



HUTCHISON PORT HOLDINGS TRUST (“HPH Trust”) FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

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The issue managers for the initial public offering of HPH Trust (the “Offering”) were DBS Bank Ltd., Deutsche Bank AG, Singapore Branch, and Goldman Sachs (Singapore) Pte. The issue managers for the Offering assume no responsibility for the contents of this announcement.

Footnotes:

- (a) The prospectus dated 7 March 2011 (“Prospectus”) issued by HPH Trust in connection with the proposed listing of the units in HPH Trust in the form of a business trust established under the laws of Singapore on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”).
- (b) The listing manual issued by the Singapore Exchange Securities Trading Limited (“Listing Manual”).

1(a)(i) Consolidated income statements for the year ended 31 December 2012

	Group					
	01/10/2012 to 31/12/2012	01/10/2011 to 31/12/2011	Favorable/ (Unfavorable)	01/01/2012 To 31/12/2012	25/02/2011 to 31/12/2011 ^(a)	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Revenue and other income	3,147.8	3,088.8	1.9	12,427.0	9,735.3	27.6
Cost of services rendered	(1,062.6)	(1,035.6)	(2.6)	(4,267.5)	(3,242.0)	(31.6)
Staff costs	(61.8)	(57.5)	(7.5)	(261.7)	(190.4)	(37.4)
Depreciation and amortisation	(684.8)	(688.0)	0.5	(2,752.5)	(2,150.1)	(28.0)
Other operating income	60.9	38.6	57.8	83.3	153.7	(45.8)
Other operating expenses	(197.9)	(187.5)	(5.5)	(830.6)	(588.1)	(41.2)
Total operating expenses	(1,946.2)	(1,930.0)	(0.8)	(8,029.0)	(6,016.9)	(33.4)
Operating profit	1,201.6	1,158.8	3.7	4,398.0	3,718.4	18.3
Interest and other finance costs	(147.8)	(138.6)	(6.6)	(598.4)	(416.2)	(43.8)
Share of profits less losses after tax of associated companies	6.1	4.6	32.6	20.9	13.4	56.0
Share of profits less losses after tax of jointly controlled entities	21.8	29.2	(25.3)	140.6	126.9	10.8
Profit before tax	1,081.7	1,054.0	2.6	3,961.1	3,442.5	15.1
Taxation	(89.1)	(137.2)	35.1	(376.5)	(425.0)	11.4
Profit for the period/year	992.6	916.8	8.3	3,584.6	3,017.5	18.8
Allocated as:						
Profit attributable to non-controlling interests	(349.0)	(308.6)	13.1	(1,296.2)	(1,047.2)	23.8
Profit attributable to unitholders of HPH Trust	643.6	608.2	5.8	2,288.4	1,970.3	16.1
Earnings per unit attributable to unitholders of HPH Trust	HK cents 7.39	HK cents 6.98	5.8	HK cents 26.28	HK cents 22.62	16.1

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

1(a)(ii) Consolidated statements of comprehensive income for the year ended 31 December 2012

Group						
	01/10/2012 to 31/12/2012	01/10/2011 to 31/12/2011	Favorable/ (Unfavorable)	01/01/2012 to 31/12/2012	25/02/2011 to 31/12/2011 ^(a)	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Comprehensive Income:						
Profit for the period/year	992.6	916.8	8.3	3,584.6	3,017.5	18.8
Other comprehensive income^(b):						
Investments						
Valuation gains/(losses) taken to reserves	3.3	0.7	371.4	10.8	(2.5)	532.0
Currency translation differences	16.5	14.2	16.2	16.8	55.6	(69.8)
Actuarial losses of defined benefit plans	(110.7)	(118.5)	6.6	(110.7)	(204.5)	45.9
Total comprehensive income for the period/year	901.7	813.2	10.9	3,501.5	2,866.1	22.2
Allocated as:						
Attributable to non-controlling interests	(355.9)	(314.7)	13.1	(1,303.4)	(1,070.2)	21.8
Attributable to unitholders of HPH Trust	545.8	498.5	9.5	2,198.1	1,795.9	22.4

Footnotes:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.
- (b) Items shown within other comprehensive income have no tax effect.

1(b)(i) Statements of financial position as at 31 December 2012

	Group	
	31/12/2012	31/12/2011
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Fixed assets	26,247.9	26,765.0
Projects under development	1,315.4	1,349.7
Leasehold land and land use rights	44,958.9	46,221.3
Railway usage rights	16.0	16.4
Customer relationships	7,841.2	8,171.0
Goodwill	41,629.0	41,594.1
Associated companies	139.7	129.2
Jointly controlled entities	2,548.8	2,595.5
Investments	820.4	809.6
Deferred tax assets	9.0	9.0
Total non-current assets	125,526.3	127,660.8
Current assets		
Cash and cash equivalents	6,168.8	7,890.5
Trade and other receivables	3,022.6	3,006.7
Inventories	132.4	143.6
Total current assets	9,323.8	11,040.8
Current liabilities		
Trade and other payables ^(a)	7,713.6	8,871.1
Bank loans	32.7	32.6
Current tax liabilities	220.4	279.7
Total current liabilities	7,966.7	9,183.4
Net current assets	1,357.1	1,857.4
Total assets less current liabilities	126,883.4	129,518.2
Non-current liabilities		
Bank loans	29,108.7	29,019.7
Pension obligations	347.5	265.3
Deferred tax liabilities	11,900.6	12,209.7
Other non-current liabilities	19.5	0.5
Total non-current liabilities	41,376.3	41,495.2
Net assets	85,507.1	88,023.0
EQUITY		
Units in issue	68,539.8	68,539.8
Reserves	(1,383.8)	550.5
Net assets attributable to unitholders of HPH Trust	67,156.0	69,090.3
Non-controlling interests	18,351.1	18,932.7
Total equity	85,507.1	88,023.0

