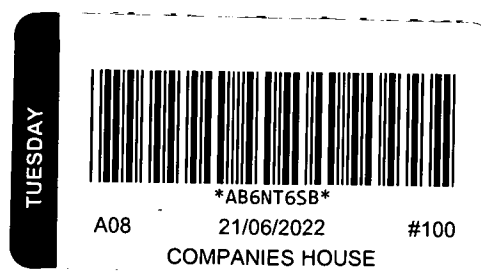


**HUTCHISON WHAMPOA FINANCE UK PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED  
31 DECEMBER 2021**

**REGISTERED NUMBER: 5990939**



# **HUTCHISON WHAMPOA FINANCE UK PLC**

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## HUTCHISON WHAMPOA FINANCE UK PLC

### STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

#### BUSINESS REVIEW

Hutchison Whampoa Finance UK PLC ("the Company") is an indirect wholly-owned subsidiary of CK Hutchison Holdings Limited ("CKHH"), a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands. CKHH is the ultimate holding company of the Company. The principal activity of the Company is to arrange financing on behalf of group companies.

Notes in aggregate principal amount of £700 million were issued on 24 November 2006, comprising £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"), and listed on the Singapore Stock Exchange. The Series A Notes were fully redeemed on 24 November 2017. The proceeds generated from the Series B Notes is currently deposited with a group undertaking, Hutchison Whampoa Europe Investments S.a.r.l. at 0.7% per annum.

Given the difference between the interest rate accruing on the Series B Notes at 5.625% and the interest receivable on the amount owed by group undertaking at 0.7%, the Company continues to generate a loss before taxation of £19,747,293 (2020: £19,749,512). The Company's loss for the financial year is £18,151,630 (2020: £19,744,008). Decrease in the Company's loss is mainly due to the increase in tax credit from the group tax relief during the year.

The Company's net assets is £1,701,916 (2020: £353,546). Increase in net assets is driven by the issuance of 1 share.

On 8 December 2021, the Company issued 1 share to Hutchison International Limited at a total consideration of £19.5 million for funding operations. Please refer to Note 13 for the share issue during the year.

The directors consider that the result for the year and the financial position at the end of it are within expectation and they expect the present level of activity to be sustained for the foreseeable future with the financial support provided by CKHH.

#### ANALYSIS OF DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

The key performance indicators used for internal performance are set out below.

For the year ended 31 December	2021 £	2020 £
Revenue	2,755,863	2,763,413
Loss for the financial year	(18,151,630)	(19,744,008)

Net assets of the Company were £1,701,916 at 31 December 2021 (2020: £353,546).

#### PRINCIPAL RISKS AND UNCERTAINTIES

The Company's activities may expose it to certain financial risks, including foreign currency risk, credit risk, liquidity risk, and 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 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 amounts owed by immediate holding company, group undertaking and group companies are addressed by assessing the credit quality of these companies, taking into account their financial positions, past experience, any financial support to enable the counterparties to meet their financial obligations as and when they fall due and other factors.

(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. The ultimate holding company has undertaken to provide continuing financial support to the Company, which mitigates the risk to the Company.

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 11 and 12 to the financial statements.

**HUTCHISON WHAMPOA FINANCE UK PLC**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

**(iv) Interest rate risk**

There would be no impact to the Company's loss for the year for any changes in market interest rate at the end of the reporting period while all other variables are constant because all financial instruments are non-derivative financial instruments with fixed interest rates which are carried at amortised cost and are not subject to interest rate risk as defined in FRS 102.

**(v) COVID-19**

Consistent with much of 2020, 2021 has continued to be dominated by the COVID-19 global pandemic. A series of precautionary and control measures have been and continue to be implemented across the country and the globe. The Company, with the support of CKHH Group, has continued to pay close attention to the development of, and the disruption to business and economic activities caused by the pandemic and to evaluate its impact on the financial position, cash flows and operating results of the Company. Given the principal activity of the Company is solely to arrange financing on behalf of group companies, the disruption caused by the pandemic on the Company continues to be minimal.

**STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172 COMPANIES ACT 2006**

Section 172 of the Companies Act 2006 requires directors of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole, having regard to a range of different matters.

In addition to the matters prescribed under section 172, the Company also has due regard to factors which are relevant to: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in our business; the interests, views and expectations of its members as the suppliers of long-term equity capital to the Company; and the relationship with its bond holders and creditors. The Company assessed the strength of its balance sheet and prospects relative to market uncertainties and made the decision not to recommend the payment of a dividend in 2021.

The Company delegates authority for the day-to-day management of the Company to executives and engage management in setting, approving and overseeing execution of the business strategy and related policies. The board of directors consider and, if thought fit, approve the Company's activities by way of board meetings or written resolutions. As part of the board processes, directors receive supporting explanatory materials, additional verbal and/or written information from executives and independent professional advice, as and when required, to ensure that they have full access to the necessary information about the Company and, where deemed necessary, independent professional advice in discharging their section 172 duties.

By considering the Company's purpose, vision and values together with its strategic priorities and ensuring robust board processes are in place, the board aims to ensure that its decisions are consistent and made in the best interests of the Company.

As the principal activity of the Company is to issue bonds to investors and provide loan facilities to other subsidiary undertakings of CK Hutchison Holdings Limited ("CKHH"), the Company has had no commercial business, and no employees, no customers nor suppliers, other than with CKHH, during the period and as such the breadth of stakeholder and other considerations that would often apply in operating or commercial trading companies have generally not applied to the decisions made by the directors.

**On behalf of the board**



**Andrew Lawrence**  
**Director**  
**16 June 2022**

## **HUTCHISON WHAMPOA FINANCE UK PLC**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2021.

#### **PRINCIPAL ACTIVITY**

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

#### **RESULTS AND DIVIDENDS**

The Company's loss for the financial year is £18,151,630 (2020: £19,744,008). Decrease in the Company's loss is mainly due to the increase in tax credit from the group tax relief during the year. No interim dividend was paid during the year and the directors do not recommend the declaration of a final dividend (2020: nil). The issuance of a share of the Company is set out in Note 13 to the financial statements.

#### **DIRECTORS**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were

Frank Sixt  
Lorelei Fleming  
Andrew Lawrence  
Edith Shih (as alternate director)

#### **DIRECTORS' INDEMNITIES**

The Company has granted third party indemnities to the above directors against all losses and liabilities which they may incur in the course of acting as directors of the Company.

The indemnities are categorised as qualifying third-party indemnities for the purposes of the Companies Act 2006 and will continue to be in force for the benefit of directors and officers for as long as they remain in their positions.

#### **FINANCIAL RISK MANAGEMENT**

Please refer to the Principal risks and uncertainties section of the Strategic Report for the Company's financial risk management policies.

#### **FUTURE DEVELOPMENTS**

Please refer to the Business review section of the Strategic Report for the Company's future developments.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland", and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, 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.

#### **GOING CONCERN**

The directors believe that the adoption of the going concern basis in the preparation of the financial statements is appropriate as the ultimate holding company has confirmed its intention to provide sufficient financial support for at least the next 12 months from the date of approval of the Company's 2021 financial statements to enable the Company to meet its financial obligations as and when they fall due without significant curtailment of operations.

**HUTCHISON WHAMPOA FINANCE UK PLC**

**DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the 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.

**INDEPENDENT AUDITORS**

The independent 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.

**On behalf of the board**

A handwritten signature in black ink, appearing to be 'AL', followed by a long horizontal line extending to the right.

**Andrew Lawrence**  
**Director**  
**16 June 2022**

## **HUTCHISON WHAMPOA FINANCE UK PLC**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUTCHISON WHAMPOA FINANCE UK PLC**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Hutchison Whampoa Finance UK Plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprises the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Our audit approach**

###### **Overview**

###### **Audit scope**

- Single entity audit with finance team based in Hong Kong. Another PwC network firm acting as the performing firm, based in Hong Kong, operating under our instruction. We have assessed their work remotely, by inspecting audit working papers received electronically.

