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FINANCIAL STATEMENTS

FOR

ASIAN-PACIFIC FINANCE LIMITED

as at 30 June 1995



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COMPANIES HOUSE 26/07/96

Asian-Pacific Finance Limited

Director's report and financial statements

30 June 1995

Registered number 1287412

Asian-Pacific Finance Limited

Director's report and financial statements

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Director's report

The director presents his annual report and the audited financial statements for the year ended 30 June 1995.

Principal activities and future developments

The company finances trade and capital development exclusively in the Asia/Pacific Region through its Hong Kong Branch. The director does not foresee any major change in the company's activities in the foreseeable future.

Residency

Management and control of the company is exercised outside the United Kingdom at all times.

Dividends and transfers to reserves

The director does not propose the payment of a dividend (*1994: US\$nil*). A loss of US\$4,771 was made during the year and has been transferred to reserves (*1994: US\$1,134 profit*).

Director and Director's interests

The director in office during the year was:

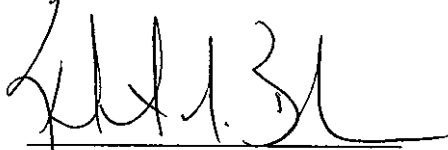
Orion Inc.

According to the register of directors' interests, no interest in the share capital of the company was held by the director at 30 June 1995 or at 30 June 1994 and no rights to subscribe for shares in or debentures of the company were granted to the director or any connected person, or exercised by them, during the financial year.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



ORION INC. (*Director*)

by its authorised officer

19th July 1996

Asian-Pacific Finance Limited

Statement of director's responsibilities

Company law requires the director to prepare financial statements 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 financial statements, the director is 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.



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Auditors' report to the members of Asian-Pacific Finance Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those 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 state of the company's affairs as at 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
Chartered Accountants
Registered Auditors

19 July 1996

Asian-Pacific Finance Limited

Profit and loss account

for the year ended 30 June 1995

	<u>Note</u>	<u>1995</u>	<u>1994</u>
		US\$	US\$
Interest received and receivable		608,559	580,946
Other operating income		6,060	1,240
		-----	-----
Other expenses		614,619	582,186
		(38,627)	(28,600)
		-----	-----
Operating profit		575,992	553,586
Interest paid and payable and similar charges on loans repayable within 5 years		(580,763)	(552,452)
(Loss)/Profit on ordinary activities before taxation	2	(4,771)	1,134
Tax on profit on ordinary activities	3	-	-
		-----	-----
(Loss)/Profit on ordinary activities after taxation		(4,771)	1,134
Retained profit as at 30 June 1994		37,886	36,752
		-----	-----
Retained profit as at 30 June 1995		33,115	37,886
		=====	=====

The profit and loss account is to be read in conjunction with the notes to, and forming part of, the financial statements as set out in pages 7 to 9.

All items dealt with in arriving at profit on ordinary activities before taxation relate to continuing operations. There is no difference between the reported profit and historical profit for the current and previous year.

Statement of total recognised gains and losses

There are no recognised gains and losses other than the loss for the year (1994: *no recognised gains and losses*).

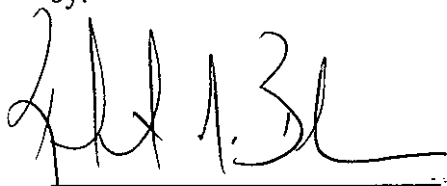
Asian-Pacific Finance Limited

Balance sheet at 30 June 1995

	<u>Note</u>	<u>1995</u> US\$	<u>1994</u> US\$
Current assets			
Loans - due after more than one year		3,770,782	2,715,870
- due within one year		1,077,023	780,103
Other debtors	4	329,543	618,814
Cash at bank and in hand		11,216	61,934
		-----	-----
		5,188,564	4,176,721
		-----	-----
Creditors: amounts falling due within one year			
Loans	5	1,074,276	763,564
Other creditors	6	316,224	665,180
		-----	-----
		1,390,500	1,428,744
		-----	-----
Net Current assets			
		3,798,064	2,747,977
Creditors: amounts falling due after more than one year - loans			
	5	3,764,849	2,709,991
		-----	-----
Net assets			
		33,215	37,986
		=====	=====
Capital and reserves			
Called up share capital	7	100	100
Profit and loss account		33,115	37,886
		-----	-----
Equity shareholders' funds		33,215	37,986
		=====	=====

The balance sheet is to be read in conjunction with the notes to and forming part of the financial statements as set out on pages 7 to 9.

