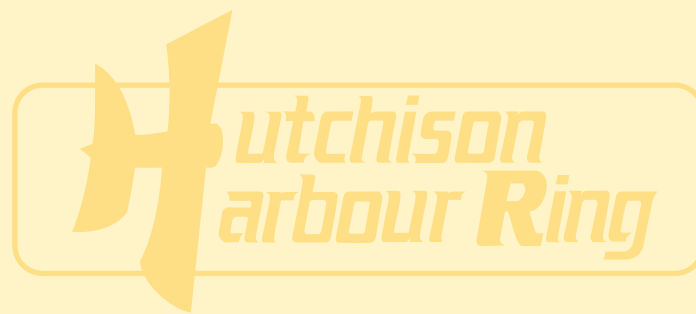




2014 Interim Report



**HUTCHISON HARBOUR RING LIMITED**

和記港陸有限公司\*

(incorporated in Bermuda with limited liability)

(Stock Code: 715)

\* For identification purpose only



A Hutchison Whampoa Company

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### Chairman

FOK Kin Ning, Canning, BA, DFM, CA (Aus)

### Deputy Chairman

LAI Kai Ming, Dominic, BSc, MBA  
(Also Alternate to CHOW WOO Mo Fong, Susan)

### Executive Directors

TSUI Kin Tung, Tony, MRICS, MHKIS, RPS(GP)  
(Managing Director)

CHOW WOO Mo Fong, Susan, BSc

Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS(PE)  
(Also Alternate to FOK Kin Ning, Canning)

### Non-executive Director

Ronald Joseph ARCULLI, GBM, CVO, GBS, OBE, JP

### Independent Non-executive Directors

KWAN Kai Cheong, BA, FCA (Aus)  
(Also Alternate to Ronald Joseph ARCULLI)

LAM Lee G., BSc, MSc, MBA, DPA, MPA, LLB (Hons), LLM,  
PCLL, PhD, FHKIoD, FHKI Arb  
(Also Alternate to LAN Hong Tsung, David)

LAN Hong Tsung, David, GBS, ISO, JP

## AUDIT COMMITTEE

KWAN Kai Cheong (*Chairman*)

Ronald Joseph ARCULLI

LAM Lee G.

## REMUNERATION COMMITTEE

KWAN Kai Cheong (*Chairman*)

FOK Kin Ning, Canning

LAM Lee G.

## COMPANY SECRETARY

Edith SHIH

## AUDITOR

PricewaterhouseCoopers

## BANKERS

The Hongkong and Shanghai Banking  
Corporation Limited

Standard Chartered Bank (Hong Kong)  
Limited

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# CHAIRMAN'S STATEMENT

## FINANCIAL RESULTS

The consolidated profit attributable to the shareholders for the six months ended 30 June 2014 ("the period") amounted to HK\$57.0 million (2013: HK\$112.8 million) and basic earnings per share for the period was HK0.64 cents (2013: HK1.26 cents). Excluding the one-off foreign exchange gain realised on maturity of listed debt securities of HK\$7.4 million (2013: write back of provisions and deferred tax liabilities and others relating to the disposed subsidiaries in prior years totaling HK\$54.7 million), the recurring profit attributable to shareholders of the Company for the period was HK\$49.5 million, compared to HK\$58.0 million in 2013.

Revenue for the period amounted to HK\$46.5 million (2013: HK\$42.9 million) and earnings before interest expense and tax ("EBIT") for the period was HK\$71.9 million (2013: HK\$122.4 million). Excluding the one-off foreign exchange gain realised on maturity of listed debt securities of HK\$7.4 million (2013: write back of provisions and others relating to the disposed subsidiaries in prior years of HK\$50.4 million), the recurring EBIT for the period was HK\$64.4 million (2013: HK\$71.9 million). The decrease in recurring EBIT was mainly due to the decrease in bond interest income, partially offset by the increase in rental income during the period.

## DIVIDEND

As in previous years, the board of Directors (the "Board") does not recommend the payment of an interim dividend for the period (2013: Nil).

## REVIEW OF OPERATIONS

The revenue for the two office and commercial premises in Shanghai of the Property Division for the period increased by 8% from HK\$42.9 million in 2013 to HK\$46.5 million in 2014. Excluding the write back of provisions and others of HK\$50.4 million in 2013, recurring EBIT increased by 9% from HK\$41.9 million in 2013 to HK\$45.7 million in 2014. The increase in turnover and EBIT were mainly due to improvement in occupancy rates and rental rates. As at 30 June 2014, the average occupancy rate for the two premises was approximately 90%.

EBIT of the Corporate Division amounted to HK\$26.1 million for the period (2013: HK\$30.1 million). Excluding the one-off foreign exchange gain realised on maturity of listed debt securities of HK\$7.4 million, the recurring EBIT reduced by 38% to HK\$18.7 million in 2014. The decrease in recurring EBIT was mainly attributable to decrease in bond interest income upon the maturity of the US\$143 million principal amount of debt securities issued by a subsidiary of Hutchison Whampoa Limited ("HWL Bond") in January 2014 which generated effective interest yield of 5% per annum.

With the maturity of US\$143 million HWL Bond in January 2014, the Group acquired from the market debt securities issued by subsidiaries of Hutchison Whampoa Limited at a consideration of HK\$65.5 million in December 2013 and HK\$491.0 million for the period with an average effective interest yield of approximately 4% per annum, which is higher than the prevailing bank deposit interest rates. As at 30 June 2014, the fair market value of the US\$81.0 million principal amount of debt securities held by the Group (31 December 2013: US\$163.0 million) was HK\$674.7 million (31 December 2013: HK\$1,278.1 million).

## CHAIRMAN'S STATEMENT

### OUTLOOK

The Property Division will continue to focus on achieving satisfactory occupancy rates and rental yields to contribute stable rental income and profit to the Group.