###### **Key audit matters**

- Amount owed by group undertaking

###### **Materiality**

- Overall materiality: £4,040,506 (2020: £4,027,020) based on 1% of total assets.
- Performance materiality: £3,030,380 (2020: £3,020,265).

###### **The scope of our audit**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

###### **Key audit matters**

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Covid-19, which was a key audit matter last year, is no longer included because of the resultant impact on the company now being well understood, and our conclusion that it is no longer likely to pose a significant risk of having a material impact on either the financial position or recurring operations of the company. Otherwise, the key audit matters below are consistent with last year.

## HUTCHISON WHAMPOA FINANCE UK PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUTCHISON WHAMPOA FINANCE UK PLC (CONTINUED)

#### Key audit matter

#### How our audit addressed the key audit matter

##### Amount owed by group undertaking

Refer to note 10 of the financial statements. The directors, in light of the magnitude of the amount owed by group undertaking and the impact that non-recovery would have on the financial standing of the company, obtain confirmation from group undertaking as part of the reconciliation process of group balance as well as obtain evidence surrounding the ability for this amount to be recovered fully if they were to be called in. Our audit focused on the amount owed by group undertaking due to their materiality and the importance of their recoverability in enabling the company to repay its liabilities as and when they fall due in the future.

The procedures in relation to the amount owed by group undertaking included:

Obtaining direct confirmation from the group undertaking to confirm the outstanding balance as at year end.

Inquiring of management regarding the factors that they have considered when determining whether the amount owed by group undertaking are recoverable, and corroborated their analysis with supporting evidence obtained, including the letter of financial support from the ultimate controlling party which also covers the group undertaking that is the counterparty to these amount, along with the latest financial information of the ultimate controlling party.

Based on the work performed we found that the assumptions used were supported by the evidence we obtained.

##### How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

The company operates as a single entity, with the finance function being based in Hong Kong. In establishing our overall approach to the audit, we determined the type of work that needed to be carried out by another PwC network firm acting as the performing firm, based in Hong Kong, operating under our instruction. We determined the level of involvement we needed to have in the audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements, including maintaining regular communication through video calls and regular email correspondence during the audit and obtaining and reviewing the relevant supporting working papers.

##### Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall company materiality	£4,040,506 (2020: £4,027,020)
How we determined it	1% of total assets
Rationale for benchmark applied	Given the principal activity of the entity is to arrange financing on behalf of group companies we believe that total assets is the most appropriate measure for assessing the performance of the entity, and is a generally accepted auditing benchmark.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2020: 75%) of overall materiality, amounting to £3,030,380 (2020: £3,020,265) for the company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount in the middle of our normal range was appropriate.

We agreed with those charged with governance that we would report to them misstatements identified during our audit above £202,025 (2020: £201,351) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



## **HUTCHISON WHAMPOA FINANCE UK PLC**

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

#### **Conclusions relating to going concern**

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining management's going concern assessment including the letter of financial support obtained from the ultimate controlling party and assessed the form and content of the letter of financial support.
- Enquired with group management about the ability of the ultimate controlling party to honour the letter of financial support, and obtained evidence of the ultimate controlling party's overall liquidity position in our assessment of the acceptability of this letter of financial support in the event the amount from group undertaking were not repaid.
- Enquired with management as to whether there were any factors outside of their assessment that would contradict the continued use of the going concern basis of accounting, with no such factors noted.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

#### ***Strategic report and Directors' Report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## HUTCHISON WHAMPOA FINANCE UK PLC

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HUTCHISON WHAMPOA FINANCE UK PLC (CONTINUED)

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with both the Companies Act 2006 and the direct and indirect tax laws relevant to the company's operations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to related party transactions. Audit procedures performed by the engagement team included:

- Reviewing the completeness of the related parties listing provided by management, in addition to assessing the commercial rationale for and the disclosure of related parties transactions within the financial statements with reference to our understanding of the entity and the work performed over the underlying transactions recorded during the year.
- Enquiries with management and those charged with governance to understand any actual or potential litigation and claims and any instances of non-compliance with laws and regulations.
- Reviewing minutes of meetings of those charged with governance.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, testing significant accounting estimates and judgements and evaluating the business rationale of significant contracts and transactions entered into by the company during the year.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

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.

