



HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2013

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1(a)(i) Consolidated income statements for the second quarter and half year ended 30 June 2013

	Group					
	01/04/2013 to 30/06/2013 <sup>(a)</sup>	01/04/2012 to 30/06/2012 <sup>(b)</sup>	Favorable/ (Unfavorable)	01/01/2013 to 30/06/2013 <sup>(a)</sup>	01/01/2012 to 30/06/2012 <sup>(b)</sup>	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
<b>Revenue and other income</b>	3,032.1	3,113.2	(2.6)	5,898.6	5,949.4	(0.9)
Cost of services rendered	(1,103.4)	(1,064.9)	(3.6)	(2,110.0)	(2,074.8)	(1.7)
Staff costs	(71.2)	(67.1)	(6.1)	(144.4)	(135.7)	(6.4)
Depreciation and amortisation	(722.5)	(686.0)	(5.3)	(1,418.3)	(1,373.3)	(3.3)
Other operating income	26.4	11.6	127.6	31.9	13.1	143.5
Other operating expenses	(212.3)	(221.4)	4.1	(469.2)	(410.0)	(14.4)
<b>Total operating expenses</b>	(2,083.0)	(2,027.8)	(2.7)	(4,110.0)	(3,980.7)	(3.2)
<b>Operating profit</b>	949.1	1,085.4	(12.6)	1,788.6	1,968.7	(9.1)
Interest and other finance costs	(156.7)	(148.6)	(5.5)	(305.7)	(300.7)	(1.7)
Share of profits less losses after tax of associated companies	4.7	3.9	20.5	8.3	7.4	12.2
Share of profits less losses after tax of joint ventures	32.5	41.3	(21.3)	63.3	79.6	(20.5)
<b>Profit before tax</b>	829.6	982.0	(15.5)	1,554.5	1,755.0	(11.4)
Taxation	(80.3)	(103.7)	22.6	(163.2)	(190.0)	14.1
<b>Profit for the period</b>	749.3	878.3	(14.7)	1,391.3	1,565.0	(11.1)
Allocated as:						
Profit attributable to non-controlling interests	(328.8)	(310.9)	5.8	(590.5)	(547.7)	7.8
Profit attributable to unitholders of HPH Trust	420.5	567.4	(25.9)	800.8	1,017.3	(21.3)
<b>Earnings per unit attributable to unitholders of HPH Trust</b>	<b>HK cents</b> 4.83	<b>HK cents</b> 6.52	(25.9)	<b>HK cents</b> 9.19	<b>HK cents</b> 11.68	(21.3)

Footnotes:

(a) The figures for the second quarter and half year ended 30 June 2013 are inclusive of the post-acquisition results of Asia Container Terminals ("ACT") after the acquisition of it on 7 March 2013. ACT means Terminal 8 West, located at Kwai Tsing, Hong Kong.

(b) The figures were restated as the Group has adopted HKAS 19 (2011) "Employee Benefits" with retrospective effect.

1(a)(ii) Consolidated statements of comprehensive income for the second quarter and half year ended 30 June 2013

	Group					
	01/04/2013 to 30/06/2013	01/04/2012 to 30/06/2012 <sup>(b)</sup>	Favorable/ (Unfavorable)	01/01/2013 to 30/06/2013	01/01/2012 to 30/06/2012 <sup>(b)</sup>	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
<b>Comprehensive Income:</b>						
<b>Profit for the period</b>	749.3	878.3	(14.7)	1,391.3	1,565.0	(11.1)
<b>Other comprehensive income<sup>(a)</sup>:</b>						
<b>Items that will not be reclassified to profit or loss:</b>						
Remeasurement of defined benefit plans upon changes in an accounting policy	-	12.9	NA	-	25.8	NA
<b>Items that may be reclassified subsequently to profit or loss:</b>						
Investments						
Valuation (losses)/gains taken to reserves	-	(4.4)	NA	5.1	1.7	200.0
Currency translation differences	17.3	(15.4)	NA	41.4	(15.5)	NA
<b>Total comprehensive income for the period</b>	766.6	871.4	(12.0)	1,437.8	1,577.0	(8.8)
Allocated as:						
Attributable to non-controlling interests	(336.5)	(304.2)	10.6	(608.5)	(541.0)	12.5
Attributable to unitholders of HPH Trust	430.1	567.2	(24.2)	829.3	1,036.0	(20.0)

Footnotes:

(a) Items shown within other comprehensive income have no tax effect.

(b) The figures were restated as the Group has adopted HKAS 19 (2011) "Employee Benefits" with retrospective effect.