Footnote:

- (a) Trade and other payables was HK\$7,713.6 million as at 31 December 2012 whereas it was HK\$8,871.1 million as at 31 December 2011. The decrease was mainly due to payments made for dividends accrued for prior to the listing of HPH Trust on SGX-ST as disclosed in the Prospectus.

1(b)(i) Statements of financial position as at 31 December 2012

	Trust	
	31/12/2012	31/12/2011
	HK\$'M	HK\$'M
ASSETS		
Non-current assets		
Investment in a subsidiary	65,057.6	67,290.0
Total non-current assets	65,057.6	67,290.0
Current assets		
Cash and cash equivalents	2.5	1.3
Trade and other receivables	1.9	2.2
Total current assets	4.4	3.5
Current liabilities		
Trade and other payables	67.1	29.2
Total current liabilities	67.1	29.2
Net current liabilities	(62.7)	(25.7)
Total assets less current liabilities	64,994.9	67,264.3
Net assets	64,994.9	67,264.3
EQUITY		
Units in issue	68,539.8	68,539.8
Reserves	(3,544.9)	(1,275.5)
Total equity	64,994.9	67,264.3

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at 31 December 2012

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	27.7	5,714.6	5,742.3
Secured bank loans	5.0	23,531.4	23,536.4
Total principal amount of bank loans	32.7	29,246.0	29,278.7
Unamortised loan facilities fees	-	(137.3)	(137.3)
	32.7	29,108.7	29,141.4

Aggregate amount of the Group's borrowings and debt securities as at 31 December 2011

Group	Current portion HK\$'M	Non-current portion HK\$'M	Total HK\$'M
Unsecured bank loans	27.7	5,742.3	5,770.0
Secured bank loans	4.9	23,535.3	23,540.2
Total principal amount of bank loans	32.6	29,277.6	29,310.2
Unamortised loan facilities fees	-	(257.9)	(257.9)
	32.6	29,019.7	29,052.3

Details of any collateral at HPH Trust

Bank loans of HK\$23,536.4 million (31 December 2011: HK\$23,540.2 million) are secured by a charge over all of the shares in a subsidiary and charges over certain assets of subsidiary companies.

1(c) Consolidated statements of cash flows for the year ended 31 December 2012

	Group			
	01/10/2012 to 31/12/2012	01/10/2011 to 31/12/2011	01/01/2012 to 31/12/2012	25/02/2011 to 31/12/2011 ^(a)
	HK\$'M	HK\$'M	HK\$'M	HK\$'M
Operating activities				
Cash generated from operations ^(b)	1,573.8	2,049.9	5,634.5	5,532.9
Interest and other finance costs paid	(119.9)	(110.8)	(478.7)	(314.4)
Tax paid	(309.8)	(227.4)	(744.7)	(432.8)
Net cash from operating activities	1,144.1	1,711.7	4,411.1	4,785.7
Investing activities				
Acquisition of subsidiary companies	-	-	-	(56,527.4)
Purchase of fixed assets and additions to projects under development	(152.4)	(317.8)	(750.5)	(1,793.8)
Proceeds on disposal of fixed assets	0.4	0.3	3.6	2.0
Dividends received from investments	18.4	85.0	29.4	87.1
Dividends received from associated companies and jointly controlled entities	58.6	80.0	200.9	169.0
Interest received	14.2	36.9	94.2	107.2
Net cash used in investing activities	(60.8)	(115.6)	(422.4)	(57,955.9)
Financing activities				
Issuance of units	-	-	-	42,494.7
Drawdown of bank loans	-	2,770.0	-	26,170.0
Repayment of bank loans	(15.1)	(2,771.2)	(32.6)	(5,774.8)
Upfront debt transaction costs and facilities fee of bank loans	-	-	-	(351.2)
Repayment of loan by a jointly controlled entity	5.0	5.0	5.0	5.0
Distributions to unitholders of HPH Trust	-	-	(4,132.4)	(1,245.4)
Dividends to non-controlling interests	-	-	(1,550.4)	(237.6)
Net cash (used in)/from financing activities	(10.1)	3.8	(5,710.4)	61,060.7
Net changes in cash and cash equivalents	1,073.2	1,599.9	(1,721.7)	7,890.5
Cash and cash equivalents at beginning of the period/year	5,095.6	6,290.6	7,890.5	-
Cash and cash equivalents at end of the period/year	6,168.8	7,890.5	6,168.8	7,890.5

Footnotes:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.
- (b) Cash generated from operations for the quarter was HK\$1,573.8 million, whereas it was HK\$2,049.9 million last year for the quarter. The decrease was mainly due to timing difference of working capital with payments deferred to this quarter.

