

Hutchison Port Holdings Trust

2021 Full-Year Financial Results

Presentation

AGM - 26 April 2022

1 Key Highlights

Key Highlights

- 2021 full year throughput of HPH Trust's ports was 4% above last year. YICT's throughput was 6% above last year. Combined throughput^(N1) of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was marginally lower than last year
- Outbound cargoes to the US and EU for 2021 were above 2020 volume by 7% and 11%, respectively. YICT's full year throughput increase was mainly driven by the increase in outbound cargoes to the US, EU and empty cargoes
- 2021 full year NPAT was HK\$3,527.2 million, HK\$1,514.7 million or 75% above last year. NPAT attributable to unitholders was HK\$1,747.2 million, HK\$915.8 million or 110% above last year
- 2021 full year Distribution Per Unit was 14.50 HK cents

N1 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

2 Outlook Overview

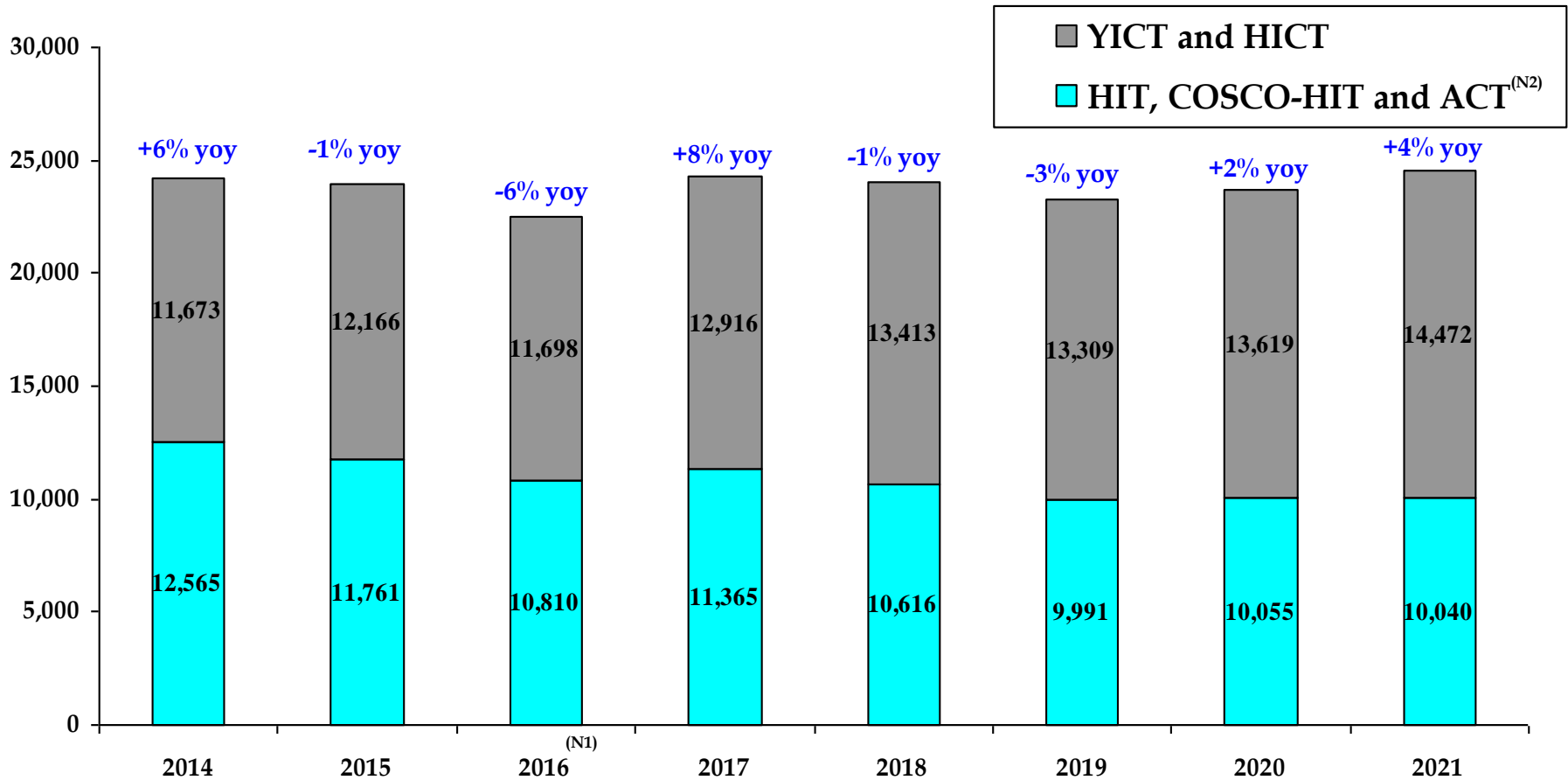
Outlook Overview

- Global port congestion continues in the first quarter of 2022, resulting in unstable vessel schedules and increase in number of skipped calls