1(b)(i) Statements of financial position as at 30 June 2013

	Group	
	30/06/2013	31/12/2012
	HK\$'M	HK\$'M
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets <sup>(a)</sup>	28,277.7	26,247.9
Projects under development	1,528.5	1,315.4
Leasehold land and land use rights	45,221.1	44,958.9
Railway usage rights	16.0	16.0
Customer relationships	7,674.1	7,841.2
Goodwill	42,500.4	41,629.0
Associated companies	149.1	139.7
Joint ventures	2,530.5	2,548.8
Investments	825.5	820.4
Deferred tax assets	9.0	9.0
<b>Total non-current assets</b>	<b>128,731.9</b>	<b>125,526.3</b>
<b>Current assets</b>		
Cash and cash equivalents	4,851.6	6,168.8
Trade and other receivables	2,945.6	3,022.6
Inventories	163.5	132.4
<b>Total current assets</b>	<b>7,960.7</b>	<b>9,323.8</b>
<b>Current liabilities</b>		
Trade and other payables	6,887.7	7,713.6
Bank loans <sup>(b)</sup>	30,351.4	32.7
Current tax liabilities	156.2	220.4
<b>Total current liabilities</b>	<b>37,395.3</b>	<b>7,966.7</b>
<b>Net current (liabilities) / assets</b>	<b>(29,434.6)</b>	<b>1,357.1</b>
<b>Total assets less current liabilities</b>	<b>99,297.3</b>	<b>126,883.4</b>
<b>Non-current liabilities</b>		
Bank loans <sup>(b)</sup>	2,831.6	29,108.7
Pension obligations	360.1	347.5
Deferred tax liabilities	12,229.1	11,900.6
Other non-current liabilities	27.3	19.5
<b>Total non-current liabilities</b>	<b>15,448.1</b>	<b>41,376.3</b>
<b>Net assets</b>	<b>83,849.2</b>	<b>85,507.1</b>
<b>EQUITY</b>		
Units in issue <sup>(c)</sup>	68,553.8	68,539.8
Reserves	(2,922.4)	(1,383.8)
<b>Net assets attributable to unitholders of HPH Trust</b>	<b>65,631.4</b>	<b>67,156.0</b>
Non-controlling interests	18,217.8	18,351.1
<b>Total equity</b>	<b>83,849.2</b>	<b>85,507.1</b>

Footnotes:

- (a) Fixed assets were HK\$28,277.7 million as at 30 June 2013 whereas they were HK\$26,247.9 million as at 31 December 2012. The increase was mainly due to the acquisition of 100% interests in ACT.
- (b) Bank loans were HK\$33,183.0 million as at 30 June 2013 whereas they were HK\$29,141.4 million as at 31 December 2012. The increase was mainly due to the drawdown of bank loan used to finance the acquisition of ACT.
- (c) On 25 March 2013, 2,213,022 units at US\$0.8152 per unit were issued to the Trustee-Manager as the payment of performance fee for the year ended 31 December 2012, according to the trust deed dated 25 February 2011 constituting HPH Trust ("Trust Deed").

1(b)(i) Statements of financial position as at 30 June 2013

	<b>Trust</b>	
	30/06/2013	31/12/2012
	HK\$'M	HK\$'M
<b>ASSETS</b>		
<b>Non-current asset</b>		
Investment in a subsidiary	63,948.2	65,057.6
<b>Total non-current asset</b>	63,948.2	65,057.6
<b>Current assets</b>		
Cash and cash equivalents	2.9	2.5
Trade and other receivables	4.4	1.9
<b>Total current assets</b>	7.3	4.4
<b>Current liability</b>		
Trade and other payables	46.2	67.1
<b>Total current liability</b>	46.2	67.1
<b>Net current liabilities</b>	(38.9)	(62.7)
<b>Total assets less current liabilities</b>	63,909.3	64,994.9
<b>Net assets</b>	63,909.3	64,994.9
<b>EQUITY</b>		
Units in issue <sup>(a)</sup>	68,553.8	68,539.8
Reserves	(4,644.5)	(3,544.9)
<b>Total equity</b>	63,909.3	64,994.9

Footnote:

(a) On 25 March 2013, 2,213,022 units at US\$0.8152 per unit were issued to the Trustee-Manager as the payment of performance fee for the year ended 31 December 2012, according to the Trust Deed.

**1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 30 June 2013**

<b>Group</b>	<b>Current portion HK\$'M</b>	<b>Non-current portion HK\$'M</b>	<b>Total HK\$'M</b>
Unsecured bank loans	7,027.7	2,700.8	9,728.5
Secured bank loans	23,405.0	131.0	23,536.0
<b>Total principal amount of bank loans</b>	<b>30,432.7</b>	<b>2,831.8</b>	<b>33,264.5</b>
Unamortised loan facilities fees	(81.3)	(0.2)	(81.5)
	<b>30,351.4</b>	<b>2,831.6</b>	<b>33,183.0</b>

**Aggregate amount of the Group's borrowings and debt securities as at 31 December 2012**

<b>Group</b>	<b>Current portion HK\$'M</b>	<b>Non-current portion HK\$'M</b>	<b>Total HK\$'M</b>
Unsecured bank loans	27.7	5,714.6	5,742.3
Secured bank loans	5.0	23,531.4	23,536.4
<b>Total principal amount of bank loans</b>	<b>32.7</b>	<b>29,246.0</b>	<b>29,278.7</b>
Unamortised loan facilities fees	-	(137.3)	(137.3)
	<b>32.7</b>	<b>29,108.7</b>	<b>29,141.4</b>

**Details of any collateral at HPH Trust**

Bank loans of HK\$23,536.0 million (31 December 2012: HK\$23,536.4 million) are secured by a charge over all of the shares in a subsidiary and charges over certain assets of subsidiary companies.

