



# 3i Asia Pacific plc

Annual report and accounts  
for the year to 31 March 2008

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COMPANIES HOUSE

## Directors' report

The Directors submit their report with the financial statements for the year to 31 March 2008

### Business review

#### Principal activity

The principal activity of 3i Asia Pacific plc (the "Company") is to act as investment adviser to 3i Investments plc for Asia. The investment advice is provided to 3i Investments plc in its role as investment manager to 3i Group plc and as fund manager for 3i Asia Pacific Technology LP.

The Company has its Head Office in London (Great Britain) and has branches in Hong Kong, Singapore (dormant) and has representative offices in Beijing (China) and Shanghai (China).

The Directors do not consider that the Company carries on substantially different classes of business and no segmental information has been presented.

#### Development

The economy of the Asia-Pacific region has continued to grow rapidly during the year and investment activity has increased.

#### Principal risks and uncertainties

The Company's income is derived from an intercompany fee from a fellow subsidiary therefore it has minimal exposure to commercial risk. The Company reports in Sterling but has exposure to four currencies (US Dollars, Hong Kong Dollars, Chinese Renminbi and Singaporean Dollars) from trading in the branches. This exposure is limited by maintaining minimal net assets in the overseas branches.

### Results and dividends

The profit for the year after tax amounted to £561,000 (2007 profit £284,000). The Directors do not recommend a dividend for the year (2007 £nil).

### Directors

J C Murphy

D B Dench – appointed 1 November 2007

J F Paton - resigned 20 August 2007

A W W Brierley – resigned 1 November 2007

## 3i Asia Pacific plc

### Directors' report

#### Statement of Directors' responsibilities

The Directors are required by UK company law to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of the year and of the result for the year. The Directors have responsibility for ensuring that proper accounting records are kept which disclose with reasonable accuracy the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Suitable accounting policies, which follow generally accepted accounting practice and are explained in the section entitled accounting policies, have been applied consistently and applicable accounting standards have been followed. In addition, these financial statements comply with International Financial Reporting Standards as adopted by the European Union and reasonable and prudent judgments and estimates have been used in their preparation.

#### Going concern

The Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

#### Policy for paying creditors

It is the policy of the 3i group of companies to pay suppliers in accordance with the terms and conditions of the relevant markets in which it operates. Expenses are paid on a timely basis in the ordinary course of business. At the year end, trade creditors represented 22 days purchases (2007 15 days).

#### Audit information

Pursuant to s234ZA (2) of the Companies Act 1985, each of the Directors confirms that (a) so far as they are aware, there is no relevant audit information of which the auditors are unaware, and (b) they have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

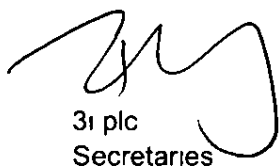
3i Asia Pacific plc

## Directors' report

### Auditors

In accordance with section 384 of the Companies Act 1985, a resolution proposing the reappointment of Ernst & Young LLP as auditors of the Company will be put to the forthcoming Annual General Meeting

By Order of the Board



3i plc  
Secretaries

Registered Office  
16 Palace Street  
London SW1E 5JD

30/5/ 2008

## 3i Asia Pacific plc

### Independent auditors' report to the members of 3i Asia Pacific plc

We have audited the Company's financial statements for the year to 31 March 2008 which comprise the income statement, statement of recognised income and expense, balance sheet, cash flow statement, accounting policies A to J and the related notes 1 to 18. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of Directors and auditors

The Directors are responsible for preparing the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union as set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' report is consistent with the financial statements.

We also report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

3i Asia Pacific plc

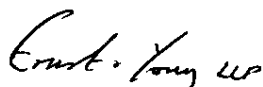
## Independent auditors' report to the members of 3i Asia Pacific plc

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, in accordance with IFRSs as adopted by the European Union, of the state of the Company's affairs as at 31 March 2008 and of its profit for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



Ernst & Young LLP  
Registered Auditor  
London

*30 May 2008*

### 3I Asia Pacific plc

## Income statement

for the year to 31 March 2008

	Notes	2008 £'000	2007 £'000
<b>Revenue</b>	1	6,355	4,969
Administrative expenses		(6,037)	(4,496)
<b>Operating profit</b>	2	318	473
Finance income	5	-	2
Exchange movements		378	(84)
Finance costs	6	(1)	-
<b>Profit before tax</b>		695	391
Income taxes	8	(134)	(107)
<b>Profit after tax for the year</b>		561	284