1(d)(i) Statements of changes in equity for the year ended 31 December 2012

Group

	Units in issue HK\$'M	Exchange and other reserves HK\$'M	Revaluation reserve HK\$'M	Pension reserve HK\$'M	Retained profits / (accumulated losses) HK\$'M	Attributable to unitholders HK\$'M	Non- controlling interests HK\$'M	Total HK\$'M
Balance as at 1 October 2012	68,539.8	32.6	5.0	(204.5)	(1,762.7)	66,610.2	19,015.1	85,625.3
Comprehensive income:								
Profit for the period	-	-	-	-	643.6	643.6	349.0	992.6
Investments:								
Valuation gains taken to reserves	-	-	3.3	-	-	3.3	-	3.3
Currency translation differences	-	9.6	-	-	-	9.6	6.9	16.5
Actuarial loss of defined benefit plans	-	-	-	(110.7)	-	(110.7)	-	(110.7)
Total comprehensive income/(loss)		9.6	3.3	(110.7)	643.6	545.8	355.9	901.7
Transaction with owners:								
Dividends	-	-	-	-	-	-	(1,019.9)	(1,019.9)
Balance as at 31 December 2012	68,539.8	42.2	8.3	(315.2)	(1,119.1)	67,156.0	18,351.1	85,507.1
Balance as at 1 January 2012	68,539.8	32.6	(2.5)	(204.5)	724.9	69,090.3	18,932.7	88,023.0
Comprehensive income:								
Profit for the year	-	-	-	-	2,288.4	2,288.4	1,296.2	3,584.6
Investments:								
Valuation gains taken to reserves	-	-	10.8	-	-	10.8	-	10.8
Currency translation differences	-	9.6	-	-	-	9.6	7.2	16.8
Actuarial loss of defined benefit plans	-	-	-	(110.7)	-	(110.7)	-	(110.7)
Total comprehensive income/(loss)	-	9.6	10.8	(110.7)	2,288.4	2,198.1	1,303.4	3,501.5
Transaction with owners:								
Distributions	-	-	-	-	(4,132.4)	(4,132.4)	-	(4,132.4)
Dividends	-	-	-	-	-	-	(1,885.0)	(1,885.0)
Balance as at 31 December 2012	68,539.8	42.2	8.3	(315.2)	(1,119.1)	67,156.0	18,351.1	85,507.1
Balance as at 1 October 2011	68,539.8	24.5	(3.2)	(86.0)	116.7	68,591.8	19,303.3	87,895.1
Comprehensive income:								
Profit for the period	-	-	-	-	608.2	608.2	308.6	916.8
Investments:								
Valuation gains taken to reserves	-	-	0.7	-	-	0.7	-	0.7
Currency translation differences	-	8.1	-	-	-	8.1	6.1	14.2
Actuarial losses of defined benefit plans	-	-	-	(118.5)	-	(118.5)	-	(118.5)
Total comprehensive income/(loss)	-	8.1	0.7	(118.5)	608.2	498.5	314.7	813.2
Transaction with owners:								
Dividends	-	-	-	-	-	-	(685.3)	(685.3)
Balance as at 31 December 2011	68,539.8	32.6	(2.5)	(204.5)	724.9	69,090.3	18,932.7	88,023.0
Balance as at 25 February 2011 ^(a)	-	-	-	-	-	-	-	-
Comprehensive income:								
Profit for the period	-	-	-	-	1,970.3	1,970.3	1,047.2	3,017.5
Investments:								
Valuation losses taken to reserves	-	-	(2.5)	-	-	(2.5)	-	(2.5)
Currency translation differences	-	32.6	-	-	-	32.6	23.0	55.6
Actuarial losses of defined benefit plans	-	-	-	(204.5)	-	(204.5)	-	(204.5)
Total comprehensive income/(loss)	-	32.6	(2.5)	(204.5)	1,970.3	1,795.9	1,070.2	2,866.1
Transaction with owners:								
Issuance of units	68,539.8	-	-	-	-	68,539.8	-	68,539.8
Relating to acquisition of interests in subsidiary companies	-	-	-	-	-	-	18,785.4	18,785.4
Distributions	-	-	-	-	(1,245.4)	(1,245.4)	-	(1,245.4)
Dividends	-	-	-	-	-	-	(922.9)	(922.9)
Balance as at 31 December 2011	68,539.8	32.6	(2.5)	(204.5)	724.9	69,090.3	18,932.7	88,023.0

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

1(d)(i) Statements of changes in equity for the year ended 31 December 2012 (Continued)

Trust

	Units in issue HK\$'M	Retained profits / (accumulated losses) HK\$'M	Attributable to unitholders HK\$'M
Balance as at 1 October 2012	68,539.8	(3,532.4)	65,007.4
Loss and total comprehensive loss for the period	-	(12.5)	(12.5)
Balance as at 31 December 2012	68,539.8	(3,544.9)	64,994.9
Balance as at 1 January 2012	68,539.8	(1,275.5)	67,264.3
Profit and total comprehensive income for the year	-	1,863.0	1,863.0
Transaction with owners:			
Distributions	-	(4,132.4)	(4,132.4)
Balance as at 31 December 2012	68,539.8	(3,544.9)	64,994.9
Balance as at 1 October 2011	68,539.8	(1,258.6)	67,281.2
Loss and total comprehensive loss for the period	-	(16.9)	(16.9)
Balance as at 31 December 2011	68,539.8	(1,275.5)	67,264.3
Balance as at 25 February 2011 ^(a)	-	-	-
Loss and total comprehensive loss for the period	-	(30.1)	(30.1)
Transaction with owners:			
Issuance of units	68,539.8	-	68,539.8
Distributions	-	(1,245.4)	(1,245.4)
Balance as at 31 December 2011	68,539.8	(1,275.5)	67,264.3

