

SCMB Overseas Limited**Directors' Report and Financial Statements****31 December 2007****Registered Number 1764223**

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Directors' Report

The directors present their report and audited financial statements of SCMB Overseas Limited (the "Company") for the year ended 31 December 2007

Principal activities

The principal activity of the Company throughout the year was that of an investment holding company and it is not anticipated that this will change for the foreseeable future

Business review

The directors set out below a review of the development and performance of the business during the year and its position at the year end. This review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties faced

The Company is an investment holding company. During the financial year the Company invested \$200,000 in Price Solutions Philippines Inc. The Company received dividends of \$404,000,000 (2006: \$224,089,250) and paid dividends of \$413,000,000 (2006: \$230,089,250)

The Company's main investment in subsidiary is Standard Chartered Holdings International BV, a company incorporated in the Netherlands which is unchanged from the previous year. During the year the Company invested \$200,000 in Price Solutions Philippines Inc, a company registered in the Philippines, in which it holds 100%

The Company forms part of the Standard Chartered Group and this is not expected to change in the foreseeable future

The key performance indicator used by management in assessing the performance of the Company is the monitoring of the net return on the specific underlying transaction which the Company has entered into. Monthly management accounts are prepared and reviewed by the management of the Standard Chartered Bank business in which this company resides

Financial instruments

Financial instruments for the year comprised inter group balances

Dividends paid

A dividend of \$413,000,000 (2006: \$230,089,250) has been paid for the year

Post Balance Sheet Event

A dividend of \$139,000,000 was paid on 31 March 2008 out of 2008 profits

Directors

The directors who held office during the year were as follows

Julie Bamford
Averna Snow
Sandeep Jain (alternate director to A Snow)
Terry Skippen (alternate director to J Bamford)

Qualifying third party indemnities

There are no qualifying third party indemnities in force at the time of this report

Employees

The Company has no employees (2006: nil)

Risk management

The risk management objectives of the Company are set out in note 9

Political and charitable contributions

The Company made no political contributions during the period (2006: nil)

Directors' Report (continued)

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that ought to have been taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

By order of the board

A handwritten signature in black ink, appearing to read 'J. Bamford', with a horizontal line drawn underneath the signature.

J Bamford
Director

Date 17 October 2008

1 Aldermanbury Square
London
EC2V 7SB

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable laws.

The financial statements are required by law to present fairly the financial position and the performance of the Company, the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have 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.

Independent Auditor's Report to the members of SCMB Overseas Limited

We have audited the financial statements of SCMB Overseas Limited for the year ended 31 December 2007 which comprise the Income Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under 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 auditor's 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' responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 5.

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 whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we 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.

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 EU, of the state of the Company's affairs as at 31 December 2007 and of its profit for the year then ended,
- 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.

KPMG Audit Plc

KPMG Audit Plc
London
Chartered Accountants
Registered Auditor
20 October 2008

Income Statement

for the year ended 31 December 2007

	Note	2007 \$000	2006 \$000
Dividends received		404,000	224,089
Profit before tax		404,000	224,089
Taxation	4	-	-
Profit for the year		404,000	224,089

Statement of Recognised Income and Expense

for the year ended 31 December 2007

	Note	2007 \$000	2006 \$000
Profit for the year		404,000	224,089
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Total recognised income and expense	6	404,000	224,089
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Balance Sheet

as at 31 December 2007

	Note	2007 \$000	2006 \$000
Assets			
Investment in subsidiary undertakings	5	800,736	800,536
Receivables amounts owed by group undertakings		105,543	114,743
Total assets		906,279	915,279
Liabilities			
Payables amount due to group undertakings		38,626	38,626
Net assets		867,653	876,653
Equity			
Share capital	6	24	24
Share premium	6	866,911	866,911
Retained earnings	6	718	9,718
Total equity		867,653	876,653

These financial statements were approved by the Board of Directors on 17 October 2008 and were signed on its behalf by

Alexander A Snow

A Snow
Director

Cash Flow Statement

for the year ended 31 December 2007

	Note	2007 \$000	2006 \$000
Cash flows from operating activities			
Profit before tax		404,000	224,089
Net cash from operating activities		404,000	224,089
Cash flows from investing activities			
Acquisition of investment		(200)	(99)
Net cash used in investing activities		(200)	(99)
Cash flows from financing activities			
Dividends paid to ordinary shareholders		(413,000)	(230,089)
Net cash used in financing activities		(413,000)	(230,089)
Net decrease in cash and cash equivalents		(9,200)	(6,099)
Cash and cash equivalent on 1 January		76,117	82,216
Cash and cash equivalents on 31 December	7	66,917	76,117

Notes to the Financial Statements

for the year ended 31 December 2007

1 Principal accounting policies

The Company's financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("adopted IFRSs")

Basis of preparation

The financial statements have been prepared under the historical cost convention

The Company has prepared its financial statements in accordance with International Financial Reporting Standards ('IFRSs') as endorsed by the European Union ('EU'). EU-endorsed IFRSs may differ temporarily from IFRSs as published by the International Accounting Standards Board ('IASB') if new or amended IFRSs have not been endorsed by the EU. At 31 December 2007, there were no unendorsed standards effective for 31 December 2007 affecting these financial statements, and there was no difference in application to the Company between IFRSs endorsed by the EU and IFRSs issued by the IASB.

