



HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

TABLE OF CONTENTS

Item No.	Description	Page No.
1(a)(i)	Consolidated income statements	1
1(a)(ii)	Consolidated statements of comprehensive income	2
1(b)(i)	Statements of financial position	3 - 4
1(b)(ii)	Aggregate amount of the Group’s borrowings and debt securities	5
1(c)	Consolidated statements of cash flows	6
1(d)(i)	Statements of changes in equity	7 - 8
1(d)(ii)	Details of any changes in units	9
2&3	Review statement	9
4&5	Changes in accounting policies	9 - 10
6	Earnings per unit (“EPU”) and distribution per unit (“DPU”)	10
7	Net asset value (“NAV”) attributable to unitholders per unit	10
8	Review of performance	11 - 13
9	Variance from forecast / prospect statement	14
10	Outlook and prospects	14
11&12	Distribution	15
13	General mandate from unitholders for interested person transaction (“IPT”)	15
14	Negative confirmation by the Board	16
Appendix 1	Auditor’s Review Report	

1(a)(i) Consolidated income statements for the third quarter and nine months ended 30 September 2014

	Group					
	01/07/2014 to 30/09/2014 ^(a)	01/07/2013 to 30/09/2013 ^(b)	Favourable/ (Unfavourable)	01/01/2014 to 30/09/2014 ^(a)	01/01/2013 to 30/09/2013 ^(b)	Favourable/ (Unfavourable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Revenue and other income	3,422.0	3,363.8	1.7	9,430.4	9,262.4	1.8
Cost of services rendered	(1,262.7)	(1,200.1)	(5.2)	(3,590.8)	(3,310.1)	(8.5)
Staff costs	(77.1)	(72.6)	(6.2)	(229.2)	(217.0)	(5.6)
Depreciation and amortisation	(698.7)	(719.7)	2.9	(2,101.1)	(2,138.0)	1.7
Other operating income ^(c)	22.0	31.3	(29.7)	273.6	63.2	332.9
Other operating expenses	(168.5)	(207.9)	19.0	(649.9)	(677.1)	4.0
Total operating expenses	(2,185.0)	(2,169.0)	(0.7)	(6,297.4)	(6,279.0)	(0.3)
Operating profit	1,237.0	1,194.8	3.5	3,133.0	2,983.4	5.0
Interest and other finance costs	(157.0)	(157.2)	0.1	(438.7)	(462.9)	5.2
Share of profits less losses after tax of associated companies	4.3	7.0	(38.6)	11.5	15.3	(24.8)
Share of profits less losses after tax of joint ventures	36.4	24.3	49.8	101.5	87.6	15.9
Profit before tax	1,120.7	1,068.9	4.8	2,807.3	2,623.4	7.0
Taxation	(237.1)	(102.6)	(131.1)	(524.9)	(265.8)	(97.5)
Profit for the period	883.6	966.3	(8.6)	2,282.4	2,357.6	(3.2)
Allocated as:						
Profit attributable to non-controlling interests	(392.9)	(427.1)	(8.0)	(864.4)	(1,017.6)	(15.1)
Profit attributable to unitholders of HPH Trust	490.7	539.2	(9.0)	1,418.0	1,340.0	5.8
Earnings per unit attributable to unitholders of HPH Trust	HK cents 5.63	HK cents 6.19	(9.0)	HK cents 16.28	HK cents 15.38	5.8

Footnotes:

