



HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2014

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1(a)(i) Consolidated income statements for the second quarter and half year ended 30 June 2014

	Group					
	01/04/2014 To 30/06/2014 ^(a)	01/04/2013 To 30/06/2013 ^(b)	Favorable/ (Unfavorable)	01/01/2014 To 30/06/2014 ^(a)	01/01/2013 To 30/06/2013 ^(b)	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Revenue and other income	3,063.9	3,032.1	1.0	6,008.4	5,898.6	1.9
Cost of services rendered	(1,211.2)	(1,103.4)	(9.8)	(2,328.1)	(2,110.0)	(10.3)
Staff costs	(76.7)	(71.2)	(7.7)	(152.1)	(144.4)	(5.3)
Depreciation and amortisation	(691.9)	(722.5)	4.2	(1,402.4)	(1,418.3)	1.1
Other operating income ^(c)	5.9	26.4	(77.7)	251.6	31.9	688.7
Other operating expenses	(215.6)	(212.3)	(1.6)	(481.4)	(469.2)	(2.6)
Total operating expenses	(2,189.5)	(2,083.0)	(5.1)	(4,112.4)	(4,110.0)	(0.1)
Operating profit	874.4	949.1	(7.9)	1,896.0	1,788.6	6.0
Interest and other finance costs	(148.0)	(156.7)	5.6	(281.7)	(305.7)	7.9
Share of profits less losses after tax of associated companies	3.8	4.7	(19.1)	7.2	8.3	(13.3)
Share of profits less losses after tax of joint ventures	37.1	32.5	14.2	65.1	63.3	2.8
Profit before tax	767.3	829.6	(7.5)	1,686.6	1,554.5	8.5
Taxation	(129.9)	(80.3)	(61.8)	(287.8)	(163.2)	(76.3)
Profit for the period	637.4	749.3	(14.9)	1,398.8	1,391.3	0.5
Allocated as:						
Profit attributable to non-controlling interests	(269.0)	(328.8)	(18.2)	(471.5)	(590.5)	(20.2)
Profit attributable to unitholders of HPH Trust	368.4	420.5	(12.4)	927.3	800.8	15.8
Earnings per unit attributable to unitholders of HPH Trust	HK cents 4.23	HK cents 4.83	(12.4)	HK cents 10.65	HK cents 9.19	15.9

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 second quarter and half year ended 30 June 2013 are inclusive of the post-acquisition results of ACT after its acquisition on 7 March 2013.
- (c) Other operating income was HK\$251.6 million for the period ended 30 June 2014 whereas it was HK\$31.9 million for the period ended 30 June 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 second quarter and half year ended 30 June 2014

Group						
01/04/2014 To 30/06/2014	01/04/2013 to 30/06/2013	Favorable/ (Unfavorable)	01/01/2014 To 30/06/2014	01/01/2013 To 30/06/2013	Favorable/ (Unfavorable)	
HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%	
Comprehensive Income:						
Profit for the period	637.4	749.3	(14.9)	1,398.8	1,391.3	0.5
Other comprehensive income^(a):						
Items that may be reclassified subsequently to profit or loss:						
Investments						
Valuation (losses)/gains taken to reserves	(0.5)	-	NA	7.1	5.1	39.2
Currency translation differences	(23.2)	17.3	(234.1)	(94.8)	41.4	(329.0)
Total comprehensive income for the period	613.7	766.6	(19.9)	1,311.1	1,437.8	(8.8)
Allocated as:						
Attributable to non-controlling interests	(258.7)	(336.5)	(23.1)	(431.0)	(608.5)	(29.2)
Attributable to unitholders of HPH Trust	355.0	430.1	(17.5)	880.1	829.3	6.1

Footnote:

