



(Stock Code: 715)



A Hutchison Whampoa Company



2011 Interim Report

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

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

(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 and

ENDO Shigeru)

ENDO Shigeru, BA

NON-EXECUTIVE DIRECTOR

Ronald Joseph ARCULLI, GBM, CVO, GBS, 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), LLM, PCLL, PhD, FHKIoD, FHKIArb

(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

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CHAIRMAN'S STATEMENT

FINANCIAL RESULTS

The consolidated profit attributable to the shareholders for the six months ended 30 June 2011 ("the period") amounted to HK\$43.5 million (2010: restated HK\$82.3 million) and basic earnings per share for the period was HK0.48 cents (2010: HK0.92 cents). Excluding the one-time gain on disposal of investments and others of HK\$54.4 million in the first half of 2010, the profit attributable to shareholders of the Company for the current period increased by 56% compared to the profit of HK\$27.9 million for the same period in 2010.

Revenue from continuing operations for the period amounted to HK\$41.6 million (2010: HK\$41.7 million) and earnings before interest expense and tax ("EBIT") from continuing operations for the period was HK\$58.1 million (2010: HK\$78.3 million). Excluding last period's gain on disposal of investments and others of HK\$27.6 million and profit on revaluation of investment properties of HK\$0.6 million, the EBIT from continuing operations for the period increased by 16% to HK\$58.1 million in 2011. The increase was mainly due to cost savings during the period.

Finance costs for the period was HK\$0.9 million (2010: HK\$0.9 million) and tax charge for the period was HK\$10.2 million (2010: restated HK\$7.7 million). The Group's consolidated profit from continuing operations before non-controlling interests for the period was HK\$47.0 million (2010: HK\$69.8 million).

DIVIDEND

As in previous years, the board of Directors (the "Board") does not recommend the payment of an interim dividend for the period (2010: Nil).

REVIEW OF OPERATIONS

The revenue for the two office and commercial premises in Shanghai of the Property Division was HK\$41.6 million (2010: HK\$41.7 million) and recurring EBIT before profit on revaluation of investment properties was HK\$38.5 million (2010: HK\$38.3 million).

During the period, the Group continued to hold debt securities issued by a subsidiary of Hutchison Whampoa Limited. These debt securities provide an effective interest yield of approximately 5% which is higher than the prevailing low interest yield offered by bank deposits. As at 30 June 2011, the fair market value of the debt securities was HK\$1,230.4 million (31 December 2010: HK\$1,228.4 million).

OUTLOOK

The Property Division is expected to continue contributing stable rental income and profit to the Group.

The Group has maintained a healthy balance sheet and liquidity with cash, cash equivalents and other liquid listed investments of HK\$5,667.3 million as at 30 June 2011 (31 December 2010: HK\$5,803.6 million). Management will continue to look at other opportunities to deliver increased value to shareholders.

On behalf of the Board, I would like to express the Board's gratitude to all the 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, 2 August 2011

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 Group funding needs and monitors financial risks, such as those relating to interest and foreign exchange rates, as well as counterparty.

As at 30 June 2011, 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 rate for the listed debt securities was fixed.

The Group has interest bearing shareholders' loans from non-controlling shareholders. Loans from non-controlling shareholders were issued at fixed rates and exposed the Group to fair value interest rate risk.

Foreign currency exposure

The Group's revenue and the majority of its operating costs and cost of sales 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 to be managed in a prudent manner, usually in the form of bank deposits with reputable banks and financial institutions attaining a minimum credit rating of A3/A- from Moody's and Standard & Poor's. Any deviation in these ratings requires approval from senior management in order to manage counterparty risk.

The Group's available-for-sales financial assets were listed in Luxembourg with credit rating of A3/A- as rated by Moody's and Standard & Poor's as at 30 June 2011.

CAPITAL RESOURCES AND OTHER INFORMATION

CAPITAL RESOURCES AND LIQUIDITY

As at 30 June 2011, the Group's total cash and cash equivalents together with other listed investments amounted to HK\$5,667.3 million (31 December 2010: HK\$5,803.6 million), 89.8% of which were denominated in United States dollars, 9.9% in Renminbi and the remainder in various other currencies.

