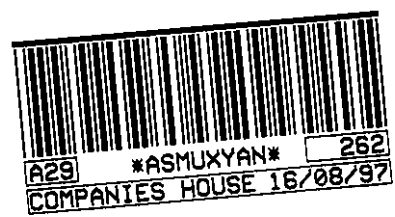


2719607.

G. K. Goh Securities (U.K.) Limited

Report and Accounts

30 June 1997



G. K. Goh Securities (U.K.) Limited

Registered No. 2719607

DIRECTORS

William Hay
Siew Hean Meng
Goh Geok Khim
Goh Yew Lin

SECRETARY

Lisa Walsh

AUDITORS

Ernst & Young
Rolls House
7 Rolls Buildings
Fetter Lane
London EC4A 1NH

BANKERS

Standard Chartered Bank
37 Gracechurch Street
London EC3V 0BX

REGISTERED OFFICE

22 Old Queen Street
London SW1H 9HW

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1997.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £52,714 (1996 - £47,349). The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be securities related business.

The directors do not foresee any change in the company's principal activity.

FIXED ASSETS

Details of the company's fixed assets are set out in note 8 of the accounts.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

William Hay
Siew Hean Meng
Goh Geok Khim
Goh Yew Lin

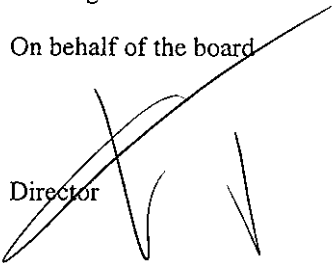
None of the directors had a disclosable interest in the share capital of the company.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

On behalf of the board

Director



6 AUG 1997

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that 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 accounts 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.

REPORT OF THE AUDITORS
to the members of G. K. Goh Securities (U.K.) Limited

We have audited the accounts on pages 5 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

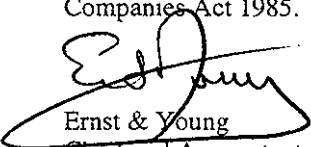
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
London

6 AUG 1997

G. K. Goh Securities (U.K.) Limited

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1997

	Notes	1997 £	1996 £
TURNOVER	2	1,777,439	1,130,836
Cost of sales		(1,136,777)	(718,131)
GROSS PROFIT		640,662	412,705
Administrative expenses		(556,022)	(358,855)
OPERATING PROFIT	3(a)	84,640	53,850
Interest income	6	21,819	18,988
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,459	72,838
Tax on profit on ordinary activities	7	53,745	25,489
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		52,714	47,349
RETAINED PROFIT FOR THE YEAR		52,714	47,349

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £52,714 in the year ended 30 June 1997 and of £47,349 in the year ended 30 June 1996.

G. K. Goh Securities (U.K.) Limited

BALANCE SHEET
at 30 June 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	8	52,068	47,409
CURRENT ASSETS			
Debtors	9	212,939	212,378
Short term deposits and cash at bank and in hand	10	535,186	532,436
		748,125	744,814
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	11	184,556	229,300
NET CURRENT ASSETS		563,569	515,514
TOTAL ASSETS LESS CURRENT LIABILITIES		615,637	562,923
CAPITAL AND RESERVES			
Called up share capital	12	500,000	500,000
Profit and loss account	13	115,637	62,923
		615,637	562,923

Director

6 AUG 1997

STATEMENT OF CASH FLOWS
for the year ended 30 June 1997

	<i>Note</i>	<i>1997</i> £	<i>1996</i> £
NET CASH INFLOW FROM OPERATING ACTIVITIES	3(b)	61,756	265,629
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		21,819	18,988
TAXATION			
Corporation tax paid		(32,975)	(26,183)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(47,850)	(2,388)
		<u>2,750</u>	<u>256,046</u>
MANAGEMENT OF LIQUID RESOURCES AND FINANCING			
Monies taken off/(placed on) short-term deposit		78,825	(232,377)
INCREASE IN CASH		<u>81,575</u>	<u>23,669</u>

The company is financed solely by equity share capital and retained profit. Therefore, the reconciliation of movements in cash to net debt as required by FRS1 (Revised) is not needed.

Note 10 shows an analysis of movements in cash and liquid resources.

NOTES TO THE ACCOUNTS
at 30 June 1997

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Fixed assets

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit and loss account. Fully depreciated assets are retained in the accounts until they are no longer in use.

Leased assets

Annual rental on operating leases is charged to the profit and loss account.

Depreciation

Depreciation is calculated using the straight line method to write off the cost of the assets over their estimated useful lives. A full year's charge is provided in the year of acquisition. The estimated useful lives are as follows:

Furniture, fittings and leasehold improvements	-	5 years
Communication equipment	-	5 years
Computer equipment	-	3 years

Deferred tax

Deferred taxation is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of taxation deferred on account of all timing differences is reflected in the deferred taxation account. Deferred tax benefits are not recognised unless there is reasonable expectation of their realisation.

Pensions

The company operates a defined contribution scheme. Contributions are charged in the profit and loss account as they become payable.

Comparative figures

Certain comparative figures have been reclassified to be consistent with the basis of preparation adopted in this year's accounts.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to another group undertaking and is attributable to one continuing activity, the introduction of securities related business to that fellow group undertaking. All turnover is generated in the Far East.

