

**Hutchison 3G UK Holdings Limited**

**(Formerly Firsttheme Limited)**

**Registered Number 3918124**

**Annual Report**

**Period Ended 31 December 2000**



# **Hutchison 3G UK Holdings Limited**

## **Directors' Report**

The Directors present their report and the audited financial statements for the period from the date of incorporation to 31 December 2000.

### **Principal activities and review of the business**

The Company is an investment holding company and was incorporated on 2 February 2000 as Firsttheme Limited. On 4 August 2000 the Company changed its name to Hutchison 3G UK Holdings Limited.

On 29 June 2000 the Company purchased 100% of the share capital of TIW UMTS UK Limited, a successful bidder in the UK Government's Universal Mobile Telecommunications System (UMTS) licence auction process, which subsequently changed its name to Hutchison 3G UK Limited.

The principal activity of the Group (the Company and Hutchison 3G UK Limited) during the period was the commencement of the development of the infrastructure and services to provide third generation mobile multi media services in the UK. The Directors are satisfied with progress to date.

On 21 September 2000 NTT DoCoMo Inc and KPN Mobile N.V. purchased 20% and 15% of the issued share capital of the Company respectively.

### **Post balance sheet events**

Particulars of important events since the period end are set out in note 23 to the financial statements.

### **Research and development**

The Group continues an active research and development programme for the enhancement of third generation mobile multi media services.

### **Results and dividend**

The Group's loss for the period amounted to £28,293,000. The Directors do not recommend the payment of a dividend.

### **Directors and their interests**

The Directors who held office during the period were as follows:

# Hutchison 3G UK Holdings Limited

## Directors' Report

	Appointed	Resigned
Instant Companies Limited	02/02/2000	02/03/2000
C Fok	13/07/2000	
V Li	13/07/2000	
Lord Derwent LVO	21/09/2000	
S Chow	13/07/2000	
F Sixt	02/03/2000	
E Shih	02/03/2000	13/07/2000
E Shih	21/09/2000	
K Harada	21/09/2000	
A Hirooka	21/09/2000	
D Karsten	21/09/2000	
S Kanazu	21/09/2000	
S Miller	21/09/2000	
D Lai	13/07/2000	21/09/2000

The interests of Directors in shares in or debentures of the Company or any body corporate of the same group as at 31 December 2000 and, if applicable, as at the beginning of the period ended on 31 December 2000 (or, if not then a Director, when he or she became one) as required to be recorded in the register maintained under section 325 of the Companies Act 1985 were as follows:

### (a) Interests in the Company

None of the Directors had, as at 31 December 2000, any interests in shares in or debentures of the Company.

### (b) Interests in other bodies corporate of the group

Mr. Canning Fok had: (i) as at the date of his appointment as a Director, an interest in 1,001,097 shares (of which 38,500 shares were held through a corporation) in Hutchison Whampoa Limited and, as at 31 December 2000, an interest in 1,010,875 shares (of which 48,278 shares were held through a corporation) in Hutchison Whampoa Limited, (ii) as at the date of his appointment as a Director and as at 31 December 2000, an interest in 100,000 shares in Hutchison Telecommunications (Australia) Limited, and (iii) as at the date of his appointment as a Director and as at 31 December 2000, a corporate interest in a nominal amount of US\$11,000,000 in the 6.95% Notes due 2007 issued by Hutchison Whampoa Finance (CI) Limited.

Lord Derwent had, as at the date of his appointment as a Director and as at 31 December 2000, an interest in 11,000 shares in Hutchison Whampoa Limited.

Mr. Victor Li had, as at the date of his appointment as a Director and as at 31 December 2000, an interest in: (i) 8,800,000 shares in Hutchison Whampoa Limited (see note a), (ii) 971,000 shares in Hutchison Whampoa Limited (see note b), and (iii) 5,428,000 shares in Cheung Kong Infrastructure Holdings Limited (see note c).

# Hutchison 3G UK Holdings Limited

## Directors' Report

### Notes:

- (a) These shares are held by a unit trust. All issued and outstanding units of such unit trust are held by discretionary trusts. Mr. Victor Li is one of the discretionary beneficiaries of such discretionary trusts.
- (b) These shares are held by companies in which Mr. Victor Li controls one-third or more of the voting rights at their general meetings.
- (c) These shares are held by companies controlled by Li Ka-Shing Unity Trust Company Limited as trustee of The Li Ka-Shing Unity Trust (the "LKS Unity Trust"). All the issued and outstanding units in the LKS Unity Trust are held by Li Ka-Shing Unity Trustee Corporation Limited as trustee of The Li Ka-Shing Unity Discretionary Trust and by another discretionary trust. The discretionary beneficiaries of such discretionary trusts are, inter alia, Mr. Victor Li and his wife and their two daughters.