These financial statements were approved by the Board on 19th July, 1996 and were signed on its behalf by:



ORION INC Director
by its authorised officer

Asian-Pacific Finance Limited

Cash flow statement for the year ended 30 June 1995

	<u>Note</u>	<u>1995</u> US\$	<u>1994</u> US\$
Net cash (outflow)/ inflow from operating activities	8	(652,989)	1,566,558
Returns on investments and servicing of finance			
Interest paid		(763,299)	(374,114)
Net cash inflow from returns on investment and servicing of finance		<u>(763,299)</u>	<u>(374,114)</u>
Financing			
Increase/(Decrease) in amounts borrowed	9	1,365,570	(1,132,555)
(Decrease)/Increase in cash and cash equivalents	10	<u>(50,718)</u>	<u>59,889</u>

Asian-Pacific Finance Limited

Notes to, and forming part of, the Financial Statements for the year ended 30 June 1995

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Foreign exchange

The accounting records of the company are maintained in US dollars.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. (Loss)/profit on ordinary activities before taxation

- a) Auditors' remuneration in respect of audit work was US\$3,000 (1994:US\$3,000). The auditors received \$1,000 in respect of non-audit work (1994:NIL)
- b) The number of company employees: 3 (1994: 3).
- c) The director received no emoluments in respect of his services to the company (1994:nil).
- d) The company's salary expenses are paid by a related company which claims reimbursement as far as the company's cash resources allow. Reimbursement for expenses in excess of those resources is not sought.

3. Taxation

Management and control of the company is exercised outside the United Kingdom at all times. Further, the company carries on no business within the United Kingdom. Accordingly, in the director's opinion, the company is not liable to United Kingdom corporation tax. No other taxation is payable (1994:nil).

Asian-Pacific Finance Limited

Notes to, and forming part of, the Financial Statements for the year ended 30 June 1995

	<u>1995</u> US\$	<u>1994</u> US\$
4. Other debtors		
Interest receivable	330,397	567,252
Less provision for doubtful debt	(3,854)	(3,500)
Prepaid interest	-	52,562
Establishment fees receivable	3,000	2,500
	<u>329,543</u>	<u>618,814</u>
5. Creditors	<u>1995</u>	<u>1994</u>
Loans - due within one year	1,074,276	763,564
Loans - due between one to two years	1,301,876	521,528
- due between two to five years	2,309,950	1,514,945
- due after more than five years	153,023	673,518
	<u>3,764,849</u>	<u>2,709,991</u>
	<u>1995</u>	<u>1994</u>
6. Other creditors	US\$	US\$
Interest payable	312,099	547,197
Unearned income	-	54,915
Audit fees	4,000	3,000
Other	125	60,068
	<u>316,224</u>	<u>665,180</u>
7. Share capital	<u>1995</u> US\$	<u>1994</u> US\$
<i>Authorised, allotted called up and fully paid</i>		
100 ordinary shares of US\$1.00 each	<u>100</u>	<u>100</u>

Asian-Pacific Finance Limited

Notes to, and forming part of, the Financial Statements for the year ended 30 June 1995

8. Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities

	<u>1995</u> US\$	<u>1994</u> US\$
Operating profit	575,992	553,586
(Increase)/decrease in loans	(1,351,832)	1,135,777
Decrease/(increase) in debtors	236,709	(236,539)
(Decrease)/increase in creditors	(113,858)	113,734
Net cash (outflow)/inflow from operating activities	<u>(652,989)</u>	<u>1,566,558</u>

9. Analysis of changes in financing during the year

	Share capital US\$	Loans US\$
Balance at 30 June 1994	100	3,473,555
Cash inflow from financing	-	1,365,570
Balance at 30 June 1995	<u>100</u>	<u>4,839,125</u>

10. Analysis of changes in cash and cash equivalents

	<u>1995</u> US\$	<u>1994</u> US\$
Balance at June 1994	61,934	2,045
Net cash (outflow)/inflow	(50,718)	59,889
Balance at 30 June 1995	<u>11,216</u>	<u>61,934</u>

11. Reconciliation of movement in shareholders funds

	<u>1995</u> US\$	<u>1994</u> US\$
(Loss)/profit for the financial year	(4,771)	1,134
Opening shareholders funds	37,986	36,852
Closing shareholders funds	<u>33,215</u>	<u>37,986</u>

12. Ultimate parent company

The company's ultimate parent company is Pacific International Trust Company Limited, incorporated in Vanuatu.