

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

Table of Contents

| | |
|--|----------|
| Equity Market Indicators | 2 |
| Technology, Media, Telecommunications and Life Sciences Market Activity | 3 |
| Weekly Highlights | 5 |
| International | 5 |
| Japan | 5 |
| Korea | 6 |
| China | 6 |
| Hong Kong | 7 |
| United States / Canada | 7 |
| Europe | 8 |
| Other Economic Data | 9 |
| Currency Exchange Rates | 9 |
| Fixed Income Prices and Yields | 9 |

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, f/k/a iReality Group Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document. For more information on IRG call (852) 2237 6000 or visit www.irg.biz.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

| Equity Market Indicators | | | | | |
|---------------------------|----------------------------|------------------------|----------------------|----------------------|----------------------|
| Index | Closing Level (1/02/04) | % Change 1 Week Ago | % Change 1/1/2004 | % Change 1/1/2003 | % Change 2003 Low |
| S&P 500 | 1,108.48 | 1.3% | -0.3% | 21.9% | 38.9% |
| Dow Jones Industrial Avg. | 10,409.85 | 1.0% | -0.4% | 20.9% | 38.9% |
| Dow Jones Tech. Index | 349.36 | 2.4% | 0.4% | 52.1% | 61.6% |
| Dow Jones Telecom. Index | 187.91 | 3.4% | 1.2% | 27.1% | 47.7% |
| NASDAQ Composite | 2,006.68 | 1.9% | 0.2% | 44.9% | 57.6% |
| The Street.com Net | 154.14 | 1.3% | 0.7% | 71.9% | 82.4% |
| Japan Nikkei 225 | 10,676.64 | 5.7% | 0.0% | 22.5% | 38.0% |
| Japan TOPIX | 1,043.69 | 4.8% | 0.0% | 21.3% | 33.2% |
| Korea KOSPI Composite | 821.26 | 2.4% | 1.3% | 29.3% | 57.3% |
| Korea Kosdaq | 45.14 | 3.7% | 0.6% | -3.1% | 29.5% |
| Taiwan Stock Exchange | 6,041.56 | 3.1% | 2.6% | 33.5% | 42.3% |
| Singapore Straits Times | 1,791.35 | 3.8% | 1.5% | 34.1% | 45.4% |
| Hong Kong Hang Seng | 12,801.48 | 3.1% | 1.8% | 36.7% | 49.6% |
| Hong Kong GEM | 1,201.64 | 3.0% | 1.3% | 26.0% | 31.6% |
| China Shanghai (A-Share) | 1,590.28 | 0.3% | 1.3% | 15.2% | 14.0% |
| China Shenzhen (A-Share) | 395.62 | -0.8% | 0.5% | -1.4% | 8.0% |
| China Shanghai (B-Share) | 106.17 | -0.3% | 1.2% | -5.4% | 7.5% |
| China Shenzhen (B-Share) | 268.69 | -2.1% | -1.2% | 45.3% | 47.1% |

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

Technology, Media, Telecommunications and Life Sciences Market Activity

Asian Markets: TMT and Life Sciences Convertibles

| Issuance Date | Issuer [Equity Ticker] | Description of Issuer | Maturity Date | Size (US\$MM) | Per US\$10,000 converts to | Convertible Until |
|---------------|-------------------------------|--|---------------|---------------|----------------------------|-------------------|
| 12/28/03 | Xander Int'l Corp. [6118.TT] | Sells and markets various kinds of computer hardware, including hard disks, central processing units (CPUs), monitors, and printers. | 12/28/08 | US\$9.1 | 1,885 Shares | 12/18/08 |
| 12/30/03 | Yageo Corp. [2327.TT] | Manufactures resistors and related equipment. The company also produces thick-film resistors that are used in downstream electronics products, high-power thin-film resistors and chip resistors, which are used in aerospace, automobile, and precision electronics industries. | 12/30/08 | US\$150 | 19,859 Shares | 12/20/08 |
| 12/30/03 | Walsin Tech. Corp. [2492.TT] | Researches, develops, manufactures, and markets ceramic electronic components for electronic and electrical industries. Main products are: surface mount multi-layer chip capacitors, positive temperature coefficient resistors, chip resistors, multi-layer chip inductors and beads, chip arrays, and zinc oxide varistors. | 12/30/03 | US\$40 | 10,643 Shares | 11/30/08 |
| 12/31/03 | TXC Corp. [3042.TT] | Manufactures and markets dip and surface mount device (SMD) types quartz crystal units as well as oscillators used in computers, computer peripherals, and communication products. | 12/31/08 | US\$11.8 | 1,697 Shares | 12/21/08 |
| 1/2/04 | K-Bridge Electronic [6156.TT] | Manufactures and markets double-sided and multi-layered printed circuit boards (PCBs), a variety of electronic components and backlight. | 1/2/07 | US\$25 | 1,082 Shares | 12/18/06 |