Ms. Edith Shih had: (i) as at the date of her first appointment as a Director, an interest in 5,000 shares in Hutchison Whampoa Limited and, as at 31 December 2000, an interest in 9,700 shares in Hutchison Whampoa Limited, and (ii) as at the date of her first appointment as a Director and as at 31 December 2000, an interest in a nominal amount of US\$205,000 in the 6.95% Notes due 2007 issued by Hutchison Whampoa Finance (CI) Limited.

Mr. Frank Sixt had, as at the date of his appointment as a Director and as at 31 December 2000, an interest in a nominal amount of US\$530,000 in the 7% convertible bonds due 2001 issued by Hutchison Delta Finance Limited.

Save as disclosed above, as at 31 December 2000, no Director had, according to the register, any interests in shares in or debentures of the Company or any body corporate in the same group, or any right to subscribe for such shares or debentures.

### Employees

Consultation with employees or their representatives is maintained, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests. Communication with all employees continues through the intranet newsletters, workshops and briefing groups.

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

### Auditors

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

# Hutchison 3G UK Holdings Limited

## Directors' Report

### Statement of Directors' responsibilities

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 the Group and of the profit or loss of the Group for that period. 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 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 which disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By Order of the Board**

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

**Director**  
**29 June 2001**

# Hutchison 3G UK Holdings Limited

## Auditors' Report to the members of Hutchison 3G UK Holdings Limited

We have audited the financial statements on pages 6 to 19.

### Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable UK accounting standards. Our responsibilities, as independent auditors, are established in the UK 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 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 affairs of the Company and the Group as at 31 December 2000 and of the loss and cash flows of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London  
29 June 2001

# Hutchison 3G UK Holdings Limited

## Consolidated Profit and Loss Account for the Period Ended 31 December 2000

	Notes	2000 £000
Turnover		-
Gross profit		-
Administrative expenses		(24,992)
Operating loss		(24,992)
Interest receivable and similar income	6	14
Interest payable and similar charges	7	(3,315)
Loss on ordinary activities before taxation	2	(28,293)
Tax on loss on ordinary activities	8	-
Retained loss for the period	15	(28,293)

The results relate to activities commenced in the period, which are continuing.

The Group has no recognised gains or losses other than the loss for the period as shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the period stated above and their historical cost equivalents.

The notes on pages 9 to 19 form an integral part of these financial statements.

# Hutchison 3G UK Holdings Limited

## Balance Sheets as at 31 December 2000

		Group		Company	
	Notes	2000 £000	2000 £000	2000 £000	2000 £000
<b>Fixed assets</b>					
UMTS licence	9	4,445,598		-	
Tangible assets	10	10,398		-	
Investments	11	-		4,445,487	
			4,455,996		4,445,487
<b>Current assets</b>					
Debtors	12	7,151		-	
Cash at bank and in hand		18,204		-	
			25,355		-
<b>Creditors (amounts falling due within one year)</b>	13		(64,157)		-
<b>Net current (liabilities)/assets</b>			(38,802)		-
<b>Total assets less current liabilities</b>			4,417,194		4,445,487
<b>Net assets</b>			4,417,194		4,445,487
<b>Capital and reserves</b>					
Called up share capital	14	4,445,487		4,445,487	
Profit and loss account	15	(28,293)		-	
<b>Equity shareholders' funds</b>	16		4,417,194		4,445,487

The financial statements on pages 6 to 19 were approved by the Board of Directors on 29 June 2001 and were signed on its behalf by:



Director



# Hutchison 3G UK Holdings Limited

## Consolidated Cash Flow Statement for the Period Ended 31 December 2000

	Notes	2000 £000	2000 £000
<b>Net cash outflow from operating activities</b>	17		(12,202)
<b>Returns on investments and servicing of finance</b>			
Interest received		14	
Interest paid		(3,223)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(3,209)
<b>Taxation</b>			-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(9,166)	
<b>Net cash outflow from capital expenditure and financial investment</b>			(9,166)
<b>Acquisitions</b>			
Purchase of subsidiary undertaking	11		-
<b>Net cash outflow before financing</b>			(24,577)
<b>Financing</b>			
Increase in borrowings		42,781	
<b>Net cash inflow from financing</b>			42,781
<b>Net increase in cash at 31 December 2000</b>			18,204

## Reconciliation to net debt

		2000 £000
Net cash at 2 February 2000		-
Increase in net cash		18,204
Movement in borrowings		(42,781)
<b>Net debt at 31 December 2000</b>	18	(24,577)

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### **1 Accounting policies**

#### **(1) Basis of accounting**

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

#### **(2) Principles of consolidation**

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertaking. Intercompany transactions and balances have been eliminated. Acquisitions made by the Group are included under the acquisition method of accounting and the consolidated financial statements include the results of such subsidiary from the relevant date of acquisition.

