

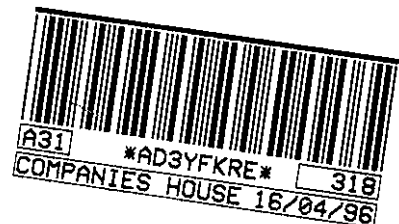
## Crosby Capital Markets International (Europe) Limited

(formerly Speed 4362 Limited and Crosby Capital Markets  
International Limited)

Financial statements 30 September 1995

together with directors' and auditors' reports

Registered number: 2933861



## Directors' report

For the seventeen months ended 30 September 1995

The directors present their report on the affairs of the company, together with the financial statements and auditors' report, for the seventeen months ended 30 September 1995.

The company was incorporated on 27 May 1994 as Speed 4362 Limited.

In pursuance with the shareholders' resolutions dated 14 June 1994 and 26 July 1995 the company changed its name from Speed 4362 Limited to Crosby Capital Markets International Limited and then to Crosby Capital Markets International (Europe) Limited.

### Principal activity and business review

The principal activity of the company is the provision of bond broking services. The directors report that the profit for the period is US\$1,998 and do not recommend the payment of a dividend.

The directors expect the general level of activity to remain at current levels.

### Directors and their interests

The directors who served during the year were:

Michael J. Hanson-Lawson	(appointed 14 June 1994)
Graeme C.W. Marshall	(appointed 14 July 1994)
David J. Humphreys	(appointed 17 May 1995)
Waterlow Nominees Limited	(appointed and resigned 14 June 1994)

The directors do not have any interests required to be disclosed under Schedule 7 of the Companies Act 1985.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

## Directors' report (continued)

### Directors' responsibilities (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Liability insurance for company officers

As permitted by the Companies Act 1985 (as amended), the company has maintained insurance cover for the directors against liabilities in relation to the company.

### Share capital

In pursuance of the shareholders' resolution of 8 December 1994, the company increased its share capital from £1,000 to £1,000 and US\$500,000 by the creation of 500,000 new Ordinary shares of US\$1 each, such new shares rank pari passu in all respects with the existing Ordinary shares in the capital of the company.

### Auditors

The directors will place a resolution before the annual general meeting to reappoint Arthur Andersen as auditors of the company for the ensuing year.

1st Floor  
100 Ludgate Hill  
London  
EC4M 7RE

By order of the Board,

R.D. Murray

Secretary



20 December 1995

## Auditors' report

London

### To the Shareholders of Crosby Capital Markets International (Europe) Limited:

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

#### Respective responsibilities of directors and auditors

As described on pages 1 and 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those, financial statements and to report our opinion to you.

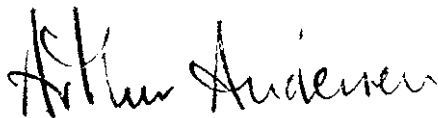
#### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the company's state of affairs at 30 September 1995 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen

Chartered Accountants and Registered Auditors

1 Surrey Street  
London  
WC2R 2PS

20 December 1995

## Profit and loss account

For the seventeen months ended 30 September 1995

	Notes	1995 US\$
Turnover	2	146,565
Operating expenses		<u>(143,908)</u>
Operating profit		2,657
Investment income (net)	3	<u>(659)</u>
Profit on ordinary activities before taxation	4	1,998
Tax on profit on ordinary activities	6	<u>-</u>
Profit on ordinary activities after taxation		<u>1,998</u>

All operations of the company continued throughout the period. No operations were acquired or discontinued.

There are no recognised gains or losses in the period other than the profit for the period.

The accompanying notes are an integral part of this profit and loss account.

## Balance sheet

30 September 1995

	Notes	1995 US\$
<b>Current assets</b>		
Debtors	7	3
Cash at bank and in hand		<u>366,517</u>
		366,520
<b>Creditors: Amounts falling due within one year</b>	8	<u>(64,519)</u>
<b>Net assets</b>		<u>302,001</u>
<b>Capital and reserves</b>		
Called-up share capital	9	300,003
Profit and loss account		<u>1,998</u>
<b>Total capital employed - equity interests</b>	10	<u>302,001</u>

**Signed on behalf of the Board**

M.J. Hanson-Lawson

Director



20 December 1995

The accompanying notes are an integral part of this balance sheet.

# Notes to the financial statements

30 September 1995

## 1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period, is set out below.

### *a) Basis of accounting*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. Assets and liabilities are recognised in the accounts where, as a result of past transactions or events, the company has rights or other access to future economic benefits controlled by the company, or obligations to transfer economic benefits.

### *b) Taxation*

Provision is made for corporation tax on taxable profits at the current rate. Deferred taxation (which arises from differences in the timing of the recognition of items in the financial statements and by the tax legislation) has been calculated on the liability method. Deferred tax is provided on timing differences which will probably reverse, at the rates of tax likely to be in force at the time of the reversal. Deferred tax is not provided on timing differences which, in the opinion of the directors, will probably not reverse.

### *c) Foreign currency*

Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the period end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

### *d) Historical cost profits and losses*

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the period and their historical cost equivalents.

### *e) Cash flow statement*

Under the provision of Financial Reporting Standard No. 1 the company has not prepared a cash flow statement. Its parent company has prepared group consolidated financial statements including financial statements of the company for the period and a cash flow statement.

## 2 Turnover

Turnover comprises of commissions receivable from group companies for provision of bond broking services.

## Notes to the financial statements (continued)

### 3 Investment income (net)

Investment income comprises:

	1995 US\$
Bank deposit interest	7,721
Foreign exchange loss	<u>(8,380)</u>
	<u>(659)</u>

### 4 Profit on ordinary activities before taxation

Staff costs and auditors remuneration are borne by another group undertaking, CCMI Services (Europe) Limited under the Management Services Agreement dated 30 March 1995.

### 5 Staff costs

The directors received no remuneration for services provided to the company.

### 6 Tax on profit on ordinary activities

The tax charge for the period is nil after reflecting group relief transferred from CCMI Services (Europe) Limited for no consideration.

### 7 Debtors

	1995 US\$
Amounts owed by group undertakings	<u>3</u>

### 8 Creditors: Amounts falling due within one year

	1995 US\$
Amounts due to group undertakings	<u>64,519</u>



## Notes to the financial statements (continued)

### 9 Called-up share capital

	1995 US\$
<i>Authorised</i>	
500,000 ordinary shares of US\$1 each	500,000
1,000 ordinary shares of £1 each	1,500
	<hr/>
Allotted, called-up and fully paid	501,500
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300,000 ordinary shares of US\$1 each	300,000
<i>Allotted and called-up</i>	
2 ordinary shares of £1 each	3
	<hr/>
	300,003
	<hr/>

### 10 Reconciliation of movements in shareholders

	1995 US\$
Profit for the period	1,998
Opening shareholders' funds	300,003
	<hr/>
Closing shareholder's funds	302,001
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### 11 Ultimate parent company

The company is a subsidiary undertaking of China Strong Investments Limited, incorporated in the British Virgin Islands.

The largest group in which the results of Crosby Capital Markets International (Europe) Limited are consolidated is that headed by Crosby Holdings Limited, incorporated in the British Virgin Islands. The smallest group in which they are consolidated is that headed by CMMI Holdings (Europe) Limited, incorporated in England and Wales. The consolidated financial statements of CMMI Holdings (Europe) Limited are available to the public. The consolidated financial statements of Crosby Holdings Limited are not available to the public.