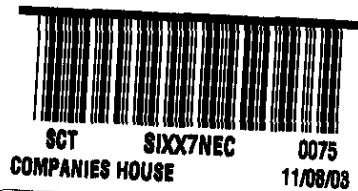


TULLIS RUSSELL ASIA PACIFIC LIMITED

Report and Financial Statements

31 March 2003



TULLIS RUSSELL ASIA PACIFIC LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

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TULLIS RUSSELL ASIA PACIFIC LIMITED

REPORT AND FINANCIAL STATEMENTS 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

F A W Bowden
P H Fieldsend
S R Klein

SECRETARY

G D Miller

REGISTERED OFFICE

c/o Tullis Russell Group Limited
Rothesfield
Markinch
Glenrothes
Fife
KY7 6PB

SOLICITORS

Dundas & Wilson CS
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EN

TULLIS RUSSELL ASIA PACIFIC LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 March 2003.

ACTIVITIES

The principal activity of the company is an investment holding company.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The company did not trade during the year under review. Accordingly, the company made neither a profit or a loss and no profit and loss account has been presented as part of these financial statements. The directors do not envisage any trading in the foreseeable future.

DIRECTORS

The present membership of the Board is set out on page 1.

The directors hold no beneficial interests in the company.

F A W Bowden and S R Klein are directors of Tullis Russell Group Limited and information concerning their shareholdings is given in the accounts of that company.

Approved by the Board of Directors
and signed by order of the Board



Secretary

2 June 2003

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

TULLIS RUSSELL ASIA PACIFIC LIMITED

BALANCE SHEET

As at 31 March 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Investments	3	<u>2,585,678</u>	<u>2,585,678</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,585,678</u>	<u>2,585,678</u>
CREDITORS: amounts falling due after more than one year	4	<u>(2,585,677)</u>	<u>(2,585,677)</u>
		<u>1</u>	<u>1</u>
CAPITAL AND RESERVES			
Called up share capital	5	<u>1</u>	<u>1</u>
EQUITY SHAREHOLDERS' FUNDS		<u>1</u>	<u>1</u>

For the financial year ended 31 March 2003 the company was entitled to exemption from audit under section 249AA(1) of the Companies Act 1985, and no members have required the company to obtain an audit of its Accounts for the year in question in accordance with section 249B(2).

The director acknowledges his responsibility for:

- i) ensuring the company keeps accounting records which comply with section 221, and
- ii) preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 2 June 2003.

Signed on behalf of the Board of Directors



Director

TULLIS RUSSELL ASIA PACIFIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Investments

Investments are stated at the lower of cost and estimated market value.

Basis of consolidation

Advantage has been taken of Section 228 of the Companies Act 1985 not to produce consolidated financial statements as the company is a wholly owned subsidiary of Tullis Russell Group Limited.

2. PROFIT AND LOSS ACCOUNT

The company was dormant (within the meaning of s250 of the Companies Act 1985) throughout the year and has made neither profit or loss in the financial year and the preceding year hence no profit and loss statement has been prepared.

3. INVESTMENTS

	2003 £	2002 £
Shares in group undertakings		
At 1 April 2002 and 31 March 2003	<u>2,585,678</u>	<u>2,585,678</u>

Tullis Russell Coaters Korea Limited is 100% subsidiary registered in the Republic of Korea. Its principal activities are paper coating and conversion.

4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2003 £	2002 £
Loan from parent company	<u>2,585,677</u>	<u>2,585,677</u>

The loan is non interest-bearing and repayable outwith 5 years. There are no further fixed repayment terms.

TULLIS RUSSELL ASIA PACIFIC LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 March 2003

5. SHARE CAPITAL

	2003 £	2002 £
Authorised:		
Ordinary shares of £1	5,000,000	5,000,000
Issued and fully paid:		
1 Ordinary share of £1 each	1	1

6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	2003 £	2002 £
Opening shareholders funds	1	1
Closing shareholders funds	1	1

7. PARENT UNDERTAKING

The ultimate parent undertaking is Tullis Russell Group Limited. Copies of the financial statements of Tullis Russell Group Limited may be obtained from Companies House, 27 Castle Terrace, Edinburgh, EH7 2EB.