- (a) On 13 March 2014, the Group entered into a strategic partnership with COSCO Pacific Limited ("COSCO Pacific") and China Shipping Terminal Development (Hong Kong) Company Limited ("CSTD") through their investment of 40% and 20%, respectively, of effective equity and loan interests in Asia Container Terminals ("ACT") for an aggregate consideration of HK\$2,472 million. Subsequent to the transaction, ACT has changed from being a wholly-owned subsidiary to a joint venture with 40% effective interest of HPH Trust. Accordingly, its results are reported under "Share of profits less losses after tax of joint ventures", instead of being consolidated into each line item of HPH Trust's consolidated income statement as previously recorded. ACT means Terminal 8 West, located at Kwai Tsing, Hong Kong.
- (b) The figures for the third quarter and nine months ended 30 September 2013 are inclusive of the post-acquisition results of ACT after its acquisition on 7 March 2013.
- (c) Other operating income was HK\$273.6 million for the period ended 30 September 2014 whereas it was HK\$63.2 million for the period ended 30 September 2013. The increase was mainly due to the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT.

1(a)(ii) Consolidated statements of comprehensive income for the third quarter and nine months ended 30 September 2014

Group						
01/07/2014 to 30/09/2014	01/07/2013 to 30/09/2013	Favourable/ (Unfavourable)	01/01/2014 to 30/09/2014	01/01/2013 to 30/09/2013	Favourable/ (Unfavourable)	
HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%	
Comprehensive Income:						
Profit for the period	883.6	966.3	(8.6)	2,282.4	2,357.6	(3.2)
Other comprehensive income^(a):						
Items that may be reclassified subsequently to profit or loss:						
Investments						
Valuation (losses)/gains taken to reserves	(9.8)	5.5	(278.2)	(2.7)	10.6	(125.5)
Currency translation differences	46.3	18.0	157.2	(48.5)	59.4	(181.6)
Total comprehensive income for the period	920.1	989.8	(7.0)	2,231.2	2,427.6	(8.1)
Allocated as:						
Attributable to non-controlling interests	(413.4)	(434.8)	(4.9)	(844.4)	(1,043.3)	(19.1)
Attributable to unitholders of HPH Trust	506.7	555.0	(8.7)	1,386.8	1,384.3	0.2

Footnote:

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

1(b)(i) Statements of financial position as at 30 September 2014

	Group	
	30/09/2014 ^(a)	31/12/2013
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets ^(b)	25,111.8	28,123.2
Projects under development	1,666.1	1,847.8
Leasehold land and land use rights	42,875.2	44,579.4
Railway usage rights	15.3	15.9
Customer relationships	7,256.4	7,507.0
Goodwill	41,629.0	42,500.4
Associated companies	160.4	150.8
Joint ventures ^(c)	4,164.7	2,515.9
Investments	829.3	832.0
Deferred tax assets	16.4	12.9
Total non-current assets	123,724.6	128,085.3
Current assets		
Cash and cash equivalents	6,445.9	5,818.7
Trade and other receivables	3,479.4	3,101.4
Inventories	143.9	160.6
Total current assets	10,069.2	9,080.7
Current liabilities		
Trade and other payables	6,246.1	6,582.2
Bank loans ^(d)	8,190.6	10,799.2
Current tax liabilities	350.9	238.1
Total current liabilities	14,787.6	17,619.5
Net current liabilities	(4,718.4)	(8,538.8)
Total assets less current liabilities	119,006.2	119,546.5
Non-current liabilities		
Bank loans	25,617.4	22,999.4
Pension obligations	125.4	115.6
Deferred tax liabilities	11,481.4	12,179.4
Other non-current liabilities	19.4	20.4
Total non-current liabilities	37,243.6	35,314.8
Net assets	81,762.6	84,231.7
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(5,569.7)	(3,384.9)
Net assets attributable to unitholders of HPH Trust	62,984.1	65,168.9
Non-controlling interests	18,778.5	19,062.8
Total equity	81,762.6	84,231.7

Footnotes:

