



(Stock Code: 715)



A Hutchison Whampoa Company

A large, circular graphic in the bottom right corner, featuring a dark blue outer ring, a white inner ring, and a dark blue center. The text 'Interim Report 2009' is written in white, bold, sans-serif font within the center.

**Interim
Report
2009**

Corporate Information

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

CHAN Wen Mee, May (Michelle), BBA
(Managing Director)
CHOW WOO Mo Fong, Susan, BSc
CHOW Wai Kam, Raymond, JP, BA, B.Arch., AP-List 1
Edith SHIH, BSE, MA, MA, EdM, Solicitor, FCIS, FCS (PE)
(Also Alternate to FOK Kin-ning, Canning)
ENDO Shigeru, BA

Non-executive Director

Ronald Joseph ARCULLI, GBS, CVO, OBE, JP

Independent Non-executive Directors

KWAN Kai Cheong, BA, CA (Aus)
(Also Alternate to Ronald Joseph ARCULLI)
LAM Lee G., BSc, MSc, MBA, DPA, LLB (Hons), PCLL, PhD, FHKIoD
(Also Alternate to LAN Hong Tsung, David)
LAN Hong Tsung, David, Member-CPPCC, GBS, ISO, JP

Audit Committee

KWAN Kai Cheong *(Chairman)*
Ronald Joseph ARCULLI
LAM Lee G.

Remuneration Committee

FOK Kin-ning, Canning *(Chairman)*
KWAN Kai Cheong
LAM Lee G.

Company Secretary

Edith SHIH

Auditor

PricewaterhouseCoopers

Bankers

The Hongkong and Shanghai Banking
Corporation Limited
Standard Chartered Bank (Hong Kong)
Limited

Contents

	<i>Page</i>
Chairman's Statement	2
Capital Resources and Other Information	4
Disclosure of Interests	5
Corporate Governance	11
Changes in Information of Directors	12
Report on Review of Interim Accounts	13
Interim Accounts	14
Information for Shareholders	32

Chairman's Statement

Financial Results

The Group's consolidated profit attributable to the shareholders for the six months ended 30 June 2009 (the "period") amounted to HK\$5.1 million (2008: HK\$2,083.8 million) and basic earnings per share was HK0.06 cents for the period (2008: HK23.28 cents). Excluding the one-time gain of HK\$2,141.3 million on disposal of certain subsidiaries in the first half of 2008, the current period's profit was HK\$5.1 million as compared to a loss of HK\$57.5 million for the first half of 2008.

The Group's revenue from continuing operations for the period decreased by 74% to HK\$155.7 million (2008: HK\$592.5 million) and the earnings before interest expense and tax ("EBIT") from continuing operations for the period was HK\$21.5 million (2008: HK\$2,358.6 million). Excluding a profit on revaluation of investment properties of HK\$0.4 million (2008: HK\$98.3 million) and last period's gain on disposal of certain subsidiaries of HK\$2,141.3 million, EBIT from continuing operations reduced 82% to HK\$21.1 million (2008: HK\$119.0 million). The declines in revenue and EBIT were mainly due to the reduced rental income following the disposal of subsidiaries in 2008 and reduced sales of the Bluetooth® products and mobile handset accessories resulted from softening global market demand, partially offset by the improved recurring results of the Licensing and Sourcing Division.

Finance costs for the period were HK\$1.5 million, in line with 2008, and the tax charge for the period decreased by 83% to HK\$10.8 million (2008: HK\$62.3 million) commensurate with lower profit. The Group's consolidated profit from continuing operations before minority interests for the period was HK\$9.2 million (2008: HK\$2,294.8 million).

Dividend

As in previous years, the board of Directors (the "Board") does not recommend the payment of an interim dividend for the period (2008: Nil). The recommendation on the payment of a final dividend for the year ending 31 December 2009 will be made after the completion of a detailed review of the Group's capital requirements for its existing businesses and potential investment opportunities when full-year results are available.

Review of Operations

Technology Division

The first half of 2009 was a difficult period for the Technology Division due to the global economic downturn following the outbreak of the financial crisis in the last quarter of 2008. Global market demand for mobile handsets and their accessories were adversely impacted by the slowdown of handset replacement activity. In this environment, the Technology Division recorded a 73% revenue decline from HK\$384.0 million in 2008 to HK\$105.6 million in the period and a loss before interest expense and tax ("LBIT") of HK\$15.2 million as compared to EBIT of HK\$27.6 million in 2008.

In this challenging economic environment, this Division is focusing on strengthening its distribution network, sales forces and diversifying its geographical coverage and also to broaden the product range and offer more innovative products with enhanced features. In addition, the Division has continued to bolster its production and operating efficiency by re-engineering workflows and implementing cost saving and control initiatives.

Chairman's Statement

Property Division

The Property Division's results in the first half are significantly less than the same period in 2008 due to the sale of certain subsidiaries holding rental property in 2008. Excluding the effect of this transaction and profit of revaluation of investment properties of HK\$0.4 million (2008: HK\$98.3 million), revenue from the remaining investment properties in Shanghai increased 10% to HK\$43.7 million for the period and EBIT increased 11% to HK\$38.0 million. The increases are due to increased average rental rates and the appreciation of Renminbi.

Licensing and Sourcing Division

The Licensing and Sourcing Division reported a 87% decrease in revenue from HK\$48.9 million in 2008, which included revenue from the sales related to the Beijing 2008 Olympic products, to HK\$6.4 million in the period. The Division achieved a turnaround from an LBIT of HK\$3.0 million in 2008 to an EBIT of HK\$13.1 million in the period. The improved results were attributable to a one-time gain from the reduction of licence fees payable of HK\$11.7 million and a lower and simpler cost structure resulting from a cost rationalisation exercise.

