

HUTCHISON IDH LIMITED /

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2001 /

(Registered Number: 2986130) /



HUTCHISON IDH LIMITED /

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001 /**

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HUTCHISON IDH LIMITED /

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the year ended 31 December 2001. /

Principal activities and review of business

The company's principal activities during the year were property ownership and resale. No change in the activities of the company is anticipated in 2002. The directors are satisfied with the level of business and year end financial position of the company.

Results and dividends

The results and financial position of the company for the year ended 31 December 2001 are set out in the financial statements. No interim dividend was paid during the year and the directors do not recommend the payment of a final dividend.

The profit for the year of £73,441 (2000: £651,505) has been transferred to reserve.

Directors

The following held office as directors during the year and up to the date of this report: /

Raymond Chow /
Tony Tsui /
Raymond Tam /
Herman To /
Nagy El Azar /
Dickie Chung /

None of the directors had any interest in the shares of the company during the year.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that 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 year. In preparing those financial statements, the directors are required to:

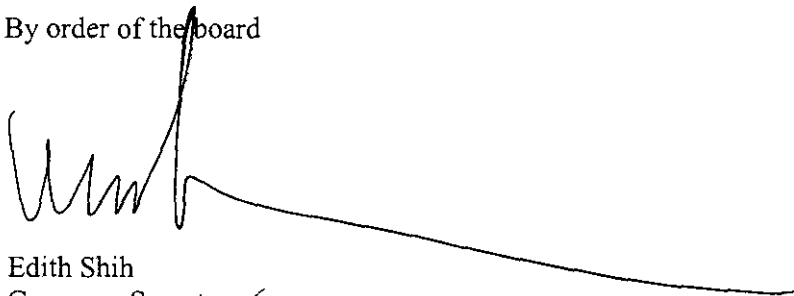
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare 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 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.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retired and, being eligible, offer themselves for re-appointment.

By order of the board

A handwritten signature in black ink, appearing to be 'Edith Shih', with a long horizontal line extending to the right.

Edith Shih
Company Secretary
21 March 2002 /

PricewaterhouseCoopers
10 Bricket Road
St Albans AL1 3JX
Telephone +44 (0) 1727 844155
Facsimile +44 (0) 1727 845039

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUTCHISON IDH LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities on page 1.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 at 31 December 2001 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
St Albans

21 March 2002

HUTCHISON IDH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Turnover	1(b)	-	1,912,450
Cost of sales		-	(1,201,966)
Gross profit		-	710,484
Other operating income		302	1,080
Administrative expenses		(7,553)	(18,572)
Operating (loss)/profit	3	(7,251)	692,992
Interest receivable and similar income		112,167	237,729
Profit on ordinary activities before taxation		104,916	930,721
Tax on profit on ordinary activities	5	(31,475)	(279,216)
Profit on ordinary activities after taxation		73,441	651,505
Retained profit brought forward		722,284	2,070,779
Retained profit available for distribution		795,725	2,722,284
Dividends	6	-	(2,000,000)
Retained profit carried forward		795,725	722,284

The profit for the year arises from the company's continuing operations.

The company has no recognised gains and losses other than the profit on ordinary activities after taxation above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation stated above and their historical cost equivalents.

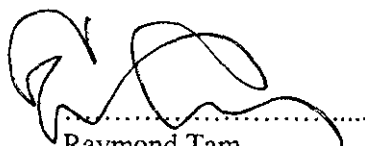
The notes on pages 7 to 10 form part of these financial statements.

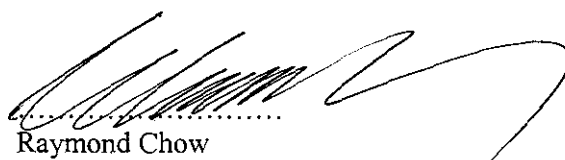
HUTCHISON IDH LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2001

	Note	2001 £	2000 £
Current assets			
Stocks	7	274,818	274,818
Debtors	8	6,667	61,080
Cash at bank		2,000,680	2,608,627
		<u>2,282,165</u>	<u>2,944,525</u>
Creditors - amounts falling due within one year	9	(1,486,340)	(2,222,141)
Net current assets		<u>795,825</u>	<u>722,384</u>
Net assets		<u><u>795,825</u></u>	<u><u>722,384</u></u>
Capital and reserves			
Called up share capital	10	100	100
Profit and loss account	11	795,725	722,284
Equity shareholders' funds	12	<u><u>795,825</u></u>	<u><u>722,384</u></u>


Raymond Tam


Raymond Chow

Approved by the board of directors
on 21 March 2002

The notes on pages 7 to 10 form part of these financial statements.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2001

	Note	2001 £	2000 £
Net cash (outflow)/inflow from operating activities	13	(582,546)	1,547,178
Returns on investments and servicing of finance			
Interest received		112,167	244,146
Net cash inflow from returns on investments and servicing of finance		112,167	244,146
Taxation		(137,568)	(1,935,302)
Net cash outflow before use of liquid resources and financing		(607,947)	(143,978)
Equity dividends paid		-	(5,000,000)
Decrease in net cash		(607,947)	(5,143,978)
Reconciliation to net cash			
Net cash at 1 January		2,608,627	7,752,605
Decrease in net cash		(607,947)	(5,143,978)
Net cash at 31 December	14	2,000,680	2,608,627

The notes on pages 7 to 10 form part of these financial statements.