#### **(3) Research and development**

Expenditure on research and development is charged to the profit and loss account in the period in which it is incurred with the exception of expenditure on the development of products and services where the outcome of those products is assessed as being reasonably certain as regards commercial viability and technical feasibility.

At the period end, no development expenditure had been capitalised.

#### **(4) Pension costs**

The Group contributes to a defined contribution personal pension plan in respect of its employees. These costs are charged to the profit and loss account in the period to which the contributions relate.

#### **(5) Foreign currency transactions**

Transactions denominated in foreign currencies are translated at the rate prevailing at the time of the transaction. Monetary assets or liabilities denominated in foreign currencies, which are held at the end of the period, are translated at the period-end rate of exchange. Exchange differences on monetary items are taken to the profit and loss account.

#### **(6) Financial instruments**

The element of facility arrangement fees relating to amounts of a facility drawn down in the same period are netted off the liability at draw down and amortised over the period of the arrangement. Other fees are written off in the period incurred.

#### **(7) UMTS licence**

The UMTS licence is stated at cost less accumulated amortisation.

Licence fees are capitalised at cost and are amortised over the period of the licence. Amortisation is charged on a straight line basis from the commencement of service of the network determined in relation to the development of the network infrastructure.

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

Regular reviews are conducted on the licence's carrying value and where impairment is judged to have occurred a provision is made for diminution in value and charged to the profit and loss account in that period.

### (8) Fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

The cost of fixed assets includes only those costs directly attributable to bringing the asset into working condition for its intended use, including associated borrowing costs.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives from the time they are brought into use at the following rates:

Leasehold improvements	over the lease term
Plant and equipment	10% - 33.3%

Regular reviews are conducted on assets' carrying values and where impairment is judged to have occurred a provision is made for diminution in value and charged to the profit and loss account in that period.

### (9) Leased assets

Where the Group has substantially all the risks and rewards of ownership of an asset subject to lease, that lease is treated as a finance lease with the equivalent cost recorded as both a fixed asset and a liability. Depreciation is provided in line with the Group accounting policy for the underlying assets. Finance charges, included in interest, are allocated over each lease to produce a constant rate of charge on the outstanding balance.

All other leases are accounted for as operating leases and the rental costs are charged to the profit and loss account in equal instalments over the periods of the leases.

### (10) Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 2 Loss on ordinary activities before taxation

	2000 £000
The loss on ordinary activities before taxation has been stated after charging:	
Staff costs (Note 4)	5,861
Auditors' remuneration (Company : £nil)	49
Amounts paid to auditors in respect of non audit work	281
Depreciation (Note 10)	361
Operating lease expenditure – plant & machinery	7
Operating lease expenditure – other	2,357
Research and development	213

Audit fees relating to the Company were borne by the subsidiary, Hutchison 3G UK Limited.

### 3 Directors' emoluments

	2000 £000
Aggregate emoluments	-
Company pension contributions	-

None of the Directors received emoluments for services provided to the Group.

### 4 Staff costs

	2000 £000
Salaries	4,979
Social Security	604
Pension costs	278
	5,861

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 5 Employee information

The period-end number of people (excluding executive directors) employed permanently by the Group was:

	2000 Number
Operations	102
Administration	149
	<hr/> 251

The average number of people employed during the period was 70.

### 6 Interest receivable and similar income

	2000 £000
Interest receivable from bank deposits	14

### 7 Interest payable and similar charges

	2000 £000
Interest payable on bank loans	315
Other charges	3,000
	<hr/> 3,315

### 8 Tax on loss on ordinary activities

	2000 £ 000
Provision for the period:	
Corporation tax charged at 30%	-

There is no tax charge arising in the period as no chargeable profits were made. No deferred tax asset has been recognised in the financial statements.

The expenses recorded in the profit and loss account of the Company's subsidiary, Hutchison 3G UK Limited, may be tax deductible when the Company commences to trade. To the extent they are tax deductible, they will constitute a deferred tax asset.

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 9 UMTS licence

	Total 2000 £000
<b>Group</b>	
<b>Cost</b>	
At 2 February 2000	-
Acquisitions	4,445,598
<b>At 31 December 2000</b>	<b>4,445,598</b>
<b>Amortisation</b>	
At 2 February 2000	-
Charge for the period	-
<b>At 31 December 2000</b>	<b>-</b>
<b>Net book value</b>	
At 31 December 2000	4,445,598

Included in the above are the cost of a UK UMTS licence ('the licence') and associated bid costs.

