



Your Preferred Port-of-Call

**2016 Financial Results
Presentation for the Period Ended
30 June 2016**

Disclaimer

This presentation should be read in conjunction with, and figures herein are based on, the results of Hutchison Port Holdings Trust (“HPH Trust”) for the period ended 30 June 2016 in the SGXNET announcement.

This presentation may contain forward-looking statements that involve risks and uncertainties. Such forward-looking statements and financial information involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. As these statements and financial information reflect our current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of Hutchison Port Holdings Management Pte. Limited, a trustee-manager of HPH Trust, of future events.

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1 Key Highlights

Key Highlights

- Despite weak market outlook, overall 2016 first half results of HPH Trust have improved from its first quarter. Management remains cautious on the volume outlook for the remainder of the year given the soft global trade outlook and the expected negative consequences of Britain's exit from the European Union and will continue to focus on improvements to tariffs and costs
- YTD June 2016 throughput of HPH Trust's deep-water ports was 7% below last year. YICT's throughput was 1% below last year. Combined throughput of HIT, COSCO-HIT and ACT dropped 12% yoy
- Outbound cargoes to US and EU showed an upward trend in the first half of 2016 but US trade slowed down in the second quarter. YICT's throughput recorded a drop in the first half of 2016 as it was adversely impacted by the decrease in transshipment cargoes. The drop in HIT's throughput was mainly due to weaker intra-Asia and transshipment cargoes
- Revenue and other income was HK\$5,689.6 million, representing HK\$386.8 million or 6% below last year
- YTD June 2016 NPAT was HK\$1,424.6 million, representing HK\$189.1 million or 15% above last year. NPAT attributable to unitholders was HK\$897.6 million, representing HK\$211.9 million or 31% above last year

Key Highlights

- Without HIT's rent and rates refund in 2016 and additional depreciation due to the change of an accounting estimate in 2015, YTD June 2016 NPAT was 11% below last year. NPAT attributable to unitholders was 18% below last year
- 2016 interim Distribution Per Unit is 14.0 HK cents

2 Outlook and Prospects

Outlook and Prospects



Overview

- A British vote to leave the European Union posted downside risk to the global economic recovery. It is expected that Britain's economy will be negatively impacted, with knock-on effects in the US and European economies. The depreciation of the British pound is expected to reduce Britain's imports from Asia, including China, which have been increasing in the second quarter of 2016
- Despite relatively strong growth in the first quarter of 2016, outbound cargoes to US were weak in the second quarter. The sustainability of US economic growth in the remainder of the year will be the key determinant of a pickup in the US trade
- As the gateway serving imports and exports of China, YICT's volume is largely dependent on the economic performance of the US and Europe
- HPH Trust's performance is also dependent on the outcomes of structural changes occurring in the container shipping industry. HIT, as a regional transshipment hub, has been negatively affected by the service rationalisation of various global shipping alliances over the past few quarters and is expected to be under volume pressure in the near term