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

1(d)(ii) Details of any change in units for the year ended 31 December 2012

	Group			
	01/10/2012 to 31/12/2012	01/10/2011 to 31/12/2011	01/01/2012 to 31/12/2012	25/02/2011 to 31/12/2011 ^(a)
At beginning of the period/year	8,708,888,000	8,708,888,000	8,708,888,000	-
Unit issued at registration	-	-	-	1
Units issued upon HPH Trust listing on SGX-ST on 18 March 2011	-	-	-	8,708,887,999
At end of the period/year	8,708,888,000	8,708,888,000	8,708,888,000	8,708,888,000

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The financial information for the year ended 31 December 2012 as set out in paragraphs 1, 6(i) and 6(ii) of this announcement was extracted from the accounts of HPH Trust and its subsidiaries for the year ended 31 December 2012 ("Accounts") which have been audited in accordance with International Auditing Standards issued by International Auditing and Assurance Standards Board.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

The audit report on the Accounts dated 1 February 2013 issued by PricewaterhouseCoopers LLP is enclosed in Appendix 1.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The accounting policies and methods of computation used in the preparation of the Accounts for the current year are consistent with those specified in the audited accounts of HPH Trust and its subsidiaries for the period from 25 February 2011 (date of constitution) to 31 December 2011 except for the adoption of the standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants effective and applicable for the Accounts. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The accounting policies and methods of computation used in the preparation of the Accounts for the current year are consistent with those specified in the audited accounts of HPH Trust and its subsidiaries for the period from 25 February 2011 (date of constitution) to 31 December 2011 except for the adoption of the standards, amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants effective and applicable for the Accounts. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

6. Group's earnings per unit ("EPU") and distribution per unit ("DPU") for the year ended 31 December 2012

	01/10/2012 to 31/12/2012	01/10/2011 to 31/12/2011	01/01/2012 to 31/12/2012	25/02/2011 to 31/12/2011 ^(a)
(i) Weighted average number of units in issue	8,708,888,000	8,708,888,000	8,708,888,000	8,708,888,000
(ii) Earnings per unit for the period/year based on the weighted average number of units in issue (HK cents) - Basic and diluted	7.39	6.98	26.28	22.62
(iii) Number of units issued at end of the period/year	8,708,888,000	8,708,888,000	8,708,888,000	8,708,888,000
(iv) Distribution per unit for the period/year (HK cents) ^(b)	27.19	23.40	51.24	37.70

Footnotes:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.
- (b) HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.

7(i). Net asset value (“NAV”) attributable to unitholders per unit based on units issued as at 31 December 2012^(a)

	Group		Trust	
	31/12/2012	31/12/2011	31/12/2012	31/12/2011
Net asset value attributable to unitholders per unit (HK\$) ^(a)	7.71	7.93	7.46	7.72
Net asset value attributable to unitholders per unit before deducting distribution per unit for the financial year ended (HK\$) ^(a)	7.95	8.08	7.70	7.87
Net asset value attributable to unitholders per unit after deducting distribution per unit for the financial year ended (HK\$) ^(a)	7.44	7.70	7.19	7.49

Footnote:

(a) The number of units used for computation of actual NAV per unit is 8,708,888,000 which is the number of units in issue as at 31 December 2012 and 31 December 2011 respectively.

7(ii) Rate of return^(a)

Year	Rate of Return (%)
For the year ended 31 December 2012	3.3

Footnote:

(a) Rate of Return (%) = (A-B)/B x 100

A = NAV per unit before interim distribution per unit as of the end of the year

B = NAV per unit as of the beginning of the year (after deducting total distribution per unit for the financial year ended 31 December 2011)

8. Value of assets by region as at 31 December 2012

Trust

Kind of assets	Region	Net Asset Value (HK\$'M)	Investment Ratio
Investment in a subsidiary ^(a)	Hong Kong	65,057.6	100.0%
Cash and other assets (after deduction of liabilities)	Singapore	(21.2)	0.0%
Other liabilities	Hong Kong	(41.5)	0.0%
Total net assets		64,994.9	100.0%

Group

Region ^(b)	Net Asset Value (HK\$'M)	Investment Ratio
Singapore	(21.2)	0.0%
Hong Kong	21,769.7	25.5%
People's Republic of China	63,758.6	74.5%
Total net assets	85,507.1	100.0%

Footnotes:

- (a) It represents investment in HPHT Limited, a wholly owned subsidiary of HPH Trust, which is the holding company of the underlying assets of HPH Trust.
- (b) It represents the net asset value segmented by geographical locations where the operation is performed.