1(c) Consolidated statements of cash flows for the second quarter and half year ended 30 June 2013

	<b>Group</b>			
	<b>01/04/2013 to 30/06/2013</b>	<b>01/04/2012 to 30/06/2012</b>	<b>01/01/2013 to 30/06/2013</b>	<b>01/01/2012 to 30/06/2012</b>
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
<b>Operating activities</b>				
Cash generated from operations <sup>(a)</sup>	1,259.6	783.2	2,785.3	2,190.0
Interest and other finance costs paid	(127.2)	(119.2)	(238.5)	(240.3)
Tax paid	(67.5)	(91.0)	(290.7)	(285.1)
<b>Net cash from operating activities</b>	<b>1,064.9</b>	<b>573.0</b>	<b>2,256.1</b>	<b>1,664.6</b>
<b>Investing activities</b>				
Acquisition of subsidiary companies <sup>(b)</sup>	-	-	(3,868.1)	-
Purchase of fixed assets and additions to projects under development	(148.1)	(144.4)	(392.1)	(370.2)
Proceeds on disposal of fixed assets	2.7	2.3	6.9	2.8
Dividends received from investments	2.4	2.1	53.2	2.1
Dividends received from associated companies and joint ventures	41.0	90.9	82.8	98.3
Interest received	10.1	18.0	29.9	56.0
<b>Net cash used in investing activities</b>	<b>(91.9)</b>	<b>(31.1)</b>	<b>(4,087.4)</b>	<b>(211.0)</b>
<b>Financing activities</b>				
Drawdown of bank loans <sup>(c)</sup>	-	-	4,000.0	-
Repayment of bank loans	(15.6)	(15.1)	(16.9)	(16.3)
Upfront debt transaction costs and facilities fee of bank loans	-	-	(8.0)	-
Distributions to unitholders of HPH Trust	-	-	(2,367.9)	(2,037.9)
Dividends to non-controlling interests	-	-	(1,093.1)	(685.3)
<b>Net cash (used in)/from financing activities</b>	<b>(15.6)</b>	<b>(15.1)</b>	<b>514.1</b>	<b>(2,739.5)</b>
<b>Net changes in cash and cash equivalents</b>	<b>957.4</b>	<b>526.8</b>	<b>(1,317.2)</b>	<b>(1,285.9)</b>
Cash and cash equivalents at beginning of the period	3,894.2	6,077.8	6,168.8	7,890.5
Cash and cash equivalents at end of the period	4,851.6	6,604.6	4,851.6	6,604.6

Footnotes:

(a) Cash generated from operations for the quarter was HK\$1,259.6 million, whereas it was HK\$783.2 million last year for the same quarter. Last year's figure was lower as payments were made for dividends accrued for prior to the listing of HPH Trust on SGX-ST as disclosed in the Prospectus, resulting in a reduction in working capital.

(b) Represented the cash consideration and loan settlement to acquire 100% interest in ACT on 7 March 2013 after netting cash and cash equivalents retained in ACT at the date of acquisition.

(c) The drawdown of bank loan was used to finance the acquisition of ACT.