- (a) On 13 March 2014, the Group entered into a strategic partnership with COSCO Pacific and CSTD through their investment of 40% and 20%, respectively, of effective equity and loan interests in ACT for an aggregate consideration of HK\$2,472 million. Subsequent to the transaction, ACT has changed from being a wholly-owned subsidiary to a joint venture with 40% effective interest of HPH Trust.
- (b) Fixed assets were HK\$25,111.8 million as at 30 September 2014 whereas they were HK\$28,123.2 million as at 31 December 2013. The decrease was mainly due to the disposal of 60% interest in ACT and the Group derecognised ACT's fixed assets after it ceased to be a subsidiary.
- (c) Joint ventures were HK\$4,164.7 million as at 30 September 2014 whereas they were HK\$2,515.9 million as at 31 December 2013. The increase was mainly due to the Group's 40% retained interest in ACT after it has become a joint venture.
- (d) Represented the current portion of the bank loans which will be due within 1 year – mainly the US\$1.0 billion bridge loan will be due in August 2015.

1(b)(i) Statements of financial position as at 30 September 2014

	Trust	
	30/09/2014	31/12/2013
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Investment in a subsidiary	60,893.2	63,719.2
Total non-current asset	60,893.2	63,719.2
Current assets		
Cash and cash equivalents	3.5	1.8
Trade and other receivables	1.4	1.8
Total current assets	4.9	3.6
Current liability		
Trade and other payables	29.9	63.2
Total current liability	29.9	63.2
Net current liabilities	(25.0)	(59.6)
Total assets less current liabilities	60,868.2	63,659.6
Net assets	60,868.2	63,659.6
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(7,685.6)	(4,894.2)
Total equity	60,868.2	63,659.6

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 30 September 2014

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	8,067.7	25,693.0	33,760.7
Secured bank loans	129.8	-	129.8
Total principal amount of bank loans	8,197.5	25,693.0	33,890.5
Unamortised loan facilities fees	(6.9)	(75.6)	(82.5)
	8,190.6	25,617.4	33,808.0

Aggregate amount of the Group's borrowings and debt securities as at 31 December 2013

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	10,827.7	22,966.9	33,794.6
Secured bank loans	5.1	130.6	135.7
Total principal amount of bank loans	10,832.8	23,097.5	33,930.3
Unamortised loan facilities fees	(33.6)	(98.1)	(131.7)
	10,799.2	22,999.4	33,798.6

Details of any collateral at HPH Trust

Bank loan of HK\$129.8 million (31 December 2013: HK\$135.7 million) is secured by a charge over certain assets of a subsidiary company.

1(c) Consolidated statements of cash flows for the third quarter and nine months ended 30 September 2014

	Group			
	01/07/2014 to 30/09/2014	01/07/2013 to 30/09/2013	01/01/2014 to 30/09/2014	01/01/2013 to 30/09/2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Operating activities				
Cash generated from operations	1,870.4	1,713.2	4,772.2	4,498.5
Interest and other finance costs paid	(138.3)	(126.8)	(371.2)	(365.3)
Tax paid ^(a)	(254.8)	(144.0)	(656.1)	(434.7)
Net cash from operating activities	1,477.3	1,442.4	3,744.9	3,698.5
Investing activities				
Acquisition of subsidiary companies ^(b)	-	-	-	(3,868.1)
Purchase of fixed assets and additions to projects under development ^(c)	(197.6)	(192.1)	(840.6)	(584.2)
Proceeds on disposal of fixed assets and investment	2.7	1.9	3.0	8.8
Dividends received from investments	14.7	1.3	16.8	54.5
Dividends received from associated companies and joint ventures	35.0	-	99.0	82.8
Interest received	25.2	16.9	72.4	46.8
Proceeds on disposal of subsidiary companies ^(d)	-	-	2,411.3	-
Net cash (used in)/from investing activities	(120.0)	(172.0)	1,761.9	(4,259.4)
Financing activities				
Drawdown of bank loans ^{(e) (f)}	7,800.0	-	10,800.0	4,000.0
Repayment of bank loans ^(f)	(7,801.3)	(1.3)	(10,837.6)	(18.2)
Upfront debt transaction costs and facilities fees of bank loans	(7.8)	-	(7.8)	(8.0)
Repayment of loan by a joint venture	-	-	1.0	-
Distributions to unitholders of HPH Trust	(1,629.0)	(1,629.0)	(3,571.6)	(3,996.9)
Dividends to non-controlling interests	(1,263.6)	(741.9)	(1,263.6)	(1,835.0)
Net cash used in financing activities	(2,901.7)	(2,372.2)	(4,879.6)	(1,858.1)
Net changes in cash and cash equivalents	(1,544.4)	(1,101.8)	627.2	(2,419.0)
Cash and cash equivalents at beginning of the period	7,990.3	4,851.6	5,818.7	6,168.8
Cash and cash equivalents at end of the period	6,445.9	3,749.8	6,445.9	3,749.8