**HUTCHISON WHAMPOA FINANCE UK PLC**

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

**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Alex Hookway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
16 June 2022

**HUTCHISON WHAMPOA FINANCE UK PLC****STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2021

	Note	2021 £	2020 £
Revenue	15 (b)	2,755,863	2,763,413
Administrative expenses		(3,156)	(6,525)
Interest payable and similar expenses	7	(22,500,000)	(22,506,400)
Loss before taxation	6	(19,747,293)	(19,749,512)
Tax on loss	9	1,595,663	5,504
Loss for the financial year		(18,151,630)	(19,744,008)
Other comprehensive income		-	-
Total comprehensive loss for the year		(18,151,630)	(19,744,008)

The results relate to activities which are continuing.

The notes on pages 14 to 19 form an integral part of the financial statements.

# HUTCHISON WHAMPOA FINANCE UK PLC

## BALANCE SHEET at 31 December 2021

	Note	2021 £	2020 £
<b>Current asset</b>			
Debtors - amounts falling due within one year	10	404,050,639	402,702,030
Creditors - amounts falling due within one year	11	(2,348,723)	(2,348,484)
<b>Net current assets</b>		<b>401,701,916</b>	<b>400,353,546</b>
<b>Total assets less current liabilities</b>		<b>401,701,916</b>	<b>400,353,546</b>
Creditors - amounts falling due after more than one year	12	(400,000,000)	(400,000,000)
<b>NET ASSETS</b>		<b>1,701,916</b>	<b>353,546</b>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	13	50,003	50,002
Share premium	13	48,199,997	28,699,998
Accumulated losses		(46,548,084)	(28,396,454)
<b>TOTAL EQUITY</b>		<b>1,701,916</b>	<b>353,546</b>

The notes on pages 14 to 19 form an integral part of the financial statements.

The financial statements on pages 10 to 19 were approved by the Board of Directors on and were signed on its behalf by:



Andrew Lawrence  
Director

16/06/22

HUTCHISON WHAMPOA FINANCE UK PLC  
REGISTERED NUMBER: 5990939

# HUTCHISON WHAMPOA FINANCE UK PLC

## STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2021

	Note	Called up share capital £	Share Premium £	Accumulated losses £	Total equity £
At 1 January 2020		50,001	8,699,999	(8,652,446)	97,554
Issue of share capital	13	1	19,999,999	-	20,000,000
Loss for the financial year		-	-	(19,744,008)	(19,744,008)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year attributable to the shareholders		-	-	(19,744,008)	(19,744,008)
At 31 December 2020		50,002	28,699,998	(28,396,454)	353,546
Issue of share capital	13	1	19,499,999	-	19,500,000
Loss for the financial year		-	-	(18,151,630)	(18,151,630)
Other comprehensive income for the year		-	-	-	-
Total comprehensive loss for the year attributable to the shareholders		-	-	(18,151,630)	(18,151,630)
At 31 December 2021		50,003	48,199,997	(46,548,084)	1,701,916

# **HUTCHISON WHAMPOA FINANCE UK PLC**

## **STATEMENT OF CASH FLOWS** for the year ended 31 December 2021

	Note	2021 £	2020 £
<b>Operating activities</b>			
Funds from operations	14 (a)	2,752,707	2,756,888
Changes in working capital	14 (b)	(1,348,370)	(262,392)
Receipt for group tax relief	9	1,595,663	5,504
<b>Net cash from operating activities</b>		<b>3,000,000</b>	<b>2,500,000</b>
<b>Financing activities</b>			
Proceeds from issuance of share	13	19,500,000	20,000,000
Interest paid on creditors - loan notes	7	(22,500,000)	(22,500,000)
<b>Net cash used in financing activities</b>		<b>(3,000,000)</b>	<b>(2,500,000)</b>
<b>Changes in cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 1 January</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 31 December</b>	14 (c)	<b>-</b>	<b>-</b>

## HUTCHISON WHAMPOA FINANCE UK PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. GENERAL INFORMATION

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

The Company is a public limited liability company limited by shares incorporated in England and Wales. The address of its registered office is Hutchison House, 5 Hester Road, Battersea, London SW11 4AN.

