

## **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 by way of electronic means on Monday, 8 June 2020 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  
Mr Chan Tze Leung, Robert  
Dr Fong Chi Wai, Alex  
Mr Graeme Allan Jack  
Mrs Sng Sow-Mei (alias Poon Sow Mei)  
Mr Wong Kwai Lam

#### **In Attendance:**

Mr Patrick Lam  
Ms Diana Lee

Ms Kim Yi Hwa  
Ms Reina Lau

Ms Janice Chin

Mr Anthony Tam  
Ms Charlotte Hsu

Chief Executive Officer  
Chief Financial Officer and Investor Relations Officer  
Company Secretary  
Legal Counsel, Hutchison Port Holdings Limited ("HPH")  
General Manager - Legal - Company Secretariat, HPH  
Head of Group Corporate Affairs, HPH  
PricewaterhouseCoopers LLP, Auditor

**Unitholders and other invitees who attended the annual general meeting of HPH Trust (the "Meeting") via live video or audio webcast:**

As set out in the attendance record maintained by HPH Trust

### **1. INTRODUCTION**

The Meeting was conducted by electronic means through live video and audio webcast pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended) (the "COVID-19 (Temporary Measures) Order 2020 (as amended)") and in accordance with the Joint Statement made on 13 April 2020 by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and Singapore Exchange Regulation in relation to the additional guidance on the conduct of general meetings during the elevated safe distancing period.

### **2. CHAIRMAN**

Mr Fok Kin Ning, Canning, Chairman of the Board of the Trustee-Manager chaired the Meeting.

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**3. QUORUM**

Pursuant to the COVID-19 (Temporary Measures) Order 2020 (as amended), a unitholder was deemed to be present at a meeting if the unitholder had appointed the Chairman of the Meeting as the unitholder's proxy. There being a quorum present, the Chairman called the Meeting to order at 11:05 a.m.

**4. PRESENTATION BY CHIEF FINANCIAL OFFICER**

Ms Diana Lee, Chief Financial Officer ("CFO") took the Meeting through a presentation on HPH Trust which covered key highlights for the year ended 31 December 2019; key financial performance; and outlook of HPH Trust.\*

*(\* A copy of the said presentation has been uploaded to the websites of HPH Trust and the Singapore Exchange on 8 June 2020.)*

**5. NOTICE OF MEETING**

The Chairman informed the Meeting that the notice dated 15 May 2020 convening the Meeting (the "AGM Notice") was sent to Unitholders via publication on the websites of HPH Trust and the Singapore Exchange pursuant to the COVID-19 (Temporary Measures) Order 2020 (as amended). The Chairman took the AGM Notice as read.

**6. VOTING BY WAY OF POLL AND APPOINTMENT OF CHAIRMAN AS PROXY**

All votes on the resolutions tabled at the Meeting would be decided by poll and votes were cast by proxies given to the Chairman of the Meeting. These proxy votes were received prior to the Meeting.

The Chairman informed the Meeting that in his capacity as Chairman of the Meeting, he would vote in accordance with the directions contained in the proxy forms. If there were no specific direction, the proxy for the resolution was treated as invalid.

For the counting of votes, Boardroom Corporate & Advisory Services Pte. Ltd. had been appointed as the polling agent and Ardent Business Advisory Pte. Ltd. had been appointed as the scrutineer for the Meeting. The validity of proxies submitted by the Unitholders had been reviewed and the polled votes of all such valid proxies had been counted and verified.

**7. QUESTION AND ANSWER SESSION**

The Chairman and the CFO of the Trustee-Manager addressed all questions related to the agenda of the Meeting that had been submitted by Unitholders prior to the Meeting in accordance with the COVID-19 (Temporary Measures) Order 2020 (as amended).#

The Chairman then proceeded with the formal business of the Meeting.

*(# The questions and responses were enclosed herewith.)*

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**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 2019 – ORDINARY RESOLUTION 1**

The Chairman proposed 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 2019 together with the Independent Auditor's Report thereon be and are hereby received and adopted."

The votes had been counted and verified prior to the Meeting and based on the proxy votes received, the poll results on the Ordinary Resolution 1 were as follows:

	<b>Number of units in HPH Trust ("Units")</b>	<b>%</b>
Votes "For"	4,845,641,112	99.99
Votes "Against"	582,000	0.01
Total number of valid votes cast	<u>4,846,223,112</u>	<u>100.00</u>

The Chairman declared that Ordinary Resolution 1 was duly carried.

**9. RE-APPOINTMENT OF AUDITOR – ORDINARY RESOLUTION 2**

The Chairman proposed 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 votes had been counted and verified prior to the Meeting and based on the proxy votes received, the poll results on the Ordinary Resolution 2 were as follows:

	<b>Number of Units</b>	<b>%</b>
Votes "For"	4,846,402,712	99.99
Votes "Against"	582,000	0.01
Total number of valid votes cast	<u>4,846,984,712</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.

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**SPECIAL BUSINESS:**

**11. GENERAL MANDATE TO ISSUE UNITS – ORDINARY 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 (i.e. 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 the motion as follows:

“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:

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- (a) new Units arising from the conversion or exercise of the Instruments which are issued and outstanding or subsisting at the time of the passing of this Resolution; 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.”