- The widespread of COVID-19 cases in Hong Kong since February 2022 and the resulting drop in manpower availability has led to a temporary decrease in HPHT Kwai Tsing's handling capacity. HPHT Kwai Tsing returned to normal capacity in late March 2022
- Cities in China have also been affected by increase in COVID-19 cases. Manufacturing and major activities in Shenzhen were halted for 7 days in mid-March for infection control and city-wide COVID-19 screening. Uncertainty around the spread of COVID-19 cases will continue to present operational challenges at the terminals of HPH Trust as well as overall schedule reliability in the supply chain
- Despite the challenging and uncertain operating environment, HPH Trust continues to build on its strength and its management is committed to operate its ports efficiently through manpower management and upgrades to existing infrastructure

3 Key Financial Performance

Key Business Update

Throughput Volume (TEU in thousand)



N1 Includes throughput volume of HICT after the acquisition in December 2016

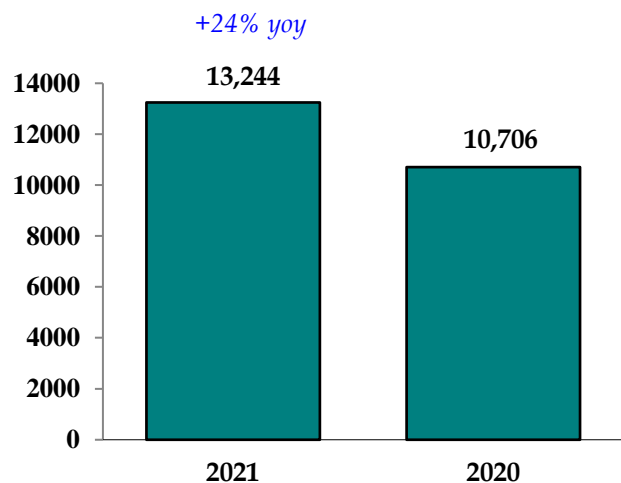
N2 Represents the allocated throughput from Hong Kong Seaport Joint Operating Alliance with effect from 1 April 2019

Key Financial Performance

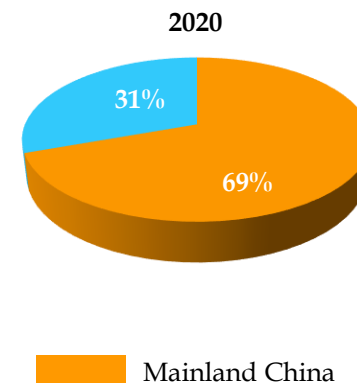
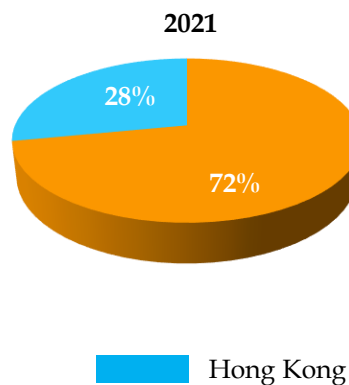
Revenue and other income