The Group has a healthy balance sheet and liquidity with cash, liquid funds and listed investments of HK\$5,325.4 million as at 30 June 2014 (31 December 2013: HK\$5,455.9 million). With this robust liquidity position, management will continue to look at opportunities to deliver increased value to shareholders.

On behalf of the Board, I would like to express its gratitude to all our staff for their hard work and dedication and to thank all our shareholders, business partners and customers for their continuous support.

**Fok Kin Ning, Canning**

*Chairman*

Hong Kong, 30 July 2014

## CAPITAL RESOURCES AND OTHER INFORMATION

### TREASURY MANAGEMENT

The primary treasury and funding policies of the Group focus on liquidity management and maintaining an optimum level of liquidity, while funding subsidiary operations in a cost-efficient manner. Operating as a centralised service, the treasury function manages the Group's funding needs and monitors financial risks, such as those relating to interest and foreign exchange rates, as well as counterparty.

During the six months ended 30 June 2014, the Group did not enter into any interest or currency swaps or other financial derivatives transactions.

#### Interest rate exposure

The Group has no significant interest-bearing assets except for cash and bank deposits and the listed debt securities included under available-for-sale financial assets. The interest rates for the listed debt securities are fixed.

#### Foreign currency exposure

The Group's revenue and operating costs are denominated in Hong Kong dollars and Renminbi. The Group is exposed to other currency movements, primarily in terms of bank deposits and available-for-sale financial assets denominated in United States dollars.

#### Credit exposure

Surplus funds are managed in a prudent manner, usually in the form of bank deposits with financial institutions with good credit ratings. Credit ratings of financial institutions are regularly reviewed by the senior management in order to manage counterparty risk.

The Group's available-for-sale financial assets are listed in Singapore with credit rating of A3/A- as rated by Moody's and Standard & Poor's as at 30 June 2014.

### CAPITAL RESOURCES AND LIQUIDITY

As at 30 June 2014, the Group's total cash, liquid funds and listed investments amount to HK\$5,325.4 million (31 December 2013: HK\$5,455.9 million), 86.2% of which were denominated in United States dollars and 13.8% in Renminbi.

As at 30 June 2014 and 31 December 2013, the Group did not have any borrowings.

## CAPITAL RESOURCES AND OTHER INFORMATION

### CASH FLOWS

The Group has a healthy financial position. During the six months ended 30 June 2014, net cash generated from operating activities and investing activities amount to HK\$68.0 million (30 June 2013: HK\$33.2 million) and HK\$629.0 million (30 June 2013: HK\$21.4 million) respectively. Major outflow of funds during the period mainly include payments of final dividend.

### CHARGES AND CONTINGENT LIABILITIES

The Group has not created any charges on its assets or provided any guarantee to third parties as at 30 June 2014 and 31 December 2013.

### HUMAN RESOURCES

As at 30 June 2014, the Group employed 48 staff members (30 June 2013: 48). Total employee costs for the six months ended 30 June 2014, including Directors' emoluments, amount to HK\$8.4 million (30 June 2013: HK\$7.9 million). The Group's employment and remuneration policies remain the same as those described in the Annual Report for the year ended 31 December 2013.

### PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the six months ended 30 June 2014, neither the Company nor any of its subsidiaries has purchased or sold any of the listed securities of the Company. In addition, the Company has not redeemed any of its listed securities during the period.

### REVIEW OF ACCOUNTS

The unaudited condensed consolidated accounts of the Group for the six months ended 30 June 2014 has been reviewed by the auditor of the Company, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. The auditor's independent review report is set out on page 15. The unaudited condensed consolidated accounts of the Group for the six months ended 30 June 2014 has also been reviewed by the Audit Committee of the Company.

## CAPITAL RESOURCES AND OTHER INFORMATION

### CORPORATE STRATEGY

The primary objective of the Group is to enhance long-term total return for shareholders. To achieve this objective, the strategy of the Group is to deliver sustainable returns with solid financial fundamentals. The Chairman's Statement and the review of operations contain discussions and analyses of the performance of the Group and the basis on which the Group generates or preserves value over the longer term and the strategy for delivering the objective of the Group.

### PAST PERFORMANCE AND FORWARD LOOKING STATEMENTS

The performance and the results of operations of the Group contained within this Interim Report are historical in nature, and past performance is no guarantee for the future results of the Group. Any forward-looking statements and opinions contained within this Interim Report are based on current plans, estimates and projections, and therefore involve risks and uncertainties. Actual results may differ materially from expectations discussed in such forward-looking statements and opinions. The Group, the Directors, employees and agents of the Group assume (a) no obligation to correct or update the forward-looking statements or opinions contained in this Interim Report; and (b) no liability in the event that any of the forward-looking statements or opinions do not materialise or turn out to be incorrect.



## DISCLOSURE OF INTERESTS

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2014, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "SEHK") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executive of the Company were deemed or taken to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Company's own Model Code for Securities Transactions by Directors (the "HHR Securities Code") were as follows:

#### (I) Interests and short positions in the shares, underlying shares and debentures of the Company

*Long positions in the shares of the Company*

Name of Director	Capacity	Nature of interests	Number of shares held	Approximate % of shareholding
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	5,000,000 <sup>(Note)</sup>	0.05575%

*Note: Such shares are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.*

## DISCLOSURE OF INTERESTS

### (II) Interests and short positions in the shares, underlying shares and debentures of the associated corporations of the Company

(A) Long positions in the shares of Hutchison Whampoa Limited ("HWL")

Name of Director	Capacity	Nature of interests	Number of shares held in HWL	Total	Approximate % of shareholding of HWL
Fok Kin Ning, Canning	Interest of a controlled corporation	Corporate interest	6,010,875 <sup>(1)</sup>	6,010,875	0.14099%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.00117%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	190,000	190,000	0.00446%
Edith Shih	Beneficial owner Interest of spouse	Personal interest Family interest	57,200 ) 7,400 )	64,600	0.00152%
Ronald Joseph Arculli	Interest of a controlled corporation	Corporate interest	11,224 <sup>(2)</sup>	11,224	0.00026%
Lan Hong Tsung, David	Beneficial owner	Personal interest	20,000	20,000	0.00047%

Notes:

(1) Such shares in HWL are held by a company which is equally controlled by Mr Fok Kin Ning, Canning and his spouse.

