRENT ASSETS</u>			
Trade and other receivables	5	7,278,318	789,003
Cash at Bank		<u>662</u>	<u>526</u>
		<u>7,278,980</u>	<u>789,529</u>
<u>CURRENT LIABILITIES</u>			
Trade and other payables	6	<u>3,797,508</u>	<u>2,732,346</u>
<u>NET CURRENT ASSETS/(LIABILITIES)</u>			
		<u>3,481,472</u>	<u>(1,942,817)</u>
		<u>14,831,462</u>	<u>12,217,168</u>
<u>FINANCED BY:</u>			
<u>Capital and Reserves</u>			
Share Capital	7	502	502
Retained earnings/(loss)		<u>1,113,203</u>	<u>(1,788,247)</u>
		<u>1,113,705</u>	<u>(1,787,745)</u>
<u>Non-Current Liabilities</u>			
Borrowings	8	<u>13,717,757</u>	<u>14,004,913</u>
		<u>14,831,462</u>	<u>12,217,168</u>

These accounts have been approved by the Board of Directors on

.....
DIRECTOR

.....
DIRECTOR

Notes on pages 6 to 8 form part of these accounts.

PATHFINDER INVESTMENTS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>NOTES</u>	<u>2000</u> <u>USD</u>	<u>1999</u> <u>USD</u>
Operating Income		3,744,070	1,232
Operating Expenses		(146,321)	(29,852)
Operating Profit/(Loss)	9	<u>3,597,749</u>	<u>(28,620)</u>
Finance Costs	10	(696,299)	(450,000)
Profit/(Loss) before tax		<u>2,901,450</u>	<u>(478,620)</u>
Tax	11	<u>-</u>	<u>-</u>
Profit/(Loss) after tax		2,901,450	(478,620)
Transfer from retained loss		(1,788,247)	(1,309,627)
Profit/(Loss) retained for the year		<u><u>1,113,203</u></u>	<u><u>(1,788,247)</u></u>
Earnings/(Loss) per share	12	5,779.78	(953.43)

Notes on pages 6 to 8 form part of these accounts.

PATHFINDER INVESTMENTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>SHARE CAPITAL USD</u>	<u>RETAINED (LOSS)/ PROFIT USD</u>	<u>TOTAL USD</u>
Balance @ 01st March 1999	502	(478,620)	(478,118)
Net Loss for the period	<u>-</u>	<u>(1,309,627)</u>	<u>(1,309,627)</u>
Balance @ 31st December 1999	<u>502</u>	<u>(1,788,247)</u>	<u>(1,787,745)</u>
Balance @ 01st January 2000	502	(1,788,247)	(1,787,745)
Net Profit for the year	<u>-</u>	<u>2,901,450</u>	<u>2,901,450</u>
Balance @ 31st December 2000	<u>502</u>	<u>1,113,203</u>	<u>1,113,705</u>

PATHFINDER INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>2000</u>	<u>1999</u>
<u>NOTES</u>	<u>USD</u>	<u>USD</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Operating Profit/(loss) for the year	2,901,450	(478,620)
Adjustments for :		
Loss on Revaluation	53	1,426
Profit on Sale of shares	<u>(3,741,398)</u>	<u>(824)</u>
Operating loss before working capital changes	(839,895)	(478,018)
(Increase)/Decrease in Trade and other Receivables	(6,489,315)	4,891
Increase in Trade and other Payables	<u>1,065,162</u>	<u>2,680,000</u>
Net cash used in operating activities	A <u>(6,264,048)</u>	<u>2,206,873</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Investments	(4,819,535)	(12,825,154)
Proceeds from sale of Investments	<u>11,370,875</u>	<u>23,332</u>
Net cash from/(used in) investing activities	B <u>6,551,340</u>	<u>(12,801,822)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Repayment of loan	<u>(287,156)</u>	<u>10,594,913</u>
Net cash (used in)/from financing activities	C <u>(287,156)</u>	<u>10,594,913</u>
<u>NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS (A+B+C)</u>	136	(36)
Cash and cash equivalents at beginning of year	<u>526</u>	<u>562</u>
Cash and cash equivalents at end of year	<u><u>662</u></u>	<u><u>526</u></u>

PATHFINDER INVESTMENTS LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>2000</u>	<u>1999</u>
<u>NOTES</u>	<u>USD</u>	<u>USD</u>
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