The following pronouncements relevant to the Company were issued as at 31 December 2007, but have effective dates for periods beginning after 31 December 2007:

- (a) IAS 23 Revised 'Borrowing Costs' * (effective for periods commencing on or after 1 January 2009),
- (b) IAS 1 Revised 'Presentation of Financial Statements' * (effective for periods commencing on or after 1 January 2009),
- (c) Amendment to IAS 27 'Consolidated and Separate Financial Statements' * (effective for periods commencing on or after 1 January 2010),
- (d) Amendment to IAS 32 'Financial Instruments Presentation' * (effective for periods commencing on or after 1 January 2009),
- (e) IFRS 8 'Operating Segments' (effective for periods commencing on or after 1 January 2009)

These interpretations and amendments are not expected to have any impact upon the Company when adopted.

* This IFRS or IFRIC Interpretation has not yet been endorsed by the European Union.

On 1 January 2007 IFRS 7 'Financial Instruments Disclosure' became effective for the Company. However, this amendment had no effect on the Company.

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Functional Currency

The Company's functional and presentation currency is the United States Dollar (USD).

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary transactions are translated at historical exchange rates.

Investments in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any impairment.

Share capital

Incremental costs directly attributable to the issue of new shares or options or to the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

Dividends on ordinary shares are recognised in the period in which they are declared.

Dividend income

Dividends on equity instruments are recognised in the income statement when the Company's right to receive payment is established.

Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months maturity from the date of acquisition, including cash and balances at central banks (unless restricted), treasury bills and other eligible bills, loans and advances to banks and group undertakings and short-term government securities

Taxation

Income tax on profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable/recoverable on the taxable result for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments payable in respect of previous years.

2 Auditor's remuneration

The auditor's remuneration of \$7,900 (2006 \$7,000) was borne by Standard Chartered Bank

3 Directors' remuneration

None of the directors received any fees or emoluments for performing the role of director during the year (2006 nil)

4 Taxation**Explanation of the relationship between tax and accounting profit**

	2007 \$000	2006 \$000
Accounting profit	404,000	224,089
Tax at the applicable rate of 30% (2006 30%)	(121,200)	(67,227)
Effect of Dividend from UK subsidiaries not taxable	121,200	67,227
Tax	-	-

5 Investments**Investment in subsidiary undertakings**

	2007 \$000	2006 \$000
Cost at 1 January	800,536	800,437
Additions	200	99
Cost at 31 December	800,736	800,536

At 31 December 2007, the subsidiary undertakings held by the Company were

	Country of registration or incorporation	Class of shares	Ownership	
			2007	2006
Standard Chartered Holdings (International) BV	Netherlands	Ordinary shares	100%	100%
PT Price Solutions	Indonesia	Ordinary shares	99%	99%
Price Solutions Philippines Inc	Philippines	Ordinary shares	100%	-

The investments have been presented in USD at the historical rate at the date of purchase. In the opinion of the directors the investments in the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

6 Equity
Reconciliation of movement in capital and reserves

	Share capital \$000	Share premium \$000	Retained earnings \$000	Total equity \$000
1 January 2006	24	866,911	15,718	882,653
Total recognised income and expense	-	-	224,089	224,089
Dividends paid	-	-	(230,089)	(230,089)
31 December 2006	24	866,911	9,718	876,653
Total recognised income and expense	-	-	404,000	404,000
Dividends paid	-	-	(413,000)	(413,000)
31 December 2007	24	866,911	718	867,653

Retained earnings are the carried forward recognised income and expenses of the Company plus current year recognised income and expenses less dividend distributions, if any

Share capital

	2007 \$000	2006 \$000
Authorised		
1,000,000 Ordinary shares of 10p each	179	179
Issued and fully paid		
132,150 Ordinary shares of 10p each	24	24

The nominal value of the authorised and issued shares is denominated in GBP. As a result of the transition to adopt IFRS the share capital has been presented in USD, at the historical rate at the date of issue

7 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition

	2007 \$	2006 \$
Current accounts with group undertakings	66,917	76,117

8 Related Parties

Directors and officers

None of the directors or officers received any fees or emoluments from the Company during the year (2006 nil)

Company

The Company is a subsidiary undertaking of Standard Chartered Bank, a company registered in England and Wales with limited liability

The Company received dividends from Standard Chartered Holdings International BV of \$404,000,000 (2006 \$224,089,250)

The Company's balances with related parties, included in the balance sheet, are listed in the table below

	2007 \$000	2006 \$000
	Due from/(to) Related party	Due from/(to) Related party
Amount due from Standard Chartered Bank	66,917	76,117
Amount due from Standard Chartered Holdings (International) BV	38,626	38,626
Loan due to Standard Chartered Bank	(38,626)	(38,626)

The amounts due from Standard Chartered Bank and Standard Chartered Holdings (International) BV are both non interest bearing and repayable on demand. The loan due to Standard Chartered Bank is also non interest bearing. There are no other restrictions or conditions placed on these related party balances.

9 Risk management

The Company is not significantly exposed to changes in fair value of its financial instruments from credit, interest and market risk and has not entered into derivative transactions.

10 Ultimate Holding Company and the Parent Undertaking of Larger Group

The ultimate holding company is Standard Chartered PLC a company registered in England and Wales. The largest group in which the results of the Company are consolidated is that headed by Standard Chartered PLC. The consolidated financial statements of this company are available to the public and may be obtained from its registered office located at 1 Aldermanbury Square, London, EC2V 7SB.