Outlook and Prospects



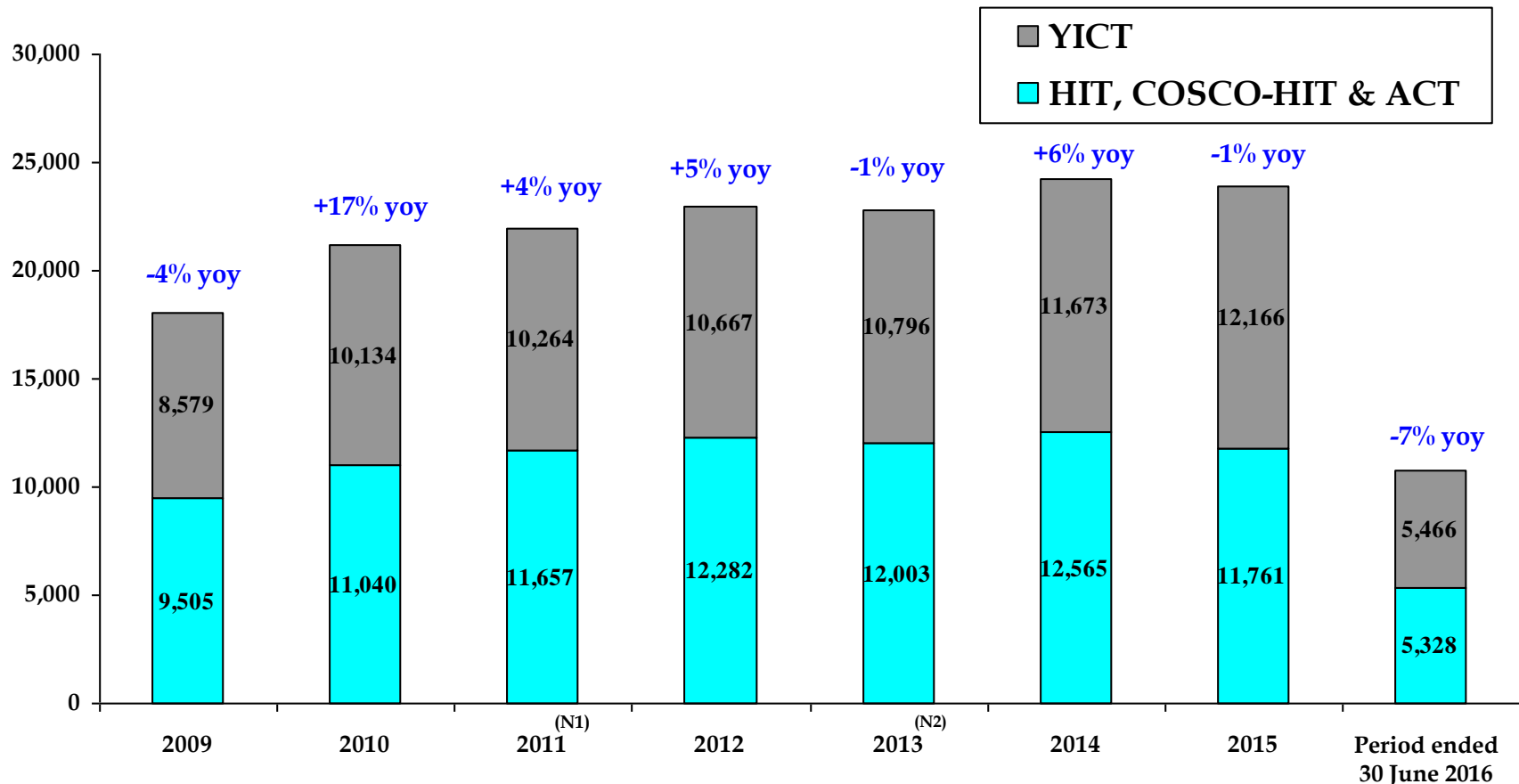
Overview

- Shipping lines continue to deploy mega-vessels to promote economies of scale, reform their carrier alliances - such as Ocean Alliance (China COSCO, CMA CGM, Evergreen and OOCL) and THE Alliance (Hanjin, Hapag-Lloyd, Kline, MOL, NYK, and Yang Ming), to improve efficiency, control costs and expand the coverage of vessel-sharing schemes to strengthen competitiveness. HPH Trust's natural deep-water channels and unparalleled mega-vessel handling capabilities position it to be the preferred port of call for mega-vessels and HPH Trust is expected to benefit from these developments
- Given the soft global trade outlook, management remains cautious on the expected cargo volume for 2016 and will continue to focus on improvements to tariffs and costs
- The Trustee-Manager is confident that HPH Trust will respond promptly and effectively to any challenges, given its strong fundamentals

3 Business Review for the Period Ended 30 June 2016

Key Business Update

Throughput Volume (TEU in thousand)



N1 2011 throughput volume is on full year basis (i.e. include the throughput volume before listing) for comparison purpose