All items in the above statement are derived from continuing operations

## Statement of recognised income and expense

	2008 £'000	2007 £'000
Profit for the year	561	284
Exchange differences on translation of foreign operations	(470)	14
<b>Total recognised income and expense for the year</b>	91	298

3i Asia Pacific plc

Balance sheet

as at 31 March 2008

	Notes	2008 £'000	2007 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Equipment	9	401	320
		401	320
<b>Current assets</b>			
Other receivables	10	2,047	2,485
Cash and cash equivalents		908	217
		2,955	2,702
<b>Total assets</b>		<b>3,356</b>	<b>3,022</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	11	1,467	1,294
<b>Total liabilities</b>		<b>1,467</b>	<b>1,294</b>
<b>Net assets</b>		<b>1,889</b>	<b>1,728</b>
<b>Equity</b>			
Issued Capital	12,13	140	140
Share premium	13	360	360
Translation reserve	13	(456)	14
Retained earnings	13	1,845	1,214
<b>Total equity</b>		<b>1,889</b>	<b>1,728</b>

The financial statements have been approved and authorised for issue by the Board of Directors

 Director  
30/5/2008



## 3i Asia Pacific plc

### Cash flow statement

for the year to 31 March 2008

	2008 £'000	2007 £'000
Profit before taxation	695	391
Adjustments for		
Depreciation	195	139
Interest payable	1	-
Interest receivable	-	(2)
Loss on disposal of assets	28	-
Share based payment charge	70	40
<b>Cash flow from operating activities</b>	<b>989</b>	<b>568</b>
Taxes paid	(79)	(124)
Interest paid	(1)	-
Interest received	-	2
Decrease/(increase) in receivables	438	(1,230)
Increase in payables	118	882
<b>Net cash flow from operating activities</b>	<b>1,465</b>	<b>98</b>
<b>Cash flow from investing activities</b>		
Purchase of equipment	(304)	(286)
<b>Net cash flow from investing activities</b>	<b>(304)</b>	<b>(286)</b>
<b>Change in cash and cash equivalents</b>	<b>1,161</b>	<b>(188)</b>
<b>Cash and cash equivalents at 1 April</b>	<b>217</b>	<b>391</b>
<b>Effect of exchange rate fluctuations</b>	<b>(470)</b>	<b>14</b>
<b>Cash and cash equivalents at 31 March</b>	<b>908</b>	<b>217</b>

### 3i Asia Pacific plc

## Accounting policies

**A Statement of compliance** These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations issued or adopted by the International Accounting Standards Board for use in the European Union ("IFRS")

These financial statements have been prepared in accordance with and in compliance with the Companies Act 1985

**New standards and interpretations not applied** The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates

International Accounting Standards (IAS/IFRS's)	periods beginning on or after
IFRS 2 Amendment - Share-based payments Vesting conditions and cancellations	1 January 2009
IFRS 8 Operating Segments	1 January 2009
IAS 1 Presentation of Financial Statements (Revised)	1 January 2009
IAS 23 Borrowing Costs (Revised)	1 January 2009
IAS 27 Amendment - Consolidation and Separate Financial Statements	1 July 2009
IFRIC 12 Service Concession Arrangements	1 January 2008
IFRIC 13 Customer Loyalty Payments	1 July 2008
IFRIC 14 IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2008

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application

**B Basis of preparation** The financial statements are presented in Sterling, the functional currency of the Company, and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The most significant techniques for estimation are described in the accounting policies below.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

### 31 Asia Pacific plc

## Accounting policies

### C Exchange differences

**(i) Foreign currency transactions** Transactions in currencies different from the functional currency of the Company are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Sterling at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Sterling using exchange rates ruling at the date the fair value was determined.

**(ii) Financial statements of non-Sterling operations** The assets and liabilities of branches whose functional currency is not Sterling, are translated to Sterling at exchange rates ruling at the balance sheet date. The revenues and expenses of these branches are translated to Sterling at rates approximating to the exchange rates ruling at the dates of the transactions. Exchange differences arising on retranslation are recognised directly in a separate component of equity, the translation reserve, and are released upon disposal of the non-Sterling branch.