NASDAQ/NYSE TMT and Life Sciences IPO Filings

| File Date | Issuer | Industry Sector | Size (\$MM) | Description | Book-Runner | Co-Manager |
|-----------|--------|-----------------|-------------|-------------|-------------|------------|
| N/A | | | | | | |

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

| NASDAQ/NYSE Equity Markets: TMT and Life Sciences IPO Pricing | | | | | | |
|---|-------------------|-------------|---------------|-------------|------------------|---------------------|
| Pricing Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 1/02/04 | % Change From Offer |
| N/A | | | | | | |

| Asian Equity Markets: TMT and Life Sciences IPO Pricing | | | | | | |
|---|--|---|---------------|-------------|------------------|---------------------|
| Pricing Date | Issuer (Exchange) | Description | Size (US\$MM) | Offer Price | Price on 1/02/04 | % Change From Offer |
| 12/29/03 | Trigem Infonet Inc. [058690.KS] (KOSDAQ) | A system integrator. The company provides hardware platforms and solutions, such as storage, servers, home location register, short message service, and intelligent network. | US\$2.4 | KRW 1,500 | KRW 1,335 | -11% |
| 12/29/03 | Topfield Co. Ltd. [057880.KS] (KOSDAQ) | Manufactures digital set top boxes. Products include: free to air receivers, personal video recorders, and common interface receivers. | US\$5.3 | KRW 4,200 | KRW 5,170 | 23.1% |
| 12/29/03 | Irevo Inc. [072430.KS] (KOSDAQ) | Develops and manufactures digital door lock for residential buildings. | US\$11.1 | KRW 6,300 | KRW 9,150 | 45.2% |
| 12/29/03 | Feng Sheng Tech. Co. [8071.TT] (GRETAI) | Manufactures and markets CD-AUDIOS, CD-ROMs, VCDs, and DVDs. | US\$1.8 | NT\$24 | NT\$25.3 | 5.4% |
| 12/30/03 | Pro-Nets Technology Corp. [8082.TT] (GRETAI) | Manufactures and markets internal and external analog modems, ADSL modems, network interface cards, switches, routers, and other networking products. | US\$2 | NT\$28 | NT\$27.5 | -1.8% |
| 1/2/04 | UJU Electronics Co. [065680.KS] (KOSDAQ) | Manufactures and develops connectors for liquid crystal display (LCD) panels, camcorder and cellular phone. | US\$3.9 | KRW 3,600 | KRW 5,150 | 43.1% |

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

Weekly Highlights

International

Internet

- **China, Japan and South Korea will jointly develop the next-generation Internet technology IPv6,** aiming to have the global standard for the technology set in Asia. By working together, the three countries aim to take the lead in developing technologies for a world in which all equipment is connected to the Internet. Because there will be a shortage of IP addresses under the current protocol, IPv4, a full-scale move to adopt IPv6 is expected to begin in about 2005. This will enable myriad devices for remote operation and management of equipment.

Semiconductors

- **The worldwide semiconductor industry is expected to grow 18% next year amid strong demand for personal computers and mobile phones** according to market-research firm IDC. The firm raised its forecast from an April estimate of 16%, and expects double-digit gains in both the PC and mobile sectors next year. IDC expects the semiconductor market will grow at a compound annual rate of 12% through 2008, with revenue rising to US\$282 billion from US\$160 billion this year.