Footnotes:

- (a) Tax paid was HK\$656.1 million for the period ended 30 September 2014 whereas it was HK\$434.7 million for the period ended 30 September 2013. The increase was mainly due to higher profits tax paid in YICT after the tax credit was used up in the last quarter of 2013 and the increase of YICT Phase III's profits tax rate from 12.5% to 25% after the tax exemption period expired.
- (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 on the date of acquisition.
- (c) Purchase of fixed assets and additions to projects under development was HK\$840.6 million for the period ended 30 September 2014 whereas it was HK\$584.2 million for the period ended 30 September 2013. The increase was mainly due to capital expenditure incurred for West Port Phase II project.
- (d) Represented the proceeds on disposal of 60% interest in ACT on 13 March 2014 after netting cash and cash equivalents retained in ACT on the date of disposal.
- (e) The drawdown of a bank loan of HK\$4,000.0 million in 2013 was used to finance the acquisition of ACT.
- (f) US\$1.0 billion bridge loan was borrowed in this quarter to repay the US\$1.0 billion one-year tranche term loan of the US\$3.6 billion term loan facility.

1(d)(i) Statements of changes in equity for the periods ended 30 September 2014

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
At 1 July 2014	68,553.8	37.6	27.7	34.6	(4,547.3)	64,106.4	19,407.4	83,513.8
Comprehensive income:								
Profit for the quarter	-	-	-	-	490.7	490.7	392.9	883.6
Investments:								
Valuation losses taken to reserves	-	-	(9.8)	-	-	(9.8)	-	(9.8)
Currency translation differences	-	25.8	-	-	-	25.8	20.5	46.3
Total comprehensive income/(loss)	-	25.8	(9.8)	-	490.7	506.7	413.4	920.1
Transaction with owners:								
Distributions	-	-	-	-	(1,629.0)	(1,629.0)	-	(1,629.0)
Dividends	-	-	-	-	-	-	(1,042.3)	(1,042.3)
At 30 September 2014	68,553.8	63.4	17.9	34.6	(5,685.6)	62,984.1	18,778.5	81,762.6
At 1 January 2014	68,553.8	91.9	20.6	34.6	(3,532.0)	65,168.9	19,062.8	84,231.7
Comprehensive income:								
Profit for the period	-	-	-	-	1,418.0	1,418.0	864.4	2,282.4
Investments:								
Valuation losses taken to reserves	-	-	(2.7)	-	-	(2.7)	-	(2.7)
Currency translation differences	-	(28.5)	-	-	-	(28.5)	(20.0)	(48.5)
Total comprehensive (loss)/income	-	(28.5)	(2.7)	-	1,418.0	1,386.8	844.4	2,231.2
Transaction with owners:								
Equity contribution from non-controlling interests	-	-	-	-	-	-	123.6	123.6
Distributions	-	-	-	-	(3,571.6)	(3,571.6)	-	(3,571.6)
Dividends	-	-	-	-	-	-	(1,252.3)	(1,252.3)
At 30 September 2014	68,553.8	63.4	17.9	34.6	(5,685.6)	62,984.1	18,778.5	81,762.6
At 1 July 2013	68,553.8	65.6	13.4	(224.4)	(2,777.0)	65,631.4	18,217.8	83,849.2
Comprehensive income:								
Profit for the quarter	-	-	-	-	539.2	539.2	427.1	966.3
Investments:								
Valuation gains taken to reserves	-	-	5.5	-	-	5.5	-	5.5
Currency translation differences	-	10.3	-	-	-	10.3	7.7	18.0
Total comprehensive income	-	10.3	5.5	-	539.2	555.0	434.8	989.8
Transaction with owners:								
Distributions	-	-	-	-	(1,629.0)	(1,629.0)	-	(1,629.0)
Dividends	-	-	-	-	-	-	(28.7)	(28.7)
At 30 September 2013	68,553.8	75.9	18.9	(224.4)	(3,866.8)	64,557.4	18,623.9	83,181.3
At 1 January 2013	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	-	-	-	-	1,340.0	1,340.0	1,017.6	2,357.6
Investments:								
Valuation gains taken to reserves	-	-	10.6	-	-	10.6	-	10.6
Currency translation differences	-	33.7	-	-	-	33.7	25.7	59.4
Total comprehensive income	-	33.7	10.6	-	1,340.0	1,384.3	1,043.3	2,427.6
Transaction with owners:								
Issuance of units – performance fee	14.0	-	-	-	-	14.0	-	14.0
Distributions	-	-	-	-	(3,996.9)	(3,996.9)	-	(3,996.9)
Dividends	-	-	-	-	-	-	(770.5)	(770.5)
At 30 September 2013	68,553.8	75.9	18.9	(224.4)	(3,866.8)	64,557.4	18,623.9	83,181.3