9. Review of performance

Consolidated income statement (01/01/2012-31/12/2012 vs 25/02/2011-31/12/2011)

The consolidated income statement for the year ended 31 December 2012 was not comparable to the corresponding period in last year as HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

Consolidated income statement (01/10/2012-31/12/2012 vs 01/10/2011-31/12/2011)

Revenue and other income was HK\$3,147.8 million, representing HK\$59.0 million or 1.9% above last year. The container throughput of HIT^(a) was close to the same quarter in 2011, but increased by 5.7% as compared to 2011 full year, primarily due to the growth in transshipment cargoes. The container throughput of YICT^(b) increased by 1.3% and 3.9% respectively, as compared to the same quarter in 2011 and 2011 full year, primarily due to the growth in non US/EU trade and transshipment cargoes. The average revenue per TEU for Hong Kong was lower than last year due to a higher proportion of transshipment throughput handled, whereas that for China was favorable due to less concessions granted to some shipping lines.

Cost of services rendered was HK\$1,062.6 million, representing HK\$27.0 million or 2.6% above last year. The increase was mainly due to inflationary pressure. Staff costs were HK\$61.8 million, representing HK\$4.3 million or 7.5% above last year. The increase was mainly due to inflationary pressure. Depreciation and amortisation was HK\$684.8 million, in line with last year. Other operating income was HK\$60.9 million, representing HK\$22.3 million or 57.8% above last year. The increase was mainly due to YICT's net RMB-denominated monetary assets incurred a net exchange loss of HK\$29.1 million for the same quarter in 2011, offset by less Government's subsidies received by YICT in 2012. Other operating expenses were HK\$197.9 million, representing HK\$10.4 million or 5.5% above last year. The increase was mainly due to YICT's real estate tax provision written back in 2011 after getting exemption from Tax Bureau. With the aforesaid, total operating expenses were HK\$1,946.2 million, representing HK\$16.2 million or 0.8% above last year.

Footnotes:

(a) *HIT means Terminals 4, 6, 7 and two berths in Terminal 9, located at Kwai Tsing, Hong Kong.*

(b) *YICT means Yantian International Container Terminals, located at Yantian, Shenzhen, PRC, which comprises Yantian International Container Terminals Phases I & II, Phase III and Phase III Expansion, and Shenzhen Yantian West Port Terminals Phases I and II.*

9. Review of performance (Cont'd)

As a result, the operating profit was HK\$1,201.6 million, representing HK\$42.8 million or 3.7% above last year.

Interest and other finance costs were HK\$147.8 million, representing HK\$9.2 million or 6.6% above last year. This was mainly due to higher interest rate for YICT's HK\$2.8 billion bank loan refinanced in late 2011. Liquidity of Hong Kong dollars was extremely tight in China as compared to 2007 when the loan was first drawn down, despite YICT managed to refinance at a very competitive rate at the then loan market.

Share of profits less losses after tax of associated companies was HK\$6.1 million, representing HK\$1.5 million or 32.6% above last year, mainly due to better performance of the tugboat operations of an associated company.

Share of profits less losses after tax of jointly controlled entities was HK\$21.8 million, representing HK\$7.4 million or 25.3% below last year, mainly due to the lower than expected performance of COSCO-HIT as its container throughput was 1.5% below last year and higher interest rate for its HK\$2.0 billion bank loan refinanced in July 2012.

Taxation was HK\$89.1 million, representing HK\$48.1 million or 35.1% below last year. This was mainly due to higher accounting tax credits arising from the acquisition of the HPH Trust's business portfolio, and higher deferred tax provided for YICT in 2011 for withholding tax of offshore dividends.

Overall, profit was HK\$992.6 million, representing HK\$75.8 million or 8.3% above last year. Profit attributable to unitholders of HPH Trust was HK\$643.6 million, representing HK\$35.4 million or 5.8% above last year.

Material changes in statements of financial position and statements of cash flows

Please refer to footnotes of 1(b)(i) and 1(c).

10(a) Review of actual against the Projection disclosed in the Prospectus for the year ended 31 December 2012

Consolidated income statement

Group	Group					
	01/10/2012 to 31/12/2012			01/01/2012 to 31/12/2012		
	Actual	Projection ^(a)	Favorable/ (Unfavorable)	Actual	Projection ^(a)	Favorable/ (Unfavorable)
	HK\$'M	HK\$'M	%	HK\$'M	HK\$'M	%
Revenue and other income	3,147.8	3,511.4	(10.4)	12,427.0	13,710.3	(9.4)
Cost of services rendered	(1,062.6)	(1,145.2)	7.2	(4,267.5)	(4,511.7)	5.4
Staff costs	(61.8)	(70.9)	12.8	(261.7)	(285.3)	8.3
Depreciation and amortisation	(684.8)	(742.8)	7.8	(2,752.5)	(2,944.7)	6.5
Other operating income	60.9	42.9	42.0	83.3	80.2	3.9
Other operating expenses	(156.4)	(159.8)	2.1	(672.6)	(648.1)	(3.8)
Management fees	(4.9)	(18.9)	74.1	(20.1)	(33.8)	40.5
Trust expenses	(36.6)	(36.6)	-	(137.9)	(146.8)	6.1
Total operating expenses	(1,946.2)	(2,131.3)	8.7	(8,029.0)	(8,490.2)	5.4
Operating profit	1,201.6	1,380.1	(12.9)	4,398.0	5,220.1	(15.7)
Interest and other finance costs	(147.8)	(183.2)	19.3	(598.4)	(731.5)	18.2
Share of profits less losses after tax of associated companies	6.1	3.6	69.4	20.9	14.8	41.2
Share of profits less losses after tax of jointly controlled entities	21.8	27.9	(21.9)	140.6	130.1	8.1
Profit before tax	1,081.7	1,228.4	(11.9)	3,961.1	4,633.5	(14.5)
Taxation	(89.1)	(157.4)	43.4	(376.5)	(588.0)	36.0
Profit for the period/year	992.6	1,071.0	(7.3)	3,584.6	4,045.5	(11.4)
Allocated as:						
Profit attributable to Non-controlling interests	(349.0)	(377.6)	(7.6)	(1,296.2)	(1,456.2)	(11.0)
Profit attributable to Unitholders of HPH Trust	643.6	693.4	(7.2)	2,288.4	2,589.3	(11.6)