As at 30 June 2011, the Group's total borrowings were HK\$40.2 million (31 December 2010: HK\$40.1 million), which were the loans from non-controlling shareholders of the Group's subsidiaries. The gearing ratio, calculated by dividing net debt by total shareholders' equity, was 0.6% as at 30 June 2011 (31 December 2010: 0.6%).

CASH FLOWS

The Group maintains a healthy financial position. During the six months ended 30 June 2011, net cash generated from operating activities and used in investing activities amounted to HK\$63.7 million and HK\$7.9 million respectively (30 June 2010: net cash generated from operating activities and investing activities amounted to HK\$50.9 million and HK\$1.2 million respectively). Major outflow of funds during the period mainly included payments of final dividend.

CHARGES AND CONTINGENT LIABILITIES

The Group had neither any charges on its assets nor provided any guarantee as at 30 June 2011 and 31 December 2010.

HUMAN RESOURCES

As at 30 June 2011, the Group employed 57 staff members (30 June 2010: 101). Total employee costs for the period ended 30 June 2011, including directors' emoluments, amounted to HK\$6.7 million (2010: HK\$24.6 million). The Group's employment and remuneration policies remain the same as those described in the Annual Report for the year ended 31 December 2010.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 June 2011, 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 2011, 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	0.05576%
Endo Shigeru	Beneficial owner	Personal interest	80,000	5,000,000 ⁽²⁾	5,080,000	0.05665%

Notes:

(1) Such shares were held by a company which is equally controlled 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 11.

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	6,010,875 ⁽¹⁾	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	150,000	150,000	0.00352%
Edith Shih	Beneficial owner Interest of spouse	Personal interest Family interest	57,200) 7,400)	64,600	0.00152%
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 controlled 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.

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

As at 30 June 2011, 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");
- (iii) corporate interests in a nominal amount of US\$1,216,000 in the 6.5% Notes due 2013 issued by Hutchison Whampoa International (03/13) Limited;

DISCLOSURE OF INTERESTS

- (iv) 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
- (v) 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 held the above personal interests in his capacity as a beneficial owner and held the above corporate interests through a company which is equally controlled by Mr Fok and his spouse.

As at 30 June 2011, Mr Tsui Kin Tung, Tony had personal interests in his capacity as a beneficial owner in a nominal amount of US\$200,000 in the 6.25% Notes due 2014 issued by Hutchison Whampoa International (03/33) Limited.

As at 30 June 2011, 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 2011, 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 US\$300,000 in the 7.625% Notes due 2019 issued by Hutchison Whampoa International (09) Limited;
- (iv) a nominal amount of US\$300,000 in the 6.625% Guaranteed Perpetual Capital Securities issued by PHBS Limited; and
- (v) a nominal amount of US\$200,000 in the Subordinated Guaranteed Perpetual Capital Securities issued by Hutchison Whampoa International (10) Limited.

Save as disclosed above, as at 30 June 2011, 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 2011, 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	71.37%
Li Ka-Shing Unity Trustcorp Limited ("LKSUT")	Trustee and beneficiary of a trust	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.37%
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	71.37%
Li Ka-Shing Unity Trustee Company Limited ("LKSUTCO")	Trustee	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.37%
Cheung Kong (Holdings) Limited ("CKH")	Interest of controlled corporations	6,399,728,952 ^{(1),(2),(3)}	6,399,728,952	71.37%
HWL	Interest of controlled corporations	6,399,728,952 ^{(1),(2)}	6,399,728,952	71.37%
Hutchison International Limited ("HIL")	Interest of controlled corporations	6,399,728,952 ^{(1),(2)}	6,399,728,952	71.37%
Promising Land International Inc. ("Promising Land")	Beneficial owner	4,155,284,508 ⁽¹⁾	4,155,284,508	46.34%
Uptalent Investments Limited ("Uptalent")	Beneficial owner	2,244,444,444 ⁽²⁾	2,244,444,444	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 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	804,234,000	8.97%

Save as disclosed above, as at 30 June 2011, there was no other person (other than the Directors and 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 2011 and options granted, exercised, cancelled or lapsed under such scheme during the period were as follows:

	Grant date	Options held at 1 January 2011	Options granted during the period	Options exercised during the period	Options cancelled/ lapsed during the period	Options held at 30 June 2011	Exercise period ⁽¹⁾	Exercise price per share HK\$	Share price on the grant date ⁽²⁾ HK\$	Share price on the exercise date ⁽³⁾ HK\$
Director										
Endo Shigeru	3.6.2005	5,000,000	-	-	-	5,000,000	3.6.2006 – 2.6.2015	0.822	0.82	N/A
Sub-total		5,000,000	-	-	-	5,000,000				
Other employees										
	3.6.2005	600,000	-	-	-	600,000	3.6.2006 – 2.6.2015	0.822	0.82	N/A
	25.5.2007	1,536,000	-	-	-	1,536,000	25.5.2008 – 24.5.2017	0.616	0.61	N/A
Sub-total		2,136,000	-	-	-	2,136,000				
Total		7,136,000	-	-	-	7,136,000				

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) The stated price was the weighted average closing price of the shares of the Company immediately before the dates on which the options were exercised.

No share option had been granted under the share option scheme of the Company during the six months ended 30 June 2011.

As at 30 June 2011, out of the 7,136,000 (31 December 2010: 7,136,000) outstanding share options, 7,136,000 (31 December 2010: 7,136,000) 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 stakeholder interests. The principles of corporate governance adopted by the group emphasise a quality board, sound internal controls, transparency and accountability.

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 to 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 2011.

COMPLIANCE WITH THE MODEL CODE

The Board 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 of the Company have confirmed that they have complied with the Model Code in their securities transactions throughout the accounting period covered by this interim report.

AUDIT COMMITTEE

The Audit Committee of the Company comprises two Independent Non-executive Directors and one Non-executive Director who possess the appropriate professional qualifications, accounting, business or financial management expertise. They contribute to enhancing the financial governance, internal controls and risk management of the Company. It is chaired by Mr Kwan Kai Cheong with Mr Ronald Joseph Arculli and Dr Lam Lee G. as members. The Committee meets regularly with management, the internal auditor of the Company and representatives of external auditor of the Company and reviews matters relating to audit, accounting and financial statements as well as internal controls, risk evaluation and general compliance of the Group and reports directly to the Board. The terms of reference of the Audit Committee adopted by the Board are published on the website of the Company. The unaudited condensed consolidated interim accounts of the Group for the six months ended 30 June 2011 have been reviewed and endorsed by the Audit Committee of the Company.

REMUNERATION COMMITTEE

The Remuneration Committee of the Company comprises three members with expertise in human resources and personnel emoluments. The Remuneration Committee is chaired by the Chairman of the Company, Mr Fok Kin-ning, Canning with Mr Kwan Kai Cheong and Dr Lam Lee G., both Independent Non-executive Directors, as members. The Remuneration Committee is charged with the responsibility of assisting the Board in achieving its objective of attracting, retaining and motivating employees of the highest calibre and experience needed to develop and implement the strategy across the Group. It also assists the Group in the development and administration of a fair and transparent procedure for setting policies on the remuneration of Directors and senior management of the Company and for determining their remuneration packages. The terms of reference of the Remuneration Committee adopted by the Board are published on the website of the Company.

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 since the date of the 2010 Annual Report are set out below:

Name of Director	Details of Changes
Edith Shih	Appointed as Alternate Director to Mr Endo Shigeru, an Executive Director of the Company, on 21 July 2011
Kwan Kai Cheong	Appointed as an independent non-executive director of Goldpoly New Energy Holdings Limited, whose shares are listed on the Main Board of the SEHK, on 1 April 2011
Lam Lee G.	Resigned as an independent non-executive director of China.com Inc., whose shares are listed on the Growth Enterprise Market of the SEHK, on 23 March 2011 Resigned as an independent non-executive director of Sino Resources Group Limited, whose shares are listed on the Main Board of the SEHK, on 23 March 2011

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 15 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 2011 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, 2 August 2011