N2 Includes throughput volume of ACT from 7 March 2013, the date of acquisition

4 Key Financial Performance

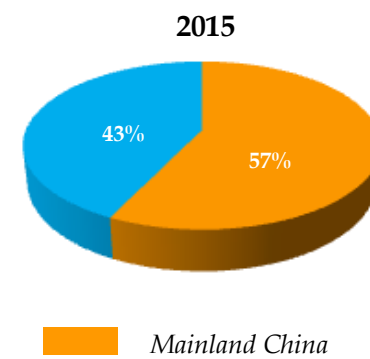
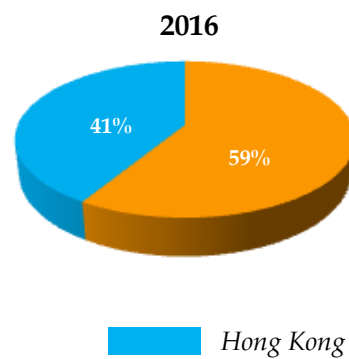
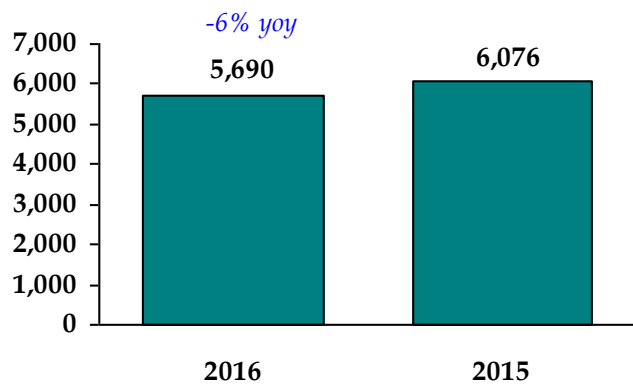
Key Financial Performance

Revenue and other income

For the period ended 30 June 2016

Segment Information

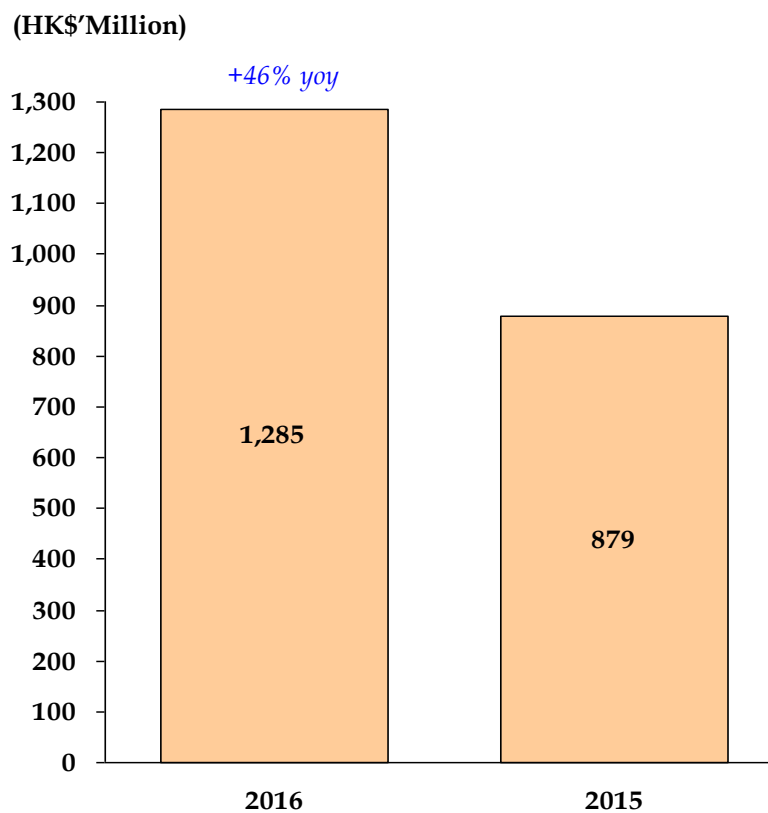
(HK\$ Million)



Key Financial Performance

Total Capex

For the period ended 30 June 2016



Key Financial Performance

Financial Position



At 30 June 2016
HK\$'Million

Short Term Debt	\$5,767.3
Long Term Debt	\$28,000.0
Total Consolidated Debt	\$33,767.3
Total Consolidated Cash	\$7,224.0

Key Financial Performance

Distribution



**For the period from
1 January 2016 to
30 June 2016**

Distribution Amount

HK\$1,219.6 million

Distribution Per Unit

14.00 HK cents

Ex-distribution date

2 August 2016

Books closure date

5:00p.m. 4 August 2016

Payment of distribution

21 September 2016

Unaudited Financial Results of HPH Trust for the HPHT Period Ended 30 June 2016 against Last Year

