

HUTCHISON PORT HOLDINGS TRUST

(A business trust constituted on 25 February 2011 under the laws of the Republic of Singapore and managed by Hutchison Port Holdings Management Pte Limited ("Trustee-Manager"))

MINUTES OF ANNUAL GENERAL MEETING OF THE UNITHOLDERS OF HUTCHISON PORT HOLDINGS TRUST ("HPH Trust", and unitholders of HPH Trust, "Unitholders") held at Hibiscus Main Ballroom, Level 3, Sands Expo & Convention Centre, 10 Bayfront Avenue, Singapore 018956 on Friday, 26 April 2019 at 11:00 a.m.

PRESENT

Directors of the Trustee-Manager:

Mr Fok Kin Ning, Canning (Chairman))	
Ms Edith Shih)	
Mr Ip Sing Chi)	
Ms Tsim Sin Ling, Ruth)	Unitholding as per Attendance List
Mr Chan Tze Leung, Robert)	
Mr Graeme Allan Jack)	
Mrs Sng Sow-Mei (alias Poon Sow Mei))	
Mr Wong Kwai Lam)	

Unitholders:

As per Attendance List

In Attendance:

Mr Gerry Yim	Chief Executive Officer
Ms Diana Lee	Chief Financial Officer
Mr Lai Kuan Loong Victor	Joint Company Secretary
Ms Kim Yi Hwa	Joint Company Secretary
Ms Reina Lau	Legal Counsel
Ms Janice Chin	General Manager – Company Secretariat
Ms Charlotte Hsu	PricewaterhouseCoopers LLP, Auditor

1. CHAIRMAN

Mr Fok Kin Ning, Canning, Chairman of the Board of the Trustee-Manager chaired the annual general meeting of HPH Trust (the "Meeting").

2. QUORUM

There being a quorum present, the Chairman called the Meeting to order at 11:08 a.m.

3. PRESENTATION BY CHIEF FINANCIAL OFFICER

Ms Diana Lee, Chief Financial Officer took the Meeting through a presentation on HPH Trust which covered key highlights for the year ended 31 December 2018; key financial performance; and outlook and prospects of HPH Trust.*

(* A copy of the said presentation has been uploaded to the HPH Trust website.)

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4. NOTICE OF MEETING

The notice dated 28 March 2019 convening the Meeting was agreed to be taken as read.

5. VOTING BY WAY OF POLL

The Chairman informed the Meeting that pursuant to Clause 3.5.1 of Schedule 1 of the Trust Deed of HPH Trust, voting on all resolutions to be tabled at the Meeting would be carried out by way of poll and the poll would be conducted in a paperless manner using a wireless handheld device. For the conduct of the poll, Boardroom Corporate & Advisory Services Pte Ltd ("Boardroom") had been appointed as the polling agent and Ardent Business Advisory Pte. Ltd. had been appointed as the scrutineers for the poll count and voting process.

Ms Victoria Paul, a representative from Boardroom, briefed Unitholders present on the electronic poll voting procedures.

6. APPOINTMENT OF CHAIRMAN AS PROXY

The Chairman informed the Meeting that in his capacity as Chairman of the Meeting, he had been appointed as proxy by certain Unitholders of HPH Trust who had directed him to vote on their behalf. As such he would be voting in accordance with the directions contained. Should the proxy forms duly signed by the Unitholders contain no specific direction, he would vote at his discretion.

7. QUESTIONS FROM THE FLOOR

The Chairman invited comments or questions from Unitholders present. Questions were raised and answered by the Chairman and senior management of the Trustee-Manager.* The Chairman then proceeded with the formal business of the Meeting.

(a summary of exchange between the parties is enclosed.)*

ORDINARY BUSINESS:

8. REPORT OF THE TRUSTEE-MANAGER, STATEMENT BY THE TRUSTEE-MANAGER AND THE AUDITED FINANCIAL STATEMENTS OF HPH TRUST FOR THE YEAR ENDED 31 DECEMBER 2018 – RESOLUTION 1

The Chairman proposed and Ms Reina Lau seconded the motion as follows:

"That the Report of the Trustee-Manager, Statement by the Trustee-Manager and the audited financial statements of HPH Trust for the year ended 31 December 2018 together with the Independent Auditor's Report thereon be and are hereby received and adopted."