Outlook

The business environment is expected to continue to be challenging and the consumer sentiment is expected to remain weak in the second half of 2009. The Technology Division will focus on strengthening its distribution networks and sales activities and also to increase its product range while it strengthens its cost control measures.

The Property Division's two remaining office and commercial premises in Shanghai are expected to provide stable revenue and profit to the Group.

The Licensing and Sourcing Division will continue to focus on the Warner Bros. agency business and cautiously, other licensing opportunities.

The Group has maintained a robust liquidity position with cash, liquid funds and listed investments of HK\$5,890.5 million as at 30 June 2009 (31 December 2008: HK\$5,969.7 million). Given the low interest yield in the current global banking industry, the Group acquired debt securities during the period with nominal value of USD143.0 million (approximately HK\$1,108.3 million) issued by a subsidiary of Hutchison Whampoa Limited which has improved returns. The Group will continue to explore other similar financial investment opportunities which can enhance the Group's return on its liquidity.

On behalf of the Board, I would like to thank my fellow directors and the Group's employees for their diligence and contributions to the Group. I would also like to express my sincere gratitude to our shareholders, customers and business partners for their continuous support to the Group.

Fok Kin-ning, Canning
Chairman

Hong Kong, 12 August 2009

Capital Resources and Other Information

Capital Resources and Liquidity

As at 30 June 2009, the Group's total cash and cash equivalents together with other listed investments amounted to HK\$5,890.5 million (31 December 2008: HK\$5,969.7 million).

As at 30 June 2009, the Group's total borrowings were HK\$48.5 million (31 December 2008: HK\$48.5 million), which were the loans from minority shareholders of the Group's subsidiaries.

Treasury Policies

As at 30 June 2009, the Group had no material exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives.

Charges and Contingent Liabilities

As at 30 June 2009 and 31 December 2008, the Group had no charges on its assets.

There was no guarantee provided by the Group as at 30 June 2009 and 31 December 2008.

Human Resources

As at 30 June 2009, excluding an associated company, the Group employed 1,300 people (30 June 2008: 10,945). Total employee costs for the period ended 30 June 2009, including directors' emoluments, amounted to HK\$46.2 million (2008: HK\$147.8 million). The Group's employment and remuneration policies remain the same as those described in the Annual Report for the year ended 31 December 2008.

Review of Unaudited Condensed Consolidated Interim Accounts

The unaudited condensed consolidated interim accounts of the Company and its subsidiaries for the six months ended 30 June 2009 have been reviewed by the Audit Committee of the Company and by the Company's auditor, 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 13 of this Interim Report.

Purchase, Sale or Redemption of the Company's Listed Securities

During the six months ended 30 June 2009, neither the Company nor any of its subsidiaries has purchased or sold any of the Company's listed securities. In addition, the Company has not redeemed any of its listed securities during the period.

Disclosure of Interests

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 June 2009, 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 the chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required to be and were recorded in the register required to be kept pursuant to Section 352 of the SFO or as otherwise notified to the Company and the SEHK pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers adopted by the Company (the "Model Code") were as follows:

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

Long positions in the shares and underlying shares of the Company

Name of Director	Capacity	Nature of interests	Number of shares of the Company held	Number of underlying shares of the Company held	Total	Approximate % of shareholding of the Company
Fok Kin-ning, Canning	Interest of a controlled corporation	Corporate interest	5,000,000 ⁽¹⁾	–	5,000,000	0.05586%
Chan Wen Mee, May (Michelle)	Beneficial owner	Personal interest	–	12,000,000 ⁽²⁾	12,000,000	0.13407%
Endo Shigeru	Beneficial owner	Personal interest	80,000	5,000,000 ⁽²⁾	5,080,000	0.05676%

Notes:

(1) Such shares were held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.

(2) These represented the interests in underlying shares in respect of the share options granted by the Company, the details of which are set out in the section titled "Share Options and Directors' Rights to Acquire Shares" on page 10.

Disclosure of Interests

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

(A) Long positions in the shares and underlying 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	4,310,875 ⁽¹⁾	4,310,875	0.10111%
Lai Kai Ming, Dominic	Beneficial owner	Personal interest	50,000	50,000	0.00117%
Chan Wen Mee, May (Michelle)	Beneficial owner	Personal interest	531	531	0.00001%
Chow Woo Mo Fong, Susan	Beneficial owner	Personal interest	150,000	150,000	0.00352%
Edith Shih	(i) Beneficial owner (ii) Interest of spouse	(i) Personal interest (ii) Family interest	(i) 27,200) (ii) 7,400)	34,600	0.00081%
Endo Shigeru	Beneficial owner	Personal interest	2,000	2,000	0.00005%
Ronald Joseph Arculli	Interest of a controlled corporation	Corporate interest	11,224 ⁽²⁾	11,224	0.00026%
Lan Hong Tsung, David	Beneficial owner	Personal interest	20,000	20,000	0.00047%

Notes:

(1) Such shares in HWL were held by a company which is equally owned by Mr Fok Kin-ning, Canning and his spouse.

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

Disclosure of Interests

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

As at 30 June 2009, 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 interest in 1,202,380 ordinary shares, representing approximately 0.025% of the issued share capital, in Hutchison Telecommunications International Limited (“HTIL”);
- (iii) corporate interest in 1,202,380 ordinary shares, representing approximately 0.025% of the issued share capital, in Hutchison Telecommunications Hong Kong Holdings Limited (“HTHKH”);
- (iv) corporate interest in 225,000 ordinary shares, representing approximately 0.146% of the issued share capital, in Partner Communications Company Ltd;
- (v) corporate interest in a nominal amount of US\$1,216,000 in the 6.5% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited; and
- (vi) corporate interest in a nominal amount of US\$4,000,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited.