The votes had been counted and verified prior to the Meeting and based on the proxy votes received, the poll results on the Ordinary Resolution 3 were as follows:

	<b>Number of Units</b>	<b>%</b>
Votes “For”	3,561,345,883	98.55
Votes “Against”	52,460,229	1.45
Total number of valid votes cast	<u>3,613,806,112</u>	<u>100.00</u>

The Chairman declared that Ordinary Resolution 3 was duly carried.

**12. PROPOSED TRUST DEED AMENDMENTS – EXTRAORDINARY RESOLUTION 4**

The Chairman explained to the Meeting that the purpose of Agenda item (4) was to approve the proposed trust deed amendments to the deed of trust constituting HPH Trust as set out in the appendix to the AGM Notice (“Appendix”) (i.e. to include provisions to allow the Trustee-Manager to (i) allow Unitholders who are relevant intermediaries (as defined in the Companies Act, Chapter 50 of Singapore) to appoint more than two proxies for general meetings; (ii) convene, hold or conduct general meetings by electronic means, whether wholly or partially; and (iii) send notices and documents through electronic communication to Unitholders, to the extent permissible under the applicable rules and regulations).

The Chairman proposed the motion as follows:

“That:

- (a) in accordance with Section 31 of the BTA, approval be and is hereby given to amend the Trust Deed to:
- (1) facilitate the application of the multiple proxies regime to HPH Trust, in the manner set out in Annex A of the Appendix (the “Proposed Multiple Proxies Amendments”);

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- (2) include provisions to allow for general meetings to be convened, held or conducted, whether wholly or partly, by electronic communications, "live" audio-visual webcast, "live" audio-only stream, video conferencing, tele-conferencing or other electronic means, in the manner set out in Annex B of the Appendix (the "Proposed Alternative Meeting Arrangements Amendments"); and
- (3) include provisions regarding electronic communications of notices and documents to Unitholders in the manner set out in Annex C of the Appendix (the "Proposed Electronic Communications Amendments", and together with the Proposed Multiple Proxies Amendments and the Proposed Alternative Meeting Arrangements Amendments, the "Proposed Trust Deed Amendments"); and
- (b) the Trustee-Manager and any Director of the Trustee-Manager be and are hereby severally authorised to complete and do all such acts and things (including executing all such documents as may be required) as the Trustee-Manager or such Director may consider expedient or necessary or in the interests of HPH Trust to give effect to the Proposed Trust Deed Amendments."

The votes had been counted and verified prior to the Meeting and based on the proxy votes received, the poll results on the Extraordinary Resolution 4 were as follows:

	Number of Units	%
Votes "For"	4,843,728,343	99.87
Votes "Against"	6,256,369	0.13
Total number of valid votes cast	<u>4,849,984,712</u>	<u>100.00</u>

The Chairman declared that Extraordinary Resolution 4 was duly carried.

**13. CLOSURE**

There being no other business, the Chairman closed the Meeting at 11:36 a.m. and thanked everyone present for their attendance.

**CONFIRMED AS A CORRECT RECORD**

  
**FOK KIN NING, CANNING  
CHAIRMAN**

## HUTCHISON PORT HOLDINGS TRUST (“HPH 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 (the “Trustee-Manager”))

### RESPONSES TO QUESTIONS RELATED TO THE AGENDA OF THE ANNUAL GENERAL MEETING OF HPH TRUST HELD ON 8 JUNE 2020

No.	Questions from unitholders	Responses from the Trustee-Manager
1.	<p>➤ <b>How has the COVID-19 outbreak impacted the outlook of HPH Trust? Is there any noticeable uptick in HPH Trust’s business as a result of the containment of COVID-19 and the resumption of business in China?</b></p>	<p>Mr Fok Kin Ning, Chairman, responded that the on-going COVID-19 outbreak which started in late 2019 had led to the suspension of production in China in February 2020; the economy of Europe and the United States (“US”) had also slowed down. These factors had affected the throughput of HPH Trust. He added that in the first quarter of 2020, Yantian’s volume was down by approximately 16% whereas the volume for HPH Trust’s Kwai Tsing terminals (“HPHT Kwai Tsing”) decreased by approximately 4%. The impact of COVID-19 on Yantian was bigger as it was an export hub; mainly for the US and Europe; meanwhile, HPHT Kwai Tsing was less affected as it was an international transshipment hub.</p> <p>With regard to the outlook of the business of HPH Trust, the Chairman commented that it remained uncertain due to the evolving situations, in particular, the COVID-19; whether or not the business could improve would be dependent on the pace of recovery in the economy of the US and Europe.</p>
2.	<p>➤ <b>Recently Trump announced a number of potential actions to Hong Kong as a result of China’s recent decision to introduce a national security law for Hong Kong, including revoking the separate customs territory status in Hong Kong. How will this impact HPH Trust?</b></p>	<p>The Chairman responded that HPH Trust had no basis to comment on US President Trump’s potential course of action but added that a trade related action could be a revoke of the separate customs territory status in Hong Kong. He added that according to the Hong Kong Shipping Statistics published by the HKSAR, the total containerised, domestic export, re-export and import between Hong Kong and the US was around 400,000 TEU in total in 2019. Its potential impact on HPH Trust was therefore estimated to be less than 3% of HPHT Kwai Tsing’s volume. As a result, the impact on HPH Trust was considered to be insignificant.</p>
3.	<p>➤ <b>Distribution to unitholders has been in declining trend for years. For 2019, Distribution per unit (“DPU”) was just 11 HK cents. Does management have any strategy going forward to increase profits and boost distribution to unitholders? When will HPH Trust show signs of visible improvement?</b></p>	<p>The Chairman responded that HPH Trust had encountered a lot of challenges in recent years, such as the US-China trade conflict and the outbreak of COVID-19. The following were the initiatives taken by HPH Trust to improve its performance:</p> <ul style="list-style-type: none"><li>- due to the US-China trade conflict, in 2019 Yantian’s export volume to the US dropped by approximately 9%. To mitigate this, HPH Trust took steps to increase the volume such as empties and transshipment to reduce Yantian’s overall volume drop to approximately 1%;</li></ul>

