

Hutchison Port Holdings Trust
Your Preferred Port-of-Call
2018 Financial Results Presentation
for the Quarter Ended 31 March 2018

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 quarter ended 31 March 2018 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.

Table of Contents

- 1 Key Highlights
- 2 Outlook and Prospects
- 3 Business Review for the Quarter Ended 31 March 2018
- 4 Key Financial Performance

1 Key Highlights

Key Highlights

- YTD March 2018 throughput of HPH Trust's ports was 5% above last year. YICT's throughput was 9% above last year. Combined throughput of HIT, COSCO-HIT and ACT (collectively "HPHT Kwai Tsing") was 1% above last year
- Outbound cargoes to the US continued to grow in the first quarter of 2018 by 2% and outbound cargoes to the EU was comparable to last year. YICT's throughput growth was mainly attributed to the growth in empty and transshipment cargoes. The growth in HPHT Kwai Tsing's throughput was mainly due to the increase in transshipment cargoes
- Revenue and other income was HK\$2,667.3 million, HK\$89.3 million or 3% above last year
- YTD March 2018 NPAT was HK\$421.3 million, HK\$45.4 million or 12% above last year. NPAT attributable to unitholders was HK\$145.4 million, HK\$21.5 million or 13% below last year

2 Outlook and Prospects

Outlook and Prospects

Overview

- 2018 is set to be a transformative year for the global shipping lines industry driven by shifting economic trends and trade flows in conjunction with the consolidation of ownership. Investment in the modernization and expansion of port facilities is expected to continue to drive overall efficiencies and competitiveness.
- Overall 2018 global trade outlook remains positive, with solid trade volume growth recorded in the first quarter of 2018 although this, by and large, is still susceptible to the uncertainties and downside risks arising from protectionist US trade policies and geopolitical tensions.
- Shipping lines will continue to deploy mega-vessels to attain capacity and fleet optimisation to drive further cost efficiencies. In addition, focus has shifted from port performance to supply chain performance to enhance competitiveness and operational efficiencies. Furthermore, greater emphasis will be placed on security in the wake of growing cyber-attack threats on companies.

Outlook and Prospects (cont'd)