Mr Fok Kin-ning, Canning held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally owned by Mr Fok and his spouse.

As at 30 June 2009, Mrs Chow Woo Mo Fong, Susan in her capacity as a beneficial owner had the following personal interests:

- (i) 250,000 ordinary shares, representing approximately 0.005% of the issued share capital, in HTIL; and
- (ii) 250,000 ordinary shares, representing approximately 0.005% of the issued share capital, in HTHKH.

As at 30 June 2009, Ms Edith Shih in her capacity as a beneficial owner had the following personal interests:

- (i) a nominal amount of US\$292,000 in the 6.5% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited;
- (ii) a nominal amount of GBP200,000 in the 6.75% Guaranteed Bonds due 2015 issued by Hutchison Ports (UK) Finance Plc;
- (iii) a nominal amount of EUR200,000 in the 4.625% Notes due 2016 issued by Hutchison Whampoa Finance (06) Limited; and
- (iv) a nominal amount of US\$300,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited.

Save as disclosed above, as at 30 June 2009, none of the Directors and 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/she 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 Model 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 2009, 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:

(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 of the Company held	Total	Approximate % of shareholding of the Company
Li Ka-shing	Founder of discretionary trusts and interest of controlled corporations	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.50%
Li Ka-Shing Unity Trustcorp Limited ("LKSUT")	Trustee and beneficiary of a trust	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.50%
Li Ka-Shing Unity Trustee Corporation Limited ("LKSUTC")	Trustee and beneficiary of a trust	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.50%
Li Ka-Shing Unity Trustee Company Limited ("LKSUTCO")	Trustee	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.50%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.50%
Hutchison Whampoa Limited ("HWL")	Interest of controlled corporations	6,399,728,952 ^{(1),(2)}	6,399,728,952	71.50%
Hutchison International Limited ("HIL")	Interest of controlled corporations	6,399,728,952 ^{(1),(2)}	6,399,728,952	71.50%
Promising Land International Inc. ("Promising Land")	Beneficial owner	4,155,284,508 ⁽¹⁾	4,155,284,508	46.42%
Uptalent Investments Limited ("Uptalent")	Beneficial owner	2,244,444,444 ⁽²⁾	2,244,444,444	25.08%

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 each of Mr Li Ka-shing, Mr Li Tzar Kuoi, Victor and Mr Li Tzar Kai, Richard is interested in one-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.

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

Name	Capacity	Number of shares of the Company held	Approximate % of shareholding of the Company
Kwok Sau Po	Beneficial owner	806,678,000	9.01%

Save as disclosed above, as at 30 June 2009, there was no other person (other than the Directors or the chief executive of the Company) who had 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.

Disclosure of Interests

Share Options and Directors' Rights to Acquire Shares

The Company operates a share option scheme which was adopted in 2004. Particulars of options outstanding at the beginning and at the end of the financial period for the six months ended 30 June 2009 and options granted, exercised, cancelled or lapsed under such scheme during the period were as follows:

	Grant date	Options held at 1 January 2009	Options granted during the period	Options exercised during the period	Options cancelled/ lapsed during the period	Options held at 30 June 2009	Exercise Period ⁽¹⁾	Exercise price per share HK\$	Share price on the grant date ⁽²⁾ HK\$	Share price on the exercise date HK\$
Directors										
Chan Wen Mee, May (Michelle)	3.6.2005	12,000,000	-	-	-	12,000,000	3.6.2006 – 2.6.2015	0.822	0.82	N/A
Endo Shigeru	3.6.2005	5,000,000	-	-	-	5,000,000	3.6.2006 – 2.6.2015	0.822	0.82	N/A
Kwok Siu Kai, Dennis ⁽³⁾	3.6.2005	4,000,000	-	-	(4,000,000)	-	3.6.2006 – 2.6.2015	0.822	0.82	N/A
	25.5.2007	4,000,000	-	-	(4,000,000)	-	25.5.2008 – 24.5.2017	0.616	0.61	N/A
Sub-total		25,000,000	-	-	(8,000,000)	17,000,000				
Other employees										
	3.6.2005	15,600,000	-	-	(7,200,000)	8,400,000	3.6.2006 – 2.6.2015	0.822	0.82	N/A
	25.5.2007	21,524,000	-	-	(3,572,000)	17,952,000	25.5.2008 – 24.5.2017	0.616	0.61	N/A
Sub-total		37,124,000	-	-	(10,772,000)	26,352,000				
Total		62,124,000	-	-	(18,772,000)	43,352,000				

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.
- (3) Mr Kwok Siu Kai, Dennis resigned as Executive Director of the Company with effect from 24 January 2009.

No share option had been granted under the share option scheme of the Company during the six months ended 30 June 2009.

As at 30 June 2009, out of the 43,352,000 (31 December 2008: 62,124,000) outstanding share options, 37,482,000 (31 December 2008: 44,499,000) were exercisable.

Corporate Governance

The Company is committed to achieving high standards of corporate governance as it believes that effective corporate governance practices provide a framework and solid foundation for enhancing shareholder value and safeguarding shareholder interests. The principles of corporate governance adopted by the group emphasise a quality board, sound internal control, transparency and accountability to all stakeholders.