(HK\$ Million)	1 January to 30 June		
	2016 <u>Actual</u>	2015 <u>Actual</u>	% variance <u>Fav/(Unfav)</u>
Revenue and other income	5,689.6	6,076.4	(6%)
Cost of services rendered	(2,077.4)	(2,314.5)	10%
Staff costs	(154.4)	(156.2)	1%
Depreciation and amortisation	(1,411.6)	(1,397.3)	(1%)
Other operating income	6.2	20.3	(69%)
Other operating expenses	(354.5)	(400.4)	11%
Total operating expenses	(3,991.7)	(4,248.1)	6%
Operating profit	1,697.9	1,828.3	(7%)
Interest and other finance costs	(346.4)	(314.5)	(10%)
Share of profits/(losses) after tax of Associated Cos/JVs	44.3	73.0	(39%)
Profit before tax	1,395.8	1,586.8	(12%)
Taxation	(297.2)	(351.3)	15%
Profit after tax and normalisation (a)	1,098.6	1,235.5	(11%)
HIT's rent and rates refund	357.0	-	N/A
Additional depreciation due to the change of an accounting estimate	(31.0)	-	N/A
Profit after tax (b)	1,424.6	1,235.5	15%
Profit after tax attributable to non-controlling interests after normalisation (c)	(533.5)	(549.8)	(3%)
Profit after tax attributable to non-controlling interests before normalisation (d)	(527.0)	(549.8)	(4%)
Profit after tax attributable to unitholders of HPH Trust after normalisation (a) - (c)	565.1	685.7	(18%)
Profit after tax attributable to unitholders of HPH Trust before normalisation (b) - (d)	897.6	685.7	31%

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

Unaudited Financial Results of HPH Trust for the Quarter Ended 30 June 2016 against Last Year



	1 April to 30 June		
	2016 Actual	2015 Actual	% variance Fav/(Unfav)
(HK\$ Million)			
Revenue and other income	2,937.8	3,127.9	(6%)
Cost of services rendered	(1,036.6)	(1,157.1)	10%
Staff costs	(74.7)	(75.8)	1%
Depreciation and amortisation	(708.2)	(698.6)	(1%)
Other operating income	4.2	11.4	(63%)
Other operating expenses	(166.8)	(203.0)	18%
Total operating expenses	(1,982.1)	(2,123.1)	7%
Operating profit	955.7	1,004.8	(5%)
Interest and other finance costs	(177.7)	(159.4)	(11%)
Share of profits/(losses) after tax of Associated Cos/JVs	27.2	41.8	(35%)
Profit before tax	805.2	887.2	(9%)
Taxation	(159.3)	(192.2)	17%
Profit after tax and normalisation (a)	645.9	695.0	(7%)
Additional depreciation due to the change of an accounting estimate	(15.5)	-	N/A
Profit after tax (b)	630.4	695.0	(9%)
Profit after tax attributable to non-controlling interests after normalisation (c)	(290.9)	(295.1)	(1%)
Profit after tax attributable to non-controlling interests before normalisation (d)	(287.7)	(295.1)	(3%)
Profit after tax attributable to unitholders of HPH Trust after normalisation (a) - (c)	355.0	399.9	(11%)
Profit after tax attributable to unitholders of HPH Trust before normalisation (b) - (d)	342.7	399.9	(14%)

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

Statements of Financial Position as at 30 June 2016 and 31 December 2015



(HK\$'Million)	30 June 2016 <u>Unaudited</u>	31 December 2015 <u>Audited</u>
ASSETS		
Non-current assets		
Fixed assets	25,199.5	24,480.8
Projects under development	1,812.6	2,966.2
Leasehold land and land use rights	41,629.5	41,269.8
Railway usage rights	13.3	13.9
Customer relationships	6,671.5	6,838.6
Goodwill	22,629.0	22,629.0
Associated companies	167.8	161.3
Joint ventures	3,881.0	3,898.5
Other non-current assets	768.8	1,272.1
Deferred tax assets	12.7	12.7
Total non-current assets	102,785.7	103,542.9
Current assets		
Cash and cash equivalents	7,224.0	6,840.8
Trade and other receivables	3,628.0	3,723.4
Inventories	127.9	123.5
Total current assets	10,979.9	10,687.7