#### 2. STATEMENT OF COMPLIANCE

The financial statements of Hutchison Whampoa Finance UK Plc have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

The financial statements are presented in pound sterling. The Company's functional and presentation currency is pound sterling.

#### 3. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. Significant accounting policies, which have been applied consistently throughout the year, 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 year. Actual results could differ from those estimates. Estimates are used principally when accounting for doubtful debts, provisions for liabilities and charges and taxes.

##### (b) Going concern

The ultimate holding company has confirmed its intention to provide sufficient financial support to enable the Company to meet its financial obligations as and when they fall due without significant curtailment of operations for the period of 12 months from the date these financial statements are signed. Consequently, the directors have prepared the financial statements on a going concern basis.

##### (c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The Company has not taken advantage of any available exemptions for qualifying entities.

##### (d) Revenue

Revenue represents interest income earned from a group company.

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

##### (e) Interest payable and similar charges

Other finance costs are charged to the Statement of Comprehensive Income on an accrual basis.

##### (f) 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 counterparties not making the required payments.

##### (g) Group companies

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



## HUTCHISON WHAMPOA FINANCE UK PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

#### 3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (h) 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.

Tax losses incurred by the Company could be relieved to other group companies subject to the prevailing tax rules. Tax losses are recognised by the Company at the point at which the losses are relieved in full and the associated consideration is recovered from the entities receiving the taxable losses.

##### (i) Financial Instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

###### Financial assets

Basic financial assets, including amounts owed by group undertakings, immediate holding company and group company, are initially recognised at the transaction price. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. An impairment loss is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

###### Financial liabilities

Basic financial liabilities, including other creditors and notes payable, are initially recognised at the transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### (j) Notes payable

Fixed rate borrowings are initially stated at the amounts of the consideration received and subsequently at amortised cost using the Effective Interest Rate method ("EIR"). Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as an interest charge in the income statement. Interest payable and similar charges are charged to the Statement of Comprehensive Income on an accrual basis over the term of the borrowings.

## HUTCHISON WHAMPOA FINANCE UK PLC

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

#### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Note 3 includes a summary of the significant accounting policies used in the preparation of the financial statements. The preparation of financial statements often requires the use of judgements to select specific accounting methods and policies from several acceptable alternatives. Furthermore, significant estimates and assumptions concerning the future may be required in selecting and applying those methods and policies in the financial statements. The Company bases its estimates and judgements on historical experience and various other assumptions that it believes are reasonable under the circumstances. Actual results may differ from these estimates and judgements under different assumptions or conditions. No critical accounting estimates or judgements have been identified for the Company which would require further disclosure.

#### 5. SEGMENT REPORTING

The Company's activities consist of one class of business - providing finance to CK Hutchison Holdings Limited group companies.

#### 6. LOSS BEFORE TAXATION

Loss before taxation is stated after charging (crediting) the following items:

	2021 £	2020 £
Auditors' remuneration - Audit fees payable to the Company's auditors		
- current year (Note)	-	-
- prior year over provision	-	(773)
Legal and professional fees	<u>3,156</u>	<u>7,298</u>

Note: Current year's auditors' remuneration of £23,700 (2020: £21,798) is absorbed by the immediate holding company.

#### 7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Interest payable on creditors - loan notes	<u>22,500,080</u>	<u>22,506,400</u>

#### 8. DIRECTORS AND EMPLOYEE INFORMATION

None of the directors or key management personnel received or will receive any fees, emoluments or compensation in respect of their services to the Company for the year (2020: nil). The Company has no employees and no staff costs (2020: nil).