1(d)(i) Statements of changes in equity for the periods ended 30 September 2014 (Continued)

Trust

	Units in issue HK\$'M	Accumulated losses HK\$'M	Attributable to unitholders HK\$'M
At 1 July 2014	68,553.8	(6,256.5)	62,297.3
Profit and total comprehensive income for the quarter	-	199.9	199.9
Transaction with owners:			
Distributions	-	(1,629.0)	(1,629.0)
At 30 September 2014	68,553.8	(7,685.6)	60,868.2
At 1 January 2014	68,553.8	(4,894.2)	63,659.6
Profit and total comprehensive income for the period	-	780.2	780.2
Transaction with owners:			
Distributions	-	(3,571.6)	(3,571.6)
At 30 September 2014	68,553.8	(7,685.6)	60,868.2
At 1 July 2013	68,553.8	(4,644.5)	63,909.3
Profit and total comprehensive income for the quarter	-	1,389.7	1,389.7
Transaction with owners:			
Distributions	-	(1,629.0)	(1,629.0)
At 30 September 2013	68,553.8	(4,883.8)	63,670.0
At 1 January 2013	68,539.8	(3,544.9)	64,994.9
Profit and total comprehensive income for the period	-	2,658.0	2,658.0
Transaction with owners:			
Issuance of units – performance fee	14.0	-	14.0
Distributions	-	(3,996.9)	(3,996.9)
At 30 September 2013	68,553.8	(4,883.8)	63,670.0

1(d)(ii) Details of any change in units for the periods ended 30 September 2014

	Group			
	01/07/2014 to 30/09/2014	01/07/2013 to 30/09/2013	01/01/2014 to 30/09/2014	01/01/2013 to 30/09/2013
At beginning of the period	8,711,101,022	8,711,101,022	8,711,101,022	8,708,888,000
Units issued on 25 March 2013 ^(a)	-	-	-	2,213,022
At end of the period	8,711,101,022	8,711,101,022	8,711,101,022	8,711,101,022

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 September 2014 ("Interim Accounts") which have been reviewed in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent 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 27 October 2014 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 2013 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 2014. The effect of the adoption of these new standards and amendments was 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.**