(2) Such shares in HWL are held by a company which is beneficially owned by Mr Ronald Joseph Arculli.

(B) Long positions in the shares, underlying shares and debentures of other associated corporations of the Company

As at 30 June 2014, Mr Fok Kin Ning, Canning had the following interests:

- (i) 5,100,000 ordinary shares, representing approximately 0.038% of the issued share capital, in Hutchison Telecommunications (Australia) Limited comprising personal and corporate interests in 4,100,000 ordinary shares and 1,000,000 ordinary shares respectively;
- (ii) corporate interests in 1,202,380 ordinary shares, representing approximately 0.025% of the issued share capital, in Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH");

## DISCLOSURE OF INTERESTS

- (iii) corporate interests in a nominal amount of US\$4,000,000 in the 5.75% Notes due 2019 issued by Hutchison Whampoa International (09/19) Limited; and
- (iv) corporate interests in a nominal amount of US\$5,000,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited.

Mr Fok Kin Ning, Canning holds the above personal interests in his capacity as a beneficial owner and holds the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

As at 30 June 2014, Mrs Chow Woo Mo Fong, Susan had personal interests in her capacity as a beneficial owner in 250,000 ordinary shares, representing approximately 0.005% of the issued share capital, in HTHKH.

As at 30 June 2014, Ms Edith Shih in her capacity as a beneficial owner had the following personal interests:

- (i) a nominal amount of GBP200,000 in the 6.75% Guaranteed Bonds due 2015 issued by Hutchison Ports (UK) Finance plc;
- (ii) a nominal amount of US\$300,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited;
- (iii) a nominal amount of US\$300,000 in the 6.625% Guaranteed Perpetual Capital Securities issued by PHBS Limited;
- (iv) a nominal amount of US\$200,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited;
- (v) a nominal amount of US\$250,000 in the 4.625% Notes due 2022 issued by Hutchison Whampoa International (11) Limited;
- (vi) a nominal amount of US\$200,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (12) Limited; and
- (vii) personal interests in 20,000 ordinary shares, representing approximately 0.038% of the issued share capital, in Hutchison China MediTech Limited.

Save as disclosed above, as at 30 June 2014, none of the Directors or chief executive of the Company and their respective associates had any interest or short position in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which had to be notified to the Company and the SEHK pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he was taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the HHR Securities Code, to be notified to the Company and the SEHK.

## DISCLOSURE OF INTERESTS

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

So far as is known to the Directors and chief executive of the Company, as at 30 June 2014, other than the interests of the Directors and chief executive of the Company as disclosed above, the following persons had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK:

#### (I) Interests and short positions of substantial shareholders in the shares and underlying shares of the Company

*Long positions in the shares of the Company*

Name	Capacity	Number of shares held	Approximate % of shareholding
Li Ka-shing	Founder of discretionary trusts and interest of controlled corporations	6,399,728,952 <sup>(1),(2),(3)</sup>	71.36%
Li Ka-Shing Unity Trustcorp Limited ("LKSUT")	Trustee and beneficiary of a trust	6,399,728,952 <sup>(1),(2),(3)</sup>	71.36%
Li Ka-Shing Unity Trustee Corporation Limited ("LKSUTC")	Trustee and beneficiary of a trust	6,399,728,952 <sup>(1),(2),(3)</sup>	71.36%
Li Ka-Shing Unity Trustee Company Limited ("LKSUTCO")	Trustee	6,399,728,952 <sup>(1),(2),(3)</sup>	71.36%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations	6,399,728,952 <sup>(1),(2),(3)</sup>	71.36%
HWL	Interest of controlled corporations	6,399,728,952 <sup>(1),(2)</sup>	71.36%
Hutchison International Limited ("HIL")	Interest of controlled corporations	6,399,728,952 <sup>(1),(2)</sup>	71.36%
Promising Land International Inc. ("Promising Land")	Beneficial owner	4,155,284,508 <sup>(1)</sup>	46.33%
Uptalent Investments Limited ("Uptalent")	Beneficial owner	2,244,444,444 <sup>(2)</sup>	25.03%

## DISCLOSURE OF INTERESTS

### Notes:

- (1) *Promising Land is a wholly owned subsidiary of HIL, which in turn is a wholly owned subsidiary of HWL. By virtue of the SFO, HWL and HIL were deemed to be interested in the 4,155,284,508 shares of the Company held by Promising Land.*
- (2) *Uptalent is a wholly owned subsidiary of HIL, which in turn is a wholly owned subsidiary of HWL. By virtue of the SFO, HWL and HIL were deemed to be interested in the 2,244,444,444 shares of the Company held by Uptalent.*
- (3) *Li Ka-Shing Unity Holdings Limited, of which Mr Li Ka-shing and Mr Li Tzar Kuoi, Victor are respectively interested in one-third and two-third of the entire issued share capital, owns the entire issued share capital of LKSUTCO. LKSUTCO as trustee of The Li Ka-Shing Unity Trust, together with certain companies which LKSUTCO as trustee of The Li Ka-Shing Unity Trust is entitled to exercise or control the exercise of more than one-third of the voting power at their general meetings, hold more than one-third of the issued share capital of CKH. Subsidiaries of CKH are entitled to exercise or control the exercise of more than one-third of the voting power at the general meetings of HWL.*