**D Equipment** Equipment is depreciated by equal annual instalments over the estimated useful life of five years.

**E Cash and cash equivalents** Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above.

**F Income taxes** Income taxes represent the sum of the tax currently payable and deferred tax.

The tax currently payable is based on the taxable profit for the year. This may differ from the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ("temporary differences"), and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### 3i Asia Pacific plc

## Accounting policies

**G Financial instruments** Financial instruments are made up of accounts receivable, accounts payable and cash and cash equivalents. The Directors consider that the fair value of accounts receivables and accounts payable approximate their carrying value. There are no other financial instruments.

**H Revenue recognition** Revenue comprises advisory fees and investment related fees and is recognised on an accruals basis.

**I Operating leases** Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

**J Share-based payments** In accordance with the transitional provisions of IFRS 1, the requirements of IFRS 2 have been applied to all grants of equity instruments after 7 November 2002, that were not vested at 1 January 2005.

The Company enters into arrangements that are equity-settled share-based payments with certain employees (including Directors). These are measured at fair value at the date of grant, which is then recognised in profit and loss on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest. Fair value is measured by use of an appropriate model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares. The charge is adjusted at each balance sheet date to reflect the actual number of forfeitures, cancellations and leavers during the period. The movement in cumulative changes since the previous balance sheet is recognised in the income statement, with a corresponding entry in equity.

### 3i Asia Pacific plc

## Notes to the financial statements

### 1 Revenue

	2008 £'000	2007 £'000
Advisory fees	6,043	4,864
Other fees	312	105
	6,355	4,969

### 2 Operating profit

	2008 £'000	2007 £'000
Operating profit is stated after charging		
Depreciation on owned assets	195	139
Auditors' remuneration - audit fees	4	-
Loss on disposal of property, plant and equipment	28	-

Audit fees have now been allocated to the individual subsidiaries, where previously they were borne by the Group Company

### 3 Staff costs

	2008 £'000	2007 £'000
Wages and salaries	3,451	2,935
Other pension costs	16	14
Share based payment	70	40
	3,537	2,989

The average number of employees during the year was 25 (2007 23)

## 3i Asia Pacific plc

### Notes to the financial statements

#### 4 Directors' emoluments

The aggregate emoluments of the Directors were

	<b>2008 £'000</b>	<b>2007 £'000</b>
Salary and benefits	284	404
Performance related payments	462	168
	<b>746</b>	<b>572</b>

Two Directors (2007: 2) exercised share options in the ordinary shares of 3i Group plc during the year. Retirement benefits are accruing to all Directors under the 3i Group Pension Plan (note 7).

#### Highest paid Director

Emoluments of the highest paid Director were

	<b>2008 £'000</b>	<b>2007 £'000</b>
Salary and benefits	284	404
Performance related payments	462	168
	<b>746</b>	<b>572</b>

#### 5 Finance income

	<b>2008 £'000</b>	<b>2007 £'000</b>
Bank interest receivable	-	2

### 3i Asia Pacific plc

## Notes to the financial statements

### 6 Finance costs

	2008 £'000	2007 £'000
Bank loans and overdrafts	1	-

### 7 Retirement benefit obligation

Certain employees of the Company participate in a funded defined benefit scheme, the 3i Group Pension Plan (the Plan). The assets of the Plan are independent of 3i Group plc's finances and are administered by Trustees.

The total pension cost in respect of the Plan recognised in the income statement of the Company for the year to 31 March 2008 was £nil (2007: £nil).

In addition, the cost recognised in the income statement of the Company in respect of defined contribution schemes was £17,000 (2007: £14,000). There were no outstanding contributions at the balance sheet date.

The last actuarial valuation as at 30 June 2004 was updated on an IAS 19 basis by an independent qualified actuary at 31 March 2008.

As at 31 March 2008, the net pension liability of the Plan was £38m (2007: £1m). Full details of the IAS 19 disclosure are included in the accounts of 3i Group plc.