Statements of Financial Position as at 30 June 2016 and 31 December 2015 (cont'd)



(HK\$'Million)	30 June 2016 <u>Unaudited</u>	31 December 2015 <u>Audited</u>
Current liabilities		
Trade and other payables	6,540.9	7,295.0
Bank and other debts	5,762.0	8,911.2
Current tax liabilities	282.0	312.7
Total current liabilities	<u>12,584.9</u>	<u>16,518.9</u>
Net current liabilities	<u>(1,605.0)</u>	<u>(5,831.2)</u>
Total assets less current liabilities	<u>101,180.7</u>	<u>97,711.7</u>
Non-current liabilities		
Bank and other debts	27,965.4	24,082.3
Pension obligations	208.8	200.3
Deferred tax liabilities	11,121.4	11,204.7
Other non-current liabilities	29.7	56.8
Total non-current liabilities	<u>39,325.3</u>	<u>35,544.1</u>
Net assets	<u>61,855.4</u>	<u>62,167.6</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(26,747.2)	(25,953.7)
Net assets attributable to unitholders of HPH Trust	<u>41,806.6</u>	<u>42,600.1</u>
Non-controlling interests	20,048.8	19,567.5
Total equity	<u>61,855.4</u>	<u>62,167.6</u>

Statements of Cash Flows for the Period Ended 30 June 2016 and 30 June 2015



(HK\$'Million)	<u>1 January to 30 June 2016</u>	<u>1 January to 30 June 2015</u>
Operating activities		
Cash generated from operations	3,439.7	3,284.1
Interest and other finance costs paid	(314.0)	(262.5)
Tax paid	(472.8)	(648.3)
Net cash from operating activities	<u>2,652.9</u>	<u>2,373.3</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land & land use rights	(1,284.5)	(879.0)
Proceeds on disposal of fixed assets	1.4	8.6
Dividends received from investments	8.5	34.4
Dividends received from a joint venture	50.0	62.0
Interest received	20.1	44.9
Repayment of loans by a joint venture	1.0	1.0
Net cash used in investing activities	<u>(1,203.5)</u>	<u>(728.1)</u>
Financing activities		
New borrowings	7,800.0	14,013.3
Repayment of borrowings	(7,177.7)	(14,496.4)
Upfront debt transaction costs and facilities fees of borrowings	(59.5)	(69.0)
Capital contribution from non-controlling interests	-	345.3
Distributions to unitholders of HPH Trust	(1,629.0)	(1,942.6)
Net cash used in financing activities	<u>(1,066.2)</u>	<u>(2,149.4)</u>
Net changes in cash and cash equivalents	383.2	(504.2)
Cash and cash equivalents at beginning of the period	6,840.8	7,798.8
Cash and cash equivalents at end of the period	<u>7,224.0</u>	<u>7,294.6</u>

Statements of Cash Flows for the Quarter Ended 30 June 2016 and 30 June 2015



(HK\$'Million)	<u>1 April to 30 June 2016</u>	<u>1 April to 30 June 2015</u>
Operating activities		
Cash generated from operations	1,776.4	1,422.5
Interest and other finance costs paid	(159.9)	(128.3)
Tax paid	(199.5)	(150.4)
Net cash from operating activities	<u>1,417.0</u>	<u>1,143.8</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land and land use rights	(809.2)	(322.3)
Proceeds on disposal of fixed assets	1.3	8.0
Dividends received from investments	8.5	2.9
Dividends received from a joint venture	25.0	31.0
Interest received	10.2	25.0
Repayment of loan by a joint venture	1.0	1.0
Net cash used in investing activities	<u>(763.2)</u>	<u>(254.4)</u>
Financing activities		
New borrowings	7,800.0	6,240.0
Repayment of borrowings	(7,165.9)	(6,695.2)
Upfront debt transaction costs and facilities fees of borrowings	(59.5)	(35.1)
Net cash from/(used in) financing activities	<u>574.6</u>	<u>(490.3)</u>
Net changes in cash and cash equivalents	1,228.4	399.1
Cash and cash equivalents at beginning of the quarter	5,995.6	6,895.5
Cash and cash equivalents at end of the quarter	<u>7,224.0</u>	<u>7,294.6</u>