The Chairman then put the motion to vote.

The poll results on the Ordinary Resolution 1 were as follows:

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	Number of units in HPH Trust ("Units")	%
Votes "For"	4,899,539,587	99.75
Votes "Against"	12,375,600	0.25
Total number of valid votes cast	<u>4,911,915,187</u>	<u>100.00</u>

The Chairman declared that Ordinary Resolution 1 was duly carried.

9. RE-APPOINTMENT OF AUDITOR – RESOLUTION 2

The Chairman proposed and Ms Chan Vai Ngoi seconded the motion as follows:

"That PricewaterhouseCoopers LLP be and is hereby re-appointed as the Auditor of HPH Trust at a remuneration to be fixed by the Directors of the Trustee-Manager."

The Chairman then put the motion to vote.

The poll results on the Ordinary Resolution 2 were as follows:

	Number of Units	%
Votes "For"	4,909,733,787	99.94
Votes "Against"	2,765,400	0.06
Total number of valid votes cast	<u>4,912,499,187</u>	<u>100.00</u>

The Chairman declared that Ordinary Resolution 2 was duly carried.

10. ANY OTHER ORDINARY BUSINESS

There being no other ordinary business to transact, the Meeting proceeded to deal with the special business of the Meeting.

SPECIAL BUSINESS:**11. GENERAL MANDATE TO ISSUE UNITS – RESOLUTION 3**

The Chairman explained to the Meeting that the purpose of Agenda Item (3) was to grant a general mandate to Directors of the Trustee-Manager to issue additional Units not exceeding fifty percent of the total number of issued Units in HPH Trust, of which the aggregate number of Units to be issued other than on a pro-rata basis to existing Unitholders shall not exceed twenty percent of the total number of Units in issue at the date of the resolution.

The Chairman informed the Meeting that the Board of Directors of the Trustee-Manager had no present intention to issue any new Units in respect of the abovementioned mandate.

The Chairman proposed and Ms Reina Lau seconded the motion as follows:

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"That pursuant to Clause 6.1.1 of the deed of trust dated 25 February 2011 and the first supplemental deed dated 28 April 2014 (collectively, "Trust Deed"), Section 36 of the Business Trusts Act, Chapter 31A of Singapore ("BTA"), and Rule 806 of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST"), the Trustee-Manager, on behalf of HPH Trust, be authorised and empowered to:

- (a) (i) Issue Units, whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Units to be issued, including but not limited to the creation and issue of (as well as adjustments to) securities, warrants, debentures or other instruments convertible into Units,

at any time and upon such terms and conditions whether for cash or otherwise and for such purposes and to such persons as the Trustee-Manager may in its absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by this Resolution may have ceased to be in force) issue Units pursuant to any Instrument made or granted by the Trustee-Manager while this Resolution was in force,

provided that:

- (1) the aggregate number of Units to be issued pursuant to this Resolution (including Units to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Units to be issued other than on a pro-rata basis to existing Unitholders shall not exceed twenty per centum (20.0%) of the total number of issued Units (excluding treasury Units, if any) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by SGX-ST) for the purpose of determining the aggregate number of Units that may be issued under sub-paragraph (1) above, the percentage of issued Units shall be based on the number of issued Units (excluding treasury Units, if any) at the time of the passing of this Resolution, after adjusting for:
 - (a) new Units arising from the conversion or exercise of the Instruments; and
 - (b) any subsequent bonus issue, consolidation or subdivision of Units;
- (3) in exercising the authority conferred by this Resolution, the Trustee-Manager shall comply with the provisions of the Listing Manual of SGX-ST for the time being in force (unless such compliance has been waived by SGX-ST), the Trust Deed and the BTA; and
- (4) unless revoked or varied by HPH Trust in a general meeting, such authority shall continue in force until (i) the conclusion of the next Annual General Meeting of the Unitholders or the date by which the next Annual General Meeting of the Unitholders is required by law to be held, whichever is the earlier; or (ii) in the case of Units to be issued pursuant to the Instruments, made or granted pursuant to this Resolution, until the issuance of such Units in accordance with the terms of the Instruments."