INTERIM ACCOUNTS

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2011

		Unaudited	
		2011	As restated (Note 1) 2010
		HK\$'000	HK\$'000
	Note		
Continuing operations			
Revenue	2	41,629	41,740
Cost of sales		(7,171)	(6,764)
Gross profit		34,458	34,976
Interest income		37,850	37,461
Other income, net		–	28,141
Administrative expenses		(12,573)	(21,594)
Selling and distribution costs		(1,626)	(678)
Operating profit	3	58,109	78,306
Finance costs	4	(889)	(874)
Profit before tax		57,220	77,432
Tax charge	5	(10,172)	(7,678)
Profit for the period from continuing operations		47,048	69,754
Discontinued operations			
Profit for the period from discontinued operations	6	–	16,506
Profit for the period		47,048	86,260
Profit attributable to:			
Non-controlling interests		3,580	3,943
Shareholders of the Company		43,468	82,317
		47,048	86,260
Basic and diluted earnings per share attributable to shareholders of the Company			
	8		
– From continuing operations		HK0.48 cents	HK0.74 cents
– From discontinued operations		–	HK0.18 cents
		HK0.48 cents	HK0.92 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 2011

	Unaudited	
	2011 HK\$'000	As restated (Note 1) 2010 HK\$'000
Profit for the period	47,048	86,260
Other comprehensive income/(expenses):		
Translating accounts of foreign operations:		
– Gains/(losses) taken to reserves	29,592	(147)
– Gains transferred to income statement	–	(12,452)
Available-for-sale financial assets:		
– Valuation gains taken to reserves	7,907	26,413
– Valuation gains transferred to income statement	–	(3,265)
Other comprehensive income for the period, net of tax *	37,499	10,549
Total comprehensive income for the period	84,547	96,809
Total comprehensive income attributable to:		
Non-controlling interests	7,149	3,842
Shareholders of the Company	77,398	92,967
	84,547	96,809

* There is no tax effect on each component of the other comprehensive income/(expenses) for the six months ended 30 June 2011 and 2010.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	(Note 1)
	Note	30 June	Audited
		2011	31 December
		HK\$'000	2010
			HK\$'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	7,589	7,836
Investment properties		961,560	937,521
Leasehold land and land use rights		3,472	3,440
Available-for-sale financial assets	10	1,230,398	1,228,390
		2,203,019	2,177,187
Current assets			
Trade receivables	11	1,091	1,805
Deposits, prepayments and other receivables		39,194	36,682
Cash and bank deposits		4,436,872	4,575,232
		4,477,157	4,613,719
Total assets		6,680,176	6,790,906

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited 30 June 2011 HK\$'000	(Note 1) Audited 31 December 2010 HK\$'000
	Note		
EQUITY			
Equity attributable to shareholders of the Company			
Share capital		896,680	896,680
Reserves		5,194,589	5,314,461
		6,091,269	6,211,141
Non-controlling interests		124,241	117,092
Total equity		6,215,510	6,328,233
LIABILITIES			
Non-current liabilities			
Deferred tax liabilities	12	145,654	137,195
		145,654	137,195
Current liabilities			
Deposits received, other creditors and accruals	13	237,746	245,369
Other current financial liabilities	14	40,205	40,115
Tax payables		41,061	39,994
		319,012	325,478
Total liabilities		464,666	462,673
Total equity and liabilities		6,680,176	6,790,906
Net current assets		4,158,145	4,288,241
Total assets less current liabilities		6,361,164	6,465,428

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2011

	Note	Unaudited	
		2011 HK\$'000	2010 HK\$'000
Continuing operations			
Operating activities			
Cash generated from operating activities before finance costs, tax paid and changes in working capital		20,758	37,333
Changes in working capital		8,052	(21,063)
		28,810	16,270
Cash generated from continuing operations		42,772	43,714
Interest received		(7,912)	(9,078)
Tax paid			
		63,670	50,906
Investing activities			
Increase in time deposits with maturity over three months		(7,920)	(2,033)
Proceeds on disposal of available-for-sale financial assets, overseas, listed investments		–	3,265
		(7,920)	1,232
Financing activities			
Interest paid to non-controlling shareholders		(4,760)	–
Proceeds from issue of shares		–	6,632
Dividend paid		(197,270)	(197,162)
		(202,030)	(190,530)
		(146,280)	(138,392)
Discontinued operations			
Decrease in cash and cash equivalents from discontinued operations	6(b)	–	(9,359)
Cash and cash equivalents at 1 January		4,361,458	4,530,118
Cash and cash equivalents at 30 June		4,215,178	4,382,367
Analysis of cash, liquid funds and listed investments			
Deposits with banks with maturity of less than three months		4,140,325	4,218,800
Cash at banks and on hand		74,853	163,567
		4,215,178	4,382,367
Cash and cash equivalents		221,694	206,211
Time deposits with maturity over three months		1,230,398	1,231,625
Available-for-sale financial assets, overseas, listed investments			
		5,667,270	5,820,203
Total cash, liquid funds and listed investments		5,667,270	5,820,203

