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CHINA ADVERTISING LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1996



CHINA ADVERTISING LIMITED

DIRECTORS :

• Tung Tao Chan  
Pak Wai Cheung

SECRETARY :

Tung Tao Chan

REGISTERED OFFICE :

66 Shaftesbury Avenue  
London W1V 7DF

ACCOUNTANTS :

KAM LEE ASSOCIATES  
Chartered Certified Accountants  
& Registered Auditor

66 Shaftesbury Avenue  
London W1V 7 DF

# CHINA ADVERTISING LIMITED

## REPORT OF THE DIRECTORS

The Directors present their report with the Accounts of the company for the year ended 31 December 1996 as follows :

### PRINCIPAL ACTIVITIES

The principal activity of the company was that of Advertising.

The results of the company's activities for the year are shown in the Accounts.

### 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 1996</u>	<u>At 31 December 1995</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.

### CLOSE COMPANY STATUS

In the opinion of the Directors, the company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

BY ORDER OF THE BOARD

  
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Secretary : Tung Tao Chan

**CHINA ADVERTISING LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1996**

	<u>NOTES</u>	<u>1996</u> £	<u>1995</u> £
<u>TURNOVER</u>	2	588	Nil
<u>Less: Administrative Expenses</u>		(429)	(253)
Interest Payable & Similar Charges	3	-	(14)
		----	----
<u>PROFIT / (LOSS) BEFORE TAXATION</u>	4	159	(267)
<u>TAXATION</u>		-	-
		----	----
<u>PROFIT / (LOSS) AFTER TAXATION</u>		159	(267)
<u>RETAINED LOSS BROUGHT FORWARD</u>		(502)	(235)
		----	----
<u>RETAINED LOSS CARRIED FORWARD</u>		(343)	(502)
		====	====

The Company has no recognised gains or losses other than the profit or loss for the above two financial years ended 31 December 1996.

The notes on page 5 form part of these Accounts.

**CHINA ADVERTISING LIMITED**  
**BALANCE SHEET**  
**AT 31 DECEMBER 1996**

	<u>NOTES</u>	<u>1996</u> £	<u>1995</u> £
<u>CURRENT ASSETS</u>			
Cash at Bank & in Hand		6,883	6,959
<u>CREDITORS</u> : Amounts falling due within one year	5	(235)	(470)
		-----	-----
<u>NET CURRENT ASSETS</u>		6,648	6,489
 <u>CREDITORS</u> : Amounts falling due after more than one year			
	7	(6,989)	(6,989)
		-----	-----
		(341)	(500)
		=====	=====
 <u>CAPITAL AND RESERVES</u>			
Share Capital	6	2	2
Profit and Loss Account		(343)	(502)
		-----	-----
		(341)	(500)
		=====	=====

EXEMPTION FROM AN AUDIT

For the year ended 31 December 1996 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.

Signed on behalf of the Board :

Director .....

Tung Tao Chan

Date ..... 09-09-97

The notes on page 5 form part of these Accounts.

# CHINA ADVERTISING LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1996

### 1. ACCOUNTING POLICIES

The Accounts have been prepared under the historical cost convention.

### 2. TURNOVER

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

### 3. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	£	£
Bank charges and interest	-	14
	=	=

### 4. LOSS BEFORE TAXATION

This is stated after charging:-

Accountancy Fee	411	235
	=	=

### 5. CREDITORS : Amounts falling due within one year

Accruals	235	470
	=	=

### 6. 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
	=	=

### 7. CREDITORS: Amounts falling due after more than one year

Directors' Loan	6,989	6,989
	=	=

CHINA ADVERTISING LIMITED

ACCOUNTANTS' REPORT

Without conducting an audit, we have prepared financial statements for the year ended 31 December 1996 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 W1V 7DF

Date

9th September 1997