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The Chairman then put the motion to vote.

The poll results on the Ordinary Resolution 3 were as follows:

	Number of Units	%
Votes "For"	4,829,874,141	98.31
Votes "Against"	82,834,546	1.69
Total number of valid votes cast	<u>4,912,708,687</u>	<u>100.00</u>

The Chairman declared that Ordinary Resolution 3 was duly carried.

12. CLOSURE

There being no other business, the Chairman closed the Meeting at 12:30 p.m. and thanked everyone present for their attendance.

CONFIRMED AS A CORRECT RECORD


FOK KIN NING, CANNING
CHAIRMAN

HUTCHISON PORT HOLDINGS TRUST (the “Trust”)

(A business trust managed by Hutchison Port Holdings Management Pte. Limited
(the “Trustee-Manager”))

SUMMARY OF THE QUESTION & ANSWER SEGMENT AT ANNUAL GENERAL MEETING OF HUTCHISON PORT HOLDINGS TRUST HELD ON 26 APRIL 2019

No.	Questions/comments from unitholders	Response from the Trustee-Manager
1.	<ul style="list-style-type: none"><li data-bbox="256 533 703 1010">➤ Referring to pages 22 and 87 of the Annual Report 2018, Unitholder 1 gave his observations on the throughput performance of the container ports operated under the Trust since the initial public offering (“IPO”) of its units, and the resultant revenue and profits. He opined that the Board and Management had done their best but he feared that they seemed to be fighting a losing battle in managing the business, and wanted to know their outlook for the business.<li data-bbox="256 1137 703 1375">➤ He suggested that the remaining goodwill in the financial statements attributed to the Yantian business be written off entirely. He also wanted to know the total amount of goodwill written off from the books of the Trust since IPO.<li data-bbox="256 1413 703 1496">➤ He further asked whether the impairment in goodwill could be set off against future tax liability.<li data-bbox="256 1534 703 1653">➤ He also commented that it was difficult for the Trust to reduce its staff cost and asked if the Trust was still increasing its capacity.<li data-bbox="256 1691 703 1951">➤ He further commented that the unit price had dropped quite a lot since IPO and there was not much the Management could do further. He suggested that the Board should consider privatisation (by major unitholder) or sell off the business to the Chinese.	<p data-bbox="735 533 1396 651">Mr Gerry Yim, the Chief Executive Officer (“CEO”) gave a detailed explanation of the market dynamics and the initiatives taken on cost savings and efficiency improvement.</p> <p data-bbox="735 689 1396 864">He also highlighted that to rationalise the operations for better performance, the Trust had formed the Hong Kong Seaport Alliance (“Seaport Alliance”) with a few major port operators in the Kwai Tsing area to centralise operation planning of all berths; the approach gave shipping lines maximum flexibility operationally.</p> <p data-bbox="735 902 1396 1106">The Seaport Alliance could potentially change the operational landscape and competitive relationship between Hong Kong and container ports in neighbouring areas, with the likelihood of additional operational cost saving, hopefully laying the cornerstone for a more stable and growing market for Hong Kong over the next decade.</p> <p data-bbox="735 1144 1396 1375">Ms Diana Lee, the Chief Financial Officer (“CFO”) explained that Management performed an impairment assessment on goodwill annually. She added that Yantian business was still growing, although the long-term forecast for revenue growth was relatively low. The total amount of goodwill written off since IPO was about HKD31 billion; the amount written off in 2014 and 2018 was HKD19 billion and HKD12 billion respectively.</p> <p data-bbox="735 1413 1396 1496">The CFO explained that the impairment in goodwill was not actual expense and could not be set off against tax liability.</p> <p data-bbox="735 1534 1396 1617">The CFO confirmed that the Trust was not increasing its capacity at the moment as additional berths at Yantian West Port had been completed at the beginning of 2018.</p> <p data-bbox="735 1677 1396 1859">Mr Fok Kin Ning, Canning, the Chairman noted that the current business environment was quite tough. He commented that the ports business had a good operating history for many years and he had no intention to give up on the business. The Board would find ways to get the best return out of the assets.</p> <p data-bbox="735 1897 1396 2040">He added that the Seaport Alliance aimed to achieve additional cost efficiency with the objective of increasing the overall competitiveness of the Trust’s business. Additionally, the alliance created additional capacity without any capital expenditure.</p>