### 8 Income Taxes

	2008 £'000	2007 £'000
<b>Current tax</b>		
UK Corporation tax	32	32
Less: relief for foreign tax	(32)	(32)
Foreign taxes	134	107
<b>Total income taxes in the income statement</b>	<b>134</b>	<b>107</b>

### 3i Asia Pacific plc

## Notes to the financial statements

### 8 Income Taxes (continued)

#### Reconciliation of income tax expense in the income statement

The tax for the year is different to the standard rate of corporation tax in the UK, currently 30% (2007 30%), and the differences are explained below

	2008 £'000	2007 £'000
Profit before tax	695	391
Profit before tax multiplied by rate of corporation tax in the UK of 30% (2007 30%)	209	117
Effects of		
Expenses not deductible for tax purposes	49	39
Timing differences in respect of capital allowances for the period differing from the depreciation	36	22
Utilisation of tax losses (surrendered)/claimed as group relief for nil consideration	(262)	(146)
Foreign tax suffered	134	107
Foreign tax credits available for double tax relief	(32)	(32)
Total income taxes in the income statement	134	107

#### Deferred tax

At 31 March 2008 the Company had deductible temporary differences of £213,000 (2007 £93,000) relating to capital allowances and other timing differences and excess unutilised foreign tax credits of £83,000 (2007 £16,000). It is considered uncertain that there will be sufficient taxable profits in the future against which these deferred tax assets can be offset and therefore the assets have not been recognised. These assets are available to carry forward indefinitely.



### 3i Asia Pacific plc

## Notes to the financial statements

### 9 Equipment

	Equipment £'000
Cost	
At 1 April 2006	419
Additions	286
At 31 March 2007	705
Additions	304
Disposals	(275)
At 31 March 2008	734
Accumulated depreciation	
At 1 April 2006	246
Charge for the year	139
At 31 March 2007	385
Charge for year	195
Disposals	(247)
At 31 March 2008	333
Net book value at 31 March 2008	401
Net book value at 31 March 2007	320

### 3i Asia Pacific plc

## Notes to the financial statements

<b>10 Other receivables</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed by group undertakings	1,748	2,287
Prepayments and accrued income	299	198
	<hr/>	<hr/>
	2,047	2,485
	<hr/>	<hr/>

<b>11 Other payables</b>	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Other taxes and social security costs	-	3
Tax payable	108	53
Other payables	1,359	1,238
	<hr/>	<hr/>
	1,467	1,294
	<hr/>	<hr/>

## 3i Asia Pacific plc

### Notes to the financial statements

#### 12 Share capital

	Number of shares	Amount £'000
Authorised ordinary shares of £1 each		
At 1 April 2007 and 31 March 2008	500,000	500
Called up, allotted and fully paid ordinary shares of £1 each		
At 1 April 2007 and 31 March 2008	140,000	140

#### 13 Reconciliation of movement in equity

	Issued capital £'000	Share Premium £'000	Trans- lation reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2006	140	360	-	890	1,390
Total recognised income and expense	-	-	14	284	298
Contribution from parent for share based payments	-	-	-	40	40
At 31 March 2007	140	360	14	1,214	1,728
At 1 April 2007	140	360	14	1,214	1,728
Total recognised income and expense	-	-	(470)	561	91
Contribution from parent for share based payments	-	-	-	70	70
At 31 March 2008	140	360	(456)	1,845	1,889

#### Translation reserve

The translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign branches

### 3i Asia Pacific plc

## Notes to the financial statements

#### 14 Obligations under leases and hire purchase contracts

##### Leases as Lessee

Annual commitments under non-cancellable leases are as follows

	<b>Land and buildings</b>	
	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Operating leases which expire		
Within one year	607	294
In two to five years	662	147
At 31 March	1,269	441

During the year ended 31 March 2008, £421,000 was recognised as an expense in the income statement in respect of operating leases (2007 £220,000)

#### 15 Parent undertaking and controlling party

The Company's immediate parent undertaking is 3i Holdings plc

The Company's ultimate parent undertaking and controlling party is 3i Group plc which is incorporated in Great Britain and registered in England and Wales. Copies of its group financial statements, which include the Company, are available from 16 Palace Street, London SW1E 5JD

## Notes to the financial statements

### 16 Share-based payments

#### Equity-settled share option schemes

##### Share options

Employees of the Company are eligible to participate in 3i Group plc share option schemes that entitle them to purchase shares in 3i Group plc. Options are exercisable at a price based on the market value of the 3i Group plc's shares on the date of grant. Share based payments are received in the relevant employing entity. Each of the schemes has different vesting periods and conditions and these are summarised below.