NOTES TO THE ACCOUNTS
at 30 June 1997

3. OPERATING PROFIT

(a) This is stated after charging:

		1997 £	1996 £
Auditors' remuneration	- audit services	8,200	6,455
	- non-audit services	1,750	6,400
Depreciation of fixed assets		43,191	33,588
Operating lease rentals	- land and buildings	60,000	18,711
		<u>60,000</u>	<u>18,711</u>

(b) Reconciliation of operating profit to net cash inflow from operating activities:

	1997 £	1996 £
Operating profit	84,640	53,850
Depreciation	43,191	33,588
(Increase)/decrease in debtors	(561)	73,274
(Decrease)/increase in creditors	(65,514)	104,917
Net cash inflow from continuing operating activities	<u>61,756</u>	<u>265,629</u>

4. DIRECTORS' EMOLUMENTS

	1997 £	1996 £
Emoluments (including pension contributions)	<u>421,436</u>	<u>249,962</u>

The emoluments, excluding pension contributions, of the highest paid director were £322,709 (1996 - £185,797).

5. STAFF COSTS

	1997 £	1996 £
Wages and salaries	879,192	609,521
Social security costs	89,004	62,171
Other pension costs	158,476	37,525
	<u>1,126,672</u>	<u>709,217</u>

The average weekly number of employees during the year was 9 (1996 - 6).

6. INTEREST INCOME

	1997 £	1996 £
Bank deposit	<u>21,819</u>	<u>18,988</u>

NOTES TO THE ACCOUNTS
at 30 June 1997

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1997 £	1996 £
Based on the profit for the year:		
Corporation tax at 33%	51,653	30,883
Corporation tax under/(over) provided in previous year	2,092	(5,394)
	<u>53,745</u>	<u>25,489</u>

8. TANGIBLE FIXED ASSETS

	<i>Furniture and fittings</i> £	<i>Communications equipment</i> £	<i>Computer equipment</i> £	<i>Leasehold improvements</i> £	<i>Total</i> £
Cost:					
At 1 July 1996	59,913	26,140	31,606	20,018	137,677
Additions	15,403	11,389	21,058	–	47,850
Disposals	–	–	–	(20,081)	(20,018)
At 30 June 1997	<u>75,316</u>	<u>37,529</u>	<u>52,664</u>	<u>–</u>	<u>165,509</u>
Depreciation					
At 1 July 1996	36,944	15,305	18,001	20,018	90,268
Provided during the year	15,063	7,506	20,622	–	43,191
Disposals	–	–	–	(20,018)	(20,018)
At 30 June 1997	<u>52,007</u>	<u>22,811</u>	<u>38,623</u>	<u>–</u>	<u>113,441</u>
Net book value:					
At 30 June 1997	<u>23,309</u>	<u>14,718</u>	<u>14,041</u>	<u>–</u>	<u>52,068</u>
At 1 July 1996	<u>22,969</u>	<u>10,835</u>	<u>13,605</u>	<u>–</u>	<u>47,409</u>

9. DEBTORS

	1997 £	1996 £
Amount owed by group undertakings	167,385	158,052
Other debtors	12,732	10,053
Prepayments and accrued income	32,822	16,773
Lease deposit	–	27,500
	<u>212,939</u>	<u>212,378</u>

NOTES TO THE ACCOUNTS
at 30 June 1997

10. ANALYSIS OF MOVEMENTS IN CASH AND LIQUID RESOURCES

	<i>At 1 July 1996 £</i>	<i>Cash flows £</i>	<i>At 30 June 1997 £</i>
Cash in hand and at bank	42,684	81,575	124,259
Short term deposit	489,752	(78,825)	410,927
	<u>532,436</u>	<u>2,750</u>	<u>535,186</u>

11. CREDITORS: amounts falling due within one year

	<i>1997 £</i>	<i>1996 £</i>
Trade creditors	15,690	2,211
Amounts owed to group undertaking	3,767	—
Corporation tax	51,653	30,883
Other taxes and social security costs	24,239	20,167
Accruals	89,207	176,039
	<u>184,556</u>	<u>229,300</u>

12. SHARE CAPITAL

	<i>1997 No.</i>	<i>Authorised 1996 No.</i>	<i>Allotted, called up and fully paid 1997 £</i>	<i>1996 £</i>
Unclassified shares of £1 each	500,000	500,000	500,000	500,000

13. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 July 1996	500,000	62,923	562,923
Profit for the year	—	52,714	52,714
At 30 June 1997	<u>500,000</u>	<u>115,637</u>	<u>615,637</u>

14. LEASING COMMITMENTS

At 30 June 1997 the company had the following leasing commitments:

- (a) Annual rentals of £3,180 under an operating lease for equipment; the lease will expire in three years.
- (b) Annual rentals of £84,000 under an operating lease for the premises; the lease will expire in three years.

NOTES TO THE ACCOUNTS

at 30 June 1997

15. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for its directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

16. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption given in FRS8 to subsidiaries from disclosing related party transactions with other group companies.

17. PARENT UNDERTAKING

The immediate parent undertaking is G. K. Goh Holdings Limited, a company incorporated in Singapore, and the ultimate parent undertaking is GKG Investment Holdings Pte Ltd, also incorporated in Singapore.

The accounts of the companies are available from 50 Raffles Place, # 33-00 Singapore Land Tower, Singapore 048623.