

HUTCHISON IDH LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2000

(Registered Number: 2986130)



HUTCHISON IDH LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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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 2000.

Principal activities and review of business

The company's principal activities during the year were property ownership, development and resale. No change in the activities of the company is anticipated in 2001. 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 2000 are set out in the financial statements. An interim dividend of £10,000 (1999: £15,000) per ordinary share amounting to £2,000,000 (1999: £3,000,000) was paid on 18 August 2000. The directors do not recommend the payment of a final dividend (1999: £3,000,000).

The profit for the year of £651,505 (1999: £6,270,428) has been transferred to reserves.

Directors

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

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

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:

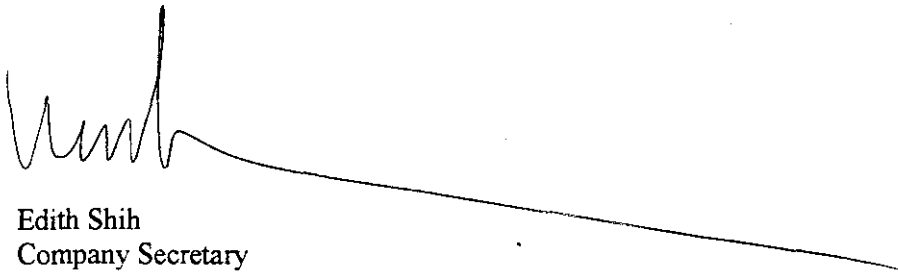
- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare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

Edith Shih
Company Secretary

22 March 2001

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

Auditors' report to the members of Hutchison IDH Limited

We have audited the financial statements on pages 4 to 11 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 are responsible for preparing the Annual Report. As described on pages 1 and 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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.

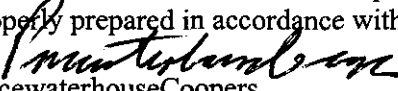
Basis of audit opinion

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 as at 31 December 2000 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, 27 July 2001

HUTCHISON IDH LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover	1(b)	1,912,450	27,753,855
Cost of sales		(1,201,966)	(18,884,704)
Gross profit		710,484	8,869,151
Other operating income		1,080	29,970
Administrative expenses		(18,572)	(21,483)
Operating profit	3	692,992	8,877,638
Interest receivable and similar income		237,729	417,242
Interest payable and similar charges	5	-	(305,149)
Profit on ordinary activities before taxation		930,721	8,989,731
Tax on profit on ordinary activities	6	(279,216)	(2,719,303)
Profit on ordinary activities after taxation	12	651,505	6,270,428
Retained profit brought forward		2,070,779	1,800,351
Retained profit available for distribution		2,722,284	8,070,779
Dividends	7	(2,000,000)	(6,000,000)
Retained profit carried forward	12	722,284	2,070,779

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.

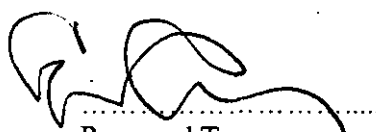
There is no difference between the profit on ordinary activities before taxation and the profit on ordinary activities after taxation stated above and their historical cost equivalents.

The notes on pages 7 to 11 form part of these financial statements.

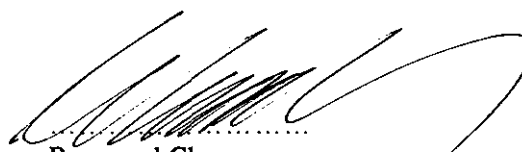
HUTCHISON IDH LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2000**

	Note	2000 £	1999 £
Current assets			
Stocks	8	274,818	1,360,849
Debtors	9	61,080	93,721
Cash at bank		2,608,627	7,752,605
		<u>2,944,525</u>	<u>9,207,175</u>
Creditors - amounts falling due within one year	10	(2,222,141)	(7,136,296)
Net current assets		<u>722,384</u>	<u>2,070,879</u>
Net assets		<u>722,384</u>	<u>2,070,879</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account		722,284	2,070,779
Equity shareholders' funds	12	<u>722,384</u>	<u>2,070,879</u>



Raymond Tam



Raymond Chow

Approved by the board of directors
on 22 March 2001

The notes on pages 7 to 11 form part of these financial statements.

