

HUTCHISON WHAMPOA FINANCE UK PLC

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2008**

REGISTERED NUMBER: 5990939

SATURDAY



A59B7AVB

A42

20/06/2009

299

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

**HUTCHISON WHAMPOA FINANCE UK PLC
FOR THE YEAR ENDED 31 DECEMBER 2008**

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The principal activity of the Company is to arrange financing on behalf of other Hutchison Whampoa Limited ("HWL") group companies.

BUSINESS REVIEW

Hutchison Whampoa Finance UK PLC ("the Company") is an indirect wholly-owned subsidiary of 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.

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 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 year is £77,093 (2007: £3,621 loss). Increase in the Company's loss is mainly due to the increase in professional fee incurred for renewal of bank loans. No interim dividend was paid during the year and the Directors do not recommend the declaration of a final dividend (2007: nil).

DIRECTORS

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

Susan M. F. Woo Chow
Frank J. Sixt
Christian N.R. Salbaing
Edmond W.L. Ho

One-third of Directors retire at the 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

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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.

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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The Directors confirm that they have complied with the above requirements in preparing the financial statements. 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 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

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 year ended 31 December 2008 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 within it.

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 Company's affairs as at 31 December 2008 and of its loss for the year 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.

 LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

17 June 2009

HUTCHISON WHAMPOA FINANCE UK PLC

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2008

	Note	2008 £	2007 £
Turnover	2	81,767,800	74,603,598
Operating expenses		(77,093)	(3,621)
Operating profit	3	81,690,707	74,599,977
Interest payable and similar charges	4	(81,767,800)	(74,603,598)
Loss on ordinary activities before taxation		(77,093)	(3,621)
Tax charge on loss on ordinary activities	6	-	-
Loss on ordinary activities after taxation		(77,093)	(3,621)

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.

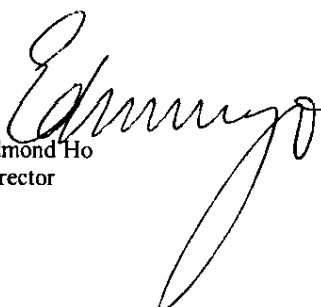
The notes on pages 7 to 11 form an integral part of the financial statements.

HUTCHISON WHAMPOA FINANCE UK PLC

BALANCE SHEET at 31 December 2008

	Note	2008 £	2007 £
ASSETS			
Current assets			
Debtors - amounts falling due within one year	7	4,149,315	855,076,812
Debtors - amounts falling due after more than one year	7	700,000,000	700,000,000
Creditors - amounts falling due within one year	8	<u>(4,180,029)</u>	<u>(855,030,433)</u>
Net current assets		<u>699,969,286</u>	<u>700,046,379</u>
Total assets less current liabilities		<u>699,969,286</u>	<u>700,046,379</u>
Creditors - amounts falling due after more than one year	9	<u>(700,000,000)</u>	<u>(700,000,000)</u>
NET (LIABILITIES) ASSETS		<u>(30,714)</u>	<u>46,379</u>
CAPITAL AND RESERVES			
Share capital	11	50,000	50,000
Profit and loss account	12	<u>(80,714)</u>	<u>(3,621)</u>
SHAREHOLDER'S (DEFICIT) FUNDS	13	<u>(30,714)</u>	<u>46,379</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 17-06-09 and were signed on its behalf by:


Edmond Ho
Director

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

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. The financial statements were prepared for the period from 7 November 2006 (date of incorporation) to 31 December 2007 in the previous year therefore the 2007 comparatives relate to this period. 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) 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.

(d) Revenue recognition

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

(e) Group companies

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

(f) 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 YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) 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.

(h) 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

Turnover represents interest income earned from a group company.

3. OPERATING PROFIT

Operating profit is stated after charging the following items:	2008 £	2007 £
Auditors' remuneration		
- current year	12,500	-
- prior year	15,000	-
Legal and professional fee	39,227	1,253

Audit fee for prior year was borne by a group company but this was recharged to the Company in 2008.

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Interest payable on creditors - amounts falling due within one year	42,381,600	31,140,484
Interest payable on creditors - amounts falling due after more than one year	39,386,200	43,463,114
	81,767,800	74,603,598

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 year (2007: nil).

6. TAXATION

	2008 £	2007 £
Provision for the year:		
Current tax		
- UK corporation tax	-	-
Deferred tax		
- Deferred tax charge	-	-
Total tax expenses	-	-

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

6. TAXATION (CONTINUED)

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:

	2008 £	2007 £
Loss on ordinary activities before tax	(77,093)	(3,621)
Loss on ordinary activities at the current rate of corporation tax at 28.5% (2007: 30%)	(21,971)	(1,086)
Permanent differences including deemed taxable interest income	105,622	233,335
Group relief surrendered to the company for free	(83,651)	(232,249)
Total tax expense	-	-

7. DEBTORS

	2008 £	2007 £
Debtors - Amounts falling due within one year:		
Amounts owed by immediate holding company	50,000	50,000
Amounts owed by group undertaking	4,099,315	855,026,812
	4,149,315	855,076,812
Debtors - Amounts falling due after more than one year:		
Amounts owed by group undertaking	700,000,000	700,000,000

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

£850 million amounts owed by group undertakings at 31 December 2007 - falling due within one year drawn down in 2008 were fully repaid on 29 September 2008. The remaining balance at 31 December 2008 represents only the accrued interest arising from the amounts owed by group undertakings - falling due after more than one year.

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 YEAR ENDED 31 DECEMBER 2008

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Bank loans (Note 10)	-	850,000,000
Other creditors	4,099,315	5,029,185
Amounts lent by group undertaking	59,520	-
Accruals	21,194	1,248
	4,180,029	855,030,433

Bank loans are made up of the following:

- £250 million bank loan drawn down in 2007 under a term loan facility of £250 million bearing interest at LIBOR plus 0.3% per annum, originally had a maturity on 29 May 2008, was extended to 29 December 2008 at LIBOR plus 0.15% per annum. It was secured by a US\$ deposit placed by a group company and guaranteed by the ultimate holding company. The loan was fully repaid on 29 September 2008.
- £250 million bank loan drawn down in 2007 under a term loan facility of £250 million bearing interest at LIBOR plus 0.3% per annum, originally had a maturity on 29 May 2008, was extended to 29 December 2008. It was secured by a US\$ deposit placed by a group company and guaranteed by the ultimate holding company. The loan was fully repaid on 29 September 2008.
- £350 million bank loan drawn down in 2007 under a term loan facility of £350 million bearing interest at LIBOR plus 0.08% per annum, originally had a maturity on 20 June 2008, was extended to 31 December 2008 at LIBOR plus 0.1% per annum. It was secured by a US\$ deposit placed by a group company. The loan was fully repaid on 29 September 2008.
- £350 million bank loan drawn down in 2008 under a term loan facility of £350 million bearing interest at LIBOR plus 0.1% per annum, originally had a maturity on 31 December 2008. It was secured by a US\$ deposit placed by a group company. The loan was fully repaid on 29 September 2008.

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

	2008 £	2007 £
Notes payable (Note 10)	700,000,000	700,000,000

Notes payable in the aggregate principal amount of £700 million were issued on 24 November 2006, comprising 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

	2008 £	2007 £
Bank loans (Note 8)	-	850,000,000
Notes payable	700,000,000	700,000,000
	700,000,000	1,550,000,000

The maturity of bank loans and notes payable are as follows:

	£	£
In less than one year	-	850,000,000
In more than five years	700,000,000	700,000,000
	700,000,000	1,550,000,000

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

11. SHARE CAPITAL

	2008 £	2007 £
<i>Authorised:</i>		
10,000,000 shares of £1 each	10,000,000	10,000,000
	£	£
<i>Issued and fully paid:</i>		
50,000 shares of £1 each	50,000	50,000

12. PROFIT AND LOSS ACCOUNT

	2008 £	2007 £
Opening balance at 1 January	(3,621)	-
Loss on ordinary activities after taxation	(77,093)	(3,621)
Closing balance at 31 December	(80,714)	(3,621)

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S (DEFICIT) FUNDS

	2008 £	2007 £
Opening balance at 1 January	46,379	-
Issuance of shares	-	50,000
Loss on ordinary activities after taxation	(77,093)	(3,621)
Shareholder's (deficit) funds at 31 December	(30,714)	46,379

14. 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.