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Summary of the Questions & Answer Segment at Annual General Meeting of HPH Trust held on 26 April 2019

No.	Questions/comments from unitholders	Response from the Trustee-Manager
		<p>He also mentioned that the distribution for 2018 had been reduced as the relevant amount had been used for debt repayment to improve the Trust's assets.</p> <p>He commented that, despite the non-performing unit price and the fast-changing business environment, the Trustee Manager, under the guidance of the Board, would look for the best return for the assets of the Trust (including the use of technology) as in Hong Kong and south of China, the ports owned by the Trust were premium assets and it would not be good timing to sell off these assets.</p>
2.	<ul style="list-style-type: none"> ➤ Unitholder 2 would like to seek Board of Directors' comment on how the Chinese government would view if a big investment firm would like to buy the controlling stake in the Trust. 	<p>The Chairman informed the Meeting that he was an executive director and group co-managing director of CK Hutchison Holdings Limited ("CKHH"), being the controlling unitholder of the Trust. The 30% stake held by CKHH in the Trust was not for sale.</p> <p>He added that all interested investors were welcomed to acquire units in the Trust from the open market.</p>
3.	<ul style="list-style-type: none"> ➤ Unitholder 3 asked about the concession term for the ports. ➤ He asked about the prospect of connecting container ports operated by the Trust with the rail transport link that runs through Central Asia. He noted that railway could be utilised over a 24-hour period and there could be a lot of ways to utilise and improve railway utilisation so that cost of rail consumption could be more economical. 	<p>The CFO responded that the Hong Kong port concession would expire in the year 2047; while the concession periods for the Yantian ports would expire in different times, between the years 2038 and 2055.</p> <p>The Chairman commented that rail transport had been considered but transport by ship was still the cheapest and most efficient way. Sea transport in the near and foreseeable future should still be a primary way of transportation of goods around the world, as evidenced by huge investments in building mega vessels.</p>
4.	<ul style="list-style-type: none"> ➤ Unitholder 4 commented that labour cost might be reduced if the Trust could employ more workers from China. ➤ He agreed that it would be very destabilising to any society to replace local workers with foreign labour. He opined that there should be ways for Management to balance the need for the Trust to fulfil its social responsibilities and improve productivity. 	<p>The Chairman commented that the Trust was subject to Hong Kong labour laws, which also governs the use of imported labour. The labour costs for business in Hong Kong was, in general, quite high. Management had been leveraging on technology to see whether the Trust could better manage the labour cost.</p>

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Summary of the Questions & Answer Segment at Annual General Meeting of HPH Trust held on 26 April 2019