The accounting policies and methods of computation used in the preparation of the Interim Accounts for the current quarter are consistent with those specified in the audited accounts of HPH Trust and its subsidiaries for the financial year ended 31 December 2013 except for the adoption of the standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants effective and applicable for the Interim Accounts. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

6. **Group's earnings per unit ("EPU") and distribution per unit ("DPU") for the periods ended 30 September 2014**

	01/07/2014 to 30/09/2014	01/07/2013 to 30/09/2013	01/01/2014 to 30/09/2014	01/01/2013 to 30/09/2013
(i) Weighted average number of units in issue	8,711,101,022	8,711,101,022	8,711,101,022	8,710,428,198
(ii) Earnings per unit for the period based on the weighted average number of units in issue (HK cents) - Basic and diluted	5.63	6.19	16.28	15.38
(iii) Number of units issued at end of the period	8,711,101,022	8,711,101,022	8,711,101,022	8,711,101,022
(iv) Distribution per unit for the period (HK cents) ^(a)	-	-	18.70	18.70

Footnote:

(a) 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 period ending on each of the said dates.

7. **Net asset value ("NAV") attributable to unitholders per unit based on units issued as at 30 September 2014^(a)**

	Group		Trust	
	30/09/2014	31/12/2013	30/09/2014	31/12/2013
Net asset value attributable to unitholders per unit (HK\$)^(a)	7.23	7.48	6.99	7.31

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 September 2014 (31 December 2013: 8,711,101,022).

8. Review of performance

Consolidated income statement (01/07/2014-30/09/2014 vs 01/07/2013-30/09/2013)

Revenue and other income for the quarter was HK\$3,422.0 million, representing HK\$58.2 million or 1.7% above last year. ACT's revenue and other income was not consolidated under this line since 14 March 2014 when ACT has become a joint venture with 40% effective interest of HPH Trust. The container throughput of HIT^(a) increased by 2.1% as compared to the same quarter in 2013, primarily due to higher transshipment volume but was offset by weaker intra-Asia cargoes. The container throughput of YICT^(b) increased by 12.4% as compared to the same quarter in 2013, primarily due to the growth in transshipment and US cargoes. The average revenue per TEU for Hong Kong was higher than last year due to favourable throughput mix from liners. For China, the average revenue per TEU was lower than last year, primarily due to a higher proportion of transshipment throughput handled.

Cost of services rendered was HK\$1,262.7 million, representing HK\$62.6 million or 5.2% above last year. The increase was mainly due to higher container throughput, increase in external contractors' costs and inflationary pressure. Staff costs were HK\$77.1 million, representing HK\$4.5 million or 6.2% above last year primarily due to inflationary pressure. Depreciation and amortisation was HK\$698.7 million, representing HK\$21.0 million or 2.9% below last year. The decrease was mainly due to the exclusion of ACT's depreciation and amortisation since 14 March 2014 after the disposal of 60% effective interest in ACT. Other operating income was HK\$22.0 million, representing HK\$9.3 million or 29.7% below last year. The decrease was largely due to YICT's net exchange gain in 2013 deriving from its RMB-denominated monetary assets and lower government subsidies received by YICT, but were partially offset by timing difference for receipt of dividends from River Ports Economic Benefits. Other operating expenses were HK\$168.5 million, representing HK\$39.4 million or 19.0% below last year. The decrease was mainly due to YICT's net exchange gain deriving from its RMB-denominated monetary assets. The exchange gain was grouped under other operating expenses instead of other operating income in this quarter as there was still a net exchange loss for the reported period ended 30 September 2014. With the aforesaid, total operating expenses were HK\$2,185.0 million, representing HK\$16.0 million or 0.7% above last year.

As a result, the operating profit was HK\$1,237.0 million, representing HK\$42.2 million or 3.5% above last year.

Interest and other finance costs were HK\$157.0 million, about the same as last year. It was mainly due to lower interest expenses but were partially offset by higher bank loan balance.