Japan

Hardware

- **Sharp Corp. is considering increasing production capacity at its new liquid-crystal-display panel plant next year.** The firm is scheduled to start operating a new television-use LCD panel production plant in Mie, in central Japan, beginning in January. Sharp has allocated 100 billion yen (US\$930.3 million) for a "sixth-generation" LCD panel line using huge glass substrates.

Semiconductors

- **Elpida Memory Inc. has developed a pair of transistor technologies that significantly boost the read/write speed of DRAM memory chips.** Using the technologies, the firm has prototyped a DDR2-standard 512M memory chip that can read and write at a speed of 667Mbps -- 25% faster than today's cutting-edge DDR2 DRAM chips. Both technologies involve modifications to the materials used in the fabrication of transistors.
- **Orders for Japanese semiconductor equipment shot up 171.4 percent last month from a year earlier,** helped by strong demand for chips used in digital cameras and camera phones. It was the sixth consecutive month of increase and followed a 108.2 percent surge in October, according to the Semiconductor Equipment Association of Japan. Orders totaled ¥151.1 billion (US\$1.4 billion), a level not seen since December 2000.

Telecommunications

- **Aica Kogyo Co. has developed an optical communications module that can be easily attached to personal computers and other data communications equipment.** The module has a 1Gbps transmission capability and a maximum transmission distance of 550 meters. It houses complex

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

circuitry that users previously had to design on their own when they wanted to introduce optical circuits. Users will now be able to create high-speed broadband data communications networks by simply attaching modules to various data communications equipment and connecting them with optical fibers.

Korea

Media, Entertainment and Gaming

- **MPMan.com, a major portable audio device maker, has gained a patent in China related to MP3 players**, boosting its brand recognition and offering new opportunities for Korean manufacturers. MPMan.com said Chinese patent authorities finally granted a patent for its MPEG portable sound system technology. The company first filed an application for the technology in April 1998.

Mobile / Wireless

- **SK Telecom Co. and KTF Co. launched W-CDMA third-generation mobile services but they will beginning accept customers around March next year.** The two mobile carriers were required to launch W-CDMA 3G services by the end of this year and they narrowly met the deadline. But investors, analysts and even mobile phone users remain skeptical about the commercial viability of W-CDMA. W-CDMA refers to 3G mobile service that is expected to replace GSM. SK Telecom and KTF officials indicate their test-level W-CDMA networks have shown little progress from current 3G services.

Semiconductors

- **Korea's deficit in semiconductor trade was US\$1.95 billion last year**, the largest figure ever, due to a sharp increase in imports of non-memory products, according to the Ministry of Commerce, Industry and Energy. This marks the third year in a row that Korea has registered a deficit in semiconductor trade after posting a US\$6 billion surplus in 2000. The country had a semiconductor deficit of US\$845 million in 2001 and almost US\$1.3 billion in 2002.
- **Korea's major chipmakers are planning a record 7 trillion won (US\$5.8 billion) investment in facilities to keep pace with a brighter outlook for their industry.** Samsung has set aside more than 5 trillion won (US\$4.2 billion) for its facility investment at its Hwaseong plant this year, and plans to invest about 68 trillion won (US\$56.9 billion) over the next seven years to expand its plant there. Samsung invested 4.2 trillion won (US\$3.5 billion) for its memory chip plant upgrade last year. Hynix Semiconductor Inc. and DongbuAnam Semiconductor are expected to spend 1.5 trillion won (US\$1.3 billion) and 650 billion won (US\$54.4 million) respectively, on facility investments.

China

Mobile / Wireless

- **Three Chinese companies have agreed to cooperate on the development of a mobile-phone chip based on the domestically developed time division synchronous code division multiple access, or TD-SCDMA standard.** Chongqing CIPT Information Technology Co. has set up a jointly funded company with Ankai (Guangzhou) Software Co. and Shenzhen Ankai Microelectronics Co. to develop a chip for third generation mobile phones using TD-SCDMA. The companies are aiming for commercial production of the chip in September 2004.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

Hong Kong

Telecommunications

- **Hutchison Global Communications (HGC) has almost doubled its cross-border bandwidth through an arrangement with China Netcom**, giving it the largest network capacity of any of the local operators. The bilateral deal means the Hutchison Whampoa wholly owned subsidiary will have a capacity of 22.5 gigabits per second by late January, surpassing rival Reach and China Motion in capacity to handle data traffic between Hong Kong and China. HGC handled traffic for more than 40 international carriers and Internet service providers.