1(d)(i) Statements of changes in equity for the periods ended 30 June 2013

Group

	Units in issue HK\$'M	Exchange and other reserves HK\$'M	Revaluation reserve HK\$'M	Pension reserve HK\$'M	(Accumulated losses)/ Retained profits HK\$'M	Attributable to unitholders HK\$'M	Non-controlling interests HK\$'M	Total HK\$'M
Balance as at 1 April 2013	68,553.8	56.0	13.4	(224.4)	(3,197.5)	65,201.3	18,571.3	83,772.6
Comprehensive income:								
Profit for the quarter	-	-	-	-	420.5	420.5	328.8	749.3
Currency translation differences	-	9.6	-	-	-	9.6	7.7	17.3
Total comprehensive income	-	9.6	-	-	420.5	430.1	336.5	766.6
Transaction with owners:								
Dividends	-	-	-	-	-	-	(690.0)	(690.0)
<b>Balance as at 30 June 2013</b>	<b>68,553.8</b>	<b>65.6</b>	<b>13.4</b>	<b>(224.4)</b>	<b>(2,777.0)</b>	<b>65,631.4</b>	<b>18,217.8</b>	<b>83,849.2</b>
Balance as at 1 January 2013, as previously reported	68,539.8	42.2	8.3	(315.2)	(1,119.1)	67,156.0	18,351.1	85,507.1
Prior year adjustment on changes in an accounting policy <sup>(a)</sup>	-	-	-	90.8	(90.8)	-	-	-
Balance as at 1 January 2013, as restated	68,539.8	42.2	8.3	(224.4)	(1,209.9)	67,156.0	18,351.1	85,507.1
Comprehensive income:								
Profit for the period	-	-	-	-	800.8	800.8	590.5	1,391.3
Investments:								
Valuation gains taken to reserves	-	-	5.1	-	-	5.1	-	5.1
Currency translation differences	-	23.4	-	-	-	23.4	18.0	41.4
Total comprehensive income	-	23.4	5.1	-	800.8	829.3	608.5	1,437.8
Transaction with owners:								
Issuance of units – performance fee	14.0	-	-	-	-	14.0	-	14.0
Distributions	-	-	-	-	(2,367.9)	(2,367.9)	-	(2,367.9)
Dividends	-	-	-	-	-	-	(741.8)	(741.8)
<b>Balance as at 30 June 2013</b>	<b>68,553.8</b>	<b>65.6</b>	<b>13.4</b>	<b>(224.4)</b>	<b>(2,777.0)</b>	<b>65,631.4</b>	<b>18,217.8</b>	<b>83,849.2</b>
Balance as at 1 April 2012, as previously reported	68,539.8	32.5	3.6	(204.5)	(850.2)	67,521.2	19,169.5	86,690.7
Prior year adjustment on changes in an accounting policy <sup>(a)</sup>	-	-	-	52.2	(52.2)	-	-	-
Balance as at 1 April 2012, as restated	68,539.8	32.5	3.6	(152.3)	(902.4)	67,521.2	19,169.5	86,690.7
Comprehensive income:								
Profit for the quarter <sup>(a)</sup>	-	-	-	-	567.4	567.4	310.9	878.3
Investments:								
Valuation losses taken to reserves	-	-	(4.4)	-	-	(4.4)	-	(4.4)
Currency translation differences	-	(8.7)	-	-	-	(8.7)	(6.7)	(15.4)
Remeasurement of defined benefit plans upon changes in an accounting policy <sup>(a)</sup>	-	-	-	12.9	-	12.9	-	12.9
Total comprehensive (loss)/income	-	(8.7)	(4.4)	12.9	567.4	567.2	304.2	871.4
<b>Balance as at 30 June 2012</b>	<b>68,539.8</b>	<b>23.8</b>	<b>(0.8)</b>	<b>(139.4)</b>	<b>(335.0)</b>	<b>68,088.4</b>	<b>19,473.7</b>	<b>87,562.1</b>
Balance as at 1 January 2012, as previously reported	68,539.8	32.6	(2.5)	(204.5)	724.9	69,090.3	18,932.7	88,023.0
Prior year adjustment on changes in an accounting policy <sup>(a)</sup>	-	-	-	39.3	(39.3)	-	-	-
Balance as at 1 January 2012, as restated	68,539.8	32.6	(2.5)	(165.2)	685.6	69,090.3	18,932.7	88,023.0
Comprehensive income:								
Profit for the period <sup>(a)</sup>	-	-	-	-	1,017.3	1,017.3	547.7	1,565.0
Investments:								
Valuation gains taken to reserves	-	-	1.7	-	-	1.7	-	1.7
Currency translation differences	-	(8.8)	-	-	-	(8.8)	(6.7)	(15.5)
Remeasurement of defined benefit plans upon changes in an accounting policy <sup>(a)</sup>	-	-	-	25.8	-	25.8	-	25.8
Total comprehensive (loss)/income	-	(8.8)	1.7	25.8	1,017.3	1,036.0	541.0	1,577.0
Transaction with owners:								
Distributions	-	-	-	-	(2,037.9)	(2,037.9)	-	(2,037.9)
<b>Balance as at 30 June 2012</b>	<b>68,539.8</b>	<b>23.8</b>	<b>(0.8)</b>	<b>(139.4)</b>	<b>(335.0)</b>	<b>68,088.4</b>	<b>19,473.7</b>	<b>87,562.1</b>

Footnote:

(a) Prior year adjustment was made as the Group has adopted HKAS 19 (2011) "Employee Benefits" with retrospective effect. For details, please refer to item 5 on page 10.



1(d)(i) Statements of changes in equity for the periods ended 30 June 2013 (Continued)

Trust

	Units in issue HK\$'M	Accumulated losses HK\$'M	Attributable to unitholders HK\$'M
Balance as at 1 April 2013	68,553.8	(4,635.2)	63,918.6
Loss and total comprehensive loss for the quarter	-	(9.3)	(9.3)
<b>Balance as at 30 June 2013</b>	<b>68,553.8</b>	<b>(4,644.5)</b>	<b>63,909.3</b>
Balance as at 1 January 2013	68,539.8	(3,544.9)	64,994.9
Profit and total comprehensive income for the period	-	1,268.3	1,268.3
Transaction with owners:			
Issuance of units – performance fee	14.0	-	14.0
Distributions	-	(2,367.9)	(2,367.9)
<b>Balance as at 30 June 2013</b>	<b>68,553.8</b>	<b>(4,644.5)</b>	<b>63,909.3</b>
Balance as at 1 April 2012	68,539.8	(1,420.2)	67,119.6
Loss and total comprehensive loss for the quarter	-	(7.3)	(7.3)
<b>Balance as at 30 June 2012</b>	<b>68,539.8</b>	<b>(1,427.5)</b>	<b>67,112.3</b>
Balance as at 1 January 2012	68,539.8	(1,275.5)	67,264.3
Profit and total comprehensive income for the period	-	1,885.9	1,885.9
Transaction with owners:			
Distributions	-	(2,037.9)	(2,037.9)
<b>Balance as at 30 June 2012</b>	<b>68,539.8</b>	<b>(1,427.5)</b>	<b>67,112.3</b>

1(d)(ii) Details of any change in units for the periods ended 30 June 2013

	Group			
	01/04/2013 to 30/06/2013	01/04/2012 to 30/06/2012	01/01/2013 to 30/06/2013	01/01/2012 to 30/06/2012
At beginning of the period	8,711,101,022	8,708,888,000	8,708,888,000	8,708,888,000
Units issued on 25 March 2013 <sup>(a)</sup>	-	-	2,213,022	-
At end of the period	8,711,101,022	8,708,888,000	8,711,101,022	8,708,888,000

Footnote:

- (a) On 25 March 2013, 2,213,022 units at US\$0.8152 per unit were issued to the Trustee-Manager as the payment of performance fee for the year ended 31 December 2012, according to the trust deed dated 25 February 2011 constituting HPH Trust.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The financial information set out in paragraphs 1, 6(i) and 6(ii) of this announcement was extracted from the interim accounts of HPH Trust and its subsidiaries for the period ended 30 June 2013 (“Interim Accounts”) which have been reviewed in accordance with International Standard on Review Engagements 2410 “Review of interim Financial Information Performed by the International Auditor of the Entity” issued by International Auditing and Assurance Standards Board.