Footnote:

(a) The Projection figures formed part of the Projection Year 2012 figures disclosed in the Prospectus.

10(b) Commentary on performance against the Projection disclosed in the Prospectus for the quarter ended 31 December 2012

Revenue and other income was HK\$3,147.8 million, representing HK\$363.6 million or 10.4% below the Projection. The container throughput of HIT^(a) was close to the same quarter in 2011, but was 5.4% below the Projection. The container throughput of YICT^(b) increased by 1.3% as compared to the same quarter in 2011, but was 12.8% below the Projection. HIT and YICT's lower throughput as compared to the Projection was primarily due to weaker than expected US and EU volume with effects carried over from 2011. The average revenue per TEU for Hong Kong was lower than the projection due to a higher proportion of transshipment throughput handled, whereas that for China was favorable due to less concessions granted to some shipping lines.

Cost of services rendered was HK\$1,062.6 million, representing HK\$82.6 million or 7.2% below the Projection. The drop was mainly due to lower than projected container throughput. Staff costs were HK\$61.8 million, representing HK\$9.1 million or 12.8% below the Projection, mainly due to less than projected headcount and lower staff related costs. Depreciation and amortisation was HK\$684.8 million, representing HK\$58.0 million or 7.8% below the Projection, mainly due to the finalisation of the purchase price allocation arising from the acquisition of the HPH Trust's business portfolio at fair value from Hutchison Port Holdings Limited, resulting in less than projected depreciation and amortisation expenses. Other operating income was HK\$60.9 million, representing HK\$18.0 million or 42.0% above the Projection, mainly due to timing difference with higher than projected River Ports Economic Benefits^(c). Other operating expenses were HK\$156.4 million, representing HK\$3.4 million or 2.1% below the Projection. Management fees were HK\$4.9 million, representing HK\$14.0 million or 74.1% below the Projection, mainly due to projected performance fee could only be materialised in 2013 after Board's approval on the 2012 final distribution. Trust expenses were HK\$36.6 million, in line with the Projection. With the aforesaid, total operating expenses were HK\$1,946.2 million, representing HK\$185.1 million or 8.7% below the Projection.

Footnotes:

- (a) *HIT means Terminals 4, 6, 7 and two berths in Terminal 9, located at Kwai Tsing, Hong Kong.*
- (b) *YICT means Yantian International Container Terminals, located at Yantian, Shenzhen, PRC, which comprises Yantian International Container Terminals Phases I & II, Phase III and Phase III Expansion, and Shenzhen Yantian West Port Terminals Phases I and II.*
- (c) *The River Ports Economic Benefits represent the economic interest and benefits of the river ports in Nanhai, Jiangmen and Zhuhai Jiuzhou, PRC (together the "River Ports"), including all dividends and any other distributions or other monies payable to a related company or any of its subsidiaries in its capacity as a shareholder of the relevant holding company of the River Ports arising from the profits attributable to the business of the River Ports and all sale or disposal proceeds derived from such businesses, assets, rights and/or liabilities constituting any part of the business of the River Ports as agreed with a related company and any of its subsidiaries.*

10(b) Commentary on performance against the Projection disclosed in the Prospectus for the quarter ended 31 December 2012 (Cont'd)

As a result, the operating profit was HK\$1,201.6 million, representing HK\$178.5 million, or 12.9% below the Projection.

Interest and other finance costs were HK\$147.8 million, representing HK\$35.4 million or 19.3% below the Projection. This was mainly due to lower than projected interest rates for the US\$3.0 billion bank loan of HIT and the HK\$5.8 billion bank loans of YICT.

Share of profits less losses after tax of associated companies was HK\$6.1 million, representing HK\$2.5 million or 69.4% above the Projection, mainly due to better performance of the tugboat operations of an associated company.

Share of profits less losses after tax of jointly controlled entities was HK\$21.8 million, representing HK\$6.1 million or 21.9% below the Projection, mainly due to the lower than expected performance of COSCO-HIT^(a) as its container throughput was 14.2% below the Projection.

Taxation was HK\$89.1 million, representing HK\$68.3 million or 43.4% below the Projection, mainly due to lower profit, higher tax credit utilised by YICT and HIT's tax provision written back after finalisation of 2011 profit tax.