### 10 Tangible fixed assets

	Leasehold Improvements	Plant and Equipment	Assets in the course of Construction	Total
	£000	£000	£000	£000
<b>Group</b>				
<b>Cost</b>				
At 2 February 2000	-	-	-	-
Additions	236	3,219	7,304	10,759
<b>At 31 December 2000</b>	<b>236</b>	<b>3,219</b>	<b>7,304</b>	<b>10,759</b>
<b>Depreciation</b>				
At 2 February 2000	-	-	-	-
Charge for the period	(68)	(293)	-	(361)
<b>At 31 December 2000</b>	<b>(68)</b>	<b>(293)</b>	<b>-</b>	<b>(361)</b>
<b>Net book value</b>				
At 31 December 2000	168	2,926	7,304	10,398

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 11 Investments

#### Investments in subsidiary undertakings

Company	Shares 2000 £000	Loans 2000 £000	Total 2000 £000
<b>Cost</b>			
At 2 February 2000	-	-	-
Additions in the period	-	4,445,487	4,445,487
<b>At 31 December 2000</b>	<b>-</b>	<b>4,445,487</b>	<b>4,445,487</b>

The Company owns 100% of the issued ordinary shares of Hutchison 3G UK Limited.

The principal activity of the subsidiary is the development of the infrastructure and services necessary to provide third generation mobile multi media services in the UK. As part of a wider agreement between the Company's ultimate parent and Telesystem International Wireless Inc, the subsidiary was acquired on 29 June 2000 and its accounts have been included in the consolidated financial statements.

The post acquisition results and cashflows of the subsidiary represent the only results and cash flows of the Group.

From the date of incorporation of the subsidiary to the date of its acquisition by the Group, the subsidiary's accounting records show:

	£000
<b>Turnover</b>	-
<b>Operating loss</b>	-
<b>Loss before taxation</b>	<b>(59,874)</b>
<b>Taxation</b>	-

On 29 June 2000 the Company acquired TIW UMTS UK Limited ('the subsidiary'), subsequently renamed Hutchison 3G UK Limited, for £1. At the date of acquisition the subsidiary's balance sheet contained the UMTS licence fee and associated bid costs of £4,385million and liabilities of £4,445million representing the financing of these costs plus associated interest up to 29 June 2000. For the purpose of acquisition accounting, the fair value of the UMTS licence to the Group represents the total costs of £4,445million incurred by the subsidiary up to 29 June 2000.

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 12 Debtors

	2000 £000
<b>Group</b>	
Due within one year:	
Other debtors	3,655
Prepayments	2,808
Amounts due from group undertakings	688
	<hr/>
	7,151

### 13 Creditors - amounts falling due within one year

	2000 £000
<b>Group</b>	
Bank loans	42,781
Trade creditors	7,896
Amounts due to group undertakings	2,283
Taxation and social security	496
Other creditors	173
Accruals and deferred income	10,528
	<hr/>
	64,157

Bank loans of £42,781,000 relate to an interim facility held with the subsidiary's bankers and for which the ultimate parent company acts as guarantor. The loans were repaid in April 2001.

### 14 Called up share capital

	2000 £000
<b>Group and Company</b>	
Authorised:	
5 billion ordinary shares of £1 each	5,000,000
Allotted and fully paid:	
4,445,486,753 ordinary shares of £1 each	4,445,487

During the period 4,445,486,753 ordinary shares were issued at par value.



# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 15 Profit and loss account

	2000 £000
<b>Group</b>	
At 2 February 2000	-
Loss for the period	(28,293)
<hr/>	
Retained losses at 31 December	(28,293)

The Company has not presented its own profit and loss account as permitted by Section 230 of the Companies Act 1985. The Company's loss for the period was £nil.