HUTCHISON IDH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Net cash inflow from operating activities	13	1,547,178	25,658,969
Returns on investments and servicing of finance			
Interest received		244,146	406,726
Interest paid		-	(4,521,745)
Net cash inflow/(outflow) from returns on investments and servicing of finance		244,146	(4,115,019)
Taxation			
Taxation paid		(1,935,302)	(1,734,503)
Net cash (outflow)/inflow before use of liquid resources and financing		(143,978)	19,809,447
Equity dividends paid		(5,000,000)	(3,000,000)
Financing			
Decrease in borrowings		-	(15,775,000)
Net cash outflow from financing		-	(15,775,000)
(Decrease)/increase in net cash		(5,143,978)	1,034,447
Reconciliation to net cash/(debt)			
Net cash/(debt) at 1 January		7,752,605	(9,056,842)
(Decrease)/increase in net cash		(5,143,978)	1,034,447
Movement in borrowings		-	15,775,000
Net cash at 31 December	14	2,608,627	7,752,605

The notes on pages 7 to 11 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 under development

Land for property under development is stated at cost and development expenditure is valued at the aggregate amount of costs incurred at the balance sheet date and is included within current assets. Interest costs and other costs of obtaining finance are not included in the costs of property under development but are charged to the profit and loss account as incurred. No depreciation is provided on property under development. 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) Property held for sale

Property held for sale is stated at the lower of cost and net realisable value.

(d) 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 receivable in the foreseeable future.

2 Segmental reporting

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

3 Operating profit

Operating profit is stated after charging auditors' remuneration of £3,958 (1999: £2,300).

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 (1999: Nil).

The average number of people (including directors) employed by the company during the year was 6 (1999: 6).

HUTCHISON IDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5 Interest payable and similar charges

	2000 £	1999 £
Accrued discount on deep discount bonds	-	305,149

6 Tax charge

	2000 £	1999 £
Tax charge of 30% (1999: 30%) on profit on ordinary activities		
United Kingdom corporation tax	279,216	2,719,086
Under provision in prior year	-	217
	<u>279,216</u>	<u>2,719,303</u>

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

7 Dividends

	2000 £	1999 £
Equity - Ordinary		
Interim, paid: £10,000 (1999: £15,000) per ordinary share	2,000,000	3,000,000
Final, proposed: Nil (1999: £15,000) per ordinary share	-	3,000,000
	<u>2,000,000</u>	<u>6,000,000</u>

8 Stocks

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

	2000 £	1999 £
Property held for sale	<u>274,818</u>	<u>1,360,849</u>

HUTCHISON IDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 Debtors

	2000 £	1999 £
Other debtors	61,080	93,721

10 Creditors - amounts falling due within one year

	2000 £	1999 £
Amounts due to group undertakings	1,993,455	2,154,230
Taxation	137,568	1,793,654
Other creditors	5,698	30,198
Accruals	85,420	158,214
Proposed dividends	-	3,000,000
	<u>2,222,141</u>	<u>7,136,296</u>

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

11 Called up share capital

	2000 £	1999 £
Authorised:		
200 ordinary shares of £0.5 each	<u>100</u>	<u>100</u>
Allotted and fully paid:		
200 ordinary shares of £0.5 each	<u>100</u>	<u>100</u>

HUTCHISON IDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

12 Reconciliation of movements in equity shareholders' funds

	2000 £	1999 £
Profit disclosed in the profit and loss account	651,505	6,270,428
Dividends	(2,000,000)	(6,000,000)
Shareholders' funds as at 1 January	2,070,879	1,800,451
	<hr/>	<hr/>
Equity shareholders' funds as at 31 December	<u>722,384</u>	<u>2,070,879</u>

13 Cash flow from operating activities

Reconciliation of operating profit to net cash inflow from operating activities:

	2000 £	1999 £
Continuing operations		
Operating profit	692,992	8,877,638
Decrease in stocks	1,086,031	19,374,898
Decrease in debtors	26,224	512,849
Decrease in creditors	(258,069)	(3,106,416)
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>1,547,178</u>	<u>25,658,969</u>

14 Reconciliation of movement in net cash

	At 1 January 2000 £	Net cash flow £	At 31 December 2000 £
Cash at bank	<u>7,752,605</u>	<u>(5,143,978)</u>	<u>2,608,627</u>

15 Related party transactions

The company has appointed Hutchison IDH Development Limited to develop the site and paid a development fee of 5% on payments made on behalf of the company. During the year development fee payments amounted to £6,805 (1999: £49,777).

At the balance sheet date, £1,993,455 (1999: £2,154,230) is due to Hutchison IDH Development Limited.

HUTCHISON IDH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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%
		<hr/>
		100%
		<hr/>

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.