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

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

	Group	
	30/06/2014 ^(a)	31/12/2013
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets ^(b)	25,221.6	28,123.2
Projects under development	1,706.7	1,847.8
Leasehold land and land use rights	43,179.9	44,579.4
Railway usage rights	15.2	15.9
Customer relationships	7,339.9	7,507.0
Goodwill	41,629.0	42,500.4
Associated companies	154.0	150.8
Joint ventures ^(c)	4,163.0	2,515.9
Investments	839.1	832.0
Deferred tax assets	14.9	12.9
Total non-current assets	124,263.3	128,085.3
Current assets		
Cash and cash equivalents	7,990.3	5,818.7
Trade and other receivables	3,452.2	3,101.4
Inventories	147.7	160.6
Total current assets	11,590.2	9,080.7
Current liabilities		
Trade and other payables	6,554.4	6,582.2
Bank loans ^(d)	8,060.9	10,799.2
Current tax liabilities	245.2	238.1
Total current liabilities	14,860.5	17,619.5
Net current liabilities	(3,270.3)	(8,538.8)
Total assets less current liabilities	120,993.0	119,546.5
Non-current liabilities		
Bank loans	25,733.9	22,999.4
Pension obligations	122.3	115.6
Deferred tax liabilities	11,603.3	12,179.4
Other non-current liabilities	19.7	20.4
Total non-current liabilities	37,479.2	35,314.8
Net assets	83,513.8	84,231.7
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(4,447.4)	(3,384.9)
Net assets attributable to unitholders of HPH Trust	64,106.4	65,168.9
Non-controlling interests	19,407.4	19,062.8
Total equity	83,513.8	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\$25,221.6 million as at 30 June 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\$4,163.0 million as at 30 June 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 one-year tranche term loan of the US\$3.6 billion term loan facility which will be due in September 2014. US\$1.0 billion term loan facility agreement for refinancing this facility was signed in June 2014.

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

	Trust	
	30/06/2014	31/12/2013
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Investment in a subsidiary	62,376.6	63,719.2
Total non-current asset	62,376.6	63,719.2
Current assets		
Cash and cash equivalents	1.5	1.8
Trade and other receivables	3.0	1.8
Total current assets	4.5	3.6
Current liability		
Trade and other payables	83.8	63.2
Total current liability	83.8	63.2
Net current liabilities	(79.3)	(59.6)
Total assets less current liabilities	62,297.3	63,659.6
Net assets	62,297.3	63,659.6
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(6,256.5)	(4,894.2)
Total equity	62,297.3	63,659.6

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

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	8,067.7	25,693.1	33,760.8
Secured bank loans	5.0	124.0	129.0
Total principal amount of bank loans	8,072.7	25,817.1	33,889.8
Unamortised loan facilities fees	(11.8)	(83.2)	(95.0)
	8,060.9	25,733.9	33,794.8

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\$129.0 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 second quarter and half year ended 30 June 2014

	Group			
	01/04/2014 to 30/06/2014	01/04/2013 to 30/06/2013	01/01/2014 To 30/06/2014	01/01/2013 to 30/06/2013
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Operating activities				
Cash generated from operations	1,229.9	1,259.6	2,901.8	2,785.3
Interest and other finance costs paid	(117.7)	(127.2)	(232.9)	(238.5)
Tax paid ^(a)	(176.2)	(67.5)	(401.3)	(290.7)
Net cash from operating activities	936.0	1,064.9	2,267.6	2,256.1
Investing activities				
Acquisition of subsidiary companies ^(b)	-	-	-	(3,868.1)
Purchase of fixed assets and additions to projects under development ^(c)	(332.2)	(148.1)	(643.0)	(392.1)
Proceeds on disposal of fixed assets	-	2.7	0.3	6.9
Dividends received from investments	2.1	2.4	2.1	53.2
Dividends received from associated companies and joint ventures	32.0	41.0	64.0	82.8
Interest received	27.9	10.1	47.2	29.9
Proceeds on disposal of subsidiary companies ^(d)	-	-	2,411.3	-
Net cash (used in)/from investing activities	(270.2)	(91.9)	1,881.9	(4,087.4)
Financing activities				
Drawdown of a bank loan ^(e)	-	-	-	4,000.0
Repayment of bank loans	(35.0)	(15.6)	(36.3)	(16.9)
Upfront debt transaction costs and facilities fees of bank loans	-	-	-	(8.0)
Repayment of loan by a joint venture	1.0	-	1.0	-
Distributions to unitholders of HPH Trust	-	-	(1,942.6)	(2,367.9)
Dividends to non-controlling interests	-	-	-	(1,093.1)
Net cash (used in)/from financing activities	(34.0)	(15.6)	(1,977.9)	514.1
Net changes in cash and cash equivalents	631.8	957.4	2,171.6	(1,317.2)
Cash and cash equivalents at beginning of the period	7,358.5	3,894.2	5,818.7	6,168.8
Cash and cash equivalents at end of the period	7,990.3	4,851.6	7,990.3	4,851.6

Footnotes:

- (a) Tax paid was HK\$401.3 million for the period ended 30 June 2014 whereas it was HK\$290.7 million for the period ended 30 June 2013. The increase was mainly due to higher profit 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 profit 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\$643.0 million for the period ended 30 June 2014 whereas it was HK\$392.1 million for the period ended 30 June 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 was used to finance the acquisition of ACT.