United States / Canada

Hardware

- **IBM has signed a 10-year contract with retailer Target Corp. to manage its mainframe computers.** Terms of the deal were not disclosed. IBM said the agreement is based on a flexible pricing model in which Target will pay only for the services it uses. IBM previously had a five-year services contract with Target that expires on March 31.

Internet

- **FreeMarkets Inc. agreed to acquire the auction-services business of Covisint LLC, the online automotive business exchange** founded by the Big Three automakers and other players in the industry. Terms were not disclosed. Under the agreement expected to close in early January, Covisint will transfer its customer contracts for auction services to FreeMarkets. The contracts provide committed revenue to FreeMarkets over the next three years.

Media, Entertainment and Gaming

- **U.S. sales of recorded music in 2003 held nearly steady according to figures by Nielsen SoundScan.** Annual sales fell just 0.8% from 2002, spurred in part by several hit albums in the fourth quarter. That marks a strong change from the three previous years when record sales buckled under the threat of online file-swapping, CD burning, consumer disinterest, and dissatisfaction over high prices.
- **Comcast Corp. took a step toward selling its stake in Time Warner Inc.'s cable unit by asking Time Warner to register the shares with the SEC ahead of a possible initial public offering, according to a filing.** Comcast owns 21 percent of Time Warner's cable unit, a stake it inherited after buying AT&T's cable systems in 2002. The two companies are involved in negotiations to unwind the ownership, and Comcast said alternatives to an IPO were still on the table.

Software

- **Two start-up software companies are to further challenge Siebel Systems, the leading maker of software that manages sales and marketing, by persuading customers to rent software rather than buy it.** Upstarts such as Salesforce.com Inc. and NetSuite Inc. have attracted attention by offering businesses web-based software for a modest monthly fee rather than having them pay millions of dollars for big hardware and software systems. Salesforce.com has about 8,000 customers and turned a profit in 2003. In December, it filed with securities regulators for an initial public offering worth an estimated

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

US\$115 million. Its smaller rival NetSuite also plans to file for an IPO late next year. It expects to see a profit in the second half of 2004.

- **Two companies are battling over ownership of the copyrights to the Unix operating system.** Novell of Provo believes it owns the copyrights for Unix, and it has applied for and received copyright registrations. SCO claims it bought Unix from Novell eight years ago along with the copyrights.

Telecommunications

- **Sycamore Networks Inc. won a stake of a U.S. Department of Defense contract project, known as the Global Information Grid Bandwidth Expansion, which is estimated at US\$260 million of equipment cost over the next two years.** Along with Sycamore, the project involves telecommunication companies Ciena Corp., Qwest Communications International Inc., Sprint Corp. and Juniper Networks Inc.
- **A U.S. bankruptcy judge approved a settlement under which Verizon Communications Inc. will pay MCI Inc. US\$169 million to resolve a six-year dispute over fees related to network connections.** Verizon and MCI, disagreed about so-called "reciprocal compensation." MCI had since 1997 been pushing for Verizon to pay it for calls made by Verizon customers to Internet service providers that are also MCI customers.

Europe

Mobile / Wireless

- **Vodafone Group PLC signed up Fast Search & Transfer ASA, an Internet-search technology company,** as the search platform for its "Vodafone live" multimedia mobile-phone service. Financial terms of the deal were not disclosed. The service will allow customers of U.K.-based Vodafone to use their handsets to search across an "extensive portfolio of content" and an index of web pages encoded in WAP, or wireless application protocol, format.

Telecommunications

- **TeliaSonera and Tele2 agreed to buy Sweden's fourth UMTS, or third-generation telephone license, from UK-based mobile phone operator Orange.** Svenska UMTS-- jointly owned by both aforementioned Swedish companies-- already holds a 3G license, but believes the extra capacity of another license will become useful once consumer demand takes off.