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No.	Questions from unitholders	Response from the Trustee-Manager
		<ul style="list-style-type: none"> <li>- HPH Trust formed the Hong Kong Seaport Alliance ("HKSPA") with, among others, Modern Terminals Limited, a key terminal operator in Hong Kong. With HKSPA, operational efficiencies and handling capacities of the Kwai Tsing terminals could be enhanced and thereby achieve further cost savings; and</li> <li>- cost efficiencies could be enhanced through automation of operations and more efficient workflow management.</li> </ul>
4.	<p>➤ <b>The unit price for HPH Trust fell from US\$1 at initial public offering ("IPO") in 2011 to a record low and has been in a long-term declining trend. Please advise the financial measures implemented by HPH Trust to curb the decline.</b></p>	<p>The Chairman responded that the pressure on the current unit price of HPH Trust was primarily due to the potential impact of the US-China trade war and the COVID-19 outbreak, both of which were beyond the control of HPH Trust. In 2020, the global trade environment became even more challenging. HPH Trust had been looking at different initiatives to further improve its revenue and cost management.</p> <p>With regard to debt management, the Chairman commented that HPH Trust recorded a total debt of US\$3.9 billion as of 31 December 2019. HPH Trust would maintain its HK\$1 billion annual debt repayment plan which was implemented since 2017. Due to uncertainties in the business environment, a prudent approach was taken to repay additional debt of HK\$250 million.</p> <p>In 2019, total available cash for distribution was approximately HK\$2 billion, and about half of the cash was used for debt repayment, and the DPU was set at 11 HK cents. Since the business environment continued to be challenging, HPH Trust adopted a prudent approach to balance debt repayment and DPU. The Chairman also commented that the stable credit ratings on HPH Trust had embarked on this balance which had also been well accepted by banks and creditors.</p>
5.	<p>➤ <b>Does management see any disruption to its plan to reduce leverage given the unfavourable economic situation?</b></p>	<p>The Chairman responded that despite the outbreak of COVID-19, management did not see any disruption in plans to reduce leverage. HPH Trust would repay a total of approximately HK\$1.25 billion in 2020. Given the current uncertain business environment, management would continue to closely monitor the situation and be prudent in cash management and usage.</p>



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<b>No.</b>	<b>Questions from unitholders</b>	<b>Response from the Trustee-Manager</b>
6.	<b>&gt; How does the economy of Hong Kong affect HPH Trust?</b>	The Chairman responded that, despite the challenging environment, the volume for HPHT Kwai Tsing only decreased by approximately 6% in 2019. HPH Trust's port business in Hong Kong was considered less correlated to Hong Kong's economy as international transshipment accounted for approximately 77% of its total volume in Hong Kong with the remaining volume comprised of empties and Intra-Asia trade. Local consumption in Hong Kong was less than 10% of the total business in Hong Kong.
7.	<b>&gt; Has the Board considered reducing management fees in line with the reduction in DPU?</b>	Ms Diana Lee, the Chief Financial Officer ("CFO"), responded that the management fee of the Trustee-Manager had been provided for in accordance with the Trust Deed which had been in place since IPO in 2011. As disclosed in the prospectus, the management fee was based on a fixed fee of US\$2.5 million per annum starting from 2011 and subject to the Hong Kong Consumer Price Index. She added that the Board currently had no intention to change the basis of the management fee.
8.	<b>&gt; Annual audit could be carried out by middle-tiered audit firms which are less expensive than PricewaterhouseCoopers LLP ("PwC"). HPH Trust should control these compliance related costs especially during this current challenging times.</b>	The CFO responded that HPH Trust was committed to achieving and maintaining high standards of accountability.  PwC has been appointed as the external auditor of HPH Trust since IPO. Being one of the big four accounting firms in the world, PwC had a global network and delivered quality assurance and tax services. The Board considered risk management and compliance as the top priority to HPH Trust as well as to the unitholders, and therefore, audit quality could not be compromised.