1(d)(i) Statements of changes in equity for the periods ended 30 June 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 April 2014	68,553.8	50.5	28.2	34.6	(4,915.7)	63,751.4	19,148.7	82,900.1
Comprehensive income:								
Profit for the quarter	-	-	-	-	368.4	368.4	269.0	637.4
Investments:								
Valuation losses taken to reserves	-	-	(0.5)	-	-	(0.5)	-	(0.5)
Currency translation differences	-	(12.9)	-	-	-	(12.9)	(10.3)	(23.2)
Total comprehensive (loss)/income	-	(12.9)	(0.5)	-	368.4	355.0	258.7	613.7
At 30 June 2014	68,553.8	37.6	27.7	34.6	(4,547.3)	64,106.4	19,407.4	83,513.8
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	-	-	-	-	927.3	927.3	471.5	1,398.8
Investments:								
Valuation gains taken to reserves	-	-	7.1	-	-	7.1	-	7.1
Currency translation differences	-	(54.3)	-	-	-	(54.3)	(40.5)	(94.8)
Total comprehensive (loss)/income	-	(54.3)	7.1	-	927.3	880.1	431.0	1,311.1
Transaction with owners:								
Equity contribution from non-controlling interests	-	-	-	-	-	-	123.6	123.6
Distributions	-	-	-	-	(1,942.6)	(1,942.6)	-	(1,942.6)
Dividends	-	-	-	-	-	-	(210.0)	(210.0)
At 30 June 2014	68,553.8	37.6	27.7	34.6	(4,547.3)	64,106.4	19,407.4	83,513.8
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)
At 30 June 2013	68,553.8	65.6	13.4	(224.4)	(2,777.0)	65,631.4	18,217.8	83,849.2
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	-	-	-	-	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)
At 30 June 2013	68,553.8	65.6	13.4	(224.4)	(2,777.0)	65,631.4	18,217.8	83,849.2

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

Trust

	Units in issue HK\$'M	Accumulated losses HK\$'M	Attributable to unitholders HK\$'M
At 1 April 2014	68,553.8	(6,258.2)	62,295.6
Profit and total comprehensive income for the quarter	-	1.7	1.7
At 30 June 2014	68,553.8	(6,256.5)	62,297.3
At 1 January 2014	68,553.8	(4,894.2)	63,659.6
Profit and total comprehensive income for the period	-	580.3	580.3
Transaction with owners:			
Distributions	-	(1,942.6)	(1,942.6)
At 30 June 2014	68,553.8	(6,256.5)	62,297.3
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)
At 30 June 2013	68,553.8	(4,644.5)	63,909.3
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)
At 30 June 2013	68,553.8	(4,644.5)	63,909.3

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

	Group			
	01/04/2014 to 30/06/2014	01/04/2013 to 30/06/2013	01/01/2014 to 30/06/2014	01/01/2013 to 30/06/2013
At beginning of the peiod	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 June 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 25 July 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 quarter 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 June 2014**

	01/04/2014 to 30/06/2014	01/04/2013 to 30/06/2013	01/01/2014 to 30/06/2014	01/01/2013 to 30/06/2013
(i) Weighted average number of units in issue	8,711,101,022	8,711,101,022	8,711,101,022	8,710,086,211
(ii) Earnings per unit for the period based on the weighted average number of units in issue (HK cents) - Basic and diluted	4.23	4.83	10.65	9.19
(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	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(a) Net asset value (“NAV”) attributable to unitholders per unit based on units issued as at 30 June 2014^(a)

	Group		Trust	
	30/06/2014	31/12/2013	30/06/2014	31/12/2013
Net asset value attributable to unitholders per unit (HK\$)^(a)	7.36	7.48	7.15	7.31
Net asset value attributable to unitholders per unit after deducting distribution per unit for the financial period ended (HK\$)^(a)	7.17	7.26	6.96	7.08

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

7(b) Rate of return^(a)

Year	Rate of Return (%)
For the period ended 30 June 2014^(b)	1.4

Footnote:

(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 2013)