Compliance with the Code on Corporate Governance Practices

The Company has been fully compliant with all code provisions of the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2009. Corporate governance practices adopted by the Company during such period are in conformity with those adopted by the Company for the year ended 31 December 2008, which were set out in the 2008 Annual Report of the Company.

Compliance with the Model Code

The Board of the Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as the Group's code of conduct regarding Directors' securities transactions. All Directors have confirmed that they had complied with the Model Code throughout the six months ended 30 June 2009.

Audit Committee

The Audit Committee of the Company comprises two Independent Non-executive Directors and one Non-executive Director who possess the appropriate business and financial experience and skills to understand financial statements and internal control. It is chaired by Mr Kwan Kai Cheong and the other members of the Committee are Mr Ronald Joseph Arculli and Dr Lam Lee G. The Audit Committee meets regularly with management and the external auditor of the Company and reviews matters relating to audit, accounting and financial statements as well as internal control, risk evaluation and general compliance of the Group and reports directly to the Board of the Company. The terms of reference of the Audit Committee adopted by the Board are published on the Group's website.

Remuneration Committee

The Remuneration Committee comprises three members with expertise in human resources and personnel emoluments. The Committee is chaired by the Chairman, Mr Fok Kin-ning, Canning with Mr Kwan Kai Cheong and Dr Lam Lee G., both Independent Non-executive Directors as members.

The responsibilities of the Remuneration Committee are to assist the Board in achieving its objective of attracting, retaining and motivating people of the highest calibre and experience needed to shape and execute strategy across the Group's substantial, diverse and international business operations. It assists the Group in the administration of a fair and transparent procedure for setting remuneration policies including assessing the performance of Directors and senior executives of the Group and determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the Group's website.

Changes in Information of Directors

Pursuant to Rule 13.51(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK"), the changes in information of directors of the Company subsequent to the date of the 2008 Annual Report are set out below:

Name of Director	Details of Changes
Fok Kin-ning, Canning	Appointed as chairman and non-executive director of Hutchison Telecommunications Hong Kong Holdings Limited ("HTHKH")*
Lai Kai Ming, Dominic	Appointed as non-executive director of HTHKH*
Chow Woo Mo Fong, Susan	Appointed as non-executive director of HTHKH*
Ronald Joseph Arculli	<ol style="list-style-type: none"> <li data-bbox="528 801 1437 862">1. Stepped down from the Board of The Hong Kong Mortgage Corporation Limited effective from 16 April 2009 <li data-bbox="528 907 1437 967">2. Appointed as a member of the Consultation Panel of the West Kowloon Cultural District Authority effective from 1 March 2009 to 28 February 2010 for one year <li data-bbox="528 1012 1437 1072">3. Appointed as Honorary Vice-president of the Advisory Board of Business Association, BEA HKUSU effective from 6 January 2009 <li data-bbox="528 1117 1374 1140">4. Appointed as a member of HKIAC Users' Council effective from 1 January 2009 <li data-bbox="528 1184 1437 1207">5. Appointed as a member of Hong Kong Mediation Council effective from 1 January 2009 <li data-bbox="528 1252 1437 1312">6. Appointed as chairman of the Management Committee of King & Wood effective from 15 January 2009 <li data-bbox="528 1357 1437 1417">7. Re-appointed as Life Honorary President of Gold Award Holders Association Hong Kong effective from 19 December 2008 <li data-bbox="528 1462 1437 1523">8. Re-appointed as a member of The Non-official Justice of Peace Selection Committee effective from 1 January 2009
Lan Hong Tsung, David	Appointed as independent non-executive director of HTHKH*

* a company listed on the Main Board of the SEHK on 8 May 2009

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 14 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 2009 and the 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 Main Board of 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, 12 August 2009

Interim Accounts

Condensed Consolidated Income Statement

For the six months ended 30 June 2009

		Unaudited	
	Note	2009 HK\$'000	2008 HK\$'000
Continuing operations			
Revenue	2	155,687	592,484
Cost of sales		(109,133)	(411,003)
Gross profit		46,554	181,481
Interest income		18,178	22,304
Other gains		12,070	2,239,575
Administrative expenses		(45,110)	(71,136)
Selling and distribution costs		(10,233)	(13,655)
Earnings before interest expense and tax	3	21,459	2,358,569
Finance costs	4	(1,478)	(1,495)
Profit before tax		19,981	2,357,074
Tax charge	5	(10,774)	(62,315)
Profit for the period from continuing operations		9,207	2,294,759
Discontinued operation			
Loss for the period from discontinued operation	6	–	(189,516)
Profit for the period		9,207	2,105,243
Profit attributable to:			
Minority interests		4,079	21,420
Shareholders of the Company		5,128	2,083,823
		9,207	2,105,243
Earnings/(losses) per share attributable to shareholders of the Company	8		
– From continuing operations		HK0.06 cents	HK25.40 cents
– From discontinued operation		–	HK(2.12) cents
		HK0.06 cents	HK23.28 cents

Details of interim dividend payable to the shareholders of the Company are set out in Note 7.