**3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).**

The review report on the Interim Accounts dated 30 July 2013 issued by PricewaterhouseCoopers LLP is enclosed in Appendix 1.

**4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

The accounting policies and methods of computation used in the preparation of the Interim Accounts for the current period are consistent with those specified in the audited accounts of HPH Trust and its subsidiaries for the year ended 31 December 2012 except for the adoption of the standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) that are relevant to the Group’s operations and mandatory for annual accounting periods beginning 1 January 2013. The effects of the adoption of these new standards and amendments are detailed in item 5 below.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On 1 January 2013, the Group adopted the new standards and amendments issued by the HKICPA that are relevant to the Group’s operations and mandatory for annual accounting periods beginning 1 January 2013. The effects of the adoption of these new standards, amendments and interpretations were not material to the Group’s results of operations or financial position.

5. **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**  
**(Continued)**

The Group has adopted HKAS 19 (2011) "Employee Benefits" on 1 January 2013 with retrospective effect. The revised standard calculates interest expense/income by applying the discount rate to the net defined benefit liability/asset. This replaces the interest cost on the defined benefit obligation and the expected return on plan assets. The effects on adoption of the revised standard were as follows:

**Consolidated income statement**

	01/04/2013 to 30/06/2013 HK\$'M	01/04/2012 to 30/06/2012 HK\$'M	01/01/2013 to 30/06/2013 HK\$'M	01/01/2012 to 30/06/2012 HK\$'M
Increase in cost of services rendered	14.4	11.4	25.8	22.7
Increase in staff costs	<u>1.8</u>	<u>1.5</u>	<u>3.4</u>	<u>3.1</u>
Decrease in profit for the period/profit attributable to unitholders of HPH Trust	<u>16.2</u>	<u>12.9</u>	<u>29.2</u>	<u>25.8</u>
Decrease in earnings per unit attributable to unitholders of HPH Trust	<u>HK cents 0.19</u>	<u>HK cents 0.15</u>	<u>HK cents 0.34</u>	<u>HK cents 0.30</u>

**Consolidated statement of comprehensive income**

	01/04/2013 to 30/06/2013 HK\$'M	01/04/2012 to 30/06/2012 HK\$'M	01/01/2013 to 30/06/2013 HK\$'M	01/01/2012 to 30/06/2012 HK\$'M
Decrease in profit for the period	16.2	12.9	29.2	25.8
Increase in other comprehensive income	<u>16.2</u>	<u>12.9</u>	<u>29.2</u>	<u>25.8</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Consolidated statement of financial position**

	As at 30/06/2013 HK\$'M	As at 31/12/2012 HK\$'M
Increase in pension reserve	120.0	90.8
Decrease in retained profits	<u>(120.0)</u>	<u>(90.8)</u>

In addition, the Group adopted HKFRS 10 "Consolidated Financial Statements" on 1 January 2013. As a result, the accounting policy for subsidiary companies was revised. The Group assessed that the adoption of HKFRS 10 did not result in any change in the determination of control over its subsidiary companies.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change. (Continued)**

The Group also adopted HKFRS 11 “Joint Arrangements” on 1 January 2013. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures and therefore adopt equity method of accounting to account for investments in joint ventures.

Except for these changes, the accounting policies and methods of computation used in the preparation of the Interim Accounts for the periods ended 30 June 2013 are consistent with those specified in the audited accounts of HPH Trust and its subsidiaries for the financial year ended 31 December 2012.

**6. Group’s earnings per unit (“EPU”) and distribution per unit (“DPU”) for the periods ended 30 June 2013**

	01/04/2013 to 30/06/2013	01/04/2012 to 30/06/2012	01/01/2013 to 30/06/2013	01/01/2012 to 30/06/2012
(i) Weighted average number of units in issue	8,711,101,022	8,708,888,000	8,710,086,211	8,708,888,000
(ii) Earnings per unit for the period based on the weighted average number of units in issue (HK cents)	4.83	6.52 <sup>(a)</sup>	9.19	11.68 <sup>(a)</sup>
(iii) Number of units issued at end of the period	8,711,101,022	8,708,888,000	8,711,101,022	8,708,888,000
(iv) Distribution per unit for the period (HK cents) <sup>(b)</sup>	18.70	24.05	18.70	24.05

*Footnotes:*

(a) The figure was restated as the Group has adopted HKAS 19 (2011) “Employee Benefits” with retrospective effect.

(b) HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month quarter ending on each of the said dates.

**7(a) Net asset value (“NAV”) attributable to unitholders per unit based on units issued as at 30 June 2013<sup>(a)</sup>**

	Group		Trust	
	30/06/2013	31/12/2012	30/06/2013	31/12/2012
<b>Net asset value attributable to unitholders per unit (HK\$)<sup>(a)</sup></b>	7.53	7.71	7.34	7.46
<b>Net asset value attributable to unitholders per unit after deducting distribution per unit for the financial period ended (HK\$)<sup>(a)</sup></b>	7.35	7.44	7.15	7.19

Footnote:

(a) The number of units used for computation of NAV per unit is 8,711,101,022 which is the number of units in issue as at 30 June 2013 (31 December 2012: 8,708,888,000).