Overall, profit for the quarter was HK\$992.6 million, representing HK\$78.4 million or 7.3% below the Projection. The profit for the year ended 31 December 2012 was HK\$3,584.6 million, representing HK\$460.9 million or 11.4% below the Projection.

Profit attributable to unitholders of HPH Trust for the quarter was HK\$643.6 million, representing HK\$49.8 million or 7.2% below the Projection. Profit attributable to unitholders of HPH Trust for the year ended 31 December 2012 was HK\$2,288.4 million, representing HK\$300.9 million or 11.6% below the Projection.

Footnote:

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

11. Commentary on the significant trends of the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months

The prolonged Euro-zone crisis and slow US recovery continue to hamper the global economic growth. Euro-zone slump deepens as manufacturing activities shrink, which is caused by weak consumer sentiment, reduced investment and government spending. On the other hand, recently released US data appears to show signs of improvement in the US economy. Investment activities in US are picking up and more jobs are being created. US housing market is also showing signs of a rebound. Emerging countries continue to play a significant role in driving the global recovery. Transshipment along with trade routes such as the Far East, Africa, Central and South America and Oceania continue to expand and are expected to outperform those of the US and Europe.

With the policy easing to support GDP growth, China's economic recovery is gaining momentum. The manufacturing activities have turned from contraction to growing at a mild pace in the three consecutive months since October 2012. China continues to be the key engine of global growth with Pearl River Delta region remaining a main cargo source and the gateway to the Guangdong Province's trade catchment area. HPH Trust's ports shall continue to benefit from China's growth.

Shipping lines are increasingly deploying more mega-vessels, entering into more vessel sharing agreements, adopting slow steaming and consolidating traffic at larger ports as part of their strategy to achieve economies of scale and reduce costs. All of these measures are expected to benefit HPH Trust's ports given their superior infrastructure, natural deep water channels, long contiguous berths and scale of operations.

The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals.

12. Distribution

(a) Current financial period

Any distribution recommended for the : current financial period	Yes
Amount	HK\$ 2,367.9 million
Distribution type	Cash
Distribution rate	27.19 HK cents per unit for the period 1 July 2012 to 31 December 2012
Par Value	Not applicable
Tax rate	Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager of HPH Trust.

12. Distribution (Cont'd)

(b) Corresponding period of the immediately preceding financial period

Any distribution declared for the previous corresponding period	Yes
Amount	: HK\$ 2,037.9 million
Distribution type	: Cash
Distribution rate	: 23.40 HK cents per unit for the period 1 July 2011 to 31 December 2011
Par Value	: Not applicable
Tax rate	: Distributions received by either Singapore tax resident Unitholders or non-Singapore tax resident Unitholders are exempted from Singapore income tax and also not subject to Singapore withholding tax. The Unitholders are not entitled to tax credits of any taxes paid by the Trustee-Manager.

12. Distribution (Cont'd)

(c) Date Payable

26 March 2013

(d) Books closure date

The Transfer Books and Register of HPH Trust will be closed at 5.00 p.m. on 13 February 2013 for the purposes of determining each unitholder's entitlement to the Distribution.

Registered unitholders (other than The Central Depository (Pte) Limited ("CDP")), and unitholders whose securities accounts with CDP are credited with units, at 5.00 p.m. on 13 February 2013 will be entitled to the Distribution to be paid on or about 26 March 2013.

13. If no distribution has been declared/recommended, a statement to that effect

Not applicable

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

No IPT general mandate has been obtained.

- 15. Segmented revenue and results for the business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year^(a).**

Management considers the business from geographic segment perspective.

	Revenue		Non-current assets	
	01/01/2012 to 31/12/2012 HK\$'M	25/02/2011 to 31/12/2011 ^(a) HK\$'M	31/12/2012 HK\$'M	31/12/2011 HK\$'M
Hong Kong	5,720.6	4,618.3	48,878.6	49,788.1
People's Republic of China	6,706.4	5,117.0	76,647.7	77,872.7
	12,427.0	9,735.3	125,526.3	127,660.8

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

- 16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Please refer to paragraph 9.

17. A breakdown of Group's revenue and profit after tax before deducting non-controlling interest as follows:-

	01/01/2012 to 31/12/2012 HK\$'M	25/02/2011 to 31/12/2011 ^(a) HK\$'M	Favorable/ (Unfavorable) %
a) Revenue and other income			
- 1 st half year	5,949.4	3,399.9	75.0
- 2 nd half year	6,477.7	6,335.4	2.2
	12,427.1	9,735.3	27.6
b) Profit after tax before deducting non-controlling interest			
- 1 st half year	1,590.8	1,004.4	58.4
- 2 nd half year	1,993.8	2,013.1	(1.0)
	3,584.6	3,017.5	18.8

Footnote:

- (a) HPH Trust was constituted on 25 February 2011 and the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.