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Unaudited									
	Attributable to shareholders of the Company							Non-controlling interests	Total	
	Share capital	Share premium	Exchange reserve	Other properties	(Note)		Retained profits	Sub-total		
				revaluation reserve	Other reserves	Other reserves				
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 January 2011	896,680	2,611,724	170,413	2,045	87,152	2,443,127	6,211,141	117,092	6,328,233	
Translating accounts of foreign operations:										
– Gains taken to reserves			25,971	52	–	–	26,023	3,569	29,592	
Available-for-sale financial assets:										
– Valuation gains taken to reserves			–	–	7,907	–	7,907	–	7,907	
Net income recognised directly in equity			25,971	52	7,907	–	33,930	3,569	37,499	
Profit for the period			–	–	–	43,468	43,468	3,580	47,048	
Total comprehensive income			25,971	52	7,907	43,468	77,398	7,149	84,547	
2010 final dividend paid	–	–	–	–	–	(197,270)	(197,270)	–	(197,270)	
At 30 June 2011	896,680	2,611,724	196,384	2,097	95,059	2,289,325	6,091,269	124,241	6,215,510	

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2011

	Unaudited								
	Attributable to shareholders of the Company							Non-controlling interests	Total
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Other properties revaluation reserve HK\$'000	(Note) Other reserves HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000	HK\$'000	HK\$'000
At 1 January 2010	895,207	2,600,617	161,572	2,877	67,524	2,483,805	6,211,602	113,406	6,325,008
Prior year adjustments in respect of early adoption of HKAS 12 (Note 1)	-	-	-	-	-	152	152	-	152
At 1 January 2010, as restated	895,207	2,600,617	161,572	2,877	67,524	2,483,957	6,211,754	113,406	6,325,160

Translating accounts of foreign operations:									
- Losses taken to reserves			(46)	-	-	-	(46)	(101)	(147)
- Gains transferred to income statement			(12,452)	-	-	-	(12,452)	-	(12,452)
Available-for-sale financial assets:									
- Valuation gains taken to reserves			-	-	26,413	-	26,413	-	26,413
- Valuation gains transferred to income statement			-	-	(3,265)	-	(3,265)	-	(3,265)
Net income/(expenses) recognised directly in equity			(12,498)	-	23,148	-	10,650	(101)	10,549
Profit for the period			-	-	-	82,317	82,317	3,943	86,260
Total comprehensive income/(expenses)			(12,498)	-	23,148	82,317	92,967	3,842	96,809

Relating to subsidiaries disposed of	-	-	-	-	-	-	-	(1,983)	(1,983)
Employee share option benefits	-	-	-	-	(219)	-	(219)	-	(219)
Issue of shares	985	7,245	-	-	(1,598)	-	6,632	-	6,632
Transfer between reserves	-	-	-	-	(350)	350	-	-	-
2009 final dividend paid	-	-	-	-	-	(197,162)	(197,162)	-	(197,162)
At 30 June 2010	896,192	2,607,862	149,074	2,877	88,505	2,369,462	6,113,972	115,265	6,229,237

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 2010	56,134	7,832	3,558	67,524
At 30 June 2010	79,282	5,665	3,558	88,505
At 1 January 2011	81,801	1,793	3,558	87,152
At 30 June 2011	89,708	1,793	3,558	95,059

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 2010.

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.

In the current period, the Group has adopted all of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group's operations and mandatory for accounting periods beginning 1 January 2011. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results of operations or financial position.

In the current period, the Group has adopted amendments to HKAS 12 "Income taxes – Deferred Tax: Recovery of Underlying Assets" with retrospective effect, ahead of its mandatory effective date of 1 January 2012. As a result of the adoption of amendments to HKAS 12, the Group now measures deferred tax liability in respect of its investment properties with reference to the tax liability that would arise if the properties were disposed of at their carrying amounts at the reporting date, unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Previously, where these properties were held under leasehold interests, deferred tax was generally measured using the tax rate that would apply as a result of recovery of the asset's value through use.