**7(b) Rate of return<sup>(a)</sup>**

Period	Rate of Return (%)
<b>For the period ended 30 June 2013<sup>(b)</sup></b>	1.3

Footnotes:

(a)  $\text{Rate of Return (\%)} = (A-B)/B \times 100$

A = NAV per unit before interim distribution per unit as of the end of the period

B = NAV per unit as of the beginning of the period (after deducting total distribution per unit for the financial period ended 31 December 2012)

(b) The financial period was from 1 January 2013 to 30 June 2013.

## 8. Value of assets by region as at 30 June 2013

### Trust

Kind of assets	Region	Net Asset Value (HK\$'M)	Investment Ratio
Investment in a subsidiary <sup>(a)</sup>	Hong Kong	63,948.2	100.0%
Cash and other assets (after deduction of liabilities)	Singapore	(23.1)	0.0%
Other liabilities	Hong Kong	(15.8)	0.0%
Total net assets		63,909.3	100.0%

### Group

Region <sup>(b)</sup>	Net Asset Value (HK\$'M)	Investment Ratio
Singapore	(23.1)	0.0%
Hong Kong	21,478.3	25.6%
People's Republic of China	62,394.0	74.4%
Total net assets	83,849.2	100.0%

#### Footnotes:

- (a) It represents investment in HPHT Limited, a wholly owned subsidiary of HPH Trust, which is the holding company of the underlying assets of HPH Trust.
- (b) It represents the net asset value segmented by geographical locations where the operation is performed.

## 9. Review of performance

### Consolidated income statement (01/04/2013-30/06/2013 vs 01/04/2012-30/06/2012)

Revenue and other income for the quarter was HK\$3,032.1 million, representing HK\$81.1 million or 2.6% below last year for the quarter. The container throughput of HIT<sup>(a)</sup> decreased by 20.1% as compared to the same quarter in 2012, in view of weaker transshipment and US/EU cargoes. The container throughput of YICT<sup>(b)</sup> decreased by 1.3% as compared to the same quarter in 2012, primarily due to the drop in EU cargoes. The average revenue per TEU for Hong Kong was higher than last year because of the favorable throughput mix of containers from liners, whereas that for China was about the same as last year due to less concessions granted to some liners but offset by output value-added tax ("VAT") as a result of Shenzhen's VAT reform effective from 1 November 2012.

Cost of services rendered after the input VAT in China was HK\$1,103.4 million, representing HK\$38.5 million or 3.6% above last year. The increase was mainly due to inflationary pressure and RMB appreciation. Staff costs were HK\$71.2 million, representing HK\$4.1 million or 6.1% above last year resulting primarily from inflationary pressure. Depreciation and amortisation was HK\$722.5 million, representing HK\$36.5 million or 5.3% above last year. The increase was mostly caused by additional depreciation and amortisation after the acquisition of ACT in March 2013. Other operating income was HK\$26.4 million, representing HK\$14.8 million or 127.6% above last year. The increase was largely due to YICT's RMB-denominated monetary assets resulting in a net exchange gain and higher government subsidies received by YICT. Other operating expenses were HK\$212.3 million, representing HK\$9.1 million or 4.1% below last year. The decrease was primarily owing to YICT's RMB-denominated assets resulting in a net exchange loss in last year. With the aforesaid, total operating expenses were HK\$2,083.0 million, representing HK\$55.2 million or 2.7% above last year.

As a result, the operating profit was HK\$949.1 million, representing HK\$136.3 million or 12.6% below last year.

Interest and other finance costs were HK\$156.7 million, representing HK\$8.1 million or 5.5% above last year on account of additional interest expenses of HK\$12.1 million for the HK\$4.0 billion bank loan for the acquisition of ACT, but partially offset by lower LIBOR & HIBOR for the US\$3.0 billion bank loan of HIT and the HK\$5.8 billion bank loans of YICT.

#### *Footnotes:*

(a) HIT means Terminals 4, 6, 7 and two berths in Terminal 9, located at Kwai Tsing, Hong Kong.

(b) YICT means Yantian International Container Terminals, located at Yantian, Shenzhen, PRC, which comprises Yantian International Container Terminals Phases I & II, Phase III & Phase III Expansion, and Shenzhen Yantian West Port Terminals Phases I & II.

## 9. Review of performance (Continued)

Share of profits less losses after tax of associated companies was HK\$4.7 million, representing HK\$0.8 million or 20.5% above last year.

Share of profits less losses after tax of joint ventures was HK\$32.5 million, representing HK\$8.8 million or 21.3% below last year, mainly due to higher interest rate for COSCO-HIT<sup>(a)</sup>'s HK\$2.0 billion bank loan refinanced in July 2012.

Taxation was HK\$80.3 million, representing HK\$23.4 million or 22.6% below last year as a result of lower profit for the quarter.

Overall, profit was HK\$749.3 million, representing HK\$129.0 million or 14.7% below last year. Profit attributable to unitholders of HPH Trust was HK\$420.5 million, representing HK\$146.9 million or 25.9% below last year.