### 16 Reconciliation of movements in shareholders' funds

	2000 £000
<b>Group</b>	
Loss for the period	(28,293)
Proceeds of issue of ordinary shares	4,445,487
<hr/>	
Shareholders' funds at 31 December	4,417,194
 <b>Company</b>	
Loss for the period	-
Proceeds of issue of ordinary shares	4,445,487
<hr/>	
Shareholders' funds at 31 December	4,445,487

### 17 Reconciliation of operating loss to net cash outflow from operating activities

	2000 £000
<b>Group</b>	
Operating loss	(24,992)
Depreciation	361
(Increase) in debtors	(7,151)
Increase in creditors	19,580
<hr/>	
Net cash outflow from operating activities	(12,202)

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 18 Reconciliation of movement in net debt

	At 2 February 2000 £000	Cash flow £000	At 31 December 2000 £000
<b>Group</b>			
Cash at bank and in hand	-	18,204	18,204
Bank loans and overdrafts	-	(42,781)	(42,781)
<b>Net debt</b>	<b>-</b>	<b>(24,577)</b>	<b>(24,577)</b>

### 19 Major non-cash transactions

On 29 June 2000, the Company acquired a subsidiary which had gross assets and liabilities of £4.4 billion. The Company issued 4.4 billion ordinary shares at the par value of £1 per share. The consideration for the shares was directed by the Company to be paid to Hutchison 3G UK Limited as an advance by the Company under a loan between the Company and Hutchison 3G UK Limited. Hutchison 3G UK Limited in turn directed that the consideration be paid to its creditors in discharge of liabilities of an equivalent amount owed by it to such creditors.

### 20 Operating lease commitments

At 31 December 2000, the Group had lease agreements in respect of buildings, office equipment, and motor vehicles for which the payments extend over a number of years.

	Buildings £000	Office Equipment £000	Motor Vehicles £000	Total £000
<b>Annual commitments under non cancellable operating leases expiring:</b>				
Within one year	3,351	-	-	3,351
Within two to five years	123	14	195	332
After five years	4,154	-	-	4,154
	<b>7,628</b>	<b>14</b>	<b>195</b>	<b>7,837</b>

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 21 Pensions

The Group operates a defined contribution personal pension plan. The pension plan is voluntary. Group employees have the option to join the scheme on the commencement date of employment.

Employees who join the scheme contribute a minimum of 6% of salary per annum into the employee's chosen scheme, whilst the employer contributes a minimum of 8% into the scheme.

	2000 £000
Pension costs	278

No payments due to the plan by the Group were outstanding at the balance sheet date.

### 22 Capital commitments

The Group entered into material capital contracts subsequent to the period end, the details of which are disclosed in note 23. At 31 December 2000, the Group had no material contracted capital commitments (Company: £nil).

### 23 Post balance sheet events

On 23 February 2001 the Group agreed to lease space on 4,000 sites managed by Crown Castle UK Limited for a period of 25 years. An option to lease an additional 2,536 sites was also taken. These sites are to be used to construct the infrastructure required to operate the Group's third generation mobile multi media services in the UK.

On 30 March 2001 the Group secured a £3.2billion interim bank facility to be made available over a three-year period and which may be extended for an additional year, raised from a combination of bank, vendor finance, and Hutchison Whampoa Limited group sources. The facility is secured by a combination of fixed and floating charges over the assets of the Group.

Also on 30 March 2001 Nokia UK Limited was selected as the core network provider. The radio access network contract was awarded jointly to Nokia UK Limited and NEC (UK) Limited.

During April 2001 the Company established, subject to relevant regulatory compliance, an unapproved share option scheme, for eligible employees. Options issued under the scheme will vest and be exercisable partly on the initial public offering of shares in the Company and partly at predetermined dates thereafter.

# Hutchison 3G UK Holdings Limited

## Notes to the Financial Statements - 31 December 2000

### 24 Related party transactions

Transactions with companies in the Hutchison Whampoa Limited group, all of which are under common control, are shown below.

Company	Profit & Loss	Balance Sheet	Balances at
	Account	transactions	period end
	transactions		2000
	£000	£000	£000
Hutchison Whampoa (Europe) Limited	(2,283)	-	(2,283)
Hutchison Telecommunications International Limited	-	18	18
Hutchison 3G Austria GmbH	-	41	41
Hi3G Access AB	-	321	321
Hutchison Whampoa Europe Investments S.à r.l. (formerly Symphonium S.à r.l.)	-	308	308

Transactions relate to operating expenses incurred on behalf of, or by, other group companies.

### 25 Ultimate Parent Undertaking

The immediate parent company is Hutchison 3G UK Investments S.à r.l., a company incorporated in Luxembourg, which owns 50.099% of the share capital and voting rights of the Company.

Hutchison Whampoa Limited, incorporated in Hong Kong, is the parent undertaking and the smallest and largest group to consolidate these accounts and is the Company's ultimate parent undertaking and owns, through Hutchison 3G UK Investments S.à r.l. and other Hutchison Whampoa Limited group companies, 65% of the share capital and voting rights of this Group.

Copies of the group accounts of Hutchison Whampoa Limited may be obtained from the Company Secretary at 22/F Hutchison House, 10 Harcourt Road, Hong Kong.