For the year ended 31 December 2021

(HK\$'Million)



Segment Information

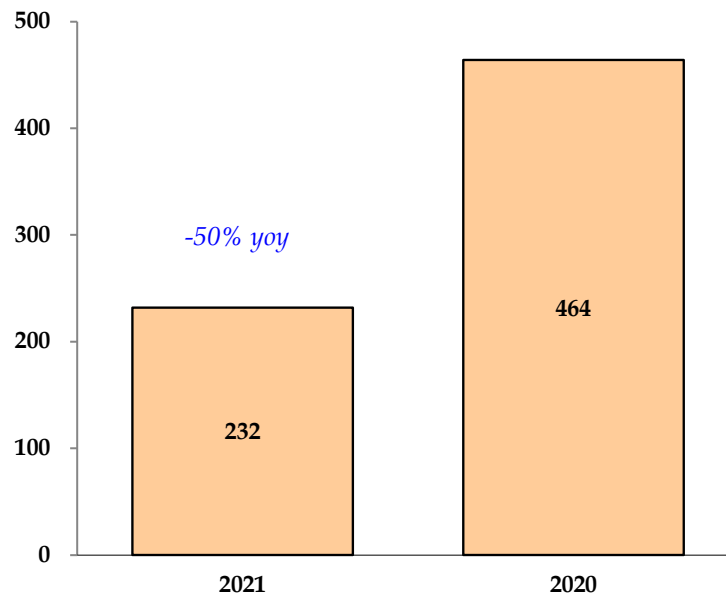


Key Financial Performance

Total Capex

For the year ended 31 December 2021

(HK\$ Million)



Key Financial Performance

Financial Position

At 31 December 2021
HK\$'Million

At 31 December 2020
HK\$'Million

Short Term Debt	\$7,198.0	\$3,992.0
Long Term Debt	\$21,840.0	\$25,428.0
Total Consolidated Debt	\$29,038.0	\$29,420.0
Total Consolidated Cash	\$11,048.0	\$7,766.6

HPH Trust's Results

Full Year 2021 against Last Year

	1 January to 31 December		
	2021 <u>Actual</u>	2020 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
(HK\$'Million)			
Revenue and other income	13,244.1	10,705.8	24%
Cost of services rendered	(4,474.7)	(3,568.4)	(25%)
Staff costs	(257.2)	(256.4)	-
Depreciation and amortisation	(3,050.9)	(3,054.0)	-
Other operating income	417.9	193.2	116%
Other operating expenses	(500.4)	(513.3)	3%
Total operating expenses	(7,865.3)	(7,198.9)	(9%)
Operating profit	5,378.8	3,506.9	53%
Interest and other finance costs	(616.5)	(766.3)	20%
Share of profits less losses after tax of Associated Cos/JVs	34.1	(10.1)	438%
Profit before tax	4,796.4	2,730.5	76%
Taxation	(1,269.2)	(718.0)	(77%)
Profit after tax	3,527.2	2,012.5	75%
Profit after tax attributable to non-controlling interests	(1,780.0)	(1,181.1)	51%
Profit after tax attributable to unitholders of HPH Trust	1,747.2	831.4	110%

There are no material differences between HKFRSs and IFRSs and no material adjustments are required to restate the financial statements of HPH Trust in accordance with IFRSs