# HUTCHISON WHAMPOA FINANCE UK PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

### 9. TAX ON LOSS

	2021 £	2020 £
Current tax		
- UK corporation tax	(1,595,663)	(5,504)
Deferred tax		
- Deferred tax credit	-	-
Tax	<u>(1,595,663)</u>	<u>(5,504)</u>

The tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

The difference is explained below:

	2021 £	2020 £
Loss before taxation	<u>(19,747,293)</u>	<u>(19,749,512)</u>
Loss before taxation multiplied by the standard rate of corporation tax in the UK at 19% (2020: 19%)	(3,751,986)	(3,752,407)
Effects of:		
Losses surrendered as group relief	3,751,986	3,752,407
Receipt for group relief	<u>(1,595,663)</u>	<u>(5,504)</u>
Tax credit	<u>(1,595,663)</u>	<u>(5,504)</u>

#### Factors affecting current and future tax charges

The Finance Act 2020 provided that the main rate of corporation tax continued to remain at 19% as of 1 April 2020. In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

Deferred tax assets are recognised for unused tax losses carried forward to the extent it is probable that future taxable profit will be available against which the unused tax losses can be utilised based on all available evidence.

The receipt for group relief is in relation to the loss surrendered as group relief during the year ended 31 December 2019 (2020: year ended 31 December 2018). Please refer to Note 15(c) for the details of the group relief.

The Company has unutilized tax losses of £39,562,395 as at 31 December 2021 (2020: £28,213,329). These losses include losses of £65,590 (2020: £65,590) which is not probable that sufficient taxable profits will be available from the Company to allow utilisation of these tax losses. The remainder amount of £39,496,805 (2020: £28,147,739) is probable to be relieved to other group companies in future years. All tax losses do not have an expiry date under current tax legislation.

### 10. DEBTORS

	2021 £	2020 £
The following financial assets are measured at amortised cost:		
Debtors - Amounts falling due within one year:		
Amounts owed by group companies	365,980	5,504
Amount owed by an immediate holding company	4,402,855	6,170,505
Amount owed by group undertaking	393,694,655	393,694,655
Amount owed by group undertaking - Interest receivable	5,587,229	2,831,366
	<u>404,050,639</u>	<u>402,702,030</u>

Amounts owed by group companies and an immediate holding company are unsecured and interest free which are receivable on demand.

Amount owed by group undertaking - falling due within one year represents a deposit bearing interest at 0.7%, advance to Hutchison Whampoa Europe Investments S.à r.l. on the debt of £394 million, which is receivable on demand.

In 2006, the Company made advances of £400 million, bearing interest at a fixed rate of 5.625% p.a. to Hutchison 3G UK Holdings Limited ("H3GUK"), a fellow subsidiary of the Company. The amounts were fully settled on 29 July 2019. On the next day, the Company then placed deposits of £415 million to Hutchison OMF Limited ("HOMF"), a fellow subsidiary of the Company, bearing interest at a fixed rate of 0.7% p.a. On 23 December 2019, Hutchison OMF Limited novated the principal amount of deposits plus interest accrued with a total amount of £394 million to Hutchison Whampoa Europe Investments S.à r.l. ("HWEI"), a fellow subsidiary of the Company.

Amount owed by group undertaking - Interest receivable falling due within one year represents the accrued interest arising from the amount owed by group undertaking - falling due within one year. The interest is accrued monthly.

Amount owed by group undertaking are unsecured.

# HUTCHISON WHAMPOA FINANCE UK PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

### 11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
The following financial liabilities are measured at amortised cost:		
Other creditors	2,342,466	2,342,466
Accruals	6,257	6,018
	<u>2,348,723</u>	<u>2,348,484</u>

### 12. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £	2020 £
Notes payable	<u>400,000,000</u>	<u>400,000,000</u>
The maturity of notes payable are as follows:		
In more than five years	<u>400,000,000</u>	<u>400,000,000</u>

Notes payable in the aggregate principal amount of £400 million were issued on 24 November 2006, bearing interest at 5.625% and due on 24 November 2026 (the "Series B Notes"). The Notes are unsecured, guaranteed by the ultimate holding company and is listed on the Singapore Stock Exchange.

