

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

Registered No. 2719607

DIRECTORS

Michael Clarke
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

ERNST & YOUNG



DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 June 1998.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £50,344 (1997 - £52,714). 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 (resigned 6 October 1997)
Siew Hean Meng
Goh Geok Khim
Goh Yew Lin
Michael Clarke (appointed 7 August 1997)

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

YEAR 2000 COMPLIANCE

As is well known, many computer systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate for the Year 2000 and beyond in order to avoid malfunction and subsequent commercial disruption.

The operation of our business depends on the computer systems of various suppliers. The company has received assurances from these suppliers that their systems are Year 2000 compliant. The company believes that there are no significant costs associated with Year 2000 compliance.

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

07 AUG 1998

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 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

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 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Ernst & Young
Registered Auditor
London

07 AUG 1998

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

PROFIT AND LOSS ACCOUNT for the year ended 30 June 1998

	Notes	1998 £	1997 £
TURNOVER	2	1,116,227	1,777,439
Cost of sales		(648,921)	(1,136,777)
GROSS PROFIT		467,306	640,662
Administrative expenses		(414,152)	(556,022)
OPERATING PROFIT	3	53,154	84,640
Interest income	6	35,086	21,819
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		88,240	106,459
Tax on profit on ordinary activities	7	37,896	53,745
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		50,344	52,714
RETAINED PROFIT FOR THE YEAR		50,344	52,714

The operating profit arises wholly from continuing activities.

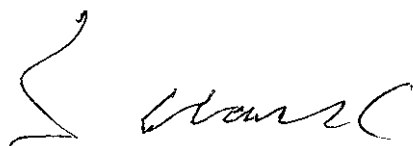
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £50,344 in the year ended 30 June 1998 and of £52,714 in the year ended 30 June 1997.

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

BALANCE SHEET at 30 June 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	8	28,191	52,068
		<u> </u>	<u> </u>
CURRENT ASSETS			
Debtors	9	108,455	212,939
Short term deposits and cash at bank and in hand		660,943	535,186
		<u> </u>	<u> </u>
		769,398	748,125
CURRENT LIABILITIES			
CREDITORS: amounts falling due within one year	10	131,608	184,556
		<u> </u>	<u> </u>
NET CURRENT ASSETS		637,790	563,569
		<u> </u>	<u> </u>
TOTAL ASSETS LESS CURRENT LIABILITIES		665,981	615,637
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	11	500,000	500,000
Profit and loss account	12	165,981	115,637
		<u> </u>	<u> </u>
		665,981	615,637
		<u> </u>	<u> </u>



Director

07 AUG 1998

NOTES TO THE ACCOUNTS

at 30 June 1998

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.

Cash flow statement

The directors have taken advantage of the exemption in paragraph 5(a) of Financial Reporting Statement 1 (Revised) 1996 from producing a cash flow statement.

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.

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

NOTES TO THE ACCOUNTS at 30 June 1998

3. OPERATING PROFIT

This is stated after charging:

		1998 £	1997 £
Auditors' remuneration	- audit services	6,500	8,200
	- non-audit services	2,000	1,750
Depreciation of fixed assets		30,993	43,191
Operating lease rentals	- land and buildings	84,000	60,000
	- equipment	3,180	-
		<u>126,673</u>	<u>113,141</u>

4. DIRECTORS' EMOLUMENTS

	1998 £	1997 £
Emoluments (including pension contributions)	154,210	421,436
	<u>154,210</u>	<u>421,436</u>

The emoluments, excluding pension contributions, of the highest paid director were £73,333 (1997 - £322,709).

5. STAFF COSTS

	1998 £	1997 £
Wages and salaries	539,696	879,192
Social security costs	52,345	89,004
Other pension costs	56,880	158,476
	<u>648,921</u>	<u>1,126,672</u>

The average weekly number of employees during the year was 9 (1997 - 9).

6. INTEREST INCOME

	1998 £	1997 £
Bank deposit	35,086	21,819
	<u>35,086</u>	<u>21,819</u>

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
Based on the profit for the year:		
Corporation tax at 31%	38,674	51,653
Corporation tax under/(over) provided in previous year	(778)	2,092
	<u>37,896</u>	<u>53,745</u>

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

NOTES TO THE ACCOUNTS at 30 June 1998

8. TANGIBLE FIXED ASSETS

	<i>Furniture and fittings</i> £	<i>Communications equipment</i> £	<i>Computer equipment</i> £	<i>Total</i> £
Cost:				
At 1 July 1997	75,316	37,529	52,664	165,509
Additions	2,805	—	4,743	7,548
Disposals	(3,699)	—	—	(3,699)
At 30 June 1998	74,422	37,529	57,407	169,358
Depreciation				
At 1 July 1997	52,007	22,811	38,623	113,441
Provided during the year	14,887	7,504	8,602	30,993
Disposals	(3,267)	—	—	(3,267)
At 30 June 1998	63,627	30,315	47,225	141,167
Net book value:				
At 30 June 1998	10,795	7,214	10,182	28,191
At 1 July 1997	23,309	14,718	14,041	52,068

9. DEBTORS

	<i>1998</i> £	<i>1997</i> £
Amount owed by group undertakings	51,359	167,385
Other debtors	8,595	12,732
Prepayments and accrued income	48,501	32,822
	108,455	212,939

10. CREDITORS: amounts falling due within one year

	<i>1998</i> £	<i>1997</i> £
Trade creditors	26,648	15,690
Amounts owed to group undertaking	13,321	3,767
Corporation tax	38,674	51,653
Other taxes and social security costs	16,873	24,239
Accruals	36,092	89,207
	131,608	184,556

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

NOTES TO THE ACCOUNTS at 30 June 1998

11. SHARE CAPITAL

	1998 No.	Authorised 1997 No.	Allotted, called up and fully paid 1998 £	1997 £
Unclassified shares of £1 each	500,000	500,000	500,000	500,000

12. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 July 1997	500,000	115,637	615,637
Profit for the year	—	50,344	50,344
At 30 June 1998	500,000	165,981	665,981

13. LEASING COMMITMENTS

At 30 June 1998 the company had the following leasing commitments:

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

14. 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.

15. 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.

16. 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.