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2009

	Unaudited	
	2009 HK\$'000	2008 HK\$'000
Profit for the period	9,207	2,105,243
Other comprehensive income/(expenses):		
Exchange differences on translating foreign operations	(1,969)	259,157
Available-for-sale financial assets	27,313	(3,612)
Surplus on revaluation upon transfer of land and buildings to investment properties	885	1,992
Other comprehensive income for the period, net of tax	26,229	257,537
Total comprehensive income for the period	35,436	2,362,780
Total comprehensive income attributable to:		
Minority interests	4,041	31,518
Shareholders of the Company	31,395	2,331,262
	35,436	2,362,780

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2009 HK\$'000	Audited 31 December 2008 HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	54,156	54,823
Investment properties	10	895,049	892,079
Leasehold land and land use rights		12,498	14,247
Investment in an associated company		3,281	3,281
Available-for-sale financial assets	11	1,190,593	–
Deferred tax assets	12	2,202	2,211
		2,157,779	966,641
Current assets			
Inventories		30,228	78,351
Trade receivables	13	25,144	82,741
Deposits, prepayments and other receivables		86,728	153,989
Tax recoverable		816	887
Available-for-sale financial assets		7,607	7,606
Cash and bank deposits		4,692,298	5,962,122
		4,842,821	6,285,696
Total assets		7,000,600	7,252,337

Condensed Consolidated Statement of Financial Position

	Note	Unaudited 30 June 2009 HK\$'000	Audited 31 December 2008 HK\$'000
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the Company			
Share capital		895,065	895,065
Reserves		5,122,229	5,288,346
		6,017,294	6,183,411
Minority interests		157,133	153,092
Total equity		6,174,427	6,336,503
Non-current liabilities			
Deferred tax liabilities	12	130,175	125,176
Other non-current financial liabilities	14	53,080	59,901
Total non-current liabilities		183,255	185,077
Current liabilities			
Trade payables	15	47,106	81,074
Deposits received, other creditors and accruals	16	559,654	605,700
Tax payables		36,158	43,983
Total current liabilities		642,918	730,757
Total liabilities		826,173	915,834
Total equity and liabilities		7,000,600	7,252,337
Net current assets		4,199,903	5,554,939
Total assets less current liabilities		6,357,682	6,521,580

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2009

	Note	2009 HK\$'000	Unaudited 2008 HK\$'000
Continuing operations			
Operating activities			
Cash generated from operating activities before finance costs, tax paid and changes in working capital		4,704	103,729
Changes in working capital		116,241	211,552
Cash generated from continuing operations		120,945	315,281
Interest received		13,360	16,115
Tax paid		(15,615)	(47,508)
Net cash from operating activities		118,690	283,888
Investing activities			
Net cash inflow on disposal of subsidiaries		–	4,571,501
Increase in time deposits with maturity over three months		(200,351)	(2,524,816)
Purchase of property, plant and equipment		(1,721)	(722)
Proceeds on disposal of investment properties, plant and equipment and leasehold land and buildings		104	5,840
Purchase of available-for-sale financial assets, overseas, listed investments		(1,189,983)	–
Net cash (used in)/generated from investing activities		(1,391,951)	2,051,803
Financing activities			
Dividend paid		(196,914)	(196,888)
Proceeds from issue of shares		–	254
Net cash used in financing activities		(196,914)	(196,634)
(Decrease)/increase in cash and cash equivalents		(1,470,175)	2,139,057
Discontinued operation			
Increase in cash and cash equivalents from discontinued operation	6(b)	–	33,014
Cash and cash equivalents at 1 January		5,962,122	1,068,118
Cash and cash equivalents at 30 June		4,491,947	3,240,189
Analysis of cash, liquid funds and listed investments			
Deposits with banks with maturity of less than three months		4,266,385	3,058,167
Cash at banks and on hand		225,562	182,022
Cash and cash equivalents		4,491,947	3,240,189
Time deposits with maturity over three months		200,351	2,524,816
Available-for-sale financial assets, overseas, listed investments		1,198,200	7,676
Total cash, liquid funds and listed investments		5,890,498	5,772,681

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Unaudited							Minority interests	Total
	Attributable to shareholders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Other properties revaluation reserve	Other reserves HK\$'000 (Note)	Retained profits HK\$'000	Sub-total HK\$'000	HK\$'000	HK\$'000
				HK\$'000					
At 1 January 2009	895,065	2,599,715	174,209	1,975	24,648	2,487,799	6,183,411	153,092	6,336,503
Exchange translation differences			(1,931)	-	-	-	(1,931)	(38)	(1,969)
Change in fair value of available-for-sale financial assets			-	-	27,313	-	27,313	-	27,313
Surplus on revaluation			-	885	-	-	885	-	885
Net (expenses)/income recognised directly in equity			(1,931)	885	27,313	-	26,267	(38)	26,229
Employee share option benefits	-	-	-	-	(598)	-	(598)	-	(598)
Transfer between reserves	-	-	-	-	(3,010)	3,010	-	-	-
Profit for the period	-	-	-	-	-	5,128	5,128	4,079	9,207
2008 final dividend paid	-	-	-	-	-	(196,914)	(196,914)	-	(196,914)
At 30 June 2009	895,065	2,599,715	172,278	2,860	48,353	2,299,023	6,017,294	157,133	6,174,427

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2009

	Unaudited							Minority interests HK\$'000	Total HK\$'000
	Attributable to shareholders of the Company								
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Other properties revaluation reserve HK\$'000	Other reserves HK\$'000 (Note)	Retained profits HK\$'000	Sub-total HK\$'000		
At 1 January 2008	894,944	2,598,993	339,621	–	46,648	655,202	4,535,408	123,856	4,659,264
Exchange translation differences			249,059	–	–	–	249,059	10,098	259,157
Change in fair value of available-for-sale financial assets			–	–	(3,612)	–	(3,612)	–	(3,612)
Surplus on revaluation			–	1,992	–	–	1,992	–	1,992
Net income/(expenses) recognised directly in equity			249,059	1,992	(3,612)	–	247,439	10,098	257,537
Employee share option benefits Reserve realised upon disposal of subsidiaries	–	–	–	–	1,704	–	1,704	–	1,704
Issue of shares	41	250	(393,163)	–	–	–	(393,163)	–	(393,163)
Transfer between reserves	–	–	–	–	(580)	580	–	–	–
Write-back of unclaimed dividends	–	–	–	–	–	110	110	–	110
Profit for the period	–	–	–	–	–	2,083,823	2,083,823	21,420	2,105,243
2007 final dividend paid	–	–	–	–	–	(196,888)	(196,888)	–	(196,888)
At 30 June 2008	894,985	2,599,243	195,517	1,992	44,123	2,542,827	6,278,687	155,374	6,434,061

Note:

Other reserves comprise investment revaluation reserve, share-based compensation reserve, capital redemption reserve, legal reserve and the People's Republic of China ("PRC") statutory reserve.