This change in accounting policy has been applied retrospectively and certain adjustments have been made to the comparative information. The change in accounting policy has resulted in a decrease of HK\$97,000 to the deferred tax charge for the six months ended 30 June 2010 in the consolidated income statement, thus an increase of HK\$97,000 in profit attributable to shareholders for the period. The impact to the basic and diluted earning per share is not significant. The opening retained profits at 1 January 2010 have been increased by HK\$152,000 and there is no effect on the opening retained profits at 1 January 2011.

Except for these changes, the accounting policies applied and methods of computation used in the preparation of these interim accounts are consistent with those used in the 2010 annual accounts.

2 REVENUE AND SEGMENT INFORMATION

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

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Rental and service income from investment properties	41,629	41,740

NOTES TO THE CONDENSED INTERIM ACCOUNTS

2 REVENUE AND SEGMENT INFORMATION (Continued)

The Group has two reportable segments, including property division and other corporate division. Subsequent to the disposal of the Group's technology business and licensing and sourcing business in 2010, the Group discontinued the technology division and licensing and sourcing division. Accordingly, the technology division and licensing and sourcing division are accounted for as discontinued operations. The comparative financial information for the six months ended 30 June 2010 has been reclassified to conform with the current period presentation in accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations".

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.

Earnings/(losses) before interest expense and tax ("EBIT" or "LBIT") 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/(LBIT) is used on the Group's internal financial and management reporting to monitor business performances.

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

Segment information:

	Six months ended 30 June 2011		
	Property division HK\$'000	Other corporate division HK\$'000	Group HK\$'000
Segment revenue			
Company and subsidiaries	41,629	–	41,629
Earnings before interest expense and tax	38,485	19,624	58,109
Finance costs	(889)	–	(889)
Tax charge	(10,172)	–	(10,172)
Profit for the period			47,048
Interest income	6,276	31,574	37,850
Depreciation of property, plant and equipment	(444)	–	(444)
Amortisation of leasehold land and land use rights	(55)	–	(55)

NOTES TO THE CONDENSED INTERIM ACCOUNTS

2 REVENUE AND SEGMENT INFORMATION (Continued)

Segment information: (Continued)

	Six months ended 30 June 2010							
	Property division HK\$'000	Other corporate division HK\$'000	Total continuing operations HK\$'000	Discontinued operation (Technology division) HK\$'000	Discontinued operation (Licensing and sourcing division) HK\$'000	Total discontinued operations HK\$'000	Elimination HK\$'000	Group HK\$'000
Segment revenue								
Company and subsidiaries	41,989	–	41,989	15,229	38,145	53,374	(249)	95,114
Inter-segment sales	(249)	–	(249)	–	–	–	249	–
Revenue from external customers	41,740	–	41,740	15,229	38,145	53,374	–	95,114
Segment results before changes in fair value of investment properties and profits on disposal of investments and others – Company and subsidiaries	38,340	11,825	50,165	(17,999)	8,448	(9,551)		40,614
Changes in fair value of investment properties	590	–	590	–	–	–		590
Profits on disposal of investments and others	–	27,551	27,551	16,780	10,077	26,857		54,408
Earnings/(losses) before interest expense and tax	38,930	39,376	78,306	(1,219)	18,525	17,306		95,612
Finance costs	(874)	–	(874)	–	(380)	(380)		(1,254)
Tax (charge)/credit	(10,398)	2,720	(7,678)	–	(420)	(420)		(8,098)
Profit for the period			69,754			16,506		86,260
Interest income	4,476	32,985	37,461	10	42	52		37,513
Capital expenditure	–	–	–	(25)	–	(25)		(25)
Depreciation of property, plant and equipment	(496)	(11)	(507)	(66)	–	(66)		(573)
Amortisation of leasehold land and land use rights	(55)	–	(55)	–	–	–		(55)

NOTES TO THE CONDENSED INTERIM ACCOUNTS

3 OPERATING PROFIT

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Operating profit is stated after crediting and charging the following:		
<u>Crediting</u>		
Increase in fair value of investment properties	–	590
Net exchange gains	–	24,286
Gain on disposal of available-for-sale financial assets	–	3,265
<u>Charging</u>		
Staff costs (including directors' emoluments)	6,689	13,516
Depreciation of property, plant and equipment	444	507
Amortisation of leasehold land and land use rights	55	55
Operating lease charges in respect of properties	1,501	503

Note:

Other income, net for the six months ended 30 June 2010 included increase in fair value of investment properties, net exchange gains and gain on disposal of available-for-sale financial assets.