No.	Questions/comments from unitholders	Response from the Trustee-Manager
5.	<ul style="list-style-type: none"> ➤ Unitholder 5 asked whether the Trust was involved in a ship-to-ship transfer system in Malaysia. 	<p>The Chairman advised that the Trust was not involved in ports business in Malaysia.</p>
6.	<ul style="list-style-type: none"> ➤ Unitholder 6 asked about the reason for the drop in earnings per unit ("EPU") from a positive figure in 2017 to a negative figure in 2018. ➤ She also noted that there was huge amount of depreciation in the financial statements for the years 2017 and 2018 and would like to know if those were the norm. 	<p>The CFO explained that the drop in the 2018 EPU by 22% was mainly due to a 20% increase in interest costs. Despite having 37% of the total debts being fixed interest rate, the impact of four rate hikes in 2018 had severe negative effect to the earnings.</p> <p>The CFO responded that depreciation was applied on a standard straight-line basis. The slight increase in depreciation in 2018 was because of the completion of the construction of Yantian West Port in 2018. In general, the amount of depreciation should be quite stable as it was applied on a straight-line basis.</p>
7.	<ul style="list-style-type: none"> ➤ Unitholder 7 referred to the Trust's bank borrowings and high interest costs and wanted to know if consideration had been given to issuing bonds. He believed that bonds were cheaper and could be rolled over. ➤ Regarding the debts of the Trust, he noted that US dollars was going down and he opined that it would be preferable to borrow in US dollars rather than Chinese yuan as in the longer term, the Chinese yuan might appreciate and affect profits. 	<p>The CFO responded that the Trust had a total amount of about USD4 billion debts, among which USD1 billion was in the form of bonds. The Trust had two bonds issued in the market currently. She added that generally speaking, interest expense for fixed rate bonds was slightly higher than bank loans. Currently, the Trust had a mixture of bonds and bank loans, and Management had always taken into account the cost of borrowing when determining the mode of financing.</p> <p>The CFO responded that the Trust did not have any material Renminbi borrowings. Even for the business in Yantian, borrowings were in Hong Kong dollars, which were pegged to US dollars. The bulk of the Trust's bank loans were either in US dollars or Hong Kong dollars.</p>
8.	<ul style="list-style-type: none"> ➤ Unitholder 8 asked Management whether they had any ideas to boost the business of the Trust; and if Management had considered the ability of its existing talents to come up with ideas to do something different, to hopefully find a solution to get the Trust out of the current situation. 	<p>The Chairman thanked the Unitholder for his comments and commented that improving the business situation was the direction Management was heading.</p> <p>He explained that Management had been working on technology and commercial cooperation to improve cost as well as identifying and utilising idle assets to improve revenue. However, the business environment was tough and competition was fierce. Unitholders might focus on unit price but for the Board and the Management, the results of operation were the focus.</p> <p>Regarding capital expenditure ("Capex"), the Trust expended on an as needed basis, primarily on committed projects such as the construction of Yantian West Port. The Capex in 2018 was less than 2017;</p>

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Summary of the Questions & Answer Segment at Annual General Meeting of HPH Trust held on 26 April 2019

No.	Questions/comments from unitholders	Response from the Trustee-Manager
		<p>Capex for the current year would be about the same level as 2018. Management was also mindful as to the use of cash generated from operations which was planned for (i) repayment of loans; and (ii) distributions to unitholders.</p> <p>He also expressed his disappointment regarding the results in 2018 as compared to that of 2017. He had requested Management to explore ways to improve the operating profit, which should eventually be reflected in the unit price.</p> <p>He commented that the Seaport Alliance which commenced on 1 April 2019 was an important step to improve the Trust's performance as that arrangement would ultimately increase the overall competitiveness of the Trust (and the port of Hong Kong) to better compete with major regional ports.</p> <p>On the technology side, the Trust would leverage on technology to improve costing.</p> <p>The Chairman re-iterated that CKHH's holding of 30% in the Trust's units was not for sale and CKHH was holding the investment in the Trust on a long term basis. He would (continue to) support the Trust to the best he could to improve the operating results.</p>
9.	<p>➤ Unitholder 9 commented that Hong Kong Hutchison is a branded name and whether the Board had considered to franchise its expertise to expand its brand.</p>	<p>The Chairman responded that the name of the Trust is Hutchison Port Holdings Trust.</p>
10.	<p>➤ Unitholder 10 commented that the most valuable asset of the Trust was the Hong Kong port and he noted that land value in Hong Kong was high. He asked if usage of the port could be maximised by, for example, building shopping malls on top of the port, etc.</p>	<p>The Chairman responded that there was a lot of discussion in the Hong Kong press about developing properties on top of the port, and that issue was very sensitive.</p> <p>He also commented that the Trust had valuable assets as it owned two deep-water ports in South China. Due to challenging business environment, operating results (unfortunately) deteriorated. He also added that the current 40% fixed and 60% variable interest rate for Trust's debts was a good mix.</p>
11.	<p>➤ Unitholder 1 referred to page 118 of the Annual Report 2018 and asked the CFO for more</p>	<p>The CFO responded that the deferred tax liability was mainly a timing difference issue. The amount of deferred tax liabilities mostly arose from fixed assets revaluation</p>

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No.	Questions/comments from unitholders	Response from the Trustee-Manager
	explanation about deferred tax liability in the amount of HKD10.2 billion and if the amount could be set-off against operating losses or utilised in any way. He further asked if there was a run out date to the deferred tax amount.	and depreciation. That was an accounting rather than actual tax that could be used to set off against other items. In addition, that was not a cash item and did not impact or affect any tax payments whatsoever. There was also no expiry date to the deferred tax liabilities.