

HPH FINANCE (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
(Registered number 4339951)
31 December 2002



HPH Finance (UK) Limited

Report of the directors for the period ended 31 December 2002

The directors have pleasure in submitting their report and audited financial statements for the period from 13 December 2001 (date of incorporation) to 31 December 2002.

Principal activities

The principal activity of the company is as a finance company of a group company.

Operating results

The profit and loss account is set out on page 4 and shows the results for the period ended 31 December 2002.

Dividends

The directors do not propose the payment of a dividend during the period.

Directors

The following served as directors during the period ended 31 December 2002:

Instant Companies Limited	(appointed on 13 December 2001, resigned 18 December 2001)
J E Meredith	(appointed on 18 December 2001, resigned 29 May 2002)
E Shih	(appointed on 18 December 2001)
J S Tsien	(appointed on 18 December 2001)
R C Pearson	(appointed on 29 May 2002)
C C F Cheng	(appointed on 29 May 2002)
E Ho	(appointed on 29 May 2002)

Directors' interests

No director had an interest in any contract with the company during the period.

No director had any interests which required disclosure in accordance with Section 324 of the Companies Act 1985.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which 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 period. The directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that suitable accounting policies have been used and consistently applied. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2002 and that applicable accounting standards have been followed. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

HPH Finance (UK) Limited

Report of the directors for the period ended 31 December 2002 (continued)

Auditors

A resolution to re-appoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the Annual General Meeting.

By Order of the Board



Tomline House
The Dock
Felixstowe
Suffolk
IP11 3SY

M J Chatfield
Company Secretary
20 March 2003

HPH Finance (UK) Limited

Independent auditors' report to the shareholders of HPH Finance (UK) Limited

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes.

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.

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. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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.

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 2002 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

1 Embankment Place

London WC2N 6NN

20 March 2003

HPH Finance (UK) Limited

Profit and loss account for the period ended 31 December 2002

		From 13 December 2001 (date of incorporation) to 31 December 2002
	Notes	US\$
Interest receivable and similar income	4	400,784
Interest payable and similar charges	5	(352,579)
Profit on ordinary activities before taxation		<u>48,205</u>
Taxation	6	(45,737)
Profit for the period accumulated		<u><u>2,468</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing.

The company has no gains or losses other than those above and therefore no separate statement of total recognised gains and losses has been prepared.

There is no difference between the profit on ordinary activities before taxation and the accumulated profits for the period and their historical cost equivalents.

The notes on pages 6 to 8 form part of these financial statements.

HPH Finance (UK) Limited

Balance sheet as at 31st December 2002

	Notes	2002 US\$
Current assets		
Debtors falling due within one year	7	6,074,790
Bank and cash balances		124,329
		<hr/> 6,199,119
Current liabilities		
Creditors falling due within one year	8	(5,496,651)
		<hr/>
Net current assets		<hr/> 702,468 <hr/>
Capital and reserves		
Share capital	9	700,000
Profit and loss account		2,468
		<hr/>
Total equity shareholders' fund		<hr/> 702,468 <hr/>

Approved by the Board of Directors on 20th March 2003



C C F CHENG
Director



J S TSIEN
Director

The notes on pages 6 to 8 form part of these financial statements

HPH Finance (UK) Limited

Notes to the financial statements – 31 December 2002

1. Statement of accounting policies

- (a) The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.
- (b) Interest receivable and payable are accounted for on an accruals basis.
- (c) The company has taken advantage of the exemption provided by Financial Reporting Standard 1 (Revised 1996) and has not prepared a cash flow statement since it is a wholly owned subsidiary of Hutchison Port Holdings Limited which has produced such a statement within its consolidated financial statements.
- (d) The financial statements are denominated in United States Dollars which is the functional currency of the company. The exchange rate at the balance sheet date of 31 December 2002 is 1.6051 United States Dollars to One Pound Sterling.

2. Directors' remuneration

The directors received no remuneration in respect of their services to the company during the period.

3. Employees

The company does not have any employees.

4. Interest receivable and similar income

	From 13 December 2001 (date of incorporation) to 31 December 2002 US\$
On loan to a group undertaking	398,833
On bank deposits	1,951
	<hr/>
	400,784
	<hr/>

HPH Finance (UK) Limited

Notes to the financial statements – 31 December 2002

5. Interest payable and similar charges

	From 13 December 2001 (date of incorporation) to 31 December 2002 US\$
On loan from a group undertaking	351,521
Bank charges	1,058
	<hr/> 352,579 <hr/>

6. Taxation

	From 13 December 2001 (date of incorporation) to 31 December 2002 US\$
a) Analysis of tax charge in the period:	
Current tax:	
UK tax	-
Overseas withholding tax suffered on interest income	45,737
Total current tax charge	<hr/> 45,737 <hr/>
Total taxation charge	<hr/> 45,737 <hr/>

b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the period is higher than the standard rate of corporation tax in the UK of 30%. The differences are reconciled below:

Profit on ordinary activities before taxation	48,205
	<hr/>
Current tax:	
Profit on ordinary activities before taxation at 30%	14,462
Effects of:	
Withholding tax suffered	45,737
Current UK corporation tax credit	(14,462)
Current tax charge for the period	<hr/> 45,737 <hr/>

HPH Finance (UK) Limited

Notes to the financial statements – 31 December 2002

7. Debtors falling due within one year

	2002 US\$
Loan owed by a group undertaking	6,032,688
Amount owed by a group undertaking	42,102
	<hr/> 6,074,790 <hr/>

8. Creditors falling due within one year

	2002 US\$
Loan owed to parent undertaking	5,276,000
Amount owed to parent undertaking	214,712
Amount owed to a group undertaking	887
Other creditors including taxation and social security	5,052
	<hr/> 5,496,651 <hr/>

9. Share capital

	2002 US\$
Authorised, issued and fully paid	
700,000 ordinary shares of US\$1 each	<hr/> 700,000 <hr/>

10. Parent company

Best Full Resources Limited, incorporated in the British Virgin Islands, whose principal activity is investment holding and provision of finance, is the immediate parent of the company and owns 100% of the shares and voting rights.

Hutchison Port Holdings Limited, incorporated in the British Virgin Islands, is the smallest group to consolidate the accounts of the company.

Hutchison Whampoa Limited, incorporated in Hong Kong, is the company's ultimate parent company and is the largest group to consolidate these accounts.

Copies of the Hutchison Whampoa group accounts may be obtained from the Company Secretary, 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong.