

HUTCHISON WHAMPOA FINANCE UK PLC

**DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 DECEMBER 2009**

REGISTERED NUMBER: 5990939

MONDAY





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HUTCHISON WHAMPOA FINANCE UK PLC

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HUTCHISON WHAMPOA FINANCE UK PLC
FOR THE YEAR ENDED 31 DECEMBER 2009

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2009

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 financial 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

The Company's activities may expose it to certain financial risks, including foreign exchange risk, fair value interest 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

RESULTS AND DIVIDENDS

The Company's loss for the year is £18,914 (2008: £77,093). Decrease in the Company's loss is mainly due to the decrease in professional fee. No interim dividend was paid during the year and the Directors do not recommend the declaration of a final dividend (2008: nil)

HUTCHISON WHAMPOA FINANCE UK PLC

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2009 (CONTINUED)

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 ✓

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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

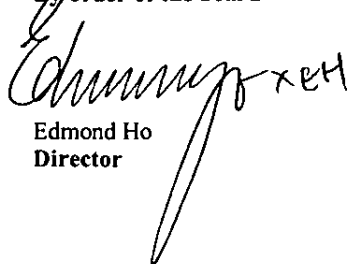
DISCLOSURE OF INFORMATION TO AUDITORS

Each of Directors who held office at the date of approval of this Directors' report confirm that so far as they are aware, there is no relevant audit information of which the Company's auditors are not aware and they have taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

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

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 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

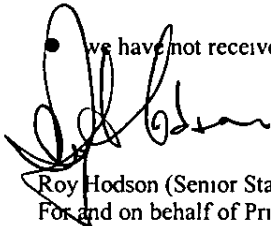
HUTCHISON WHAMPOA FINANCE UK PLC

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Roy Hodson (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

25 June 2010

HUTCHISON WHAMPOA FINANCE UK PLC

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover	2	39,375,000	81,767,800
Operating expenses		<u>(18,914)</u>	<u>(77,093)</u>
Operating profit	3	39,356,086	81,690,707
Interest payable and similar charges	4	<u>(39,375,000)</u>	<u>(81,767,800)</u>
Loss on ordinary activities before taxation		(18,914)	(77,093)
Tax charge on loss on ordinary activities	6	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u><u>(18,914)</u></u>	<u><u>(77,093)</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 11 form an integral part of the financial statements

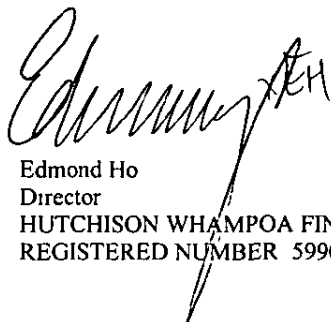
HUTCHISON WHAMPOA FINANCE UK PLC

BALANCE SHEET

at 31 December 2009

	Note	2009 £	2008 £
ASSETS			
Current assets			
Debtors - amounts falling due within one year	7	4,149,315	4,149,315
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>(4,198,943)</u>	<u>(4,180,029)</u>
Net current assets		<u>699,950,372</u>	<u>699,969,286</u>
Total assets less current liabilities		<u>699,950,372</u>	<u>699,969,286</u>
Creditors - amounts falling due after more than one year	9	<u>(700,000,000)</u>	<u>(700,000,000)</u>
NET LIABILITIES		<u>(49,628)</u>	<u>(30,714)</u>
CAPITAL AND RESERVES			
Share capital	10	50,000	50,000
Profit and loss account	11	<u>(99,628)</u>	<u>(80,714)</u>
SHAREHOLDER'S DEFICIT	12	<u>(49,628)</u>	<u>(30,714)</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on and were signed on its behalf by


Edmond Ho
Director

25 June 2010

HUTCHISON WHAMPOA FINANCE UK PLC
REGISTERED NUMBER 5990939

HUTCHISON WHAMPOA FINANCE UK PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

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 2006 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) 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 2009

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

(i) Borrowings

Fixed rate borrowings are initially stated at the amount of the consideration received. Finance costs are charged to the profit and loss account on an accruals basis over the term of the borrowings

2. TURNOVER

Turnover represents interest income earned from a group company

3. OPERATING PROFIT

Operating profit is stated after charging the following items	2009 £	2008 £
Auditors' remuneration		
- current year	15,000	12,500
- prior year	-	15,000
Legal and professional fee	3,914	39,227

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2009 £	2008 £
Interest payable on creditors - bank loans	-	42,381,600
Interest payable on creditors - loan notes	39,375,000	39,386,200
	39,375,000	81,767,800

5. DIRECTORS AND EMPLOYEE INFORMATION

None of the Directors received or will receive any fees or emoluments in respect of their services to the Company for the year (2008 nil). The Company has no employees and no staff costs (2008 nil)

6. TAXATION

	2009 £	2008 £
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 2009 ✓

6. TAXATION (CONTINUED)

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 28%. The difference is explained below

	2009 £	2008 £
Loss on ordinary activities before tax	(18,914)	(77,093)
Loss on ordinary activities at the current rate of corporation tax at 28% (2008 28.5%)	(5,296)	(21,971)
Permanent differences including deemed taxable interest income	98,581	105,622
Group relief claimed for nil consideration	(93,285)	(83,651)
Total tax on loss on ordinary activities	-	-

There has been no deferred tax recognised or unrecognised in the current year

7. DEBTORS

	2009 £	2008 £
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	4,099,315
	4,149,315	4,149,315
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

Amounts owed by group undertakings at 31 December 2009 - falling due within one year represents 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 2009 ✓

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Other creditors	4,099,315	4,099,315
Amounts lent by group undertaking	63,434	59,520
Accruals	36,194	21,194
	<u>4,198,943</u>	<u>4,180,029</u>

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

	2009 £	2008 £
Notes payable	<u>700,000,000</u>	<u>700,000,000</u>
The maturity of notes payable are as follows		
In more than five years	<u>700,000,000</u>	<u>700,000,000</u>
	<u>700,000,000</u>	<u>700,000,000</u>

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. SHARE CAPITAL

	2009 £	2008 £
<i>Authorised</i> 10,000,000 shares of £1 each	<u>10,000,000</u> ✓	<u>10,000,000</u>
<i>Issued and fully paid</i> 50,000 shares of £1 each	<u>50,000</u> ✓	<u>50,000</u>

11. PROFIT AND LOSS ACCOUNT

	2009 £	2008 £
Opening balance at 1 January	(80,714)	(3,621)
Loss on ordinary activities after taxation	<u>(18,914)</u>	<u>(77,093)</u>
Closing balance at 31 December	<u>(99,628)</u>	<u>(80,714)</u>

HUTCHISON WHAMPOA FINANCE UK PLC ✓

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 ✓

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

	2009 £	2008 £
Opening balance at 1 January	(30,714)	46,379
Loss on ordinary activities after taxation	(18,914)	(77,093)
Shareholder's deficit at 31 December	<u>(49,628)</u>	<u>(30,714)</u>

13. RELATED PARTY TRANSACTIONS

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

There are no transactions between the Company and any related parties that are not wholly-owned by the HWL Group

14. HOLDING COMPANIES

The immediate controlling party is Hutchison Whampoa Europe Investments S a 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