



ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM
26 SEPTEMBER 1997 (DATE OF INCORPORATION)
TO 31 DECEMBER 1998

(Registered Number : 3440582)



ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

CONTENTS	PAGE
Directors' report	1 to 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 9

ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements of the company for the period from 26 September 1997 (date of incorporation) to 31 December 1998. On 23 June 1998, the company changed its name to Albion Properties Limited.

PRINCIPAL ACTIVITIES

The company's principal activities during the period were property ownership and development. No change in the activities of the company is anticipated in 1999.

RESULTS AND DIVIDENDS

The results and financial position of the company for the period from 26 September 1997 to 31 December 1998 are set out in the financial statements. No interim dividend was paid during the period and the directors do not recommend the payment of a final dividend.

The retained loss for the period of £2,411,378 has been transferred from reserves.

SHARE CAPITAL

Details of the movements in share capital of the company are shown in note 12 to the financial statements.

DIRECTORS

The directors who held office during the period are given below:

DH & B Directors Limited	(appointed on 26 September 1997 and resigned on 17 October 1997)
DH & B Managers Limited	(appointed on 26 September 1997 and resigned on 17 October 1997)
Susan Chow	(appointed on 17 October 1997)
Raymond Chow	(appointed on 17 October 1997)
George C Magnus	(appointed on 17 October 1997)
Edmond Ip	(appointed on 17 October 1997)

None of the directors had any interest in the shares of the company during the period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

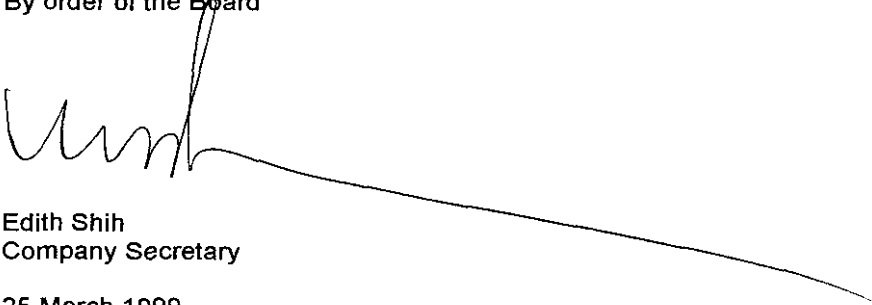
STATEMENT OF DIRECTORS' RESPONSIBILITIES (Continued)

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.

AUDITORS

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

By order of the Board

A handwritten signature in dark ink, appearing to be 'Edith Shih', is written over a long, thin horizontal line that extends across the page.

Edith Shih
Company Secretary

25 March 1999

**AUDITORS' REPORT TO THE MEMBERS OF
ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)**

PricewaterhouseCoopers
1 Embankment Place
London WC2N 6NN
Telephone +44 (0) 171 583 5000
Facsimile +44 (0) 171 822 4652

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

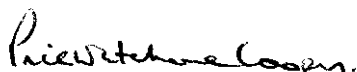
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1998 and of its loss for the period from 26 September 1997 (date of incorporation) to 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

Date : 25 March 1999

PricewaterhouseCoopers is the successor partnership to the UK firms of Price Waterhouse and Coopers & Lybrand. The principal place of business of PricewaterhouseCoopers and its associate partnerships, and of Coopers & Lybrand, is 1 Embankment Place, London WC2N 6NN. The principal place of business of Price Waterhouse is Southwark Towers, 32 London Bridge Street, London SE1 9SY. Lists of the partners' names are available for inspection at those places.

All partners in the associate partnerships are authorised to conduct business as agents of, and all contracts for services to clients are with, PricewaterhouseCoopers. PricewaterhouseCoopers is authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business.

PricewaterhouseCoopers is a member of PricewaterhouseCoopers International Limited, a company limited by guarantee registered in England and Wales.

ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD FROM 26 SEPTEMBER 1997
(DATE OF INCORPORATION) TO 31 DECMEBER 1998

	Note	£
OTHER OPERATING INCOME		266,788
OTHER OPERATING CHARGES		(18,805)
ADMINISTRATIVE EXPENSES		(48,184)
		<hr/>
OPERATING PROFIT	4	199,799
INTEREST RECEIVABLE AND SIMILAR INCOME		19,889
INTEREST PAYABLE AND SIMILAR CHARGES	6	(2,631,066)
		<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,411,378)
TAXATION	7	-
		<hr/>
LOSS FOR THE PERIOD		(2,411,378)
		<hr/>

The loss for the period arises from the company's continuing operations.

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

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 notes on pages 6 to 9 form part of these financial statements.

ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

BALANCE SHEET
AS AT 31ST DECEMBER 1998

	Note	£
CURRENT ASSETS		
Stocks	8	25,296,289
Debtors	9	4,678,619
Cash at bank and in hand		224,370
		<hr/>
		30,199,278
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	10	(1,774,435)
		<hr/>
NET CURRENT ASSETS		28,424,843
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	11	(30,836,021)
		<hr/>
NET LIABILITIES		(2,411,178)
		<hr/>
CAPITAL AND RESERVES		
Called up share capital	12	200
Profit and loss account		(2,411,378)
		<hr/>
EQUITY SHAREHOLDERS' DEFICIT	13	(2,411,178)
		<hr/>




Director Director

Approved by the board of directors
on 25th March 1999

The notes on pages 6 to 9 form part of these financial statements.

ALBION PROPERTIES LIMITED
(Formerly known as Burginhall 997 Limited)

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standards for Smaller Entities.

(b) Property held for re-development

Property held for re-development is stated at cost and is included within current assets. Interest costs and other costs of obtaining finance are not included in the costs of property held for re-development but are charged to the profit and loss account as incurred. No depreciation is provided on property held for re-development.

(c) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or asset is expected to be realised in the foreseeable future.

2 CASH FLOW STATEMENT

The company has not presented a cash flow statement as it is a small company as defined by sections 246 to 249 of the Companies Act 1985.

3 SEGMENTAL REPORTING

The company's activities consist solely of property ownership and development in the United Kingdom.

4 OPERATING PROFIT

Operating profit is stated after charging auditors' remuneration for the period which amounted to £2,176, and crediting rental income which amounted to £259,677.

5 DIRECTORS' EMOLUMENTS

No fees or other emoluments were paid to the directors in respect of their services to the company during the period, nor are any payable.

6 INTEREST PAYABLE AND SIMILAR CHARGES

£

Interest payable on debenture loans	2,631,066
-------------------------------------	-----------

7 TAXATION

United Kingdom corporation tax has not been provided as the company has no estimated assessable profit for the period.

There are no material timing differences between loss as computed for taxation purposes and loss as stated in the accounts. There is a potential deferred tax asset of £723,413 which has not been recognised for accounts purposes.

8 STOCKS

Stocks represent property held for re-development consisting of freehold land held by the company for property development at Albion and Bridge Wharves, Battersea, London, United Kingdom.

£

Work in progress	25,296,289
------------------	------------

9 DEBTORS

£

Trade debtors	97,255
Amounts owed by group undertakings	2,610,524
Other debtors	167,532
Prepayments	1,803,308

4,678,619

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

£

Amounts due to group undertakings	1,681,502
Other creditors	75,149
VAT payable	17,784

1,774,435

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

11 CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

£

Debenture loans	30,836,021
-----------------	------------

The debentures are held by the shareholders, interest bearing and redeemable at par in November 2001. The debenture loans were issued for the purchase of land at Albion and Bridge Wharves.

The balance of the debentures as at 31 December 1998 includes interest payable totalling £2,631,066.

12 CALLED UP SHARE CAPITAL

£

Authorised :	
200 ordinary shares of £1 each	200
Allotted and fully paid:	
200 ordinary shares of £1 each	200

At incorporation, 2 ordinary shares were allotted at par for cash. An additional 98 ordinary shares and 100 ordinary shares were allotted at par for cash on 17 October 1997 and 18 November 1997 respectively.

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' DEFICIT

£

Loss for the period	(2,411,378)
Net proceeds of issue of ordinary share capital	200
Shareholders' deficit as at 31 December 1998	(2,411,178)

14 RELATED PARTY TRANSACTIONS

During the period, the company paid management services fees totalling £140,163 to Hutchison Whampoa (Europe) Limited, a wholly owned subsidiary of Hutchison Whampoa Limited.

At the balance sheet date £46,368 is due to Hutchison Whampoa (Europe) Limited.

15 ULTIMATE PARENT UNDERTAKING

The shareholders of the company comprise :

	Country of incorporation	Percentage of shareholding
Forecastor Limited	The British Virgin Islands	45%
Hilltop Venture Limited	The British Virgin Islands	45%
Millerian Profits Limited	The British Virgin Islands	10%

Both Forecastor Limited and Hilltop Venture Limited are jointly controlled entities of Hutchison Whampoa Limited (a company incorporated in Hong Kong) and Cheung Kong (Holdings) Limited (a company incorporated in Hong Kong). Cheung Kong (Holdings) Limited effectively holds 49.9% of the issued share capital of Hutchison Whampoa Limited.

The shareholders have confirmed their intention to provide sufficient financial support for the continuing operation of the company.