(b) The financial period was from 1 January 2014 to 30 June 2014

8. Value of assets by region as at 30 June 2014

Trust

Kind of assets	Region	Net Asset Value (HK\$'M)	Investment Ratio
Investment in a subsidiary ^(a)	Hong Kong	62,376.6	100.0%
Cash and other assets (after deduction of liabilities)	Singapore	(29.5)	0.0%
Other liabilities	Hong Kong	(49.8)	0.0%
Total net assets		62,297.3	100.0%

Group

Region ^(b)	Net Asset Value (HK\$'M)	Investment Ratio
Singapore	(29.5)	0.0%
Hong Kong	19,541.3	23.4%
People's Republic of China	64,002.0	76.6%
Total net assets	83,513.8	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 (01/04/2014-30/06/2014 vs 01/04/2013-30/06/2013)

Revenue and other income for the quarter was HK\$3,063.9 million, representing HK\$31.8 million or 1.0% 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 of HPH Trust with 40% effective interest. The container throughput of HIT^(a) increased by 13.9% as compared to the same quarter in 2013, primarily due to higher transshipment volume but offset by weaker intra-Asia cargoes. The container throughput of YICT^(b) increased by 7.7% 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 lower than last year due to adverse throughput mix from liners. For China, the average revenue per TEU was also lower than last year, primarily due to a higher proportion of transshipment throughput handled.

Cost of services rendered was HK\$1,211.2 million, representing HK\$107.8 million or 9.8% above last year. The increase was mainly due to higher container throughput, increase in external contractors' costs and inflationary pressure. Staff costs were HK\$76.7 million, representing HK\$5.5 million or 7.7% above last year primarily due to inflationary pressure. Depreciation and amortisation was HK\$691.9 million, representing HK\$30.6 million or 4.2% 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\$5.9 million, representing HK\$20.5 million or 77.7% below last year. The decrease was largely due to timing difference for receipt of dividend from River Ports Economic Benefits and YICT's net exchange gain in 2013 deriving from its RMB-denominated monetary assets. Other operating expenses were HK\$215.6 million, representing HK\$3.3 million or 1.6% above last year. The increase was mainly due to YICT's net exchange loss deriving from its RMB-denominated monetary assets. With the aforesaid, total operating expenses were HK\$2,189.5 million, representing HK\$106.5 million or 5.1% above last year.

As a result, the operating profit was HK\$874.4 million, representing HK\$74.7 million or 7.9% below last year.

Interest and other finance costs were HK\$148.0 million, representing HK\$8.7 million or 5.6% below last year. The decrease was mainly due to lower interest rates but 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.

9. Review of performance (Continued)

Share of profits less losses after tax of associated companies was HK\$3.8 million, representing HK\$0.9 million or 19.1% 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\$37.1 million, representing HK\$4.6 million or 14.2% above last year, mainly due to the inclusion of ACT's profit when it has become a joint venture with 40% effective interest since 14 March 2014.

Taxation was HK\$129.9 million, representing HK\$49.6 million or 61.8% 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\$637.4 million, representing HK\$111.9 million or 14.9% below last year. Profit attributable to unitholders of HPH Trust was HK\$368.4 million, representing HK\$52.1 million or 12.4% below last year.

Consolidated income statement (01/01/2014-30/06/2014 vs 01/01/2013-30/06/2013)

Revenue and other income for the period was HK\$6,008.4 million, representing HK\$109.8 million or 1.9% 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 of HPH Trust with 40% effective interest. The container throughput of HIT increased by 3.7% as compared to the same period in 2013, mainly due to higher transshipment volume but offset by weaker intra-Asia cargoes. The container throughput of YICT increased by 4.9% 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 and China was about the same as last year. Fewer concessions were granted to some liners for China but it was offset by a higher proportion of transshipment throughput handled.

Cost of services rendered was HK\$2,328.1 million, representing HK\$218.1 million or 10.3% above last year. The increase was mainly due to higher container throughput, increase in external contractors' costs and inflationary pressure. Staff costs were HK\$152.1 million, representing HK\$7.7 million or 5.3% above last year primarily due to inflationary pressure. Depreciation and amortisation was HK\$1,402.4 million, representing HK\$15.9 million or 1.1% 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\$251.6 million, representing HK\$219.7 million or 688.7% 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 partially offset by timing difference for receipt of dividend from River Ports Economic Benefits. Other operating expenses were HK\$481.4 million, representing HK\$12.2 million or 2.6% above last year. The increase was mainly due to YICT's net exchange loss deriving from its RMB-denominated monetary assets which was partially offset by the payment of performance fee and ACT's acquisition related costs in 2013. With the aforesaid, total operating expenses were HK\$4,112.4 million, representing HK\$2.4 million or 0.1% above last year.