### Consolidated income statement (01/01/2013-30/06/2013 vs 01/01/2012-30/06/2012)

Revenue and other income for the period was HK\$5,898.6 million, representing HK\$50.8 million or 0.9% below last year for the period. The container throughput of HIT decreased by 13.9% as compared to the same period in 2012, primarily due to weaker transshipment and US/EU cargoes. The container throughput of YICT increased by 2.3% as compared to the same period in 2012, mainly thanks to the growth in transshipment cargoes. The average revenue per TEU for Hong Kong was higher than last year by reason of favorable throughput mix of containers from liners, whereas that for China was lower than last year owing to the output VAT as a result of Shenzhen's VAT reform effective from 1 November 2012.

Cost of services rendered after the input VAT in China was HK\$2,110.0 million, representing HK\$35.2 million or 1.7% above last year. The increase was mostly caused by inflationary pressure and RMB appreciation. Staff costs were HK\$144.4 million, representing HK\$8.7 million or 6.4% above last year resulting mainly from inflationary pressure. Depreciation and amortisation was HK\$1,418.3 million, representing HK\$45.0 million or 3.3% above last year in light of the depreciation and amortisation after the acquisition of ACT in March 2013.

#### *Footnote:*

(a) COSCO-HIT means Terminal 8 East, located at Kwai Tsing, Hong Kong.



## 9. Review of performance (Continued)

Other operating income was HK\$31.9 million, representing HK\$18.8 million or 143.5% above last year. The increase was largely owing to YICT's RMB-denominated monetary assets resulting in a net exchange gain, timing difference of receiving River Port Economic Benefits and higher government subsidies received by YICT. Other operating expenses were HK\$469.2 million, representing HK\$59.2 million or 14.4% above last year because of the performance fee and acquisition related costs of ACT, but partially offset by a net exchange loss incurred in 2012. With the aforesaid, total operating expenses were HK\$4,110.0 million, representing HK\$129.3 million or 3.2% above last year.

As a result, the operating profit was HK\$1,788.6 million, representing HK\$180.1 million or 9.1% below last year.

Interest and other finance costs were HK\$305.7 million, representing HK\$5.0 million or 1.7% above last year in view of additional interest expenses of HK\$15.5 million for the HK\$4.0 billion bank loan for acquisition of ACT, but partially offset by lower LIBOR & HIBOR for the US\$3.0 billion bank loan of HIT and the HK\$5.8 billion bank loans of YICT.

Share of profits less losses after tax of associated companies was HK\$8.3 million, representing HK\$0.9 million or 12.2% above last year.

Share of profits less losses after tax of joint ventures was HK\$63.3 million, representing HK\$16.3 million or 20.5% below last year, mainly due to the weaker performance of COSCO-HIT as its container throughput was 2.0% below last year and higher interest rate for its HK\$2.0 billion bank loan refinanced in July 2012.

Taxation was HK\$163.2 million, representing HK\$26.8 million or 14.1% below last year. This was mostly due to lower profit for the period.

Overall, profit was HK\$1,391.3 million, representing HK\$173.7 million or 11.1% below last year. Profit attributable to unitholders of HPH Trust was HK\$800.8 million, representing HK\$216.5 million or 21.3% below last year.

### Material changes in statements of financial position and statements of cash flows

Please refer to footnotes of 1(b)(i) and 1(c).

**10. Where a forecast, or a prospect statement, has been previously disclosed to unitholders, any variance between it and the actual results.**

No forecast statement for the financial year 2013 has been disclosed.

**11. Commentary on the significant trends of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting quarter and the next 12 months.**

The volume of containers handled by HPH Trust is influenced by the performance and growth of international and regional economies, in particular Europe and North America.

Despite heavy headwinds, US's economic recovery appears to move towards a firmer ground. Housing market continues to improve with new-home sales reaching a five-year high in May 2013. Consumer confidence index increased for the third consecutive month and jumped to its highest level in over five years to 81.4 in June 2013. Job growth was stronger than expected in June 2013 with unemployment rate staying at 7.6%, close to a four-year low. Manufacturing also rebounded in June 2013 from a contraction in May 2013 as orders picked up. The US Federal Reserve plans to slow the pace of its bond-buying stimulus later this year, reflecting its confidence in the sustainability and strength of the recovery. On the other hand, Eurozone's economy remains soft and its unemployment rate hit a record high of 12.1% in May 2013.

Emerging countries are anticipated to continue playing a significant role in driving global growth with their increase in economic heft. Transshipment along with trade routes such as Far East, Africa, Central and South America and Oceania are expected to outperform those of the US and Europe.

China's manufacturing activities slowed down in June 2013 as new orders shrank. The official purchasing managers' index slipped from May 2013's 50.8 to 50.1 in June 2013, merely a whisker above the growth indication level of 50.

Shipping lines continue to deploy more mega-vessels, strengthen the cooperation with other carriers by expanding the coverage of the vessel sharing agreements, and centralize the containers handling at hub ports to achieve efficiency, cost containment and economies of scale. Combining the advantages of the state-of-the-art infrastructure, natural deep-water channels, long continuous berths and scale of operations, HPH Trust is well positioned to capture more business from these shifts.

**11. Commentary on the significant trends of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting quarter and the next 12 months. (Continued)**

On 6 May 2013, the industrial action at HIT came to an end after the wage increase proposal put forth by the external contractors of HIT had been accepted by their employees. Following that, HIT fully restored its port operations and shipping schedules on 14 May 2013. To ease external contractor workers' concerns over the working conditions, a series of arrangements have been made at HIT on meal hour, shift pattern and rest room, taking into account the operation needs. Regular meetings will also be scheduled to strengthen the communication with external contractor workers.