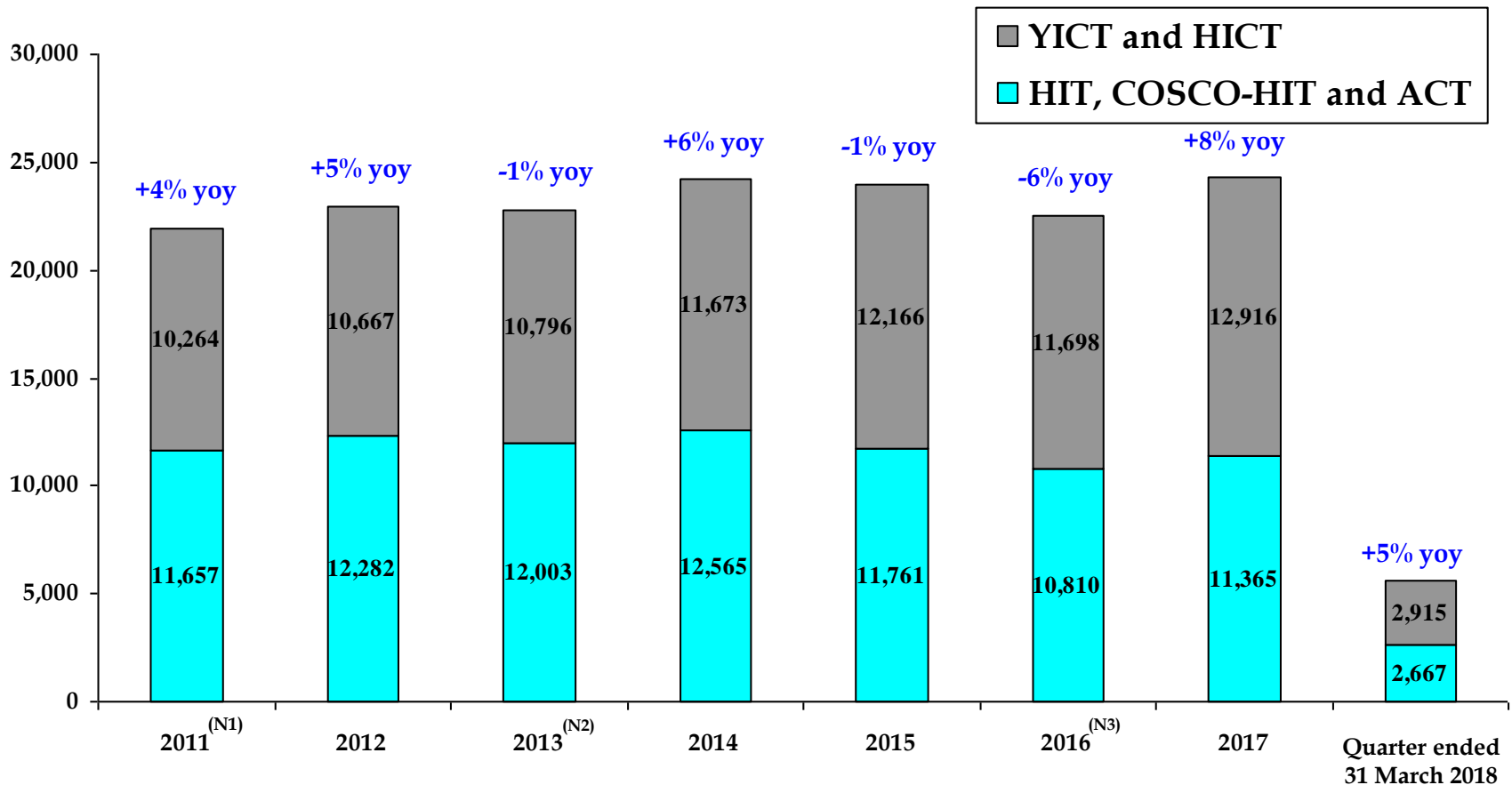
Overview

- Against these settings, with a strategic transshipment hub in Hong Kong, the exemplary mega-vessel handling capabilities of YICT and our strategic investment in state-of-the-art equipment and facilities, HPH Trust is well positioned to support the changing requirement of the container shipping industry and maintain its reputation as the preferred gateways to the vast Pearl River hinterland.
- The Trustee-Manager remains cautiously optimistic, subject always to the protectionism issue and geopolitical tensions referred above, about the expected cargo volume for 2018 and will continue to build on HPH Trust's strengths whilst adhering to strict financial discipline. The Trustee-Manager is confident that HPH Trust is well-equipped to respond to external developments and challenges.

3 Business Review for the Quarter Ended 31 March 2018

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 after the acquisition in March 2013

