

BBA China Holdings No. 1 Limited

Annual report and financial statements
for the year ended 31 December 2005

Registered number: 3708749



Directors

Directors

S M F Shaw

R Booth

Secretary

S M F Shaw

Registered office

7th Floor

20 Balderton Street

London

W1K 6TL

Directors' report

The directors present their report, together with the audited financial statements of the Company, for the year ended 31 December 2005

Principal activity and business review

The principal activity of the Company is that of an investment holding company.

The company has not traded during the year.

Results and dividends

The Company has no reported profit or loss for the year.

During the year the Company paid no dividends (2004– £nil). The directors do not recommend payment of a final dividend (2004– £nil).

Directors and their interests

The directors who held office during the year were:

S M F Shaw

R Booth

The directors in office at the end of the year had interests in the shares of BBA Group plc, the ultimate holding company, as follows:

25p Ordinary Shares

	Shares held		Share options	
	31 Dec 2005	1 Jan 2005	31 Dec 2005	1 Jan 2005
S M F Shaw	17,390	17,390	634,680	618,280
R Booth	2,000	2,000	231,016	201,350

In addition as at 31 December 2005, S M F Shaw had been awarded 58,000 Conditional shares and R Booth had been awarded 26,500 Conditional shares under the BBA Group 2004 Share Plan. Further details of this Plan can be found in the BBA plc group financial statements.

6.75% Preference Shares

	Shares held	
	31 Dec 2005	1 Jan 2005
S M F Shaw	-	1

Directors' report (continued)

Directors' responsibilities for the financial statements

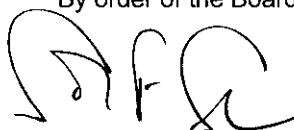
United Kingdom Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the Company's affairs at the end of the year and of the profit or loss of the Company for the year. In preparing those financial statements, the directors 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 financial statements; and
- prepare the financial statements on a 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 enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

7th Floor
20 Balderton Street
London
W1K 6TL

By order of the Board



Director

15 June 2006

Balance sheet

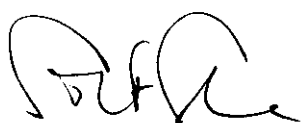
At 31 December 2005

	Notes	2005 £	2004 £
Fixed asset investments	4	14,345,486	14,345,486
Cash at bank		1	1
Net assets		14,345,487	14,345,487
Capital and reserves			
Called-up share capital	5	200	200
Share premium account	6	14,345,287	14,345,287
Profit and loss account	6	-	-
Equity shareholders' funds		14,345,487	14,345,487

The Company has no reported profit or loss for the year.

1. For the year ended 31 December 2005 the company was entitled to exemption under section 249AA(1) of the Companies Act 1985.
2. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with subsection (2) of 249B.
3. The directors acknowledge their responsibility for:
 - i) ensuring the company keeps accounting records which comply with section 221; and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

These financial statements were approved by the Board of Directors on 15 June 2006 and are signed on its behalf by:



Director

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

For the year ended 31 December 2005

1 Accounting policies

The principal accounting policies are set out below and have been applied consistently throughout the current year and preceding year.

a) Basis of accounting

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

b) Investments

Investments in subsidiary undertakings are stated at cost less amounts written off for impairments in value.

c) Dividends

Credit is taken in the financial statements only for dividends received or declared prior to the balance sheet date by subsidiary undertakings.

d) Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling using the rates of exchange at the balance sheet date.

Exchange differences arising from the translation of foreign currency loans which are used to finance equity investments are taken direct to reserves. Other exchange differences are reflected in the operating profit for the year.

e) Taxation

Provision for UK corporation tax on the profits of the Company is made in the financial statements of the ultimate parent company.

The ultimate parent company also makes provision for the Company, under the liability method, for deferred taxation arising from accelerated capital allowances on capital expenditure and other timing differences to the extent that it is probable that a liability will crystallise in the foreseeable future.

f) Consolidation and cash flow statement

Under the exemption afforded by s228 of the Companies Act 1985 the Company has not prepared consolidated financial statements because the Company is a wholly-owned subsidiary company of another company registered in England and Wales, which produces consolidated financial statements, which are available to the public.

The Company has also taken advantage of the exemption under FRS 1 from the requirement to present a cash flow statement, because it is a wholly-owned subsidiary of BBA Group plc, which prepares consolidated financial statements which are publicly available.

Notes to the financial statements (continued)

2 Profit and loss account

The Company has not traded during the financial year, has received no income and incurred no expenditure, and consequently, had made neither a profit nor a loss and no profit and loss account has been presented.

Audit fees in the current and preceding year were borne by BBA Group plc. No amounts were paid to the auditors in respect of non-audit services (2004 - £nil).

3 Staff numbers and costs

There were no full-time employees (2004 – nil) other than directors during the year and the aggregate payroll costs were £nil (2004 - £nil). No director received any remuneration in the current or the preceding year for services to the Company.

4 Fixed asset investments

	2005 £	2004 £
Shares in subsidiary undertakings		
Cost at 31 December 2004	14,345,486	14,345,486
Additions during the year	-	-
Cost at 31 December 2005	<u>14,345,486</u>	<u>14,345,486</u>

At the year end, the Company's share holdings in subsidiary undertakings were as follows:

	Country of Incorporation, registration and operation	% of ordinary share capital owned by the Company
BBA China Holdings BV	The Netherlands	100%

5 Called up share capital

	2005 £	2004 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called up and fully paid</i>		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

Notes to the financial statements (continued)

6 Reconciliation of movement in reserves

	2005 Share premium account £	2004 Share premium account £	2005 Profit and loss account £	2004 Profit and loss account £
At beginning and end of year	<u>14,435,287</u>	<u>14,435,287</u>	<u>-</u>	<u>-</u>

7 Ultimate parent company

The ultimate holding company is BBA Group plc which is incorporated in Great Britain and registered in England and Wales. BBA Group is the only Company which prepares group financial statements incorporating the financial statements of the Company. These group financial statements are available to the public from the Company Secretary of BBA Group plc at 20 Balderton Street, London W1K 6TL.

As a subsidiary company of BBA Group plc, the Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other members of the group headed by BBA Group plc.