The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals.

## 12. Distribution

### (a) Current financial period

Any distribution recommended for the current financial period	:	Yes
Amount	:	HK\$ 1,629.0 million
Distribution type	:	Cash
Distribution rate	:	18.70 HK cents per unit for the period 1 January 2013 to 30 June 2013
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager.

## 12. Distribution (Continued)

### (b) Corresponding period of the immediately preceding financial period

Any distribution declared for the previous corresponding period	:	Yes
Amount	:	HK\$ 2,094.5 million
Distribution type	:	Cash
Distribution rate	:	24.05 HK cents per unit for the period 1 January 2012 to 30 June 2012
Par value	:	Not applicable
Tax rate	:	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager.

**12. Distribution (Continued)**

**(c) Date Payable**

19 September 2013

**(d) Books closure date**

The Transfer Books and Register of HPH Trust will be closed at 5.00 p.m. on 7 August 2013 for the purposes of determining each unitholder's entitlement to the Distribution.

Registered unitholders (other than The Central Depository (Pte) Limited ("CDP")), and unitholders whose securities accounts with CDP are credited with units, at 5.00 p.m. on 7 August 2013 will be entitled to the Distribution to be paid on or about 19 September 2013.

**13. If no distribution has been declared/recommended, a statement to that effect**

Not applicable

**14. General mandate from unitholders for interested person transaction ("IPT")**

No IPT general mandate has been obtained.

## 15. Negative confirmation by the Board

The Board of Directors of Hutchison Port Holdings Management Pte. Limited (as the Trustee-Manager) has confirmed that, to the best of their knowledge, nothing has come to their attention which may render these interim financial results of the Group for the period ended 30 June 2013 to be false or misleading in any material respect.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risk, uncertainties and assumptions. Representative examples of these factors included (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sales/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

BY ORDER OF THE BOARD  
HUTCHISON PORT HOLDINGS MANAGEMENT PTE. LIMITED  
(COMPANY REGISTRATION NO. 201100749W)  
AS TRUSTEE-MANAGER OF HPH TRUST

Lim Ka Bee  
Company Secretary  
30 July 2013

## **16. Outline of the Trustee-Manager**

### **(a) Amount of capital**

The Trustee-Manager, Hutchison Port Holdings Management Pte. Limited, has an issued and paid-up capital of HK\$1.

### **(b) Description of business and outline of operation**

The Trustee-Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 7 January 2011. Its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Trustee-Manager is an indirect wholly-owned subsidiary of Hutchison Whampoa Limited.

The Trustee-Manager manages HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term DPU growth.

### **(c) Miscellaneous**

Not applicable



**17. Financial information of the Trustee-Manager**

**17(a) Income statement**

	01/01/2013 to 30/06/2013 HK\$'M	01/01/2012 to 30/06/2012 HK\$'M
<b>Revenue and other income</b>	63.2	9.7
Cost of services rendered	-	-
Staff costs	(1.5)	(0.8)
Depreciation and amortisation	-	-
Other operating income	-	-
Other operating expenses	(3.0)	(2.7)
<b>Total operating expenses</b>	(4.5)	(3.5)
<b>Operating profit</b>	58.7	6.2
Interest and other finance costs	-	-
<b>Profit before tax</b>	58.7	6.2
Tax	(9.8)	(0.7)
Profit for the period	48.9	5.5

17. Financial information of the Trustee-Manager

17(b) Statement of financial position

	30/06/2013	31/12/2012
	HK\$'M	HK\$'M
<b>Current assets</b>		
Cash and cash equivalents	57.4	12.3
Trade and other receivables	13.8	11.1
<b>Total current assets</b>	71.2	23.4
<b>Current liabilities</b>		
Trade and other payables	11.8	6.7
Tax payable	10.0	1.2
<b>Total current liabilities</b>	21.8	7.9
<b>Net assets</b>	49.4	15.5
<b>CAPITAL AND RESERVES</b>		
Share capital	-	-
Reserves	49.4	15.5
<b>Total equity</b>	49.4	15.5



The Directors  
Hutchison Port Holdings Management Pte. Limited  
(in its capacity as Trustee-Manager of Hutchison Port Holdings Trust)  
50 Raffles Place,  
#32-01 Singapore Land Tower  
Singapore 048623

30 July 2013

Dear Sirs

**REPORT ON REVIEW OF INTERIM ACCOUNTS  
OF HUTCHISON PORT HOLDINGS TRUST**

We have reviewed the accompanying interim accounts of Hutchison Port Holdings Trust (the "Trust") and its subsidiaries (the "Group") set out on pages 1 to 22, which comprise the condensed statements of financial position of the Trust and the Group as at 30 June 2013, the related condensed consolidated income statement of the Group, the condensed consolidated statement of comprehensive income of the Group, the condensed statements of changes in equity of the Trust and the Group, and the condensed consolidated statement of cash flows of the Group for the periods from 1 January 2013 to 30 June 2013 and 1 April 2013 to 30 June 2013, and other explanatory notes (collectively the "Interim Accounts"). The management of Hutchison Port Holdings Management Pte. Limited, the Trustee-Manager of the Trust, is responsible for the preparation and presentation of these Interim Accounts in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting". Our responsibility is to express a conclusion on these Interim Accounts based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Accounts are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, "Interim Financial Reporting".

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers LLP', is written over a horizontal line.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants  
Singapore

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