N3 Includes throughput volume of HICT after the acquisition in December 2016

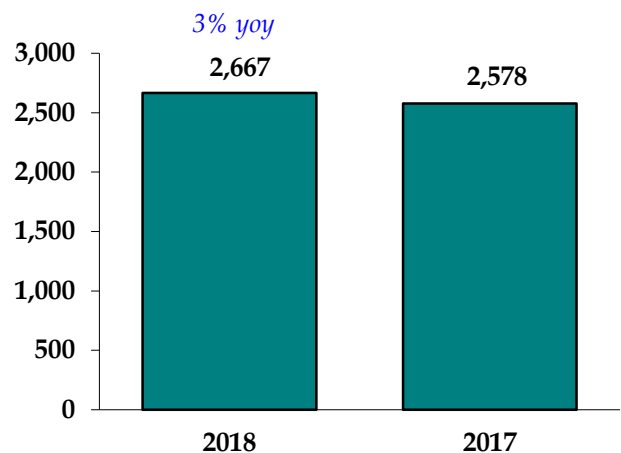
4 Key Financial Performance

Key Financial Performance

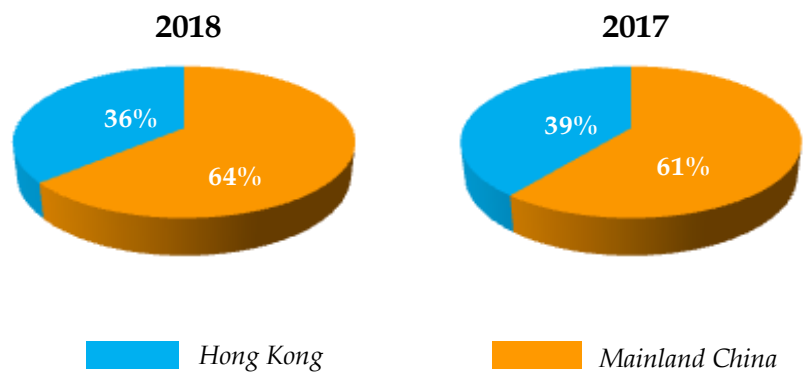
Revenue and other income

For the quarter ended 31 March 2018

(HK\$ Million)



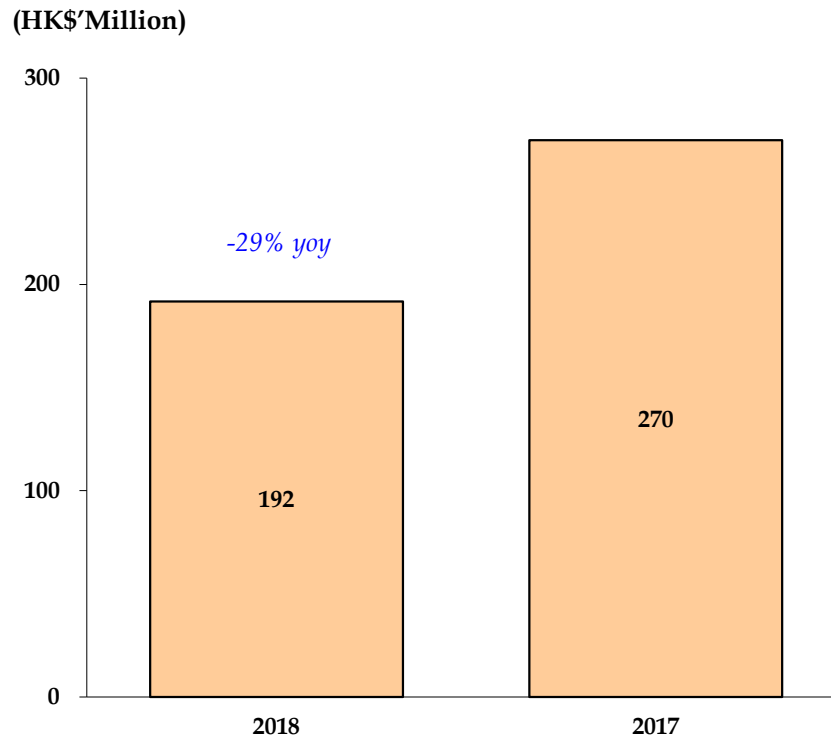
Segment Information



Key Financial Performance

Total Capex

For the quarter ended 31 March 2018



Key Financial Performance

Financial Position

At 31 March 2018
HK\$'Million

Short Term Debt	\$647.4
Long Term Debt	\$32,054.0
Total Consolidated Debt	\$32,701.4
Total Consolidated Cash	\$6,602.6

HPH Trust's Unaudited Results

1st Quarter 2018 against Last Year

(HK\$'Million)	1 January to 31 March		
	2018	2017	% variance
	<u>Actual</u>	<u>Actual</u>	<u>Fav/(Unfav)</u>
Revenue and other income	2,667.3	2,578.0	3%
Cost of services rendered	(992.2)	(918.5)	(8%)
Staff costs	(77.1)	(75.0)	(3%)
Depreciation and amortisation	(776.3)	(735.9)	(5%)
Other operating income	66.9	2.5	2,576%
Other operating expenses	(125.7)	(142.1)	12%
Total operating expenses	(1,904.4)	(1,869.0)	(2%)
Operating profit	762.9	709.0	8%
Interest and other finance costs	(229.0)	(194.1)	(18%)
Share of profits/(losses) after tax of Associated Cos/JVs	(25.4)	(12.2)	(108%)
Profit before tax	508.5	502.7	1%
Taxation	(87.2)	(126.8)	31%
Profit after tax	421.3	375.9	12%
Profit after tax attributable to non-controlling interests	(275.9)	(209.0)	32%
Profit after tax attributable to unitholders of HPH Trust	145.4	166.9	(13%)

