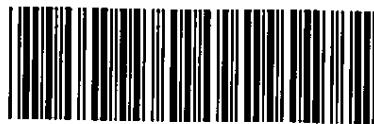


HUTCHISON WHAMPOA FINANCE UK PLC

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD FROM 7 NOVEMBER 2006
(DATE OF INCORPORATION) TO 31 DECEMBER 2007**

REGISTERED NUMBER: 5990939

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COMPANIES HOUSE

HUTCHISON WHAMPOA FINANCE UK PLC

Content

Directors' Report	1
Independent Auditors' report	3
Profit and Loss account	5
Balance Sheet	6
Notes to the Financial statements	7

1

HUTCHISON WHAMPOA FINANCE UK PLC
FOR THE PERIOD FROM 7 NOVEMBER 2006 TO 31 DECEMBER 2007

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the period from 7 November 2006 (date of incorporation) to 31 December 2007

The Company was incorporated on 7 November 2006, and Luciene James Limited and The Company Registration Agents Limited were the first Directors of the Company when the Company was incorporated. On 7 November 2006, the ownership of the Company was changed from Luciene James Limited and The Company Registration Agents Limited to Hutchison Whampoa Europe Investment S à r l and Colonial Nominees (BVI) Ltd, and Luciene James Limited, The Company Registration Agents Limited, Abogado Nominees Limited and Abogado Custodians Limited resigned as the Directors of the Company

PRINCIPAL ACTIVITY

The principal activity of the Company is to arrange financing on behalf of group companies

BUSINESS REVIEW

Hutchison Whampoa Finance UK PLC ("the Company") is an indirect wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"), a company listed on The Stock Exchange of Hong Kong Limited and incorporated in Hong Kong

The Directors consider that the result for the period and the position at the end of it are satisfactory and they expect the present level of activity to be sustained for the foreseeable future

POST BALANCE SHEET EVENTS

Post balance sheet events are set out in note 14 to the financial statements

FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Company's activities may expose it to certain financial risks, including foreign exchange risk, fair value interest risk, price risk, credit risk, liquidity risk, and cash flow interest rate risk. Financial risk management is carried out by the treasury function of the ultimate holding company, in accordance with policies and procedures approved by its Executive Directors, which are also subject to periodic review by the internal audit function of the ultimate holding company. The treasury policies are designed to mitigate the impact of fluctuations in interest rates and exchange rates and to minimise the financial risks. The treasury function operates as a centralised service for managing financial risks, and for providing cost efficient funding to individual entities

(i) Foreign currency risk

The Company has minimal exposure to foreign currency exchange rate risk as transactions are mainly denominated in Sterling which is the functional currency of the Company. The Company considers its foreign currency risk exposure is not significant

(ii) Credit risk

The Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. Credit risks arising from receivables and loans due from group companies are not significant to the Company

(iii) Liquidity risk

The Company's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient liquid financial assets to meet those requirements

Analysis of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date is set out in Note 10 to the financial statements

(iv) Interest rate risk

The Company's interest rate risk arises primarily from the loans due from group companies and the borrowings with floating rates, where the Company is exposed to cash flow interest rate risk

HUTCHISON WHAMPOA FINANCE UK PLC

REPORT OF THE DIRECTORS (CONTINUED)

RESULTS AND DIVIDENDS

The Company's loss for the period is £3,621. No interim dividend was paid during the period and the Directors do not recommend the declaration of a final dividend.

DIRECTORS

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

Luciene James Limited	Appointed on 7 November 2006 and resigned on 7 November 2006
The Company Registration Agents Limited	Appointed on 7 November 2006 and resigned on 7 November 2006
Abogado Nominees Limited	Appointed on 7 November 2006 and resigned on 7 November 2006
Abogado Custodians Limited	Appointed on 7 November 2006 and resigned on 7 November 2006
Susan M F Woo Chow	Appointed on 7 November 2006
Frank J Sixt	Appointed on 7 November 2006
Christian N R Salbaing	Appointed on 7 November 2006
Edmond W L Ho	Appointed on 7 November 2006
Lord Derwent	Appointed on 7 November 2006 and resigned on 1 January 2008

All Directors retire at the first annual general meeting under the provisions of Regulation 73 of Table A of Companies Act 1985 and, being eligible, offers themselves for re-election.

AUDITORS AND DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. The Directors have taken all the steps that ought to be taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the forthcoming Annual General Meeting.

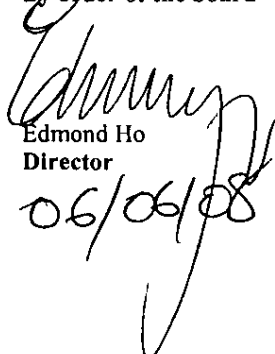
STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial period 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 period. The Directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business. The Directors believe that the adoption of going concern basis in the preparation of the financial statements is appropriate as sufficient funding is available through the HWL Group.

The Directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 December 2007 and that applicable accounting standards have been followed.

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.