4 FINANCE COSTS

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Interest on loans from non-controlling shareholders (repayable on demand)	889	–
Interest on loans from non-controlling shareholders (not wholly repayable within five years)	–	874
	889	874

5 TAX CHARGE

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Current tax		
– Outside Hong Kong	5,136	5,605
Deferred tax charge	5,036	2,073
	10,172	7,678

PRC Enterprise Income Tax:

The Group's subsidiaries in the Mainland China are subject to Enterprise Income Tax of Mainland China at a standard rate of 25% for 2011 (2010: 25%).

Hong Kong Profits Tax:

No Hong Kong profits tax has been provided as the Group has no estimated assessable profits for the six months ended 30 June 2011 (2010: Nil).

NOTES TO THE CONDENSED INTERIM ACCOUNTS

6 PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS

- (a) Results of the technology and licensing and sourcing divisions have been included in the condensed consolidated income statement as follows:

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Revenue	–	53,374
Cost of sales	–	(51,181)
Gross profit	–	2,193
Interest income	–	52
Other income, net (<i>Note</i>)	–	26,857
Administrative expenses	–	(7,084)
Selling and distribution costs	–	(4,712)
Operating profit	–	17,306
Finance costs	–	(380)
Profit before tax	–	16,926
Tax charge	–	(420)
Profit for the period from discontinued operations	–	16,506
Attributable to shareholders of the Company	–	15,781
Attributable to non-controlling interests	–	725
	–	16,506

Note:

Other income, net for the six months ended 30 June 2010 included gain on disposal of subsidiaries of HK\$16,780,000 and gain on reduction of licence fees payable on branded products of HK\$10,077,000.

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

	Six months ended 30 June	
	2011 HK\$'000	2010 HK\$'000
Net cash from operating activities	–	15,801
Net cash used in investing activities	–	(25,160)
Decrease in cash and cash equivalents	–	(9,359)

NOTES TO THE CONDENSED INTERIM ACCOUNTS

7 INTERIM DIVIDEND

At a meeting held on 21 March 2011 the directors declared a final dividend of HK2.2 cents per ordinary share for the year ended 31 December 2010. Total amount of HK\$197,270,000 was paid on 20 May 2011 and has been reflected as an appropriation of retained profits for the six months ended 30 June 2011.

The directors do not recommend the payment of an interim dividend in respect of the six months ended 30 June 2011 (2010: 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	
	2011	2010
Weighted average number of ordinary shares in issue	8,966,804,707	8,960,861,701
Profit from continuing operations attributable to shareholders of the Company (HK\$'000)	43,468	66,536
Basic earnings per share from continuing operations attributable to shareholders of the Company (HK cent per share)	0.48	0.74
Profit from discontinued operations attributable to shareholders of the Company (HK\$'000)	–	15,781
Basic earnings per share from discontinued operations attributable to shareholders of the Company (HK cent per share)	–	0.18

The profit from continuing operations attributable to shareholders of the Company of HK\$66,536,000 for the six months ended 30 June 2010 is derived from the profit attributable to the shareholders of the Company of HK\$82,317,000 as adjusted by the profit from discontinued operations of HK\$15,781,000 attributable to shareholders of the Company (Note 6).

NOTES TO THE CONDENSED INTERIM ACCOUNTS

8 EARNINGS PER SHARE (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of the share options that have been granted under the Company's share option scheme to reflect the dilutive potential ordinary shares of the Company. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price of the Company's shares over the period) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 June	
	2011	2010
Weighted average number of ordinary shares in issue	8,966,804,707	8,960,861,701
Adjustment for share options	1,235,521	1,872,262
	8,968,040,228	8,962,733,963
Profit from continuing operations attributable to shareholders of the Company (HK\$'000)	43,468	66,536
Diluted earnings per share from continuing operations attributable to shareholders of the Company (HK cent per share)	0.48	0.74
Profit from discontinued operations attributable to shareholders of the Company (HK\$'000)	–	15,781
Diluted earnings per share from discontinued operations attributable to shareholders of the Company (HK cent per share)	–	0.18

NOTES TO THE CONDENSED INTERIM ACCOUNTS

9 PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2010, the Group acquired property, plant and equipment with a cost of HK\$25,000 and disposed of property, plant and equipment with net book value of HK\$1,433,000 through the disposal of subsidiaries.