*In addition, Li Ka-Shing Unity Holdings Limited also owns the entire issued share capital of LKSUTC as trustee of The Li Ka-Shing Unity Discretionary Trust ("DT1") and LKSUT as trustee of another discretionary trust ("DT2"). Each of LKSUTC and LKSUT holds units in The Li Ka-Shing Unity Trust but is not entitled to any interest or share in any particular property comprising the trust assets of the said unit trust. The discretionary beneficiaries of each of DT1 and DT2 are, inter alia, Mr Li Tzar Kuoi, Victor, his wife and children, and Mr Li Tzar Kai, Richard.*

*By virtue of the SFO, each of Mr Li Ka-shing being the settlor and may being regarded as a founder of DT1 and DT2 for the purpose of the SFO, LKSUT, LKSUTC, LKSUTCO and CKH was deemed to be interested in the 4,155,284,508 and 2,244,444,444 shares of the Company in which Promising Land and Uptalent were interested respectively.*

## (II) Interests and short positions of other persons in the shares and underlying shares of the Company

### *Long positions in the shares of the Company*

<b>Name</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Approximate % of shareholding</b>
Kwok Sau Po	Beneficial owner	809,332,000	9.02%

Save as disclosed above, as at 30 June 2014, there was no other person (other than the Directors and chief executive of the Company) who was recorded in the register of the Company as having an interest or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or as otherwise notified to the Company and the SEHK.

## DISCLOSURE OF INTERESTS

### SHARE OPTION SCHEME

The Company operates a share option scheme which was adopted in 2004 (the "Share Option Scheme"). Particulars of share options outstanding under the Share Option Scheme at the beginning and at the end of the financial period for the six months ended 30 June 2014 and share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the period were as follows:

Category of participant	Date of grant of share options	Number of share options held as at 1 January 2014	Granted during the six months ended 30 June 2014	Exercised during the six months ended 30 June 2014	Lapsed/ cancelled during the six months ended 30 June 2014	Number of share options held as at 30 June 2014	Exercise period of share options <sup>(1)</sup>	Exercise price of share options HK\$	Price of share of the Company at grant date of share options <sup>(2)</sup> HK\$	Price of share of the Company at exercise date of share options HK\$
Employees in aggregate	3.6.2005	600,000	-	-	-	600,000	3.6.2006 to 2.6.2015	0.822	0.82	N/A
	25.5.2007	200,000	-	-	-	200,000	25.5.2008 to 24.5.2017	0.616	0.61	N/A
<b>Total</b>		<b>800,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>				

Notes:

(1) The share options are exercisable subject to, amongst other relevant vesting criteria, the vesting schedule of one-third on each of the first, second and third anniversaries of the date of grant of share options.

(2) The stated price was the closing price of the shares quoted on the SEHK on the trading day immediately prior to the date of the grant of the share options.

As at 30 June 2014, the Company had 800,000 share options outstanding under the Share Option Scheme.

No share option was granted under the Share Option Scheme during the six months ended 30 June 2014.

## INTRODUCTION

The Company strives to attain and maintain high standards of corporate governance best suited to the needs and interests of the Company and its subsidiaries (the “Group”) as it believes that effective corporate governance practices are fundamental to safeguarding interests of shareholders and other stakeholders and enhancing shareholder value. Accordingly, the Company has adopted and applied corporate governance principles that emphasise a quality board of Directors (the “Board”), effective internal controls, stringent disclosure practices, transparency and accountability. It is, in addition, committed to continuously improving these practices and inculcating an ethical corporate culture.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied throughout the six months ended 30 June 2014 with all code provisions of the Corporate Governance Code contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), other than those in respect of the nomination committee. The Company has considered the merits of establishing a nomination committee but is of the view that it is in the best interests of the Company that the Board collectively reviews, deliberates on and approves the structure, size and composition of the Board as well as the appointment of any new Director, as and when appropriate. The Board is tasked with ensuring that it has a balanced composition of skills and experience appropriate for the requirements of the businesses of the Group and that appropriate individuals with the relevant expertise and leadership qualities are appointed to the Board to complement the capabilities of the existing Directors. In addition, the Board as a whole is also responsible for reviewing the succession plan for Directors, including the Chairman of the Board and the Managing Director.

## COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF THE COMPANY

The Board adopted its own Model Code for Securities Transactions by Directors (the “HHR Securities Code”) regulating Directors’ dealings in securities (Group and otherwise), on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. The HHR Securities Code has been updated to reflect the recent amendments to the Listing Rules which took effect in July 2014. In response to specific enquiries made, all Directors have confirmed that they have complied with the HHR Securities Code in their securities transactions throughout the accounting period covered by this Interim Report.

## CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "SEHK"), the changes in information of Directors of the Company subsequent to the date of the 2013 Annual Report of the Company are set out below:

Name of Director	Details of changes
Edith Shih	Elected as vice president of the Institute of Chartered Secretaries and Administrators on 29 May 2014
Ronald Joseph Arculli	Ceased to be member of Hong Kong – United States Business Council on 28 February 2014  Retired as an independent non-executive director of SCMP Group Limited <sup>(1)</sup> on 3 June 2014  Retired as a specialist of Hong Kong Council for Accreditation of Academic & Vocational Qualifications on 30 June 2014
Kwan Kai Cheong	The H shares of Dynagreen Environmental Protection Group Co., Ltd. were listed on the Main Board of the SEHK on 19 June 2014. Mr Kwan remains an independent non-executive director of the company  Resigned as an independent non-executive director of Galaxy Resources Limited <sup>(2)</sup> on 30 June 2014
Lam Lee G.	Resigned as a non-executive director of China Communication Telecom Services Company Limited <sup>(3)</sup> on 5 March 2014  Appointed as an independent non-executive director of Ruifeng Petroleum Chemical Holdings Limited <sup>(3)</sup> on 1 July 2014