##### The 3i Executive 1994 Share Option Plan

Options granted between 1 January 1995 and 31 March 2001 were granted under this plan and are normally exercisable between the third and tenth anniversaries of the date of grant provided that a performance condition has been met over a rolling three year period. This requires that the adjusted net asset value per share (after adding back dividends paid during the three year performance period) at the end of the three year period is equal to or in excess of the net asset value per share at the beginning of the period compounded annually over the period by the annual increase in the RPI plus 4%.

##### The 3i Group Discretionary Share Plan

Options granted after 31 March 2001 were granted under the Discretionary Share Plan and are normally exercisable between the third and tenth anniversaries of the date of grant to the extent a performance target has been met over a performance period of three years from the date of grant. For options granted between 1 April 2001 and 31 March 2003, if the minimum threshold for vesting is not achieved in the first three years from grant, the performance period is extended to four and then five years from the date of grant but from the same base year. For options granted after 31 March 2003 and for options granted to three Directors in June 2003, if the minimum threshold for vesting is not achieved in the first three years from grant, the performance period is extended to four and then five years from the date of grant but from the same base year. For options granted between 1 April 2003 and 31 March 2004 the performance period is extended to four years for the date of grant. For options granted after 31 March 2004, there is no opportunity for the performance condition to be retested after the three year performance period.

Options granted between 1 April 2001 and 31 March 2003 were subject to a performance condition that options would vest if the annual compound growth ("ACG") in net asset value per share with dividends reinvested was RPI plus 5%. If this target was achieved then 50% of the options would vest. If the ACG was in excess of RPI plus 10% then the maximum number of shares would vest. Options would vest pro rata if the ACG was between these two amounts. For options granted after 31 March 2003 the target ACG was RPI plus 3% with maximum vesting at RPI plus 8%, except for options granted to three Directors in June 2003 where the target ACG was RPI plus 5% with maximum vesting at RPI plus 10%.

## Notes to the financial statements

**16 Share-based payments (continued)**

Details of the share options that were granted on or after 7 November 2002 and outstanding during the year are as follows

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>Number of</b>	<b>Weighted</b>	<b>Number of</b>	<b>Weighted</b>
	<b>share</b>	<b>average</b>	<b>share</b>	<b>average</b>
	<b>options</b>	<b>exercise</b>	<b>options</b>	<b>exercise</b>
		<b>price</b>		<b>price</b>
		<b>(pence)</b>		<b>(pence)</b>
Outstanding at start of the year	<b>27,809</b>	<b>645</b>	98,321	607
Granted	<b>31,466</b>	<b>458</b>	4,544	836
Forfeit	-	-	(48,827)	649
Exercised	<b>(10,932)</b>	<b>603</b>	(26,229)	568
Expired	<b>(1,839)</b>	<b>693</b>	-	-
Outstanding at end of the year	<b>46,504</b>	<b>712</b>	27,809	645
Exercisable at the end of the year	<b>22,993</b>	<b>603</b>	-	-

The range of exercise prices for options outstanding at the end of the year was

	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>Number</b>	<b>Weighted</b>	<b>Number</b>	<b>Weighted</b>
		<b>average</b>		<b>average</b>
		<b>exercise</b>		<b>exercise</b>
		<b>price</b>		<b>price</b>
		<b>(pence)</b>		<b>(pence)</b>
<b>Year of grant</b>				
2004	-	-	21,076	603
2005	<b>22,993</b>	<b>603</b>	2,706	693
2006	<b>14,578</b>	<b>693</b>	4,027	836
2007	<b>8,933</b>	<b>1,021</b>	-	-
Total	<b>46,504</b>	<b>712</b>	27,809	645

### 3i Asia Pacific plc

## Notes to the financial statements

### 16 Share-based payments (continued)

10,932 shares were exercised during the year (2007 26,229). The options outstanding at the end of the year have a weighted average contractual life of 7.025 years (2007 7.422 years). The cost of share options is spread over the vesting period of three to five years. The weighted average fair value of options granted during the year was 458p (2007 330p).

