

CHINA ADVERTISING LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2004



CHINA ADVERTISING LIMITED

DIRECTORS :

Tung Tao Chan
Pak Wai Cheung

SECRETARY :

Tung Tao Chan

REGISTERED OFFICE :

66 Shaftesbury Avenue
London W1D 6LX

ACCOUNTANTS :

KAM LEE ASSOCIATES
Chartered Certified Accountants
& Registered Auditors

66 Shaftesbury Avenue
London W1D 6LX

BANKERS:

Bank of China
107 Shaftesbury Avenue
London W1V 8DA

CHINA ADVERTISING LIMITED

REPORT OF THE DIRECTORS

The Directors present their report with the Accounts of the company for the year ended 31 December 2004 as follows :

PRINCIPAL ACTIVITIES

The principal activity of the company was that of Advertising.

There has been no trading income in the year.

DIVIDENDS

The Directors do not recommend the payment of dividend.

DIRECTORS

The Directors of the company throughout the period and their interest in the share capital of the company were as follows :-

	Ordinary Shares of £1 each	
	<u>At 31 December 2004</u>	<u>At 1 January 2004</u>
Tung Tao Chan	1	1
Pak Wai Cheung	1	1

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 and of the profit and loss of the company for that period. In preparing these financial statements, the directors have:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

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.

BY ORDER OF THE BOARD



Pak Wai Cheung

Date:

28/6/2005

CHINA ADVERTISING LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u> £	<u>2003</u> £
<u>TURNOVER</u>	2	-	-
<u>Less: Administrative Expenses</u>		(250)	(235)
Interest Payable & Similar Charges	3	(2)	(1)
		-----	-----
<u>(LOSS) BEFORE TAXATION</u>	4	(252)	(236)
<u>TAXATION</u>		-	-
		-----	-----
<u>(LOSS) AFTER TAXATION</u>		(252)	(236)
<u>RETAINED (LOSS) BROUGHT FORWARD</u>		(2,694)	(2,458)
		-----	-----
<u>RETAINED (LOSS) CARRIED FORWARD</u>		£ (2,946)	£ (2,694)
		=====	=====

The notes on page 5 form part of these Accounts.

CHINA ADVERTISING LIMITED
BALANCE SHEET
AT 31 DECEMBER 2004

	<u>NOTES</u>	<u>2004</u>	<u>2003</u>
<u>CURRENT ASSETS</u>		£	£
Cash at Bank & in Hand		4,280	4,532
<u>CREDITORS</u> : Amounts falling due within one year	5	(235)	(235)
		-----	-----
<u>NET CURRENT ASSETS</u>		4,045	4,297
<u>CREDITORS</u> : Amounts falling due after more than one year	6	(6,989)	(6,989)
		-----	-----
		£ (2,944)	£ (2,692)
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Share Capital	7	2	2
Profit and Loss Account		(2,946)	(2,694)
		-----	-----
		£ (2,944)	£ (2,692)
		=====	=====

EXEMPTION FROM AN AUDIT

For the year ended 31 December 2004 the company was entitled to exemption under S249A(1) of Companies Act 1985.

No notice has been deposited under S249B(2) of the Act in relation to the company's accounts for the financial year.

The directors acknowledges their responsibility for:-

- i ensuring that the company keeps accounting records which comply with S221 and;
- ii preparing accounts which give a true and fair view in accordance with the requirements of S226 and which otherwise comply with the requirements of the Companies Act 1985.

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the Board :

Director
Pak Wai Cheung

Date 28/6/2005

The notes on page 5 form part of these Accounts.

CHINA ADVERTISING LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

The Accounts have been prepared under the historical cost convention. The Company has taken advantage of exemption at Financial Reporting Standard No. 1 from the requirement to produce cashflow statement on the grounds that it is a small company

2. TURNOVER

Turnover represents the invoiced amounts of goods sold and services provided.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2004</u>	<u>2003</u>
	£	£
Bank charges and interest	2	1
	=	=

4. LOSS BEFORE TAXATION

This is stated after charging:-

Accountancy Fee	235	235
	===	===

5. CREDITORS : Amounts falling due within one year

Accruals	235	235
	===	===

6. CREDITORS: Amounts falling due after more than one year

Directors' Loan	6,989	6,989
	=====	=====

7. SHARE CAPITAL

Authorised Share Capital		
1,000 Ordinary Shares of £1 each	1,000	1,000
	=====	=====
Issued Share Capital		
2 Ordinary Shares of £1 each	2	2
	=	=

CHINA ADVERTISING LIMITED

ACCOUNTANTS' REPORT

Without conducting an audit, we have prepared financial statements for the year ended 31 December 2004 from the books and vouchers kept by directors, and from information and explanations given to us and we hereby certify that it is in accordance therewith.



Kam Lee Associates
Chartered Certified Accountants

66 Shaftesbury Avenue
London W1D 6LX

Date *28 June 2005*