18. Breakdown of the total distribution for the year ended 31 December 2012

	01/01/2012 to 31/12/2012 HK\$'M	25/02/2011 to 31/12/2011 ^(a) HK\$'M
Total distribution ^(b)		
- 25 February to 30 June 2011	-	1,245.4
- 1 July to 30 September 2011	-	-
- 1 October to 31 December 2011	-	2,037.9
- 1 January to 31 March 2012	-	-
- 1 April to 30 June 2012	2,094.5	-
- 1 July to 30 September 2012	-	-
- 1 October to 31 December 2012 ^(c)	2,367.9	-
	4,462.4	3,283.3

Footnotes:

- (a) The financial period was from 25 February 2011 (the date of constitution of HPH Trust) to 31 December 2011. Although HPH Trust was constituted on 25 February 2011, the acquisition of the assets and business undertakings of its initial portfolio was only completed on 15 March 2011. Consequently, there were no operating activities for the period prior to 16 March 2011.
- (b) HPH Trust will make distribution to unitholders on a semi-annual basis, with the amount calculated as at 30 June and 31 December each year for the six-month period ending on each of the said dates.
- (c) For the quarter ended 31 December, the Trustee-Manager recommended a distribution per unit of 27.19 HK cents totalling HK\$ 2,367.9 million to the unitholders of the Trust.

- 19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) of the Listing Manual. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(13) of the Listing Manual, the Trustee-Manager confirms that there is no person occupying a managerial position in the Company or in any of HPH Trust's principal subsidiaries who is a relative of a director, chief executive officer, substantial shareholder of the Company or substantial unitholder of HPH Trust.

This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risk, uncertainties and assumptions. Representative examples of these factors included (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies and venues for the sales/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management of future events.

BY ORDER OF THE BOARD
HUTCHISON PORT HOLDINGS MANAGEMENT PTE LIMITED
(COMPANY REGISTRATION NO. 201100749W)
AS TRUSTEE-MANAGER OF HPH TRUST

Lim Ka Bee
Company Secretary
1 February 2013

20. Outline of the Trustee-Manager

(a) Amount of capital

The Trustee-Manager, Hutchison Port Holdings Management Pte. Limited, has an issued and paid-up capital of HK\$1.

(b) Description of business and outline of operation

The Trustee-Manager was incorporated in Singapore under the Companies Act, Chapter 50 of Singapore on 7 January 2011. Its registered office is located at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623. The Trustee-Manager is an indirect wholly-owned subsidiary of Hutchison Whampoa Limited.

The Trustee-Manager manages HPH Trust's business with the key objective of providing Unitholders with stable and regular distributions as well as long-term DPU growth.

(c) Miscellaneous

Not applicable

21. Financial information of the Trustee-Manager

21(a). Income statement for the year ended 31 December 2012

	01/01/2012 to 31/12/2012	07/01/2011 (Date of incorporation) to 31/12/2011
	HK\$'M	HK\$'M
Revenue and other income	20.1	15.4
Cost of services rendered	-	-
Staff costs	(6.5)	(1.0)
Depreciation and amortisation	(0.1)	(0.1)
Other operating income	-	-
Other operating expenses	(5.2)	(4.4)
Total operating expenses	(11.8)	(5.5)
Operating profit	8.3	9.9
Interest and other finance costs	-	-
Profit before tax	8.3	9.9
Tax	(1.0)	(1.7)
Profit for the year/period	7.3	8.2

21. Financial information of the Trustee-Manager

21(b).Statement of financial position as at 31 December 2012

	31/12/2012	31/12/2011
	HK\$'M	HK\$'M
ASSETS		
Non-current asset		
Fixed assets	-	0.1
Total non-current asset	-	0.1
Current assets		
Cash and cash equivalents	12.3	0.8
Trade and other receivables	11.1	10.5
Total current assets	23.4	11.3
Current liabilities		
Trade and other payables	6.7	1.5
Tax payable	1.2	1.7
Total current liabilities	7.9	3.2
Net current assets	15.5	8.1
Total assets less current liabilities	15.5	8.2
Net assets	15.5	8.2
CAPITAL AND RESERVES		
Share capital	-	-
Reserves	15.5	8.2
Total equity	15.5	8.2



**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF
HUTCHISON PORT HOLDINGS TRUST**

Report on the accounts

We have audited the accompanying accounts of Hutchison Port Holdings Trust (the "Trust") and its subsidiaries (the "Group"), set out on pages 1 to 48, which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Trust as at 31 December 2012, the consolidated income statement, the consolidated statement of comprehensive income and the consolidated statement of changes in equity of the Group, the statement of changes in equity of the Trust, and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Trustee-Manager's responsibility for the accounts

Hutchison Port Holdings Management Pte. Limited (the "Trustee-Manager") is responsible for the preparation of accounts that give a true and fair view in accordance with the provisions of the Singapore Business Trust Act (the "Act") and Hong Kong Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair income statements and statements of financial position and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of accounts that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trustee-Manager, as well as evaluating the overall presentation of the accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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



**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF
HUTCHISON PORT HOLDINGS TRUST (CONTINUED)**

Opinion

In our opinion, the accounts of the Group and the statement of financial position and the statement of changes in equity of the Trust are properly drawn up in accordance with the provisions of the Act and Hong Kong Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Trust as at 31 December 2012, and of the results, changes in equity and cash flows of the Group and the changes in equity of the Trust for the financial year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Trustee-Manager of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

A handwritten signature in black ink, which appears to be 'PricewaterhouseCoopers LLP', written in a cursive style.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants
Singapore, 1 February 2013