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.

8. Review of performance (Continued)

Share of profits less losses after tax of associated companies was HK\$4.3 million, representing HK\$2.7 million or 38.6% below last year, mainly due to weaker performance of the tugboat operations of an associated company.

Share of profits less losses after tax of joint ventures was HK\$36.4 million, representing HK\$12.1 million or 49.8% above last year, mainly due to the inclusion of ACT's profit when it has become a joint venture with 40% effective interest of HPH Trust since 14 March 2014.

Taxation was HK\$237.1 million, representing HK\$134.5 million or 131.1% above last year, as a result of higher tax in YICT after the tax credit was fully used up in the last quarter of 2013 and the increase of YICT Phase III's profits tax rate from 12.5% to 25% after the tax exemption period expired.

Overall, profit was HK\$883.6 million, representing HK\$82.7 million or 8.6% below last year. Profit attributable to unitholders of HPH Trust was HK\$490.7 million, representing HK\$48.5 million or 9.0% below last year.

Consolidated income statement (01/01/2014-30/09/2014 vs 01/01/2013-30/09/2013)

Revenue and other income for the period was HK\$9,430.4 million, representing HK\$168.0 million or 1.8% above last year. ACT's revenue and other income was not consolidated under this line since 14 March 2014 when ACT has become a joint venture with 40% effective interest of HPH Trust. The container throughput of HIT increased by 3.2% as compared to the same period in 2013, mainly due to higher transshipment volume but was offset by weaker intra-Asia cargoes. The container throughput of YICT increased by 7.7% as compared to the same period in 2013, primarily due to the growth in transshipment and US cargoes. The average revenue per TEU for Hong Kong was higher than last year due to favourable throughput mix from liners. For China, the average revenue per TEU was lower than last year, primarily due to a higher proportion of transshipment throughput handled.

Cost of services rendered was HK\$3,590.8 million, representing HK\$280.7 million or 8.5% above last year. The increase was mainly due to higher container throughput, increase in external contractors' costs and inflationary pressure. Staff costs were HK\$229.2 million, representing HK\$12.2 million or 5.6% above last year primarily due to inflationary pressure. Depreciation and amortisation was HK\$2,101.1 million, representing HK\$36.9 million or 1.7% below last year. The decrease was mainly due to the exclusion of ACT's depreciation and amortisation since 14 March 2014 after the disposal of 60% effective interest in ACT. Other operating income was HK\$273.6 million, representing HK\$210.4 million or 332.9% above last year. The increase was largely due to the net gain of HK\$243.8 million arising from the disposal of 60% effective interest in ACT, but was partially offset by YICT's net exchange gain in 2013 deriving from its RMB-denominated monetary assets and lower government subsidies received by YICT.

8. Review of performance (Continued)

Other operating expenses were HK\$649.9 million, representing HK\$27.2 million or 4.0% below last year. The decrease was mainly due to the payment of performance fee and ACT's acquisition related costs in 2013, but were offset by YICT's net exchange loss deriving from its RMB-denominated monetary assets. With the aforesaid, total operating expenses were HK\$6,297.4 million, representing HK\$18.4 million or 0.3% above last year.

As a result, the operating profit was HK\$3,133.0 million, representing HK\$149.6 million or 5.0% above last year.

Interest and other finance costs were HK\$438.7 million, representing HK\$24.2 million or 5.2% below last year. The decrease was mainly due to lower interest expenses but were partially offset by higher bank loan balance.

Share of profits less losses after tax of associated companies was HK\$11.5 million, representing HK\$3.8 million or 24.8% below last year. The decrease was mainly due to weaker performance of the tugboat operations of an associated company.

Share of profits less losses after tax of joint ventures was HK\$101.5 million, representing HK\$13.9 million or 15.9% above last year, mainly due to the inclusion of ACT's profit when it has become a joint venture with 40% effective interest of HPH Trust since 14 March 2014 and higher dividends received by a joint venture as a result of timing difference.