	Investment revaluation reserve HK\$'000	Share-based compensation reserve HK\$'000	Capital redemption reserve HK\$'000	Legal reserve HK\$'000	PRC statutory reserve HK\$'000	Total HK\$'000
At 1 January 2008	11,288	12,085	3,558	493	19,224	46,648
At 30 June 2008	7,676	13,172	3,558	493	19,224	44,123
At 1 January 2009	7,606	12,071	3,558	493	920	24,648
At 30 June 2009	34,919	8,463	3,558	493	920	48,353

Notes to the Condensed Interim Accounts

1 Basis of preparation and accounting policies

These unaudited condensed consolidated interim accounts (“Interim Accounts”) have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 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 2008.

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 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 2008, except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning 1 January 2009. The effect of the adoption of these standards, amendments and interpretations was not material to the Group’s results of operations or financial position. However, the adoption of HKAS1 (revised) “Presentation of Financial Statements” has resulted in certain changes to the format of the Group’s accounts in 2009 (including revised titles for these Interim Accounts).

2 Revenue and segment information

Revenue represents sales of consumer electronic products and accessories, rental and service income, and licensing commission and other income. The amount of each category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2009	2008
	HK\$’000	HK\$’000
Sales of goods	108,022	429,028
Rental and service income from investment properties	43,729	159,556
Licensing commission and other income	3,936	3,900
Total revenue	155,687	592,484

Hong Kong Financial Reporting Standard (“HKFRS”) 8 “Operating Segments” replaces HKAS 14 “Segment Reporting” with effect from 1 January 2009. HKFRS 8 is a disclosure standard that requires the disclosure of information about the Group’s operating segments. It replaces the requirement under HKAS 14 to determine primary (business) and secondary (geographical) reporting segments of the Group. Adoption of this standard did not have any effect on the Group’s results of operations or financial position. The Group determines that the operating segments are the same as the business segments previously identified under HKAS 14.

The Group has four reportable segments, including technology division, property division, licensing and sourcing division and other division. The segments are managed separately as each business offers different products and services and each segment is subject to risks and returns that are different from the others.

Sales between segments are carried out on terms equivalent to those that prevail in arm’s length transactions.

Notes to the Condensed Interim Accounts

2 Revenue and segment information (Continued)

Segment information:

	Six months ended 30 June 2009							Group HK\$'000
	Technology division HK\$'000	Property division HK\$'000	Licensing and sourcing division HK\$'000	Other division HK\$'000	Elimination HK\$'000	Total continuing operations HK\$'000	Discontinued operation (Toy division) HK\$'000	
Revenue								
– External sales	105,581	43,729	6,377	–	–	155,687	–	155,687
– Inter-segment sales	18	251	–	–	(269)	–	–	–
	105,599	43,980	6,377	–	(269)	155,687	–	155,687
Earnings/(losses) before interest expense and tax and before changes in fair value of investment properties and profits on disposal of investments and others	(15,196)	38,045	1,405	(14,865)		9,389	–	9,389
Changes in fair value of investment properties	–	370	–	–		370	–	370
Profit on disposal of investments and others	–	–	11,700	–		11,700	–	11,700
Earnings/(losses) before interest expense and tax	(15,196)	38,415	13,105	(14,865)		21,459	–	21,459
Finance costs						(1,478)	–	(1,478)
Tax charge						(10,774)	–	(10,774)
Profit for the period						9,207	–	9,207
Interest income	253	4,805	406	12,714		18,178	–	18,178
Capital expenditure	(1,422)	–	(37)	(262)		(1,721)	–	(1,721)
Depreciation of property, plant and equipment	(38)	(511)	(32)	(1,756)		(2,337)	–	(2,337)
Amortisation of leasehold land and land use rights	–	(54)	–	–		(54)	–	(54)

Notes to the Condensed Interim Accounts

2 Revenue and segment information (Continued)

Segment information: (Continued)

	Six months ended 30 June 2008							Group HK\$'000
	Technology division HK\$'000	Property division HK\$'000	Licensing and sourcing division HK\$'000	Other division HK\$'000	Elimination HK\$'000	Total continuing operations HK\$'000	Discontinued operation (Toy division) HK\$'000	
Revenue								
– External sales	384,021	159,556	48,907	–	–	592,484	444,069	1,036,553
– Inter-segment sales	2	270	86	–	(358)	–	–	–
	384,023	159,826	48,993	–	(358)	592,484	444,069	1,036,553
Earnings/(losses) before interest expense and tax and before changes in fair value of investment properties and profits on disposal of investments and others	27,616	136,362	(3,041)	(41,943)		118,994	(37,946)	81,048
Changes in fair value of investment properties	–	98,268	–	–		98,268	–	98,268
Profits on disposal of investments and others	–	2,141,307	–	–		2,141,307	(140,239)	2,001,068
Earnings/(losses) before interest expense and tax	27,616	2,375,937	(3,041)	(41,943)		2,358,569	(178,185)	2,180,384
Finance costs						(1,495)	–	(1,495)
Tax charge						(62,315)	(11,331)	(73,646)
Profit/(loss) for the period						2,294,759	(189,516)	2,105,243
Interest income	1,037	14,656	434	6,177		22,304	2,818	25,122
Capital expenditure	(639)	(51)	(32)	–		(722)	(1,864)	(2,586)
Depreciation of property, plant and equipment	(6,283)	(539)	(117)	–		(6,939)	(11,214)	(18,153)
Amortisation of leasehold land and land use rights	–	(63)	–	–		(63)	(593)	(656)
Impairment provision	–	–	–	–		–	(38,328)	(38,328)

