

CABLE & WIRELESS HK FINANCE

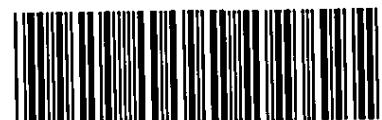
Report and Financial Statements

Year Ended 31 December 2006

Registered Office

7th Floor,
The Point,
37 North Wharf Road,
London W2 1LA

THURSDAY



LD5 *LYQD0TP4* 394
11/10/2007
COMPANIES HOUSE

To the Company's Ordinary Shareholders

Elective Regime

On 9 February 1999 the Company passed elective resolutions in accordance with Section 379A of the Companies Act 1985 as amended ("the Act") to dispense with the formalities of

- the laying of accounts before the Company in general meeting (Section 252 of the Act),
- the holding of annual general meetings (Section 366A of the Act), and
- the obligation to appoint auditors annually (Section 386 of the Act)

Section 253(2) gives members the right to require the laying of accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with Section 238(1) of the Act.

REPORT AND FINANCIAL STATEMENTS 2006

CONTENTS

	Page
Directors' report	2
Profit and loss account	3
Balance sheet	4
Notes to the accounts	5

DIRECTORS AND THEIR INTERESTS

The Directors present their annual report and the financial statements for the year ended 31 December 2006

ACTIVITIES

The principal activity of the Company is to provide loans to group companies. The Company was dormant within the meaning of section 249AA of the Companies Act 1985 throughout the year.

FUTURE PROSPECTS

No change in the Company's activities is envisaged in the foreseeable future.

DIRECTORS AND THEIR INTERESTS

The Directors who held office during the year and subsequent to the year end were

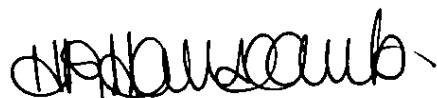
A S Garard (resigned 21 March 2006)

D J Platt

N I Cooper (appointed 21 March 2006)

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

By order of the Board of Directors



H M HANSCOMB

Secretary

Date 9th October 2007.

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2006

During the current year or prior period, the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor loss or any other recognised gains or losses in the current or prior year.

BALANCE SHEET
As at 31 December 2006

	Note	31 December 2006 £'000	31 December 2005 £'000
CURRENT ASSETS			
Debtors	3	9,486,563	9,486,563
NET ASSETS		<u>9,486,563</u>	<u>9,486,563</u>
CAPITAL AND RESERVES			
Called up share capital	4	276	276
Share premium account	5	9,486,287	9,486,287
EQUITY SHAREHOLDERS' FUNDS		<u>9,486,563</u>	<u>9,486,563</u>

The Director confirm that for the year ended 31 December 2006

- (a) the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985 from the requirement to have its accounts audited, and
- (b) members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The Directors acknowledge their responsibility for (a) ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and (b) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as possible to the Company

The financial statements on pages 3 to 6 were approved by the Board of Directors on *31* ~~OCTOBER~~ 2007 and signed on their behalf by



D J PLATT
 Director

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

1. ACCOUNTING POLICIES

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis

The financial statements have been prepared on the going concern basis. The Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITORS

The Company had no employees during the year (year to 31 December 2005 – nil). The Directors did not receive any emoluments from the Company (year to 31 December 2005 – £nil).

3. DEBTORS

	31 December 2006 £000	31 December 2005 £000
Amounts owed by ultimate parent company	9,486,563	9,486,563

4. CALLED UP SHARE CAPITAL

	31 December 2006 £	31 December 2005 £
Authorised		
198,806 Ordinary shares of £1 each	198,806	198,806
210,000 Preference shares of £1 each	210,000	210,000
	<u>408,806</u>	<u>408,806</u>
Allotted, called up and fully paid		
65,761 Ordinary shares of £1 each	65,761	65,761
210,000 Preference shares of £1 each	210,000	210,000
	<u>275,761</u>	<u>275,761</u>

5. MOVEMENT ON RESERVES

Share premium at 1 January 2006 and 31 December 2006	<u>9,486,287</u>
--	------------------

NOTES TO THE ACCOUNTS
Year ended 31 December 2006

6. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (revised), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A cash flow statement is included in the financial statements of Cable and Wireless plc.

7. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the Cable & Wireless group, or investees of the group qualifying as related parties, as all of the Company's voting rights are controlled within that group. There are no material transactions with any other related parties.

8. ULTIMATE PARENT COMPANY

The Directors consider that the Company's ultimate parent undertaking and controlling party is Cable and Wireless plc, registered in England and Wales. A copy of Cable and Wireless plc's published consolidated financial statements can be obtained from The Secretary, Cable and Wireless plc, 7th Floor, The Point, 37 North Wharf Road, London W2 1LA. No other group accounts include the results of the Company.