*Notes:*

*(1) A company whose shares are listed on the Main Board of the SEHK*

*(2) A company whose shares are listed on the Australian Securities Exchange*

*(3) A company whose shares are listed on the Growth Enterprise Market of the SEHK*



# REPORT ON REVIEW OF INTERIM ACCOUNTS

## To the Board of Directors of Hutchison Harbour Ring Limited

*(incorporated in Bermuda with limited liability)*

### INTRODUCTION

We have reviewed the interim accounts set out on pages 16 to 31, which comprise the condensed consolidated statement of financial position of Hutchison Harbour Ring Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 June 2014 and the related condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim accounts to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The Directors of the Company are 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 and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Hong Kong Institute of Certified Public Accountants. A review of interim accounts consists of making inquiries, 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 Hong Kong 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 interim accounts are not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”.

## **PricewaterhouseCoopers**

*Certified Public Accountants*

Hong Kong, 30 July 2014

## INTERIM ACCOUNTS

### CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2014

	Note	Unaudited	
		2014 HK\$'000	2013 HK\$'000
<b>Revenue</b>	3	<b>46,483</b>	42,874
Cost of sales		<b>(8,451)</b>	(7,810)
<b>Gross profit</b>		<b>38,032</b>	35,064
Interest income		<b>41,011</b>	50,503
Other income	4	<b>7,440</b>	50,420
Administrative expenses		<b>(13,972)</b>	(13,026)
Selling and distribution costs		<b>(658)</b>	(609)
<b>Profit before tax</b>	4	<b>71,853</b>	122,352
Tax charge	5	<b>(10,236)</b>	(5,685)
<b>Profit for the period</b>		<b>61,617</b>	116,667
<b>Attributable to:</b>			
Non-controlling interests		<b>4,650</b>	3,907
Shareholders of the Company		<b>56,967</b>	112,760
		<b>61,617</b>	116,667
<b>Basic and diluted earnings per share attributable to shareholders of the Company</b>	7	<b>HK0.64 cents</b>	HK1.26 cents

Details of interim dividend are set out in Note 6.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Unaudited	
	2014 HK\$'000	2013 HK\$'000
<b>Profit for the period</b>	<b>61,617</b>	116,667
<b>Other comprehensive income/(expenses):</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>		
Translating accounts of foreign operations:		
– (Losses)/gains taken to reserves	<b>(46,256)</b>	20,859
Available-for-sale financial assets:		
– Valuation gains/(losses) taken to reserves	<b>25,205</b>	(28,606)
– Gains previously in reserves recognised in income statement	<b>(7,440)</b>	–
<b>Other comprehensive expenses for the period, net of tax *</b>	<b>(28,491)</b>	(7,747)
<b>Total comprehensive income for the period</b>	<b>33,126</b>	108,920
<b>Total comprehensive (expenses)/income attributable to:</b>		
Non-controlling interests	<b>(1,120)</b>	7,230
Shareholders of the Company	<b>34,246</b>	101,690
	<b>33,126</b>	108,920

\* There was no tax effect on each component of the other comprehensive income/(expenses) for the six months ended 30 June 2014 and 2013.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

	Note	Unaudited 30 June 2014 HK\$'000	Audited 31 December 2013 HK\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	4,502	4,819
Investment properties		1,007,448	1,039,946
Leasehold land and land use rights		1,601	1,682
Available-for-sale financial assets	9	674,650	159,587
		<b>1,688,201</b>	1,206,034
<b>Current assets</b>			
Available-for-sale financial assets	9	–	1,118,523
Trade receivables	10	3,010	127
Deposits, prepayments and other receivables		30,070	50,234
Bank deposits with maturity over three months		284,607	289,317
Cash and cash equivalents		4,366,137	3,888,476
		<b>4,683,824</b>	5,346,677
<b>Total assets</b>		<b>6,372,025</b>	6,552,711

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

*At 30 June 2014*

	<b>Unaudited 30 June 2014 HK\$'000</b>	Audited 31 December 2013 HK\$'000
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Share capital	896,814	896,814
Reserves	5,040,896	5,203,949
	<b>5,937,710</b>	6,100,763
<b>Non-controlling interests</b>	<b>153,633</b>	154,753
	<b>6,091,343</b>	6,255,516
<b>LIABILITIES</b>		
<b>Non-current liability</b>		
Deferred tax liabilities	178,314	177,860
<b>Current liabilities</b>		
Deposits received, other payables and accruals	73,045	74,687
Tax payables	29,323	44,648
	<b>102,368</b>	119,335
<b>Total liabilities</b>	<b>280,682</b>	297,195
<b>Total equity and liabilities</b>	<b>6,372,025</b>	6,552,711
<b>Net current assets</b>	<b>4,581,456</b>	5,227,342
<b>Total assets less current liabilities</b>	<b>6,269,657</b>	6,433,376