HUTCHISON IDH LIMITED /

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with United Kingdom Accounting Standards.

(b) Property held for sale

Property held for sale is stated at the lower of cost and net realisable value. The profit and turnover on sales of property are recorded either on the date of sale or on the date of issue of the certificate of practical completion, whichever is the later.

(c) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or recoverable in the foreseeable future.

2 Segmental reporting

The company's activities consist solely of property ownership and resale in the United Kingdom.

3 Operating (loss)/profit

Operating (loss)/profit is stated after charging auditors' remuneration of £2,685 (2000: £3,958).

4 Directors' emoluments and employee numbers

No fees or other emoluments were paid to the directors in respect of their services to the company during the year, nor are any payable (2000: Nil)./

The average number of people (including directors) employed by the company during the year was 6 (2000: 6).

5 Tax on profit on ordinary activities

	2001 £	2000 £
Tax charge of 30% (2000: 30%) on profit on ordinary activities		
United Kingdom corporation tax	31,475	279,216

There are no material timing differences between profit as computed for taxation purposes and profit as stated in the financial statements.

HUTCHISON IDH LIMITED ✓

NOTES TO THE FINANCIAL STATEMENTS

6 Dividends

	2001 £	2000 £
Equity - Ordinary		
Interim paid: Nil (2000: £10,000) per ordinary share	-	2,000,000
	<u> </u>	<u> </u>

7 Stocks

Stocks represent property held for sale, being freehold property at Royal Gate Kensington, Wright's Lane, Kensington, London W8, United Kingdom.

	2001 £	2000 £
Property held for sale	274,818	274,818
	<u> </u>	<u> </u>

8 Debtors

	2001 £	2000 £
Other debtors	6,667	61,080
	<u> </u>	<u> </u>

9 Creditors - amounts falling due within one year

	2001 £	2000 £
Amounts due to group undertakings	1,438,039	1,993,455
Other creditors	5,698	5,698
Taxation	31,475	137,568
Accruals	11,128	85,420
	<u> </u>	<u> </u>
	1,486,340	2,222,141
	<u> </u>	<u> </u>

The amounts due to group undertakings are interest free, unsecured and repayable on demand.

HUTCHISON IDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 Called up share capital

	2001 £	2000 £
Authorised:		
200 ordinary shares of £0.5 each	100	100
	<u>100</u>	<u>100</u>
Allotted and fully paid:		
200 ordinary shares of £0.5 each	100	100
	<u>100</u>	<u>100</u>

11 Profit and loss account

	2001 £	2000 £
At 1 January	722,284	2,070,779
Profit for the year	73,441	651,505
Dividends paid during year	-	(2,000,000)
	<u>795,725</u>	<u>722,284</u>
At 31 December	795,725	722,284

12 Reconciliation of movements in equity shareholders' funds

	2001 £	2000 £
Profit for the year	73,441	651,505
Dividends	-	(2,000,000)
Shareholders' funds as at 1 January	722,384	2,070,879
	<u>795,825</u>	<u>722,384</u>
Equity shareholders' funds as at 31 December	795,825	722,384

13 Cash flow from operating activities

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

	2001 £	2000 £
Continuing operations		
Operating (loss)/profit	(7,251)	692,992
Decrease in stocks	-	1,086,031
Decrease in debtors	54,413	26,224
Decrease in creditors	(629,708)	(258,069)
	<u>(582,546)</u>	<u>1,547,178</u>
Net cash (outflow)/inflow from operating activities	(582,546)	1,547,178

HUTCHISON IDH LIMITED ✓

NOTES TO THE FINANCIAL STATEMENTS

14 Reconciliation of movement in net cash

	At 1 January 2001 £	Net cash flow £	At 31 December 2001 £
Cash at bank	2,608,627	(607,947)	2,000,680

15 Related party transactions

The company has appointed Hutchison IDH Development Limited to develop the site and paid a development fee on payments made on behalf of the company. During the year development fee payments amounted to £638,492 (2000: £142,913).

At the balance sheet date, £1,438,039 (2000: £1,993,455) is due to Hutchison IDH Development Limited.

16 Ultimate parent undertakings

The shareholders of the company comprise:

	Country of incorporation	Percentage of shareholding
Munkton Limited ✓	The British Virgin Islands	47.5% ✓
Milispeed Investments Limited ✓	The British Virgin Islands	40.0% ✓
Coralshine Resources Limited ✓	The British Virgin Islands	10.0% ✓
Endless Gain Corporation,	The British Virgin Islands	2.5% ✓
		<u>100%</u>

Munkton Limited is a subsidiary of Hutchison Whampoa Limited (a company incorporated in Hong Kong) and Milispeed Investments Limited is a subsidiary of Industrial Development Holdings Limited (a company incorporated in Hong Kong). Cheung Kong (Holdings) Limited (a company incorporated in Hong Kong) effectively holds 70% of the issued share capital of Industrial Development Holdings Limited and 49.9% of the issued share capital of Hutchison Whampoa Limited.