By order of the board


Edmond Ho
Director
06/06/08

HUTCHISON WHAMPOA FINANCE UK PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HUTCHISON WHAMPOA FINANCE UK PLC

We have audited the financial statements of Hutchison Whampoa Finance UK PLC (the "Company") for the period from 7 November 2006 (date of incorporation) to 31 December 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the reports and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's member 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 whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial information. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.


HUTCHISON WHAMPOA FINANCE UK PLC

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF HUTCHISON WHAMPOA FINANCE UK PLC
(CONTINUED)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the Company as at 31 December 2007 and of the Company's loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

6 June 2008

HUTCHISON WHAMPOA FINANCE UK PLC

PROFIT AND LOSS ACCOUNT

for the period from 7 November 2006

(date of incorporation) to 31 December 2007

	Note	2007 £
Turnover	2	74,603,598
Operating expenses		<u>(3,621)</u>
Operating profit	3	74,599,977
Interest payable and similar charges	4	<u>(74,603,598)</u>
Loss for the period		<u><u>(3,621)</u></u>

The results relate to activities which are continuing

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

The Company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented

The notes on pages 7 to 12 form an integral part of the financial statements

HUTCHISON WHAMPOA FINANCE UK PLC

BALANCE SHEET

at 31 December 2007

2007

Note

£

ASSETS

Current assets

Debtors - amounts falling due within one year	7	855,076,812
Debtors - amounts falling due after more than one year	7	700,000,000

Creditors - amounts falling due within one year 8 (855,030,433)

Net current assets 700,046,379

Total assets less current liabilities 700,046,379

Creditors - amounts falling due after more than one year 9 (700,000,000)

NET ASSETS 46,379

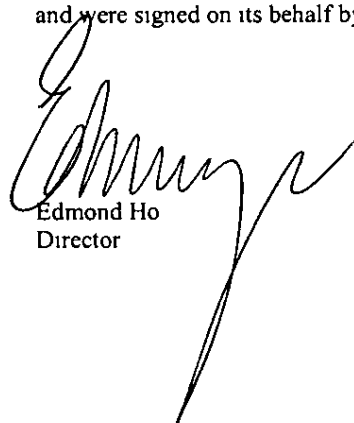
CAPITAL AND RESERVES

Share capital	11	50,000
Profit and loss account	12	<u>(3,621)</u>

SHAREHOLDER'S FUNDS 13 46,379

The financial statements on pages 5 to 12 were approved by the Board of Directors on and were signed on its behalf by

06/06/08



Edmond Ho
Director

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable UK accounting standards. Significant accounting policies, which have been applied consistently, are set out below.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results could differ from those estimates. Estimates are used principally when accounting for doubtful debts, provisions for liabilities and charges and taxes.

The ultimate holding company has confirmed its current intention to provide sufficient financial support to enable the Company to meet its financial obligations as and when they fall due. Consequently, the Directors have prepared the financial statements on a going concern basis.

(b) Finance cost

Costs incurred in raising debt finance are deducted from the amount raised and amortised over the period of the debt facility to produce a constant rate of financing charge.

Other finance costs are charged to the profit and loss account on an accruals basis.

(c) Foreign exchange

Transactions in foreign currencies are converted at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities are translated at the rates of exchange ruling at the balance sheet date. Exchange differences are included in the determination of profit or loss.

(d) Debtors

Debtors are stated at the amounts loaned less provision for bad and doubtful debts. Provisions are maintained in respect of bad and doubtful debts for estimated losses resulting from customers not making the required payments.

(e) Revenue recognition

Interest income is recognised on a time proportion basis using the effective interest method.

(f) Group companies

A group company is herein defined as Hutchison Whampoa Limited, a listed company incorporated in Hong Kong, and its subsidiary companies.

(g) Deferred tax

Deferred tax is provided in full on all timing differences, which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash flow statement

The Company has taken advantage of the provision under FRS 1 (revised 1996) from producing a cash flow statement as it is a wholly-owned subsidiary of Hutchison Whampoa Limited, which prepares a consolidated cash flow statement incorporating the cash flows of the Company

(i) Related party transactions

As the Company is a wholly-owned subsidiary of Hutchison Whampoa Limited ("HWL"), it has taken advantage of the exemption provided in FRS 8 not to disclose details of transactions within the HWL Group

2. TURNOVER AND REVENUE

Turnover represents interest income earned from a group company

3. OPERATING PROFIT

Audit fee for the period of £15,000 was borne by a group company

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £
Interest payable on creditors - amounts falling due after more than one year	43,463,114
Interest payable on creditors - amounts falling due within one year	<u>31,140,484</u>
	<u><u>74,603,598</u></u>

5. DIRECTORS' EMOLUMENTS

None of the Directors received or will receive any fees or emoluments in respect of their services to the Company for the period

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

6. TAXATION

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 30%. The difference is explained below

	2007 £
Loss on ordinary activities before tax	<u>-3,621</u>
Loss on ordinary activities at the current rate of corporation tax at 30%	-1,086
Permanent differences including deemed taxable interest income	233,335
Group relief surrendered to the company for free	<u>-232,249</u>
Total tax expense	<u>-</u>