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2014

	Note	Unaudited	
		2014 HK\$'000	2013 HK\$'000
<b>Operating activities</b>			
Cash generated from operating activities before finance costs, tax paid and changes in working capital		23,701	21,704
Changes in working capital		(4,989)	(33,226)
Cash generated from/(used in) operations		18,712	(11,522)
Interest received		65,872	51,349
Tax paid – outside Hong Kong		(16,546)	(6,618)
<b>Net cash generated from operating activities</b>		<b>68,038</b>	<b>33,209</b>
<b>Investing activities</b>			
Proceeds from the disposal of subsidiaries in prior years	4	–	29,912
Increase/(decrease) in bank deposits with maturity over three months		4,710	(8,440)
Purchase of property, plant and equipment		(97)	(109)
Purchase of available-for-sale financial assets		(490,968)	–
Proceeds from the maturity of listed debt securities		1,115,400	–
<b>Net cash generated from investing activities</b>		<b>629,045</b>	<b>21,363</b>
<b>Financing activities</b>			
Dividend paid		(197,299)	(197,299)
<b>Net cash used in financing activities</b>		<b>(197,299)</b>	<b>(197,299)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>499,784</b>	<b>(142,727)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>3,888,476</b>	<b>4,013,602</b>
<b>Exchange (losses)/gains on cash and cash equivalents</b>		<b>(22,123)</b>	<b>9,974</b>
<b>Cash and cash equivalents at 30 June</b>		<b>4,366,137</b>	<b>3,880,849</b>
<b>Analysis of cash, liquid funds and listed investments</b>			
Bank deposits with maturity of less than three months		4,311,253	3,818,125
Cash at banks and on hand		54,884	62,724
Cash and cash equivalents		4,366,137	3,880,849
Bank deposits with maturity over three months		284,607	274,167
Available-for-sale financial assets, overseas listed investments		674,650	1,241,378
<b>Total cash, liquid funds and listed investments</b>		<b>5,325,394</b>	<b>5,396,394</b>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Unaudited								
	Attributable to shareholders of the Company						Non-	Total	
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Other	Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000		controlling interests HK\$'000
				properties revaluation reserve HK\$'000					
At 1 January 2014	896,814	2,612,756	269,021	8,970	12,780	2,300,422	6,100,763	154,753	6,255,516
Losses on translating accounts of foreign operations:									
– Taken to reserves			(40,205)	(281)	–	–	(40,486)	(5,770)	(46,256)
Available-for-sale financial assets:									
– Valuation gains taken to reserves			–	–	25,205	–	25,205	–	25,205
– Gains previously in reserve recognised in income statement			–	–	(7,440)	–	(7,440)	–	(7,440)
Net income/(expenses) recognised directly in equity			(40,205)	(281)	17,765	–	(22,721)	(5,770)	(28,491)
Profit for the period			–	–	–	56,967	56,967	4,650	61,617
Total comprehensive income/(expenses)			(40,205)	(281)	17,765	56,967	34,246	(1,120)	33,126
2013 final dividend paid	–	–	–	–	–	(197,299)	(197,299)	–	(197,299)
At 30 June 2014	896,814	2,612,756	228,816	8,689	30,545	2,160,090	5,937,710	153,633	6,091,343

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2014

	Unaudited								
	Attributable to shareholders of the Company							Non-controlling interests	Total
	Share capital	Share premium	Exchange reserve	Other properties revaluation reserve	(Note) Other reserves	Retained profits	Sub-total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 January 2013	896,814	2,612,756	231,756	8,689	62,072	2,322,975	6,135,062	140,367	6,275,429
Gains on translating accounts of foreign operations:									
– Taken to reserves			17,395	141	–	–	17,536	3,323	20,859
Available-for-sale financial assets:									
– Valuation losses taken to reserves			–	–	(28,606)	–	(28,606)	–	(28,606)
Net income/(expenses) recognised directly in equity			17,395	141	(28,606)	–	(11,070)	3,323	(7,747)
Profit for the period			–	–	–	112,760	112,760	3,907	116,667
Total comprehensive income/(expenses)			17,395	141	(28,606)	112,760	101,690	7,230	108,920
2012 final dividend paid	–	–	–	–	–	(197,299)	(197,299)	–	(197,299)
At 30 June 2013	896,814	2,612,756	249,151	8,830	33,466	2,238,436	6,039,453	147,597	6,187,050

Note:

Other reserves comprise investment revaluation reserve, share-based compensation reserve and capital redemption reserve.

	Investment revaluation reserve HK\$'000	Share-based compensation reserve HK\$'000	Capital redemption reserve HK\$'000	Total HK\$'000
At 1 January 2013	58,313	201	3,558	62,072
At 30 June 2013	29,707	201	3,558	33,466
<b>At 1 January 2014</b>	<b>9,021</b>	<b>201</b>	<b>3,558</b>	<b>12,780</b>
<b>At 30 June 2014</b>	<b>26,786</b>	<b>201</b>	<b>3,558</b>	<b>30,545</b>



## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 1 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated interim accounts (“Interim Accounts”) are prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited. These Interim Accounts should be read in conjunction with the annual accounts for the year ended 31 December 2013.

These Interim Accounts have been prepared under the historical cost convention except for investment properties and available-for-sale financial assets which are stated at fair values.

The accounting policies applied and methods of computation used in the preparation of these Interim Accounts are consistent with those used in the annual accounts for the year ended 31 December 2013, except for the adoption of the standards, amendments and interpretations issued by the HKICPA that are relevant to the Group’s operations and mandatory for accounting periods beginning 1 January 2014. The effect of the adoption of these standards, amendments and interpretations was not material to the Group’s results of operations or financial position. These Interim Accounts are presented in Hong Kong dollars, unless otherwise stated. These Interim Accounts were approved for issue on 30 July 2014.

These Interim Accounts have been reviewed, not audited.

### 2 FAIR VALUE ESTIMATION

The following table presents the Group’s financial instruments that are measured at fair value at 30 June 2014 and 31 December 2013. The different levels have been defined as follows:

- (i) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- (ii) Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- (iii) Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs) (level 3).

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 2 FAIR VALUE ESTIMATION (Continued)

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
At 30 June 2014				
Available-for-sale financial assets – Debt securities with fixed interest rate	674,650	–	–	674,650
Total financial assets	674,650	–	–	674,650
At 31 December 2013				
Available-for-sale financial assets – Debt securities with fixed interest rate	1,278,110	–	–	1,278,110
Total financial assets	1,278,110	–	–	1,278,110

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price.

During the six months ended 30 June 2014, there were no transfers between Levels 1, 2, and 3 (31 December 2013: Nil).