9. Review of performance (Continued)

As a result, the operating profit was HK\$1,896.0 million, representing HK\$107.4 million or 6.0% above last year.

Interest and other finance costs were HK\$281.7 million, representing HK\$24.0 million or 7.9% below last year. The decrease was mainly due to lower interest rates but partially offset by higher bank loan balance.

Share of profits less losses after tax of associated companies was HK\$7.2 million, representing HK\$1.1 million or 13.3% 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\$65.1 million, representing HK\$1.8 million or 2.8% above last year, mainly due to the inclusion of ACT's profit when it has become a joint venture with 40% effective interest since 14 March 2014 and higher dividend received by a joint venture as a result of timing difference, but offset by the weaker performance of COSCO-HIT^(a) with lower revenue due to adverse throughput mix from liners.

Taxation was HK\$287.8 million, representing HK\$124.6 million or 76.3% 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\$1,398.8 million, representing HK\$7.5 million or 0.5% above last year. Profit attributable to unitholders of HPH Trust was HK\$927.3 million, representing HK\$126.5 million or 15.8% 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.

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 2014 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.

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.

US GDP contracted by 2.9% in the first quarter of 2014 owing to harsh winter weather. Despite this, the growth already appears to have rebounded strongly in the second quarter of 2014. Manufacturing activities gained more momentum in June 2014 and number of new orders hit its highest level in more than four years. Consumer sentiment rose in June 2014 as consumers remained optimistic about the economic outlook and unemployment rate fell to near a 6-year low of 6.1% in June 2014.

The Eurozone economy continues to grow but at a slower rate. The economic recovery is expected to continue at a moderate pace in the coming months, driven by domestic demand.

Both outbound cargoes to the US and EU have displayed upward trends. Cargo volume for transshipment and the niche trade routes of Far East, Africa, Central and South America and Oceania is expected to increase considerably.

China's economy shows signs of stabilisation after the government's implementation of stimulus measures such as reserve requirement cuts for some banks to support growth. Manufacturing activities regained their strengths with HSBC China Manufacturing Purchasing Managers' Index™ rising to 50.7 in June 2014 – the first time above the growth indication level of 50 since December 2013.

Despite the formation of P3 alliance was not approved by the Anti-monopoly Bureau of the Ministry of Commerce of China, leading liners continue to deploy mega-vessels to promote economies of scale, form carrier alliances to control costs, boost efficiency, and 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 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.

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 2014 to 30 June 2014
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 of HPH Trust.

12. Distribution (Cont'd)

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the previous corresponding 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 of HPH Trust.

12. Distribution (Cont'd)

(c) Date Payable 18 September 2014

(d) Books closure date The Transfer Books and Register of HPH Trust will be closed at 5:00 p.m. on 5 August 2014 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 5 August 2014 will be entitled to the Distribution to be paid on or about 18 September 2014.

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 its knowledge, nothing has come to its attention which may render these interim financial results of the Group for the period ended 30 June 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

25 July 2014

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

	01/01/2014 to 30/06/2014	01/01/2013 to 30/06/2013
	HK\$'M	HK\$'M
Revenue and other income	23.2	63.2
Cost of services rendered	-	-
Staff costs	(1.6)	(1.5)
Depreciation and amortization	-	-
Other operating income	-	-
Other operating expenses	(2.8)	(3.0)
Total operating expenses	(4.4)	(4.5)
Operating profit	18.8	58.7
Interest and other finance costs	-	-
Profit before tax	18.8	58.7
Tax	(3.1)	(9.8)
Profit for the period	15.7	48.9

17. Financial information of the Trustee-Manager

17(b) Statement of financial position

	30/06/2014	31/12/2013
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Fixed assets	-	-
Total non-current asset	-	-
Current assets		
Cash and cash equivalents	26.5	59.8
Trade and other receivables	11.6	11.8
Total current assets	38.1	71.6
Current liabilities		
Trade and other payables	8.6	6.1
Tax payable	9.7	11.3
Total current liabilities	18.3	17.4
Net current assets	19.8	54.2
Total assets less current liabilities	19.8	54.2
Net assets	19.8	54.2
CAPITAL AND RESERVES		
Share capital	-	-
Reserves	19.8	54.2
Total equity	19.8	54.2



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

25 July 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 June 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 June 2014 and 1 April 2014 to 30 June 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 up.', is written over a horizontal line.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore

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