Notes to the Condensed Interim Accounts

3 Earnings before interest expense and tax

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Earnings before interest expense and tax is stated after crediting and charging the following:		
<u>Crediting</u>		
Gain on disposal of subsidiaries (<i>Note a</i>)	–	2,141,307
Increase in fair value of investment properties	370	98,268
Gain on reduction of licence fees payable (<i>Note b</i>)	11,700	–
<u>Charging</u>		
Cost of inventories	82,052	338,691
Staff costs (including directors' emoluments)	46,204	77,303
Depreciation of property, plant and equipment	2,337	6,939
Amortisation of leasehold land and land use rights	54	63
Operating lease charges in respect of properties	5,057	6,478

Notes:

- (a) *The Group has disposed of certain subsidiaries which owned the entire interest in an investment property, and recognised a gain of HK\$2,141,307,000 for the period ended 30 June 2008.*
- (b) *The Group has realised a gain of HK\$11,700,000 for the period ended 30 June 2009 in relation to a reduction of licence fees payable on branded products.*

4 Finance costs

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Interest on loans from minority shareholders (not wholly repayable within five years)	592	601
Notional non-cash interest accretion on licence fees payable	886	894
	1,478	1,495

Notes to the Condensed Interim Accounts

5 Tax charge

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Current tax		
– Hong Kong	239	3,003
– Outside Hong Kong	6,095	23,428
Deferred tax charge	4,440	35,884
	10,774	62,315

PRC Enterprise Income Tax:

The Group's subsidiaries in the Mainland China are subject to Enterprise Income Tax of Mainland China at rates range from a preferential rate of 12.5% to a standard rate of 25% for 2009 (2008: 12.5% to 25%).

Hong Kong Profits Tax:

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

Notes to the Condensed Interim Accounts

6 Loss for the period from discontinued operation

The Group no longer operates toy manufacturing and trading businesses subsequent to the disposal transaction in late 2008. Accordingly, the toy division is accounted for as a discontinued operation. The comparative financial information for the period ended 30 June 2008 has been reclassified to conform with the current period presentation in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations".

(a) Results of the toy division have been included in the condensed consolidated income statement as follows:

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Revenue	–	444,069
Cost of sales	–	(450,908)
Gross loss	–	(6,839)
Interest income	–	2,818
Other losses	–	(140,239)
Administrative expenses	–	(17,625)
Selling and distribution costs	–	(16,059)
Operating loss	–	(177,944)
Share of loss of an associated company	–	(241)
Loss before tax	–	(178,185)
Tax charge	–	(11,331)
Loss from discontinued operation	–	(189,516)
Attributable to shareholders of the Company	–	(189,516)

(b) An analysis of the cash flows of the discontinued operation is as follows:

	Six months ended 30 June	
	2009 HK\$'000	2008 HK\$'000
Net cash from operating activities	–	34,878
Net cash used in investing activities	–	(1,864)
Increase in cash and cash equivalents	–	33,014

Notes to the Condensed Interim Accounts

7 Interim Dividend

At a meeting held on 16 March 2009 the directors declared a final dividend of HK2.2 cents per ordinary share for the year ended 31 December 2008. Total amount of HK\$196,914,000 was paid on 18 May 2009 and has been reflected as an appropriation of retained profits for the six months ended 30 June 2009.

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2009 (2008: Nil).

8 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	
	2009	2008
Weighted average number of ordinary shares in issue	8,950,652,707	8,949,500,619
Profit from continuing operations attributable to shareholders of the Company (HK\$'000)	5,128	2,273,339
Basic earnings per share from continuing operations attributable to shareholders of the Company (HK cent per share)	0.06	25.40
Loss from discontinued operation attributable to shareholders of the Company (HK\$'000)	–	(189,516)
Basic losses per share from discontinued operation attributable to shareholders of the Company (HK cent per share)	–	(2.12)

(b) The employee share options outstanding at 30 June 2009 have no dilutive effect on the basic earnings per share (2008: No dilutive impact).

9 Property, plant and equipment

During the period, the Group acquired property, plant and equipment with a cost of HK\$1,721,000 (30 June 2008: HK\$2,586,000). During the period, property, plant and equipment with a net book value of HK\$104,000 (30 June 2008: HK\$1,655,000) were disposed of. During the period, buildings of HK\$30,000 (30 June 2008: HK\$3,332,000) were transferred to investment properties.

Notes to the Condensed Interim Accounts

10 Investment properties

During the period, investment properties of HK\$2,600,000 (30 June 2008: HK\$4,788,000) were transferred from leasehold land and buildings of HK\$2,570,000 (30 June 2008: HK\$1,456,000) and HK\$30,000 (30 June 2008: HK\$3,332,000) respectively. During the period ended 30 June 2008, investment properties with a carrying value of HK\$3,216,640,000 were disposed of through the disposal of subsidiaries.