Statement of Financial Position as at 31 December 2021 and 31 December 2020

(HK\$'Million)	<u>2021</u>	<u>2020</u>
ASSETS		
Non-current assets		
Fixed assets	21,646.9	22,839.0
Projects under development	654.5	478.2
Leasehold land and land use rights	34,579.4	35,843.7
Railway usage rights	10.8	11.1
Customer relationships	4,833.4	5,167.6
Goodwill	11,270.0	11,270.0
Associated companies	957.5	1,032.6
Joint ventures	3,018.1	2,593.1
Other non-current assets	509.7	428.1
Pension assets	303.8	85.7
Deferred tax assets	12.0	19.3
Total non-current assets	<u>77,796.1</u>	<u>79,768.4</u>
Current assets		
Cash and bank balances	11,048.0	7,766.6
Trade and other receivables	4,033.0	3,033.6
Inventories	86.6	99.3
Total current assets	<u>15,167.6</u>	<u>10,899.5</u>

Statement of Financial Position as at 31 December 2021 and 31 December 2020 (cont'd)

(HK\$'Million)	<u>2021</u>	<u>2020</u>
Current liabilities		
Trade and other payables	6,713.1	5,517.5
Bank and other debts	7,190.3	3,990.6
Current tax liabilities	422.0	278.6
Total current liabilities	<u>14,325.4</u>	<u>9,786.7</u>
Net current assets	<u>842.2</u>	<u>1,112.8</u>
Total assets less current liabilities	<u>78,638.3</u>	<u>80,881.2</u>
Non-current liabilities		
Bank and other debts	21,730.0	25,328.2
Deferred tax liabilities	9,268.2	9,536.0
Other non-current liabilities	241.0	413.1
Total non-current liabilities	<u>31,239.2</u>	<u>35,277.3</u>
Net assets	<u>47,399.1</u>	<u>45,603.9</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(41,447.0)	(42,551.8)
Net assets attributable to unitholders of HPH Trust	<u>27,106.8</u>	<u>26,002.0</u>
Non-controlling interests	20,292.3	19,601.9
Total equity	<u>47,399.1</u>	<u>45,603.9</u>

Statement of Cash Flows

Full Year 2021 and 2020

(HK\$'Million)

	<u>1 January to 31 December 2021</u>	<u>1 January to 31 December 2020</u>
Operating activities		
Cash generated from operations	8,624.0	6,608.8
Interest and other finance costs paid	(500.5)	(738.4)
Tax paid	(1,388.7)	(1,285.7)
Net cash from operating activities	<u>6,734.8</u>	<u>4,584.7</u>
Investing activities		
Investment in a joint venture	(422.7)	-
Loan to an associated company	(408.3)	(99.9)
Purchase of fixed assets and projects under development	(232.3)	(463.7)
Proceeds on disposal of fixed assets	13.5	24.9
Dividends received from investments	28.9	33.5
Dividends received from associated companies and joint ventures	147.2	142.8
Interest received	59.0	84.9
Repayment of loans by an associated company and a joint venture	276.7	1.6
Restricted deposit released	-	42.0
Net cash used in investing activities	<u>(538.0)</u>	<u>(233.9)</u>

Statement of Cash Flows

Full Year 2021 and 2020 (cont'd)

(HK\$'Million)	<u>1 January to 31 December 2021</u>	<u>1 January to 31 December 2020</u>
Financing activities		
New borrowings	7,800.0	3,870.8
Repayment of borrowings	(8,182.0)	(5,159.3)
Upfront debt transaction costs and facilities fees of borrowings	(64.4)	-
Principal elements of lease payments	(12.7)	(12.7)
Repayment of loan to non-controlling interests	(10.5)	-
Payment to acquire additional interest in a subsidiary company	-	(9.8)
Distributions to unitholders of HPH Trust	(1,237.0)	(810.1)
Dividends to non-controlling interests	(1,208.8)	(1,461.3)
Net cash used in financing activities	<u>(2,915.4)</u>	<u>(3,582.4)</u>
Net changes in cash and cash equivalents	3,281.4	768.4
Cash and cash equivalents at beginning of the year	7,766.6	6,998.2
Cash and cash equivalents at end of the year	<u>11,048.0</u>	<u>7,766.6</u>

THE WORLD'S LEADING PORT NETWORK