7. DEBTORS

	2007 £
Debtors - Amounts falling due within one year	
Amounts owed by immediate holding company	50,000
Amounts owed by group undertaking	<u>855,026,812</u>
	<u>855,076,812</u>
Debtors - Amounts falling due after more than one year	
Amounts owed by group undertaking	<u>700,000,000</u>

Amounts owed by immediate holding company is an unsecured interest-free loan which is receivable on demand

Amounts owed by group undertakings - falling due within one year, include £850 million which represent £250 million, £250 million and £350 million interest bearing loans provided to Hutchison 3G UK Holdings Limited. The first tranches of £250 million each are receivable in full on 29 May 2008 and the £350 million loan is receivable in full on 20 June 2008. Also included in this balance are accrued interest of £4,898,063 and an interest-free advance to Hutchison OMF Limited of £128,749 which is receivable on demand

Amounts owed by group undertakings - falling due after more than one year, represent interest bearing loans to Hutchison 3G UK Holdings Limited of £300 million and £400 million, which are receivable in full on 24 November 2017 and 24 November 2026 respectively

Amounts owed by group undertakings are unsecured

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £
Bank loans (Note 10)	850,000,000
Other creditors	5,029,185
Accruals	1,248
	<u>855,030,433</u>

Bank loans are made up of the following

- £250 million bank loan drawn down during the period under a term loan facility of £250 million bearing interest at LIBOR plus 0.3% per annum and repayable in full on 29 May 2008. It is unsecured and guaranteed by the ultimate holding company.
- £250 million bank loan drawn down during the period under a term loan facility of £250 million bearing interest at LIBOR plus 0.3% per annum and repayable in full on 29 February 2008. It is secured by a US\$ deposit placed by a group company and guaranteed by the ultimate holding company.
- £350 million bank loan drawn down during the period under a term loan facility of £350 million bearing interest at LIBOR plus 0.08% per annum and repayable in full on 20 June 2008. It is secured by a US\$ deposit placed by a group company.

9. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £
Notes payable (Note 10)	<u>700,000,000</u>

Notes payable in the aggregate principal amount of £700 million were issued on 24 November 2006, comprised of £300 million principal amount of 5.625% Notes due on 24 November 2017 (the "Series A Notes") and £400 million principal amount of 5.625% Notes due on 24 November 2026 (the "Series B Notes"). These Notes are unsecured, guaranteed by the ultimate holding company and are listed on the Singapore Stock Exchange.

10. LOANS AND OTHER BORROWINGS

	2007 £
Bank loans	850,000,000
Notes payable	700,000,000
	<u>1,550,000,000</u>

The maturity of bank loans and notes payable are as follows

	£
In less than one year	850,000,000
In one to two years	-
In two to five years	-
In more than five years	700,000,000
	<u>1,550,000,000</u>

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

11. SHARE CAPITAL	2007
	£
<i>Authorised</i>	
10,000,000 shares of £1 each	<u>10,000,000</u>
	£
<i>Issued and fully paid</i>	
50,000 shares of £1 each	<u>50,000</u>
12. PROFIT AND LOSS ACCOUNT	2007
	£
Loss for the period	<u>(3,621)</u>
Closing balance at 31 December	<u>(3,621)</u>
13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS	2007
	£
Issuance of shares	50,000
Loss for the period	<u>(3,621)</u>
Shareholder's funds at 31 December	<u>46,379</u>

14. POST BALANCE SHEET EVENTS

On 1 February 2008, the bank loan of £250 million originally had a maturity on 29 February 2008, was extended to 29 May 2008

On 25 March 2008, the amounts owned by group undertakings of £250 million, originally had a maturity on 29 February 2008, was extended to 30 June 2012

On 25 March 2008, the amounts owned by group undertakings of £250 million, originally had a maturity on 29 May 2008, was extended to 30 June 2012

On 25 March 2008, the amounts owned by group undertakings of £350 million, originally had a maturity on 20 June 2008, was extended to 30 June 2012

On 13 May 2008, the bank loan of £350 million, originally had a maturity on 20 June 2008, was extended to 31 December 2008

On 16 May 2008, the bank loan of £250 million, originally had extended the maturity to 29 May 2008, was further extended to 29 December 2008

On 26 May 2008, the bank loan of £250 million, originally had a maturity on 29 May 2008, was extended to 29 December 2008

On 4 June 2008, a new bank loan facility of £350 million has a maturity on 31 December 2008 was granted

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 7 NOVEMBER 2006 (DATE OF INCORPORATION) TO 31 DECEMBER 2007

15. HOLDING COMPANIES

The immediate controlling party is Hutchison Whampoa Europe Investments S à r l , a company incorporated in Luxembourg, which owns 100% of the share capital and voting rights of the Company

Hutchison International Limited ("HIL"), a company incorporated in Hong Kong, is the smallest group to consolidate the results of the Company. Copies of the financial statements of HIL may be obtained from the Company Secretary at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong

Hutchison Whampoa Limited, a company listed on The Stock Exchange of Hong Kong Limited and incorporated in Hong Kong, is the largest group to consolidate these financial statements, and is the Company's ultimate controlling party

Copies of the group financial statements of HWL may be obtained from the Company Secretary at 22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong or www.hutchison-whampoa.com