10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Overseas listed debt securities, at fair value	1,230,398	1,228,390

11 TRADE RECEIVABLES

The Group's trade receivables represented rental receivables which no credit term is granted. At 30 June 2011 and 31 December 2010, the aging analysis of trade receivables, net of provision, based on the date of invoice is as follows:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
0-30 days	820	1,650
31-60 days	149	138
61-90 days	60	17
Over 90 days	62	–
	1,091	1,805

12 DEFERRED TAX

Analysis of deferred tax liabilities:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Accelerated depreciation allowances	87,945	81,699
Changes in fair value of investment properties	52,331	51,065
Other temporary differences	5,378	4,431
	145,654	137,195

NOTES TO THE CONDENSED INTERIM ACCOUNTS

13 DEPOSITS RECEIVED, OTHER CREDITORS AND ACCRUALS

Included in deposits received, other creditors and accruals at 30 June 2011 are provisions and accruals of approximately HK\$124 million (31 December 2010: HK\$124 million) in respect of legal and constructive obligations in connection with disposals of subsidiaries in 2008; and the amounts due to certain subsidiaries of Hutchison Whampoa Limited of HK\$30,924,000 (31 December 2010: HK\$30,924,000).

14 OTHER CURRENT FINANCIAL LIABILITIES

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Loans from non-controlling shareholders	40,205	40,115

15 CAPITAL COMMITMENTS

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Capital commitments for property, plant and equipment:		
Authorised but not contracted for	360	–

16 OPERATING LEASES

(a) At 30 June 2011 and 31 December 2010, the Group had future aggregate minimum lease receivables under non-cancellable operating leases in respect of investment properties as follows:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Not later than one year	75,769	67,319
Later than one year and not later than five years	65,835	58,712
Later than five years	13,621	–
	155,225	126,031

NOTES TO THE CONDENSED INTERIM ACCOUNTS

16 OPERATING LEASES (Continued)

- (b) At 30 June 2011 and 31 December 2010, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of properties as follows:

	30 June 2011 HK\$'000	31 December 2010 HK\$'000
Not later than one year	1,111	2,778

17 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) 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 2011 were approximately HK\$2,800,000 (2010: HK\$2,800,000).
- (b) During the period, the Group paid rental expenses and management fee to subsidiaries of Hutchison Whampoa Limited of approximately HK\$2,329,000 (2010: HK\$2,362,000).
- (c) The Group has purchased notes issued by a subsidiary of Hutchison Whampoa Limited in 2009 from the market (Note 10). Net interest income recognised during the period was approximately HK\$28,957,000 (2010: HK\$29,089,000).
- (d) The Group sold licensed products to certain subsidiaries of Hutchison Whampoa Limited. The aggregate invoiced amounts for the six months ended 30 June 2010 were approximately HK\$662,000.
- (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	
	2011 HK\$'000	2010 HK\$'000
Salaries and other short-term employee benefits	1,141	1,046

18 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 Main Board of The Stock Exchange of Hong Kong Limited
STOCK CODE	715
REGISTERED OFFICE	Clarendon House, 2 Church Street Hamilton HM11, Bermuda Telephone : +441 295 5950 Facsimile : +441 292 4720
PRINCIPAL PLACE OF BUSINESS	22nd Floor, Hutchison House 10 Harcourt Road, Hong Kong Telephone : +852 2128 1188 Facsimile : +852 2128 1778
PRINCIPAL EXECUTIVE OFFICE	Unit 507A, 5/F, Two Harbourfront, 22 Tak Fung 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 8555 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 507A, 5/F, Two Harbourfront, 22 Tak Fung Street Hung Hom, Kowloon, Hong Kong Telephone : +852 2861 1638 Facsimile : +852 2422 1639
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