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 31 March 2018 and 31 December 2017

(HK\$'Million)	31 March 2018 <u>Unaudited</u>	31 December 2017 <u>Audited</u>
ASSETS		
Non-current assets		
Fixed assets	25,197.7	24,626.4
Projects under development	1,185.0	1,970.2
Leasehold land and land use rights	39,461.2	39,724.2
Railway usage rights	13.1	12.7
Customer relationships	6,086.6	6,170.2
Goodwill	22,629.0	22,629.0
Associated companies	751.5	754.2
Joint ventures	3,714.8	3,835.9
Other non-current assets	743.9	739.3
Deferred tax assets	22.7	22.7
Total non-current assets	<u>99,805.5</u>	<u>100,484.8</u>
Current assets		
Cash and bank balances	6,602.6	6,768.1
Trade and other receivables	3,373.2	3,446.2
Inventories	118.4	109.7
Total current assets	<u>10,094.2</u>	<u>10,324.0</u>

Statements of Financial Position as at 31 March 2018 and 31 December 2017 (cont'd)

(HK\$'Million)	31 March 2018 <u>Unaudited</u>	31 December 2017 <u>Audited</u>
Current liabilities		
Trade and other payables	7,490.6	6,741.6
Bank and other debts	647.4	4,241.2
Current tax liabilities	209.7	409.6
Total current liabilities	<u>8,347.7</u>	<u>11,392.4</u>
Net current assets/(liabilities)	<u>1,746.5</u>	<u>(1,068.4)</u>
Total assets less current liabilities	<u>101,552.0</u>	<u>99,416.4</u>
Non-current liabilities		
Bank and other debts	31,805.7	28,248.9
Pension obligations	84.3	80.6
Deferred tax liabilities	10,472.7	10,635.1
Other non-current liabilities	154.1	129.9
Total non-current liabilities	<u>42,516.8</u>	<u>39,094.5</u>
Net assets	<u>59,035.2</u>	<u>60,321.9</u>
EQUITY		
Units in issue	68,553.8	68,553.8
Reserves	(28,954.5)	(28,260.3)
Net assets attributable to unitholders of HPH Trust	<u>39,599.3</u>	<u>40,293.5</u>
Non-controlling interests	19,435.9	20,028.4
Total equity	<u>59,035.2</u>	<u>60,321.9</u>

Statements of Cash Flows

1st Quarter 2018 and 2017

(HK\$'Million)	<u>1 January to 31 March 2018</u>	<u>1 January to 31 March 2017</u>
Operating activities		
Cash generated from operations	1,561.5	1,513.1
Interest and other finance costs paid	(241.4)	(178.4)
Tax paid	(450.8)	(129.5)
Net cash from operating activities	<u>869.3</u>	<u>1,205.2</u>
Investing activities		
Purchase of fixed assets, projects under development, leasehold land and land use rights	(191.8)	(270.4)
Proceeds on disposal of fixed assets	0.8	0.1
Dividends received from investments	-	5.0
Dividends received from associated companies and joint ventures	32.0	26.0
Interest received	21.5	14.3
Repayment of loan by a joint venture	100.0	-
Net cash used in investing activities	<u>(37.5)</u>	<u>(225.0)</u>
Financing activities		
New borrowings	3,870.8	-
Repayment of borrowings	(3,901.2)	(1.1)
Distributions to unitholders of HPH Trust	(966.9)	(1,446.0)
Net cash used in financing activities	<u>(997.3)</u>	<u>(1,447.1)</u>
Net changes in cash and cash equivalents	(165.5)	(466.9)
Cash and cash equivalents at beginning of the quarter	<u>6,726.1</u>	<u>6,957.9</u>
Cash and cash equivalents at end of the quarter	<u>6,560.6</u>	<u>6,491.0</u>

THE WORLD'S LEADING PORT NETWORK