### 3 REVENUE AND SEGMENT INFORMATION

Revenue represented rental and service income. The amount of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Rental and service income from investment properties	46,483	42,874

The Group has two reportable segments, including property division and corporate division.

The segments are managed separately as each business offers different services and each segment is subject to risks and returns that are different from the other.

Earnings before interest expense and tax ("EBIT") are regarded as segment results in respect of the Group's reportable segments as the Directors consider that this can better reflect the performance of each division. EBIT is used on the Group's internal financial and management reporting to monitor business performances.

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 3 REVENUE AND SEGMENT INFORMATION (Continued)

**Segment information:**

	Six months ended 30 June 2014		
	Property division HK\$'000	Corporate division HK\$'000	Total HK\$'000
Segment revenue			
– Company and subsidiaries	<b>46,483</b>	–	<b>46,483</b>
Segment results before foreign exchange gain realised on maturity of listed debt securities			
– Company and subsidiaries	<b>45,748</b>	<b>18,665</b>	<b>64,413</b>
Foreign exchange gain realised on maturity of listed debt securities (Note 4)	–	<b>7,440</b>	<b>7,440</b>
Earnings before interest expense and tax	<b>45,748</b>	<b>26,105</b>	<b>71,853</b>
Tax charge	<b>(10,236)</b>	–	<b>(10,236)</b>
Profit for the period			<b>61,617</b>
Interest income	<b>10,731</b>	<b>30,280</b>	<b>41,011</b>
Depreciation of property, plant and equipment	<b>(240)</b>	<b>(31)</b>	<b>(271)</b>
Amortisation of leasehold land and land use rights	<b>(28)</b>	–	<b>(28)</b>

	Six months ended 30 June 2013		
	Property division HK\$'000	Corporate division HK\$'000	Total HK\$'000
Segment revenue			
– Company and subsidiaries	42,874	–	42,874
Segment results before write back of provisions and others			
– Company and subsidiaries	41,854	30,078	71,932
Write back of provisions and others (Note 4)	50,420	–	50,420
Earnings before interest expense and tax	92,274	30,078	122,352
Tax charge	(5,685)	–	(5,685)
Profit for the period			116,667
Interest income	9,568	40,935	50,503
Depreciation of property, plant and equipment	(239)	(8)	(247)
Amortisation of leasehold land and land use rights	(28)	–	(28)

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 4 PROFIT BEFORE TAX

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Profit before tax is stated after crediting and charging the following:		
<u>Crediting</u>		
Foreign exchange gain realised on maturity of listed debt securities	7,440	–
Write back of provisions and others (Note)	–	50,420
<u>Charging</u>		
Staff costs (including Directors' emoluments)	8,399	7,927
Depreciation of property, plant and equipment	271	247
Amortisation of leasehold land and land use rights	28	28
Operating lease charges in respect of properties	260	243

Note:

The Group entered into a very substantial disposal transaction in 2008 to dispose of certain subsidiaries which owned an investment property in the Mainland China (the "Disposal"). Pursuant to the sale and purchase agreement entered into in connection with the Disposal (the "Agreement"), the consideration should be adjusted on a dollar-for-dollar basis with reference to the net surplus as derived from the completion balance sheet.

During the six months ended 30 June 2013, the Group entered into a settlement arrangement with the purchaser (the "Settlement Arrangement"), by which the completion balance sheet and the dollar-for-dollar consideration adjustment (the "Outstanding Consideration") were confirmed and agreed by the Group and the purchaser. Under the Settlement Arrangement, the purchaser agreed to release and discharge the Group from all claims and obligations arising out of or related to the Agreement, and paid to the Group the Outstanding Consideration amounted to HK\$29,912,000.

As at 30 June 2013, the Group reassessed that the crystallisation of the exposures associated with the legal undertakings related to the Disposal had become not probable and thus the Group had written back the related provisions and accruals in the total amount of HK\$20,508,000.

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 5 TAX CHARGE

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Current tax, outside Hong Kong	4,120	4,525
Deferred tax charge	6,116	5,464
Write back of deferred tax liabilities provided in previous years	–	(4,304)
	<b>10,236</b>	<b>5,685</b>

The Group's subsidiaries in the Mainland China were subject to Enterprise Income Tax of Mainland China at a standard rate of 25% for the six months ended 30 June 2014 (2013: 25%).

No Hong Kong profits tax had been provided as the Group had no estimated assessable profits for the six months ended 30 June 2014 (2013: Nil).

During the period ended 30 June 2013, upon entering into the Settlement Arrangement with the purchaser as mentioned in Note 4 to the Interim Accounts, the Group reassessed that the crystallisation of the tax exposures associated with the Disposal had become not probable and thus the Group had written back the related deferred tax liabilities.

### 6 INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2014 (2013: Nil).

At a meeting held on 24 February 2014, the Directors declared a final dividend of HK2.2 cents per ordinary share for the year ended 31 December 2013. Total amount of HK\$197,299,000 was paid on 28 May 2014 and reflected as an appropriation of retained profits for the six months ended 30 June 2014.

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 7 EARNINGS PER SHARE

#### (a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2014	2013
Weighted average number of ordinary shares in issue	<b>8,968,140,707</b>	8,968,140,707
Profit attributable to shareholders of the Company (HK\$'000)	<b>56,967</b>	112,760
Basic earnings per share attributable to shareholders of the Company (HK cent per share)	<b>0.64</b>	1.26

#### (b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares deemed to be issued assuming the exercise of the share options.

	Six months ended 30 June	
	2013	
Weighted average number of ordinary shares in issue	8,968,140,707	
Adjustment for share options	10,118	
	<hr/>	
	8,968,150,825	
Profit attributable to shareholders of the Company (HK\$'000)	112,760	
Diluted earnings per share attributable to shareholders of the Company (HK cent per share)	1.26	

The outstanding employee share options at 30 June 2014 had no dilutive effect on earnings per share.