Taxation was HK\$524.9 million, representing HK\$259.1 million or 97.5% above last year, as a result of higher tax in YICT after the tax credit was fully used up in the last quarter of 2013 and the increase of YICT Phase III's profits tax rate from 12.5% to 25% after the tax exemption period expired.

Overall, profit was HK\$2,282.4 million, representing HK\$75.2 million or 3.2% below last year. Profit attributable to unitholders of HPH Trust was HK\$1,418.0 million, representing HK\$78.0 million or 5.8% above 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).

Footnote:

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

9. 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 2014 has been disclosed.

10. 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.

Growth in the US and Europe is a major factor in determining the total volume of containers handled by HPH Trust. Consensus outlook for both is favourable in 2014.

The US economy shows greater strength as its GDP expanded by 4.6% in the second quarter of 2014. Unemployment rate in September 2014 fell to 5.9%, the lowest since July 2008. Manufacturing activities and consumer sentiment also look promising and it is expected that the US economic outlook will remain positive.

Eurozone's business activities are slowing down due to the decline in demand and new orders. Although the European Central Bank has launched a series of policies to shore up the flagging economy, the Eurozone economy is likely to maintain a low growth rate in the near future.

Outbound cargoes to the US accelerated in the third quarter of 2014 and continue to display an upward trend. On the other hand, outbound cargoes to the EU have begun to slow down. Cargo volume for transshipment and the niche trade routes of Far East, Africa, Central and South America and Oceania is projected to increase moderately.

The Chinese government has rolled out further stimulus measures including the reduction in mortgage rates and down payment levels for some home buyers, although officials have indicated they would be willing to tolerate slightly slower growth as long as the jobs market continues to hold up. The HSBC China Manufacturing Purchasing Managers' Index™ maintained at 50.2 in September 2014 with new export orders rising to its highest level since March 2010. Manufacturing activities keep on expanding albeit at a slower pace.

In view of overcapacity and moderate demand, leading liners continue to deploy mega-vessels to promote economies of scale, form carrier alliances such as 2M (Maersk and MSC) and Ocean 3 (China Shipping, CMA and UASC) to control costs, boost efficiency, expand the coverage of vessel-sharing schemes to strengthen competitiveness. With our leading edge infrastructure, natural deep-water channels, long continuous berths, mega-vessel handling capabilities and scale of operations, HPH Trust is well positioned to pursue and benefit from these development and from servicing these large shipping alliances.

The "Occupy Central" event in Hong Kong has no negative impact to HPH Trust's Hong Kong operations as we continue to serve as the region's transshipment hub. The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to challenges such as labour wages and taxation increase, given its strong and improving fundamentals.

11. Distribution

(a) Current financial quarter

Any distribution recommended for the current financial quarter?

No distribution has been recommended for the current financial quarter.

(b) Corresponding quarter of the immediately preceding financial period

Any distribution declared for the previous corresponding quarter? No

(c) Date Payable

Not applicable

(d) Books closure date

Not applicable

12. If no distribution has been declared/recommendeded, a statement to that effect

No distribution has been declared/recommendeded for the current financial quarter.

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 period ending on each of the said dates.

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

No IPT general mandate has been obtained.

14. 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 its knowledge, nothing has come to its attention which may render these interim financial results of the Group for the period ended 30 September 2014 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
27 October 2014



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

27 October 2014

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 20, which comprise the condensed statements of financial position of the Trust and the Group as at 30 September 2014, 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 2014 to 30 September 2014 and 1 July 2014 to 30 September 2014, 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 faint, larger version of the PwC logo.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

*PricewaterhouseCoopers LLP, 8 Cross Street #17-00, PWC Building, Singapore 048424
T: (65) 6236 3388, F: (65) 6236 3300, www.pwc.com/sg GST No.: M90362193L Reg. No.: T09LL0001D*