11 Available-for-sale financial assets

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Overseas listed debt securities, at fair value	1,190,593	–

On 9 June 2009, the Group purchased USD143.0 million (approximately HK\$1,108.3 million) aggregate principal amount of 6.25% notes due on 24 January 2014 issued by a subsidiary of Hutchison Whampoa Limited (Note 19).

12 Deferred tax

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Deferred tax assets	2,202	2,211
Deferred tax liabilities	130,175	125,176
Net deferred tax liabilities	127,973	122,965

Analysis of net deferred tax liabilities:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Accelerated depreciation allowances	68,778	64,866
Changes in fair value of investment properties	46,649	46,581
Other temporary differences	12,546	11,518
	127,973	122,965

Notes to the Condensed Interim Accounts

13 Trade receivables

The Group's average credit period granted to trade debtors mainly ranges from 30 to 60 days. At 30 June 2009 and 31 December 2008, the aging analysis of trade receivables, net of provision, based on the date of invoice is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0-30 days	13,608	17,637
31-60 days	8,858	25,763
61-90 days	1,937	10,855
Over 90 days	741	28,486
	25,144	82,741

14 Other non-current financial liabilities

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Loans from minority shareholders	39,995	39,995
Non-current portion of licence fees payable	13,085	19,906
	53,080	59,901

15 Trade payables

Included in trade payables at 30 June 2009 is an amount due to an associated company of the Group amounting to HK\$4,280,000 (31 December 2008: HK\$4,280,000). The aging analysis of trade payables at 30 June 2009 and 31 December 2008 is as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
0-30 days	32,651	42,662
31-60 days	3,953	28,646
61-90 days	65	1,893
Over 90 days	10,437	7,873
	47,106	81,074

Notes to the Condensed Interim Accounts

16 Deposits received, other creditors and accruals

Included in deposits received, other creditors and accruals at 30 June 2009 are provisions and accruals of approximately HK\$250 million (31 December 2008: HK\$280 million) arising from legal and constructive obligations on disposals of subsidiaries during 2008 and amounts due to certain subsidiaries of Hutchison Whampoa Limited and a loan from a minority shareholder of a subsidiary of the Group totalling HK\$8,785,000 (31 December 2008: HK\$8,751,000) and HK\$8,458,000 (31 December 2008: HK\$8,458,000) respectively.

17 Capital commitments

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Capital commitments for property, plant and equipment:		
Contracted but not provided for	676	1,415
Authorised but not contracted for	4,603	6,594
	5,279	8,009

18 Operating leases

- (a) At 30 June 2009 and 31 December 2008, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Not later than one year	67,776	78,904
Later than one year and not later than five years	37,743	67,824
Later than five years	159	159
	105,678	146,887

- (b) At 30 June 2009 and 31 December 2008, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of properties as follows:

	30 June 2009 HK\$'000	31 December 2008 HK\$'000
Not later than one year	5,599	7,023
Later than one year and not later than five years	4,445	–
	10,044	7,023

Notes to the Condensed Interim Accounts

19 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 has purchased notes issued by a subsidiary of Hutchison Whampoa Limited at approximately HK\$1,187,213,000 from the secondary market during the period (Note 11). Interest income recognised during the period was approximately HK\$3,496,000 (2008: Nil).
- (b) The Group manufactured a range of products including cap covers, premium items and mobile phone accessories for certain subsidiaries and an associated company of Hutchison Whampoa Limited. The aggregate invoiced amounts for the period ended 30 June 2009 were approximately HK\$245,000 (2008: HK\$2,302,000).
- (c) 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 period ended 30 June 2009 were approximately HK\$2,800,000 (2008: HK\$2,750,000).
- (d) During the period, the Group paid rental expenses and management fee to subsidiaries of Hutchison Whampoa Limited of approximately HK\$4,174,000 (2008: HK\$7,543,000). During the period ended 30 June 2008, the Group received rental income from subsidiaries of Hutchison Whampoa Limited of approximately HK\$1,911,000.
- (e) No transactions have been entered with the directors of the Company (being the key management personnel) during the period other than the emoluments paid to them (being key management personnel compensation) as follows:

	Six months ended 30 June	
	2009	2008
	HK\$'000	HK\$'000
Salaries and other short-term employee benefits	1,247	2,349
Share-based payments	–	414
	1,247	2,763

20 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

Listing

The Company's ordinary shares are listed on The Stock Exchange of Hong Kong Limited

Stock Code

715

Registered Office

Clarendon House, 2 Church Street
Hamilton HM11, Bermuda
Telephone : +441 295 1422
Facsimile : +441 292 4720

Head Office and Principal Place of Business

22nd Floor, Hutchison House
10 Harcourt Road, Hong Kong
Telephone : +852 2128 1188
Facsimile : +852 2128 1778

Principal Executive Office in Hong Kong

Unit 501, 5/F, Harbourfront Landmark
11 Wan Hoi Street, Hung Hom
Kowloon, Hong Kong
Telephone : +852 2861 1638
Facsimile : +852 2422 1639

Bermuda Principal Share Registrars

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM08, Bermuda
Telephone : +441 299 3882
Facsimile : +441 295 6759

Hong Kong Branch Share Registrars

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 8628
Facsimile : +852 2865 0990

Investor Information

Corporate press releases, financial reports and other investor information on the Group are available online at the Company's website

Investor Relations Contact

Please direct enquiries to:
Deputy Chairman
Unit 501, 5/F, Harbourfront Landmark
11 Wan Hoi Street, Hung Hom
Kowloon, Hong Kong
Telephone : +852 2861 1638
Facsimile : +852 2422 1639

Website Address

www.hutchisonharbourring.com