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 8 PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2014, the Group acquired property, plant and equipment with a cost of HK\$97,000 (2013: HK\$109,000).

### 9 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Overseas listed debt securities, at fair value	<b>674,650</b>	1,278,110
Less: current portion	–	(1,118,523)
Non-current portion	<b>674,650</b>	159,587

The available-for-sale financial assets are denominated in United States dollars.

During the period ended 30 June 2014, the Group acquired from the market notes with aggregate principal amount of US\$50,000,000 (approximately HK\$390,000,000), due 13 January 2022 with a coupon rate of 4.625% per annum issued by a subsidiary of Hutchison Whampoa Limited at a total consideration of HK\$408,383,000; and acquired from the market notes with aggregate principal amount of US\$11,000,000 (approximately HK\$85,800,000), due 8 November 2022 with a coupon rate of 3.25% per annum issued by a subsidiary of Hutchison Whampoa Limited at a total consideration of HK\$82,585,000 (Note 13(a)).

### 10 TRADE RECEIVABLES

The Group's trade receivables represented rental receivables for which no credit term has been granted. At 30 June 2014 and 31 December 2013, the aging analysis of trade receivables, net of provision, based on the date of invoice is as follows:

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
0 – 30 days	<b>1,580</b>	127
31 – 60 days	<b>1,430</b>	–
	<b>3,010</b>	127

## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 11 CAPITAL COMMITMENTS

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Authorised but not contracted for:		
– Property, plant and equipment	<b>575</b>	672
– Investment properties	<b>2,969</b>	2,969

### 12 OPERATING LEASES

- (a) At 30 June 2014 and 31 December 2013, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties as follows:

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Not later than one year	<b>77,965</b>	80,716
Later than one year and not later than five years	<b>131,685</b>	134,238
Later than five years	–	1,834
	<b>209,650</b>	216,788

- (b) At 30 June 2014 and 31 December 2013, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of properties as follows:

	<b>30 June 2014 HK\$'000</b>	31 December 2013 HK\$'000
Not later than one year	<b>538</b>	146
Later than one year and not later than five years	<b>988</b>	–
	<b>1,526</b>	146



## NOTES TO THE CONDENSED INTERIM ACCOUNTS

### 13 MATERIAL RELATED PARTY TRANSACTIONS

The Group had the following significant transactions during the period with related parties which were carried out in the normal course of business at terms determined and agreed by both parties, details of which are as follows:

- (a) The Group purchased notes issued by subsidiaries of Hutchison Whampoa Limited from the market at approximately HK\$408,383,000 for the period ended 30 June 2014; HK\$65,538,000 in 2013 and HK\$97,629,000 in 2012 respectively, due January 2022 with a coupon rate of 4.625% per annum; and at approximately HK\$82,585,000 for the period ended 30 June 2014, due November 2022 with a coupon rate of 3.25% per annum (Note 9). Net interest income recognised during the period was approximately HK\$14,054,000 (2013: HK\$30,377,000).
- (b) Hutchison International Limited, a wholly-owned subsidiary of Hutchison Whampoa Limited, has been providing and will continue to provide administrative and support services to the Group. The aggregate fees charged for the six months ended 30 June 2014 were approximately HK\$2,500,000 (2013: HK\$2,500,000).
- (c) During the period, the Group paid rental expenses to subsidiaries of Hutchison Whampoa Limited of approximately HK\$260,000 (2013: HK\$243,000).
- (d) No transactions had been entered with the Directors and senior management of the Company during the period other than the emoluments paid or payable to them (being key management personnel compensation) as follows:

	Six months ended 30 June	
	2014 HK\$'000	2013 HK\$'000
Salaries and other short-term employee benefits	2,599	2,531

### 14 HOLDING COMPANY

The Directors consider the ultimate holding company to be Hutchison Whampoa Limited, which is incorporated and listed in Hong Kong.

## INFORMATION FOR SHAREHOLDERS

<b>LISTING</b>	The ordinary shares of the Company are listed on The Stock Exchange of Hong Kong Limited
<b>STOCK CODE</b>	715
<b>REGISTERED OFFICE</b>	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda Telephone : +441 295 1422 Facsimile : +441 292 4720
<b>HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS</b>	22nd Floor, Hutchison House, 10 Harcourt Road, Hong Kong Telephone : +852 2128 1188 Facsimile : +852 2128 1778
<b>PRINCIPAL EXECUTIVE OFFICE</b>	Unit 507A, 5/F, Two Harbourfront, 22 Tak Fung Street Hung Hom, Kowloon, Hong Kong Telephone : +852 2861 1638 Facsimile : +852 2422 1639
<b>BERMUDA PRINCIPAL SHARE REGISTRAR</b>	MUFG Fund Services (Bermuda) Limited The Belvedere Building, 69 Pitts Bay Road Pembroke HM08, Bermuda Telephone : +441 299 3882 Facsimile : +441 295 6759
<b>HONG KONG BRANCH SHARE REGISTRAR</b>	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East, Wan Chai, Hong Kong Telephone : +852 2862 8555 Facsimile : +852 2865 0990
<b>INVESTOR INFORMATION</b>	Corporate press releases, financial reports and other investor information of the Group are available online at the website of the Company
<b>INVESTOR RELATIONS CONTACT</b>	Please direct enquiries to: Deputy Chairman Unit 507A, 5/F, Two Harbourfront, 22 Tak Fung Street Hung Hom, Kowloon, Hong Kong Telephone : +852 2861 1638 Facsimile : +852 2422 1639
<b>WEBSITE ADDRESS</b>	<a href="http://www.hutchisonharbourring.com">www.hutchisonharbourring.com</a>