These fair values were calculated using the Black-Scholes option pricing model. The inputs to this model were as follows:

	2008	2007
Weighted average share price (£)	1,195	846
Average expected volatility (%)	29	29
Expected life (years)	8.5	8.5
Average risk free rate (%)	5.5	4.6
Average expected dividend yield (%)	1.7	1.6

The expected life of the option is based on the best estimate of the Directors following a review of the profile of the award holders. Expected volatility was determined using an average of the implied volatility on grant and historic share price volatility of the preceding 8.5 years. No options have been repriced during the year (2007 100). All share options are equity settled.

#### Total costs

The total cost recognised in profit or loss for each of the share schemes is as follows:

	2008 £'000	2007 £'000
Share options	70	40

### 3i Asia Pacific plc

## Notes to the financial statements

### 17 Related parties

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. There are no other key management personnel. Each of these categories of related parties and their impact on the financial statements is detailed below.

#### Fellow subsidiaries

##### *Advisory arrangements*

Total fees for advisory services, including the amount of accrued fees due at the end of the period, are detailed below.

	2008 £'000	2007 £'000
Advisory fees charged for the year	6,043	4,864
Of which accrued at end of year	1,253	1,782

##### *Service and License arrangements*

Total service and licensing fees, including the amount of accrued fees due at the end of the period, are detailed below.

	2008 £'000	2007 £'000
Of which accrued at end of year	-	10

#### Parent company

##### *Borrowing arrangements*

The Company has an outstanding receivable balance with its parent company.

	2008 £'000	2007 £'000
Accrued at end of year	495	495



## 3i Asia Pacific plc

### Notes to the financial statements

#### 18 Financial risk management

The Company is a subsidiary of 3i Group plc. The Group sets objectives, policies and processes for managing and monitoring risk as set out in the Directors' report in the 3i Group plc annual report. This note provides further information on the specific risks faced by the Company.

The capital structure of the Company consists of equity and intercompany loans which are due on demand. There is sufficient capital in the Company to cover liabilities and the Company is free to transfer capital to the parent company subject to maintaining sufficient reserves to meet statutory obligations. No significant constraints have been identified in the past and the Company has been able to distribute profits in a tax-efficient manner.

#### Financial risks

The Directors do not believe that there is significant credit risk as amounts owed by the Company's debtors are due from other Group companies and are repayable on demand.

Liquidity risk is managed at the Group level as discussed in the Directors' report in the 3i Group plc annual report.

The Company's liabilities are due on demand and there is no difference between the carry value of the liability and the contractual undiscounted cashflows due thereon.

The Directors do not believe that there is significant market risk as the Company does not hold fixed or floating rate loans or liabilities (other than intercompany loans), or investments which are exposed to market fluctuations.

Currency risk is managed at the Group level by matching foreign currency assets with foreign currency liabilities. The exposure to the Sterling, Chinese Renminbi, Hong Kong Dollar, US Dollar and other sundry currencies combined is shown in the table below.

# 3i Asia Pacific plc

## Notes to the financial statements

### 18 Financial risk management (continued)

	2008	2008	2008	2008	2008	2008
		Chinese	Hong			
At 31 March 2008	Sterling	Renminbi	Kong	US Dollar	Other	Total
	£'000	£'000	Dollar	£'000	£'000	£'000
Assets	6,208	640	953	932	226	8,959
Liabilities	-	(6,349)	(674)	-	(47)	(7,070)
Net assets	6,208	(5,709)	279	932	179	1,889

Assuming a 5% movement in exchange rates against sterling

Impact on exchange movements in the

Income statement	-	(3)	61	(47)	-	11
Reserves	-	275	(74)	-	-	201
Total	-	272	(13)	(47)	-	212

	2007	2007	2007	2007	2007	2007
		Chinese	Hong			
At 31 March 2007	Sterling	Renminbi	Kong	US Dollar	Other	Total
	£'000	£'000	Dollar	£'000	£'000	£'000
Assets	3,171	472	342	986	202	5,173
Liabilities	-	(2,760)	(648)	-	(37)	(3,445)
Net assets	3,171	(2,288)	(306)	986	165	1,728

Assuming a 5% movement in exchange rates against sterling

Impact on exchange movements in the

Income statement	-	3	(88)	49	-	(36)
Reserves	-	(123)	72	-	-	(51)
Total	-	(120)	(16)	49	-	(87)