The carrying amounts and fair values of the Notes are as follows:

	Carrying amounts		Fair values	
	2021 £	2020 £	2021 £	2020 £
Series B Notes	<u>400,000,000</u>	<u>400,000,000</u>	<u>476,424,000</u>	<u>514,710,000</u>

The fair values of the Notes are based on quoted market prices.

### 13. CALLED-UP SHARE CAPITAL

	2021 £	2020 £
<i>Issued and fully paid:</i>		
50,003 (2020: 50,002) shares of £1 each	<u>50,003</u>	<u>50,002</u>

During the year, 1 share was issued at a total consideration of £19,500,000. This resulted in share premium of £19,499,999. (2020: 1 share was issued at a total consideration of £20,000,000. This resulted in share premium of £19,999,999.)

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

# HUTCHISON WHAMPOA FINANCE UK PLC

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

### 14. NOTES TO STATEMENT OF CASH FLOWS

(a) Reconciliation of loss for the financial year to funds from operations	2021	2020
	£	£
Loss for the financial year	(18,151,630)	(19,744,008)
Interest payable and similar expenses	22,500,000	22,506,400
Tax credit	(1,595,663)	(5,504)
Funds from operations	2,752,707	2,756,888
(b) Changes in working capital	2021	2020
	£	£
(Increase) decrease in amounts owed by group companies	(360,396)	8,694,496
Decrease (increase) in amounts owed by immediate holding company	1,767,650	(6,170,505)
Increase in amount owed by group undertaking - Interest receivable	(2,755,863)	(2,763,413)
Decrease in amount owed to group undertaking	-	(5,785)
Increase (decrease) in accruals	239	(17,185)
	(1,348,370)	(262,392)

- (c) No cash and bank account is maintained as all cash transactions are centrally operated and managed through its fellow subsidiary company. The Statement of Cash Flows has been presented on the basis that the cash transactions were processed directly by the Company, as this provides more relevant information to the users of the financial statements.

### 15. RELATED PARTY TRANSACTIONS

During the year and in ordinary course of business, the Company entered into the following transactions with related parties:

- (a) The Company earned interest income of £2,755,863 (2020: £2,763,413) from HWEI. The outstanding balance of deposit in HWEI and relevant interest receivable at the year end date is disclosed in the Balance Sheet and Note 10.
- (b) During the year and at the year end, no director of the Company had or has a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business, to which the Company was or is a party (2020: None).
- (c) During the year, considerations of £152,150 (2020: £5,504), £213,750 (2020: nil) and £1,229,763 (2020: nil) were recovered from Hutchison Whampoa (Europe) Limited, CKH IOD UK Limited and Superdrug Stores plc respectively in respect of the taxable losses incurred in the year ended 31 December 2019 (2020: year ended 31 December 2018) which were group relieved in full.
- (d) During the year, Hutchison International Limited paid interest expenses of £22,500,000 (2020: £22,506,400) on behalf of the Company. The outstanding balance with Hutchison International Limited at the year end date is disclosed in the Balance Sheet and Note 10.

### 16. HOLDING COMPANIES

The immediate controlling party is Hutchison International Limited, a company incorporated in Hong Kong, which owns 100% of the share capital and voting rights of the Company.

CK Hutchison Holdings Limited ("CKHH"), a company listed on The Stock Exchange of Hong Kong Limited and incorporated in the Cayman Islands, is the largest and smallest group to consolidate these financial statements, and is the Company's ultimate controlling party.

Copies of the group financial statements of CKHH may be obtained from the Company Secretary at 48<sup>th</sup> Floor, Cheung Kong Center, 2 Queen's Road Central, Hong Kong or [www.ckh.com.hk](http://www.ckh.com.hk).