IRG Technology, Media and Telecommunications and Life Sciences Weekly Market Review



Week of 28 December 2003 - 3 January 2004

Other Economic Data

| Currency Exchange Rates | | | | | | |
|-------------------------|------------|------------------------------|------------------------|----------------------|-----------------------|--------------------------|
| Currency | Units | Current Rate (on 1/02/04) | % Change 1 Week Ago | % Change 1/1/2003 | % Change 1/1/ 2004 | % Change Last 12 Mth. |
| Japanese yen | ¥/US\$ | 107.0550 | 0.4% | -10.8% | 0.2% | 11.4% |
| Hong Kong dollar | HK\$/ US\$ | 7.7639 | 0.0% | -0.4% | 0.0% | 0.4% |
| Chinese renmenbi | RMB/ US\$ | 8.2769 | 0.0% | 0.0% | 0.0% | 0.0% |
| Singapore dollar | S\$/ US\$ | 1.7007 | 0.3% | -1.9% | -0.1% | 2.1% |
| South Korean won | KRW/ US\$ | 1195.0500 | 0.4% | 0.8% | -0.2% | -0.5% |
| New Taiwan dollar | NT\$/ US\$ | 33.9750 | 0.2% | -2.2% | 0.0% | 2.0% |
| Australian dollar | US\$/A\$ | 0.7581 | 2.2% | 34.9% | 0.8% | 31.6% |
| New Zealand dollar | US\$/NZ\$ | 0.6593 | 2.0% | 25.7% | 0.6% | 23.8% |
| Philippine peso | PHP/ US\$ | 55.5400 | 0.0% | 4.2% | 0.0% | -3.9% |
| Euro | US\$/€ | 1.2585 | 1.3% | 21.5% | -0.1% | 20.4% |
| British pound | US\$/£ | 1.7935 | 1.3% | 12.5% | 0.4% | 11.5% |

Fixed Income Prices and Yields

| Note | Currency | Current (on 1/02/04) | | 1 Week Ago | | 4 Weeks Ago | |
|-----------------------|----------|----------------------|--------|------------|--------|-------------|--------|
| | | Price | Yield | Price | Yield | Price | Yield |
| US 30-year | US\$ | 102.9688 | 5.17% | 105.9844 | 4.97% | 103.0938 | 5.16% |
| Japan 30-year | ¥ | 102.7915 | 2.04% | 103.5395 | 2.00% | 101.4230 | 2.12% |
| Hong Kong 10-year | HK\$ | 121.5211 | 3.46% | 121.3658 | 3.49% | 120.2451 | 3.72% |
| China (10/2027) | US\$ | 133.8181 | 5.04% | 137.3174 | 4.84% | 134.3530 | 5.02% |
| Singapore 10-year | S\$ | 87.3750 | 3.84% | 88.4136 | 3.71% | 86.5000 | 3.96% |
| South Korea 10-year | US\$ | 120.2580 | 3.70% | 120.8049 | 3.60% | 119.3286 | 3.99% |
| Australia 15-year | A\$ | 105.9605 | 5.67% | 105.9330 | 5.67% | 103.9950 | 5.94% |
| New Zealand (07/2009) | NZ\$ | 105.4711 | 5.83% | 105.3212 | 5.86% | 104.2476 | 6.09% |
| Philippines 20-year | PHP | 151.8496 | 11.65% | 153.5146 | 11.51% | 151.9577 | 11.65% |
| India 20-year | INR | 154.0224 | 5.60% | 154.1095 | 5.60% | 150.9971 | 5.83% |
| UK 30-year | £ | 92.4610 | 4.73% | 93.5050 | 4.67% | 90.5129 | 4.87% |
| Germany 30-year | € | 107.7250 | 4.97% | 109.0971 | 4.89% | 106.3085 | 5.07% |

This document is provided for information purposes only, and constitutes neither investment advice nor the recommendation to purchase or sell securities of the companies named in this document. IRG Limited, and its affiliated companies, make no representation as to the accuracy or completeness of the information contained in this document.